TUHF Holdings Limited

(Registration number 2007/024010/06)

Annual Financial Statements for the year ended 31 March 2023

General Information

Item	Description
Country of incorporation and domicile	South Africa
Nature of business and principal activities	The main business of the company is to invest in subsidiary companies whose main business is to provide commercial property finance in the form of bridging, equity finance and long term loans secured by mortgage collateral and other financial products to finance entrepreneurs and landlords for the purchase, construction and improvement of property for the purpose of the regeneration of South African inner city precincts and surrounding suburbs showing indications of decline where the primary objective is the supply of affordable housing and associated commercial property for rental stock.
Directors	SS Moraba
	TM Adler
	C Coovadia
	R Emslie
	JF Howard
	JS Strelitz
	B Mapongwana
	P Kadi
	S Bolipombo
	R Wesselo
	PGN Jackson
	IL Roodt
Business address	12th Floor, West Wing
	Libridge Building
	25 Ameshoff Street
	Braamfontein
	2001
Postal address	PO Box 30872
	Braamfontein
	2017
Holding company	TUHF21 NPC Incorporated in South Africa
Auditor	Deloitte & Touche
Secretary	Kilgetty Statutory Services Proprietary Limited
Level of assurance	The financial statements have been audited in compliance with the applicable requirements of the Companies Act 71 of 2008.
Preparer	The annual financial statements were internally compiled by: Imke Kruger CIMA (SA) following the detailed workings provided by Patricia Khomani, including a company working file for disclosure. An overall review was performed by the CFO Ilona Roodt, CA (SA).
Issued	29 August 2023

Contents

Audit and Risk Committee Report

The audit and risk committee is pleased to present its report to the shareholders of TUHF Holdings Limited as required in terms of section 94(7) of the Companies Act 71 of 2008.

1. Members of the Audit and Risk Committee

The members of the audit and risk committee are all non-executive directors of the group and include:

Name	Designation	Changes
Robert Emslie	Independent non-executive	
Belinda Mapongwana	Non-executive	
Samson Moraba	Non-executive	
James Howard	Non-executive	resigned 6 December 2022
Mandu Mamatela	Non-executive	resigned 6 December 2022
Cassim Coovadia	Non-executive	resigned 6 December 2022

The committee has the financial and commercial expertise and experience to properly execute its duties and responsibilities. The external audit partner and representative of the internal auditors attend the meetings by invitation. Both external and internal auditors present formal reports to the committee.

2. Duties and responsibilities

The committee's duties and responsibilities are set out in the audit and risk charter approved by the TUHF Holdings Limited board and reviewed from time to time, as well as in terms of the Companies Act. The committee has regulated its affairs in compliance with this charter. The committee assists the Group's boards in discharging their fiduciary and corporate governance responsibilities in relation to:

- the safeguarding of assets;
- the operation of adequate systems and controls, including business continuity plans;
- the adequacy and effectiveness of financial, audit, compliance and IT-related matters;
- preparation of statutory financial reporting and financial statements;
- developing and sustaining the Group's compliance framework and process;
- preparation of sustainability information;
- prioritising and ranking risks facing the Group and understanding their causes and consequences; and
- focus on key risk areas such as the IFRS 9 expected credit loss model including the underlying assumptions and process of identifying significant increase in credit risk.

A risk management framework has been established and approved by the Board, managing risk to the Group through a bottomup approach where risk champions monitor and report on key risks. The process is managed by the Executive Committee and is reported to the Audit and Risk Committee and the Board.

During the year under review, the committee held four meetings.

The committee is satisfied with the quality, effectiveness, independence and objectivity of Deloitte & Touche as the external auditors.

At the forthcoming annual general meeting to be held on 29 August 2023, the committee will propose that Deloitte & Touche be the Group auditors for the 2024 financial year. This appointment will comply with the Companies Act.

3. Summary of key focus areas and achievements

The committee:

- monitored the ongoing impact of the economic environment on the IFRS 9 Model and its implementation, the economy and uncertainty around collection levels and the business cashflows;
- monitored the implementation of the improved IFRS 9 ECL process and calculation enhancements;
  monitored key risks in the group including liquidity risk, credit risk, macroeconomic risks and operational risk and reporting to Board under the governance framework;
- monitored the progress in planning for the 2023 annual audit for the Group,
  monitored the progress in completing the audited annual financial statements for the subsidiaries of TUHF Equity Proprietary Limited financial statements for 2023: Silverkey Pty Ltd, Jeppestown Urban Trust and Better Urban Living Pty Ltd acquired in 2021 where delays were experienced in 2022.
- monitored the progress in implementing new covenants and obtaining condonations from relevant funders for the financial period to 31 March 2023;
- reviewed the Integrated Annual Report and recommended it to the board for approval;

The committee reviewed and approved the external audit plan and approved the following audit key focus areas;

- Internal controls;
- Expected credit loss methodologies and how these were applied;
- TUHF's significant risks and fraud risks;
- Related party transactions and balances, and;
- Credit granting review;
- Compliance with laws and regulations;

The following internal audits were conducted during 2023 financial year,

- Annual financial discipline review (Good);
- Cyber review (Solidly Mature Rating);
- Risk Management maturity Review (Mature Rating);
- Regulatory Reporting : JSE debt listing process, controls, trigger calculations and reporting (Good);
- Credit Granting Review (Good);
- POPIA implementation review (Needs Improvement);

The following internal audits were approved for the 2024 financial year:
- Annual financial discipline review;
- Cyber review;
- Quantitative Credit Risk Review;
- Liquidity Management Review;
- Assets and Liabilities Management Review;
- Human Resources Review;

The committee reviewed:

- the quarterly management accounts and loan book analyses, quarterly funders' reports for key stakeholders, the annual financial statements and accounting policies and integrated annual report;
- the review of reports of the internal audit functions and recommendations on the state of the Group's internal financial controls, credit risk management process and portfolio management;
- the external auditor's March 2023 audit plan; highlighting key audit matters, such as IFRS 9;
- the internal audit plan for the financial year ended March 2024;
- the annual financial statements and recommending them to the board for approval;
- the risk register / assessments and risk management processes in the Group and the exposure to the following:
- Strategies and managing processes for the Risk Management framework;
- Liquidity risk and progress in the Jobs Fund programme, the DMTN and Securitisation programmes, as well as overview of negotiations with current and potential new funders;
- The development and progress in the development of new covenants and various engagements with funders;
- Credit and solvency risks and a continuous assessment that key ratios remain within the dashboard indicators and funder covenants;
- Market risk and the effect of negative macro-economic developments and the necessity of monitoring these effects as the outcome becomes more certain; and
- Operational and political risks,
- the reports relating to legal and regulatory risk,
- Regulatory reports pertaining to Financial Intelligence Centre Act, National Credit Act, Protection of Personal Information Act, JSE Debt Listing Requirements

The review of the application of the King IV principles was further assessed during the current financial year. Some amendments and updates to the sub-committees' terms of reference, governance policies and codes to align them to recommended practices have been made. Additional improvements will continue to be introduced such as the changes to the audit and other relevant committees in line with the recommended practices.

In discharging its responsibilities during the year under review, the committee has not found or become aware of any material failures, irregularities or misstatements affecting the Group's internal controls, structures and systems. This includes financial controls, accounting policies and controls, and reporting, incorporating the maintenance and improvement of accounting and control systems.

4. Internal auditor

The committee has evaluated the role, independence and effectiveness of the internal auditor, KPMG, and is satisfied that their performance meets requirements of the Group’s risk management system.

5. Statutory reporting

The committee has evaluated the consolidated and separate annual financial statements of the group for the year ended 31 March 2023. Based on the information provided to the committee, it is of the opinion that the group complies in all respects with the requirements of the Companies Act, the International Financial Reporting Standards and all other applicable legislation.

6. Internal financial functions

The Board of the Group has delegated the responsibility for the oversight of the financial reporting to the committee. The committee has taken responsibility for the governance of financial reporting, internal and external audits, and internal controls and policies.

The competency, skills and resources of the finance function required by the Group have been assessed, and the committee is satisfied that the finance function requirements are adequate and appropriate.

The committee is satisfied that the internal controls of the Group operated effectively during the year ended 31 March 2023.

The committee also provides reasonable assurance that the financial records for the preparation of the annual financial statements can be relied upon.

7. Chief financial officer

The committee has, under review, affirmed that Ms. Ilona Roodt has the expertise and experience to undertake the duties and responsibilities of the chief financial officer.

8. Company secretary

The committee has satisfied itself that the company secretary, Kilgetty Statutory Services Proprietary Limited, has the appropriate competence and experience and will maintain an arm's-length relationship with directors.

9. King IV register

The application of the King IV Code is undertaken by the Group and disclosed in the consolidated financial statements of TUHF Limited and TUHF Holdings Limited, and in the TUHF21 NPC Integrated Annual Report:

http://www.tuhf.co.za/investorrelations/#tuhf-limited.

10. Recommendation of the annual financial statements

The committee has fulfilled its oversight role regarding the reporting process for the consolidated and separate annual financial statements and being satisfied with the integrity of this report, recommends that the annual financial statements be approved by the board of directors.

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Robert Emslie
Chairman Audit Committee
29 August 2023

Director's Responsibility and Approval

The directors are required in terms of the Companies Act 71 of 2008 to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the group as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards (IFRS). The external auditor is engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the group and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board of directors sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the group and all employees are required to maintain the highest ethical standards in ensuring the group’s business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the group is on identifying, assessing, managing and monitoring all known forms of risk across the group. While operating risk cannot be fully eliminated, the group endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the group’s cash flow forecast for the year to 31 March 2024 and, in light of this review and the current financial position, they are satisfied that the group has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditor is responsible for independently auditing and reporting on the group's annual financial statements. The annual financial statements have been examined by the group's external auditor and their report is presented on pages 14 to 19.

The directors' report on pages 9 to 13 and annual financial statements set out on pages 20 to 85 which have been prepared on the going concern basis, were approved by the board of directors on 29 August 2023 and were signed on their behalf by:

C Coovadia
Chairman of the Board

PGN Jackson
CEO

29 August 2023

Company Secretary's Certification

In terms of Section 88(2)(e) of the Companies Act 71 of 2008, as amended, I certify that the group has lodged with the Commissioner all such returns as are required of a public company in terms of the Act and that all such returns are true, correct and up to date.

M.P. Wray

Matthew Wray on behalf of Kilgetty Statutory Services Proprietary Limited

Johannesburg

29 August 2023

Director's Report

The directors have pleasure in submitting their report on the annual financial statements of TUHF Holdings Limited and it's subsidiaries for the year ended 31 March 2023.

1. Incorporation

The company was incorporated in South Africa on 24 August 2007 and obtained its certificate to commence business on the same day.

2. Nature of business

The main business of the company is to invest in subsidiary companies whose main business is to provide commercial property finance in the form of bridging, equity finance and long term loans secured by mortgage collateral and other financial products to finance entrepreneurs and landlords for the purchase, construction and improvement of property for the purpose of the regeneration of South African inner city precincts and surrounding suburbs showing indications of decline where the primary objective is the supply of affordable housing and associated commercial property for rental stock.

TUHF Holdings Limited operates in a very narrow segment of funding. There are no clearly distinguishable segments within the business. As such no segmental information has been provided.

There have been no material changes to the nature of the group's business from the prior year.

3. Review of financial results and activities

The consolidated and separate annual financial statements have been prepared in accordance with International Financial Reporting Standards and the requirements of the Companies Act 71 of 2008. The accounting policies have been applied consistently compared to the prior year, except for the adoption of new or revised accounting standards as set out in note 2. Full details of the financial position, results of operations and cash flows of the group are set out in these consolidated and separate annual financial statements.

4. Share capital

	Number of shares	
Authorised	**2023**	**2022**
Ordinary shares		
Ordinary shares of no par value	150,000,000	150,000,000
Class C ordinary shares of no par value	20,000,000	20,000,000
No par value unspecified share	100,000,000	100,000,000
Preference shares		
Cumulative redeemable preference shares of R1 000 per share	35,000	35,000

The authorised ordinary shares at group level includes 100 shares for TUHF Urban Finance (RF) Limited ,1000 shares for Vuselela Warehouse SPV (RF) Proprietary Limited, 1000 shares for Vuselela Collections SPV RF) Proprietary Limited and 1000 shares for Urban Ubomi 1 (RF) Proprietary Limited.

	R	R	Number of shares	
Issued	**2023 R**	**2022 R**	**2023**	**2022**
Ordinary shares	90,455,891	90,455,891	79,654,978	79,654,978
Class C ordinary shares: National Housing Finance Corporation SOC Limited	6,533,403	6,533,403	7,936,059	7,936,059
Class C ordinary shares: TUHF21 NPC	18,802,212	18,802,212	5,290,706	5,290,706
Share Premium	18,739,068	18,739,068	-	-
	134,530,574	**134,530,574**		

Refer to note 20 of the consolidated and separate annual financial statements for detail of the movement in authorised and issued share capital.

5. Dividends

The board of directors do not recommend the declaration of a dividend for the year.

Preference shares	**2023 R**	**2022 R**
Interest charge for the year on preference shares issued	415,975	1,799,038
	415,975	**1,799,038**

6. Conditional share plan

The Group has a Conditional Share Plan (CSP) from which conditional share awards are granted to senior employees of TUHF Limited.

The awards granted are subject to a performance management system and are measured over a three year performance period. The performance conditions of the awards are determined by the management of the employing companies (presently only TUHF Limited) for each of the performance years by means of a performance management assessment (Performance Contract).

For each of the financial years covering the performance period, the performance level of the Performance Contract will be reviewed. At the end of the performance periods the Performance Contract will be finalised. The company's Remuneration Committee, together with the management of TUHF Limited, will examine the extent to which performance conditions have been satisfied and determine the awards that employees will be entitled to. The awards decided upon will be vested over a period of three years in equal numbers.

A new issuance under the Conditional Share Plan was approved by the Board in 2019 and shares vest over a three year period. By arrangement, the first round of shares for the CEO have vested in 2022, the rest of shares will vest from 2023.

As at 31 March	**2023**	**2022**
-Total shares vested to date	3,286,405	4,056,516
-Treasury shares held by TUHF Limited	1,482,859	712,748

7. Directorate

The directors in office at the date of this report are as follows:

Directors	Designation	Changes
SS Moraba	Non-executive	
TM Adler	Non-executive	
C Coovadia	Non-executive	
RR Emslie	Non-executive Independent	
JF Howard	Non-executive	
JK Mamatela	Non-executive	Resigned 6 December 2022
JS Strelitz	Non-executive	
L Vutula	Non-executive	Resigned 6 December 2022
B Mapongwana	Non-executive	
P Kadi	Non-executive	Appointed 6 December 2022
S Bolipombo	Non-executive	Appointed 6 December 2022
R Wesselo	Non-executive Independent	Appointed 8 March 2023
PGN Jackson	Executive	
IL Roodt	Executive	

8. Holding company

The majority shareholders of the company are TUHF21 NPC and National Housing Financing Corporation SOC Limited, who together hold 65.4% (2022: 65.4%) of the company's issued share capital.

9. Borrowing powers

In terms of the Memorandum of Incorporation, the borrowing powers of the group are unlimited. However, all borrowings by the group are subject to board approval as required by the board delegation of authority.

TUHF Limited has concluded a process of reviewing all facility covenants and has implemented new covenants for all borrowers. The new covenants are based on the Basel III framework that the company has voluntarily adopted. The covenants are measured at company level, TUHF Holdings Limited, but in addition, each borrower has facility covenants relevant to their pool of loan assets.

At 31 March 2023 the majority of borrowers have agreed to the new Basel III covenants and contracting for the new covenants is already underway and the company is not in breach of the Basel III covenants.

The funding structures of the Group have changed over the past three years and the role of TUHF Limited is evolving. TUHF Limited originates new loan assets, and a separate warehouse holds loan assets for securitisation. Management estimate that up to 70% of the group funding requirements will in future be sourced through the capital markets. The Basel III covenants were approved by the Board on 2 June 2022.

The Group has three structured finance transactions, two of which are listed, being Urban Ubomi 1 (RF) Limited and TUHF Urban Finance (RF) Limited. No covenants were breached in the structured finance transactions.

10. Special resolutions

No special resolutions, the nature of which might be significant to the shareholder in their appreciation of the state of affairs of the group were made by the group or any of its subsidiaries during the period covered by this report.

11. Events after the reporting period

The company acquired 100% of uMaStandi Proprietary Limited for R 20 million with effect from 1 April 2023.

The directors are not aware of any other material event which occurred after the reporting date and up to the date of this report.

12. Auditors

Appointment and Independence of the external auditor

The Audit and Risk Committee is satisfied with the quality, effectiveness, independence, and objectivity of Deloitte & Touche as the external auditors and Stephen Munro as the designated auditor and the Committee approved Deloitte & Touche’s terms of engagement and the fees.

At the forthcoming AGM to be held on 29 August 2023, the committee will propose Deloitte & Touche as the Group auditors and Nokuthula Mavuso as the designated auditor for the 2024 financial year. This appointment will comply with the Companies Act.

13. Funding

A securitisation funding structure raising R 500 million was implemented in December 2018. A further tap assistance of R150 million was raised in October 2019. TUHF Limited is the originator in this capital market scheme and retains the role of servicer and administrator. The issuer, TUHF Urban Finance (RF) Limited is a bankruptcy remote company, independently owned by the TUHF Urban Finance Owner Trust.

The structure is now in the period where through the priority of payments, all excess cash is used to repay capital and interest on the notes. The first partial note redemption took place on 30 April 2020 and since then, partial note redemptions have taken place on each quarterly payment date. The cumulative amount of the notes redeemed amounts to R 298.7 million and this is 46% of the R 650 million issued. Quarterly redemption of all the notes takes place on a pro-rata basis after interest is paid. Neither the cumulative non-performing loan trigger or excess spread trigger has been breached since inception. Should a breach take place for two consecutive quarters, notes would begin to redeem sequentially in order of seniority.

A second securitisation structure was implemented in March 2021, whereby the group raised an additional R 609 million in funding through the capital markets. Three additional tap issuances have occurred since the first issuance, raising a further R 1.028 billion. The proceeds are applied to the revolving facility with Standard Bank to the extent that qualifying assets have been purchased. This complied with the requirements of the facility to allow for the facility availability period to be extended for a further 12 months, with the total facility now at R1 billion.

TUHF Limited is the originator in this capital market scheme and retains the role of servicer and administrator. The issuer, Urban Ubomi 1 (RF) Limited is a bankruptcy remote company, independently owned by the Urban Ubomi 1 Issuer Owner Trust.

The senior revolving facility approved by Standard Bank of South Africa in January 2020 uses the funding to acquire assets from TUHF Limited. TUHF Limited is the originator in this capital market scheme and retains the role of servicer and administrator. Vuselela Warehouse SPV (RF) Proprietary Limited is a bankruptcy remote company, independently owned by the Vuselela Warehouse Owner Trust. At the end of March 2023, R 727 million of committed liquidity is available made up of the Standard Bank warehouse R 547 million and a R 180 million new facility approved and contracted with Proparco. A new facility of R 90 million from Ashburton Asset Management has been approved and contracted with the Basel III covenants attached. A R 1.2 billion facility is under negotiation with an International Development Finance organisation. The due diligence was concluded in March 2023 and a facility based on the term sheet provided is currently being negotiated.

The liquidity mismatch pertaining to the period up to five years after reporting date will be managed by refinancing interest bearing liabilities. Refer to note 3 for the 12-month mismatch amount. This position includes a R100 million Nedbank maturity in April 2024, which will be refinanced. Approval has been obtained and we are at an advanced stage of contracting this facility and expect the new facility agreement to be signed in September 2023.

14. Secretary

The company secretary is Kilgetty Statutory Services Proprietary Limited.

15. Management agreement

In September 2009 the Company entered into a management agreement with TUHF Limited in terms of which TUHF Limited will provide management and administrative services necessary, incidental and ancillary to satisfy the ongoing commercially reasonable requirements for the Company including but not limited to secretarial services, accounting services, banking services, administrative services, corporate governance services, social and ethic management, strategy planning and reporting services and statutory reporting services.

In performing the management and adminstrative functions TUHF Limited will be subject to instructions from this board, to the Company's Memorandums of Incorporation and be required to safeguard, at all times, the interests of the Company when implementing the obligations and duties set out in the management agreement.

The implementation and adoption of policies, processes and procedures of TUHF Limited will be considered and approved by this board as a signatory to the management agreement.

A formally documented and approved Board Charter outlines the scope of authority, responsibilities, powers and functioning of the TUHF Limited board. This charter is reviewed from time to time to ensure that it remains relevant and in line with governance best practice.

16. Going concern

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

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INDEPENDENT AUDITOR'S REPORT
To the Shareholders of TUHF Holdings Limited

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated and separate financial statements of TUHF Holdings Limited (the Group and Company) set out on pages 20 to 85, which comprise the consolidated and separate statements of financial position as at 31 March 2023, and the consolidated and separate statements of profit or loss and other comprehensive income, the consolidated and separate statements of changes in equity and the consolidated and separate statements of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of TUHF Holdings Limited and its subsidiaries as at 31 March 2023, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of our report. We are independent of the Group and Company in accordance with the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' (IESBA) International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

<table>
<tr><th>Key Audit Matter</th><th>How the matter was addressed in the audit</th></tr>
<tr><th colspan="2">Expected Credit Losses on loans and advances</th></tr>
<tr><td>IFRS 9: Financial Instruments requires the recognition of expected credit losses (“ECL”) on loans and advances. The ECL on loans and advances, has been identified as a Key Audit Matter (“KAM”) due to the magnitude of the loans and advances and the inherent uncertainty and level of significant judgement applied by management in determining the ECL.

Models used to determine the credit provisions can be complex, and inputs used may not be fully observable.

The key areas of significant judgement applied by management in the ECL calculations include the following:
• The evaluation of significant increase in credit risk (“SICR”) and the resultant staging of the loans as stage 1, 2 or 3 in accordance with the requirements of IFRS 9;
• Incorporating macro-economic inputs and forward-looking information into the assessment and ECL measurement;
• Input assumptions applied to estimate the probability of default (“PD”), exposure at default (“EAD”) and loss given default (“LGD”) within the ECL measurement; and
• The valuation of collateral.</td><td>To address the KAM we completed the following audit procedures:
• We identified, obtained an understanding of, and tested the design and implementation of relevant controls relating to the approval of the credit facilities, the governance processes in place around credit models, inputs and the collateral valuations; the credit forums where key judgements are considered, reviewed, challenged and approved and governance processes over out-of-model adjustments.

• In the evaluation of SICR and the resultant classification of the loans as stage 1, 2 or 3 in accordance with the requirements of IFRS 9:
a) We selected a sample of exposures and assessed whether the stage classification of these exposures is appropriate in terms of the requirements of IFRS 9.
b) We inspected the minutes of the arrears and problematic meetings to assess the classification of those clients that have been identified as being in arrears and being problematic and whether management’s classification of these loans as a result of identified SICR is appropriate.</td></tr>
</table>

	c) We assessed the items that were included in the watchlist, held discussion with management to understand the reasons for the clients being placed on the watchlist and assessed whether those clients were adequately identified as presenting a possible SICR trigger and therefore being adequately classified as state 2 in terms of the requirements of IFRS 9. • In the evaluation of the input assumptions applied to estimate the probability of default (“PD”), exposure at default (“EAD”) and loss given default (“LGD”) and the Incorporation of macro-economic inputs and forward-looking information into the assessment and ECL measurement, we included the involvement of our specialists in quantitative and credit modelling skills in performing the following procedures: a) Assessment of methodologies for compliance with IFRS 9 and testing of assumptions in response to the relevant risks of material misstatement identified; b) Reperformance of management’s calculation of model parameters (i.e. PD, LGD, and EAD); c) Reperformance of management’s calculation of the ECL allowance as at 31 March 2023; d) Assessing how management have taken the macro-economic factors and forward-looking information, considering market related data, into account in the determination of the ECL; and e) Assessing, in conjunction with the audit team, the completeness and accuracy of data used in the model.

	• For a sample of properties held as collateral, we performed the following procedures to test the fair value of the collateral: a) We benchmarked the rental streams and capitalisation rates used to value the collateral against market related data; and b) We assessed the reasonability of the haircuts applied to the valuation of the property. • We assessed the adequacy of the disclosures in the financial statements in accordance with IFRS 9 and IFRS 7.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the document titled "TUHF Holdings Limited Annual Financial Statements for the year ended 31 March 2023", which includes the Audit and Risk Committee Report, Directors' Responsibilities and Approvals, Company Secretary's Certification and the Directors' Report as required by the Companies Act of South Africa, which we obtained prior to the date of this report. The other information does not include the consolidated and separate financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not and will not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Consolidated and Separate Financial Statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies

Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and / or the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our

opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and / or the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that Deloitte has been the auditor of TUHF Holdings Limited for 3 years.

DocuSigned by:
Deloitte & Touche
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Deloitte & Touche
Registered Auditor
Per: Stephen Munro
Partner
29th August 2023

Statements of Financial Position as at 31 March 2023

		Group		Company	
	Note(s)	2023	2022	2023	2022
		R		R	
Assets					
Cash and cash equivalents	6	168,671,524	179,130,102	4,071	1,579
Amounts paid to attorneys held in trust	7	23,957,190	10,131,364	-	-
Current tax receivable		3,006,947	3,226,331	542,388	-
Loans and advances	8	3,345,993,715	3,221,604,016	-	-
Trade and other receivables	9	27,815,764	30,170,665	313	417
Fair value derivative asset	4	25,577,358	6,911,781	-	-
Investment properties	10	248,667,468	260,880,000	-	-
Loans to group companies	12	6,730,673	6,040,685	142,172,181	181,026,705
Investments in subsidiaries	13	-	-	26,380,102	26,380,102
Investments in joint ventures	14	4,870,369	4,560,543	-	-
Unlisted investments	15	23,172,170	22,036,080	-	-
Equipment	16	2,178,485	2,002,289	-	-
Right to use operating lease asset	17	10,731,024	13,687,370	-	-
Intangible assets	18	5,339,650	4,351,771	-	-
Deferred tax asset	19	119,770,330	98,801,428	946,679	370,971
Assets		**4,016,482,667**	**3,863,534,425**	**170,045,734**	**207,779,774**
Equity capital and reserves					
Share capital	20	123,409,524	131,473,285	134,530,574	134,530,574
Non-distributable reserve	21	157,499,759	157,499,759	-	-
Share based payment reserve	24	13,305,031	9,344,830	-	-
Retained earnings		150,968,352	193,667,053	35,514,974	30,208,511
Equity capital and reserves		**445,182,666**	**491,984,927**	**170,045,548**	**164,739,085**
Liabilities					
Operating lease liability	17	13,016,748	15,847,663	-	-
Loans from group companies	12	11,972,560	11,846,874	102	102
Trade and other payables	22	44,719,947	52,816,522	-	-
Financial liabilities	23	3,421,318,929	3,209,399,262	-	40,314,783
Current tax payable		3,380,248	3,496,788	-	2,725,691
Deferred tax liability	19	76,891,569	78,142,389	84	113
Liabilities		**3,571,300,001**	**3,371,549,498**	**186**	**43,040,689**
Total Equity and Liabilities		**4,016,482,667**	**3,863,534,425**	**170,045,734**	**207,779,774**

The accounting policies on pages 26 to 43 and the notes on pages 44 to 85 form an integral part of the financial statements.

Statements of Profit or Loss and Other Comprehensive Income

	Note(s)	Group 2023 R	Group 2022	Company 2023 R	Company 2022
Interest income	25	397,916,619	325,620,328	18,291,406	25,503,648
Interest expense	26	(287,481,262)	(230,262,797)	(7,291,374)	(13,633,980)
Expected credit loss	27	(14,090,301)	17,084,188	(3,553,760)	9,658,295
Income from lending activities		**96,345,056**	**112,441,719**	**7,446,273**	**21,527,963**
Other operating income	28	29,114,312	29,881,267	-	-
Other operating gains /(losses)	29	(21,003,311)	24,413,615	-	-
Operating expenditure	30	(155,910,776)	(153,019,447)	(2,533)	(2,472)
Investment income	32	1,181,503	1,517,482	-	-
Profit (loss) before taxation		**(50,273,216)**	**15,234,636**	**7,443,740**	**21,525,491**
Taxation	33	7,574,515	(7,092,075)	(2,137,277)	(6,544,691)
Total comprehensive income (loss) for the year		**(42,698,701)**	**8,142,561**	**5,306,463**	**14,980,800**

The accounting policies on pages 26 to 43 and the notes on pages 44 to 85 form an integral part of the financial statements.

Statements of Changes in Equity

Group

	Share capital	Treasury shares	Share premium	Total share capital	Share based payment reserve	Non-distributable reserve	Total Reserves	Retained income	Total equity
	R	R	R	R	R	R	R	R	R
Balance as at 1 April 2021	**115,348,556**	**(7,389,583)**	**18,739,068**	**126,698,042**	**12,515,956**	**157,499,759**	**170,015,715**	**185,524,492**	**482,238,249**
Total comprehensive income for the year	-	-	-	-	-	-	-	8,142,561	8,142,561
Issue of shares	443,350	-	-	443,350	(9,017,078)	-	(9,017,078)	-	(8,573,728)
Movement in treasury shares	-	4,331,893	-	4,331,893	5,845,952	-	5,845,952	-	10,177,845
contributions by and distributions to owners of company recognised directly in equity	**443,350**	**4,331,893**	**-**	**4,775,243**	**(3,171,126)**	**-**	**(3,171,126)**	**-**	**1,604,117**
Balance as at 1 April 2022	**115,791,906**	**(3,057,690)**	**18,739,068**	**131,473,285**	**9,344,830**	**157,499,759**	**166,844,589**	**193,667,053**	**491,984,927**
Total comprehensive loss for the year	-	-	-	-	-	-	-	(42,698,701)	(42,698,701)
Movement in treasury shares	-	(8,063,760)	-	(8,063,761)	3,960,201	-	3,960,201	-	(4,103,560)
contributions by and distributions to owners of company recognised directly in equity	**-**	**(8,063,760)**	**-**	**(8,063,761)**	**3,960,201**	**-**	**3,960,201**	**-**	**(4,103,560)**
Balance at 31 March 2023	**115,791,906**	**(11,121,450)**	**18,739,068**	**123,409,524**	**13,305,031**	**157,499,759**	**170,804,790**	**150,968,352**	**445,182,666**
Note(s)	20	20	20	20	24	21			

The accounting policies on pages 26 to 43 and the notes on pages 44 to 85 form an integral part of the financial statements.

Statements of Changes in Equity

Company

	Share capital	Share premium	Total share capital	Share based payment reserve	Non-distributable reserve	Total Reserves	Retained income	Total equity
	R	R	R	R	R	R	R	R
Balance at 01 April 2021	**115,348,156**	**18,739,068**	**134,087,224**	**-**	**-**	**-**	**15,227,711**	**149,314,935**
Total comprehensive income for the year	-	-	-	-	-	-	14,980,800	14,980,800
Issue of shares	443,350	-	443,350	-	-	-		443,350
Total contributions by and distributions to owners of company recognised directly in equity	**443,350**	**-**	**443,350**	**-**	**-**	**-**	**-**	**443,350**
Balance at 1 April 2022	**115,791,506**	**18,739,068**	**134,530,574**	**-**	**-**	**-**	**30,208,511**	**164,739,085**
Total comprehensive income for the year	-	-	-	-	-	-	5,306,463	5,306,463
Balance at 31 March 2023	**115,791,506**	**18,739,068**	**134,530,574**	**-**	**-**	**-**	**35,514,974**	**170,045,548**
Note(s)	20	20	20					

The accounting policies on pages 26 to 43 and the notes on pages 44 to 85 form an integral part of the financial statements.

Statements of Cash Flow

		Group		Company	
	Note(s)	2023	2022	2023	2022
		R		R	
Interest income		399,184,430	356,336,749	34,393	852
Rental income		23,349,435	20,747,268	-	-
Interest expenses		(262,453,407)	(222,902,262)	(472,100)	(10,313,108)
Tax paid		(18,327,631)	(13,146,887)	(7,319,384)	(3,910,644)
Cash received from clients		635,975	1,234,726	-	-
Cash paid to suppliers and employees		(157,489,434)	(154,850,528)	(2,429)	(2,576)
Management fees		274,127	1,066,830	-	-
Net movement in advances		(138,323,176)	331,004,940	-	-
Tax refund received		3,035,064	8,382,721	1,338,291	1,513,647
Bad debts recovered		928,377	11,255,916	-	-
Sundry Income		762,020	-	-	-
Cash flow from operating activities		**(148,424,219)**	**339,129,472**	**(6,421,229)**	**(12,711,829)**
Purchase of equipment		(1,237,759)	(1,114,432)	-	-
Proceeds from disposal of equipment		35,053	12,174	-	-
Purchase of other intangible assets		(2,791,902)	(1,333,239)	-	-
Purchase of investment properties		-	(5,301,078))	-	-
Capital expenditure on investment properties		(6,009,455)	(7,798,961)	-	-
Proceeds from sale of investment properties		-	42,422,977	-	-
Purchase of properties in possession		(1,136,169)	(567,000)	-	-
Sale of properties in possession		1,095,505	7,238,506	-	-
Shareholder loans granted		(6,842)	-	-	-
Dividends received		286,988	315,000	-	-
Cash flow from investing activities		**(9,764,581)**	**33,873,947**	**-**	**-**
Payments to Employee for Treasury shares Purchased TUHF Limited		(9,472,460)	-	-	-
Derivative collateral held for hedges in place		7,390,000	(7,390,000)	-	-
Amounts paid to related parties		(102,807,116	(8,363,868)	(4,108,100)	(219,884)
Amounts received from related parties		102,338,028	5,024,203	50,846,604	67,932,069
Principal lease payment		(4,665,592)	(4,400,196)	-	-
Proceeds from financial liabilities		1,133,000,000	336,000,000	-	-
Repayments of financial liabilities		(782,013,939)	(998,374,141)	(40,314,783)	(55,000,000)
Proceed from Notes Issue			440,000,000		
Repayment of Notes		(165,582,719)	(58,438,353)		
Cashflow hedge and interest rate swap payments		(16,630,154)	(3,479,039)	-	-
Cash flow from financing activities		**161,556,047**	**(299,421,394)**	**6,423,721**	**12,712,185**

		Group		Company	
	Note(s)	2023	2022	2023	2022
		R		R	
Total cash movement for the year		**3,367,248**	**73,582,025**	**2,492**	**356**
Cash at the beginning of the year		189,261,466	115,679,441	1,579	1,223
Total cash and cash equivalents at end of the year	6	**192,628,714**	**189,261,466**	**4,071**	**1,579**

The accounting policies on pages 26 to 43 and the notes on pages 44 to 85 form an integral part of the financial statements.

Accounting Policies

Corporate information

TUHF Holdings Limited is a public company incorporated and domiciled in South Africa.

The consolidated and separate annual financial statements for the year ended 31 March 2023 were authorised for issue in accordance with a resolution of the directors on Tuesday, 29 August 2023.

1. Significant accounting policies

The principal accounting policies applied in the preparation of these consolidated and separate annual financial statements are set out below.

1.1 Basis of preparation

The consolidated and separate annual financial statements have been prepared on the going concern basis in accordance with, and in compliance with, International Financial Reporting Standards ("IFRS") and International Financial Reporting Interpretations Committee ("IFRIC") interpretations issued and effective at the time of preparing these annual financial statements and the Companies Act 71 of 2008 of South Africa, as amended.

The annual financial statements have been prepared on the historic cost convention, unless otherwise stated in the accounting policies which follow and incorporate the principal accounting policies set out below. They are presented in Rands, which is the group and company's functional currency.

1.2 Consolidation

Basis of consolidation

The consolidated annual financial statements incorporate the annual financial statements of the company and all subsidiaries. Subsidiaries are entities (including structured entities) which are controlled by the group.

The group has control of an entity when it is exposed to or has rights to variable returns from involvement with the entity and it has the ability to affect those returns through use of its power to direct the activities of the entity.

The results of subsidiaries are included in the consolidated annual financial statements from the effective date of acquisition to the effective date of disposal.

Adjustments are made when necessary to the annual financial statements of subsidiaries to bring their accounting policies in line with those of the group.

All inter-company transactions, balances, and unrealised gains on transactions between group companies are eliminated in full on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Investments in subsidiaries in the separate financial statements

In the company's separate financial statements, investments in subsidiaries are carried at cost less any accumulated impairment losses.

1.3 Investments in joint ventures

Joint ventures are initially measured at cost and subsequently accounted for using the equity method at an amount that reflects the group's share of the net assets of the joint venture. Equity accounting is applied from the date on which the entity becomes a joint venture up to the date on which the group ceases to have significant influence or joint control. Equity accounting of losses is restricted to the interests in these entities, including unsecured receivables or other commitments, unless the group has an obligation or has made payments on behalf of the associate or joint ventures. Where there is an indicator of impairment the carrying amount of the investment is tested for impairment by comparing its recoverable amount with its carrying amount. Impairment losses are recognised through non-trading and capital related items.

1.4 Significant judgements and sources of estimation uncertainty

The preparation of annual financial statements in conformity with IFRS requires management, from time to time, to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

1.4.1 The impact of Macro-Economic factors on IFRS 9 Expected Credit Losses (ECL)

Following the disruption of normal economic activity because of Covid-19 this impact has largely eased but the company has taken a conservative view when assessing the ECL given the current economic outlook and impact of inflation on lower-middle income households. The company based their ECL estimates on the best available information about past events, using current data, current conditions, and forecasts of economic conditions. In assessing these conditions, consideration has been given both to the impact of Covid-19 and the current high inflation environment, the high interest rate environment that also positively impacts demand for rental housing.

As a result of the remaining uncertainty, it is difficult to incorporate with certainty these residual effects. No further support measures have been extended by the company during the past year however, changes in economic conditions have been reflected in macroeconomic scenarios applied and the weightings applied. Ongoing delays in litigation significantly impacted the performance of the Servicer in the current year with arrears increasing and loans in Stage 3 increasing, negatively impacting ECL. Significant progress has been made in resolving these outstanding legal matters.

Another area of significant judgement relates to the migration of accounts between the IFRS 9 staging buckets. Although no further relief granted by TUHF Limited to selected clients would impact the staging, delays in curing impacted the stages and this was reviewed by management in conjunction with other factors prior to determining whether accounts would move either to stage 2 or stage 3. The significant increase in credit risk in the portfolio is evaluated on a per project basis as there may be information not yet reflected in the historic data. Consequently, this review enables management to take a conservative view of loans in stage 3 and where necessary to consider other indicators such as client delinquent behavior, delays in construction projects and outstanding municipal arrears.

Sensitivity analysis applicable to 2023

Throughout the 2023-year, continued improved collections across the book remained an ongoing trend with collections for performing loans at pre-Covid levels. Following the more severe impact in prior years, stability was maintained however, ongoing delays in the resolution of older litigation matters had a material impact on the performance of the company.

Significant attention was given to improving the process and accuracy of the identification of projects that display a significant increase in credit risk and this risk is incorporated into the IFRS 9 model update process. In addition, improvements to the model accuracy, management review process and governance processes were achieved.

Initial assumptions have been reviewed given the improvements in the identification of SICR and some of the conservatism has been revised relying on historic data to determine inputs. Overall, the calculation remains conservative through the recognition of 56% of the collateral based on historic data and a haircut of 44% of the valuation amount to reduce the amount considered and increase the ECL, Expected Credit Loss.

To consider FLI (Forward Looking Indicators) additional stresses on the probability of default, PDs were included, and the outcome is that the PD used for the purpose of the calculation is 1.25 x the actual calculated PD to consider the impact of interest rates, a higher cost of living and property cycle not yet in recovery.

The project and risk screening approach ensures that the risk of default on loans with no arrears is evaluated and a quantitative assessment of the significant increase in credit risk is applied to the ECL through an overlay.

The model considers economic variables such as property prices and interest rates. The interest rate impact has been considered through the forward-looking indicators and is more neutral as demand for rental housing increases during high interest rate environments. The forecast for property values remains conservative with a 3% increase in the next 12 months and a 6% increase thereafter be applied to the collateral.

PD Adjustment Factors - 2023	**2023**	**2024**	**2025**
1 - Downturn	143%	118%	118%
2 - Base case	125%	100%	100%
3 - Upturn	107%	82%	82%

Sensitivity analysis applicable to 2022

Throughout the 2022-year, improved collections across the book have been an ongoing trend. Following the more severe impact in the previous year, stability was achieved within a short period of time.

However, due to ongoing delays in our litigation process, higher arrears remain a focus, but management have started seeing resolution of several matters starting to progress in the last quarter of the financial year. Credit losses of R 43 m have crystalised in the period with the focus on credit quality remaining a key concern for management.

Significant attention was given to the process of the identification of projects that display a significant increase in credit risk and this risk is incorporated into the IFRS 9 model update process.

Initial assumptions have been reviewed given the improvements in the identification of SICR and some of the conservatism has been revised but overall, the calculation remains conservative through the recognition of 55% of the collateral, well below the actual 80% and a haircut of 45% of the valuation amount to reduce the amount considered and increase the ECL, Expected Credit Loss. The conservative assumptions will again be reviewed going forward.

To consider FLI (Forward Looking Indicators) additional stresses on the probability of default, PDs were included, and the outcome is that the PD used for the purpose of the calculation is double the actual calculated PD to consider the impact of interest rates, a higher cost of living and property cycle not yet in recovery.

The project and risk screening approach ensures that the risk of default on loans with no arrears is evaluated and a quantitative assessment of the significant increase in credit risk is applied to the ECL through an overlay.

The model considers economic variables such as property prices and interest rates. The interest rate impact has been considered through the forward-looking indicators and the forecast for property values remains conservative with a 2% increase in the next 12 months and a 3% increase thereafter be applied to the collateral. For 2020 this was not done given the uncertainty in the market. Instead, a 5% decline in property values was considered for the next 12 months and thereafter a 2% increase was applied for 12 months and a 3% factor thereafter.

PD Adjustment Factors 2022	2022	2023	2024
1 - Downturn	218%	143%	118%
2 - Base case	200%	125%	100%
3 - Upturn	182%	107%	82%

1.4.2 Expected credit losses (ECLs) on loans and advances

In respect of the ECLs for loans and advances in the non-performing category we reported ECLs of R124,317,911 (2022:R91,451,090).

In respect of the ECLs for loans and advances in the performing category we reported ECLs of R28,257,609 (2022:R25,936,557).

Total expected credit losses, Stage 1, 2 and 3 combined reported are: R152,575,520 (2022:R117,387,647).

In respect of the ECLs for loans and advances, the average of the downturn, base case and upturn scenario is as follows.

	2023	2022
Downturn	R180,039,114	R139,691,299
Base case	R152,575,520	R117,387,646
Upturn	R125,111,927	R110,344,388

1.4.3 Expected credit losses (ECLs) on loans to group companies

TUHF Holdings Limited Group

In respect of the ECLs for loans to group companies in the non-performing category we reported ECLs of R- (2022:R-).

In respect of the ECLs for loans to group companies in the performing category we reported ECLs of R415,385 (2022:R271,517).

Total expected credit losses, Stage 1, 2 and 3 combined reported are: R415,385 (2022:R217,517).

In respect of the ECLs for loans to group companies, the average of the downturn, base case and upturn scenario is as follows.

	2023	2022
Downturn	R490,155	R320,390
Base case	R415,385	R271,517
Upturn	R340,616	R222,644

TUHF Holdings Limited Company

In respect of the ECLs for loans to group companies in the non-performing category we reported ECLs of R- (2022:R-).

In respect of the ECLs for loans to group companies in the performing category we reported ECLs of R5,843,700 (2022:R2,289,941).

Total expected credit losses, Stage 1, 2 and 3 combined reported are: R5,843,700 (2022:R2,289,941).

In respect of the ECLs for loans to group companies, the average of the downturn, base case and upturn scenario is as follows.

	2023	2022
Downturn	R6,895,566	R2,702,130
Base case	R5,843,700	R2,289,941
Upturn	R4,791,834	R1,877,751

1.4.4 Expected credit losses (ECLs) on loans to third parties

In respect of the ECLs for loans to related parties in the non-performing category we reported ECL’s of R-(2022 :R4,454,728).

In respect of the ECLs for loans to related parties in the performing category we reported ECL’s of R- (2022: R-).

Total expected credit losses, Stage 1, 2 and 3 combined reported are: R- (2022: R4,454,728).

In respect of the ECLs loans to related parties, the average of the downturn, base case and upturn scenario is as follows.

	2023	**2022**
Downturn	R-	R5,256,579
Base case	R-	R4,454,728
Upturn	R-	R3,652,877

1.5 Properties in possession

Properties in possession are properties acquired by the group which were previously held as collateral for underlying lending arrangements that, subsequent to origination, have defaulted. The properties are initially recognised at cost and are subsequently measured at the lower of cost and its net realisable value. Any subsequent write-down in the value of the acquired properties is recognised as an operating expense. Any subsequent increases in the net realisable value, to the extent that it does not exceed its original cost, are also recognised within operating expenses.

1.6 Investment property

Investment property comprises land and buildings held to earn rentals or for capital appreciation or both, rather than for use in the production or supply of goods or services or for administrative purposes, or for sale in the ordinary course of business. Investment property is initially measured at cost and subsequently at fair value with changes in fair value recognised in profit and loss. If the fair value of investment property cannot be measured reliably without undue cost or effort, then it is measured at cost less accumulated depreciation and accumulated impairment.

The cost of investment property comprises its purchase price and any directly attributable costs incurred to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Costs include costs incurred initially to acquire or construct an investment property and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of investment property, the carrying amount of the replaced item is derecognised.

The fair value is determined annually by an external valuer derived from current market prices of comparable real estate.

1.7 Equipment

Equipment is tangible assets which the group holds for its own use or for rental to others and which are expected to be used for more than one year.

An item of equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the group, and the cost of the item can be measured reliably.

Equipment is initially measured at cost. Cost includes all of the expenditure which is directly attributable to the acquisition or construction of the asset, including the capitalisation of borrowing costs on qualifying assets.

Expenditure incurred subsequently for major services, additions to or replacements of parts of equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the group and the cost can be measured reliably. Day to day servicing costs are included in profit or loss in the year in which they are incurred.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the group. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or derecognised.

The useful lives of items of equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Office furniture and equipment	Straight line	20% - 33.33% per annum
Computer hardware and telephones	Straight line	25% per annum

The useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate.

Each part of an item of equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. The depreciation charge for each year is recognised in profit or loss unless it is included in the carrying amount of another asset.

Impairment tests are performed on equipment when there is an indicator that they may be impaired. When the carrying amount of an item of equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

An item of equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

1.8 Intangible assets

An intangible asset is recognised when:

- it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and
- the cost of the asset can be measured reliably.

Intangible assets are initially recognised at cost.

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

- it is technically feasible to complete the asset so that it will be available for use or sale.
- there is an intention to complete and use or sell it. there is an ability to use or sell it. it will generate probable future economic benefits.
- there are available technical, financial and other resources to complete the development and to use or sell the asset.
- the expenditure attributable to the asset during its development can be measured reliably.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight line basis over their useful life.

The amortisation period and the amortisation method for intangible assets are reviewed every period-end.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Amortisation is provided to write down the intangible assets, on a straight line basis as follows:

Item	Useful life
Computer software	20% per annum

1.9 Financial instruments

Financial instruments held by the group are classified in accordance with the provisions of IFRS 9 Financial Instruments.

IFRS 9 introduced requirements for the classification and measurement of financial assets and liabilities as well as accounting requirements for impairment of financial assets measured at amortised cost. Classification and subsequent measurement of debt instruments depends on:

- the entity's business model for managing the asset; and
- the cash flow characteristics of the asset.

Based on these factors, the entity classifies its debt instruments into one of the following two measurement categories:

- Amortised cost. This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is met by holding the instrument to collect contractual cash flows; or
- Fair value through profit or loss. This classification automatically applies to all debt instruments which do not qualify as amortised cost or at fair value through other comprehensive income.

Loans to/(from) group companies and related parties, loans to managers and employees, and loans and advances are subsequently classified at amortised cost.

They have been classified in this manner because the contractual terms of these loans give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the group's business model is to collect the contractual cash flows on these loans.

Application of the effective interest rate method

Interest income is calculated using the effective interest method, and is included in profit or loss in interest income (note 25 & 26).

The application of the effective interest method to calculate interest income on a loan receivable is dependent on the credit risk of the loan as follows:

- The effective interest rate is applied to the gross carrying amount of the loan, provided the loan is not credit impaired. The gross carrying amount is the amortised cost before adjusting for a loss allowance.
- If a loan was not purchased or originally credit-impaired, but it has subsequently become credit-impaired, then the effective interest rate is applied to the amortised cost of the loan in the determination of interest. If, in subsequent periods, the loan is no longer credit impaired, then the interest calculation reverts to applying the effective interest rate to the gross carrying amount.
- Raising fees that are integral to the to the effective interest rate are capitalised to the value of the loan and are amortised to profit or loss and other comprehensive income over the expected life of the loan using the effective interest rate method.
- Other fees earned, such as penalty fees on late payment of instalments and early settlement penalty amounts, accrue to the company.

Impairment - IFRS 9 Three Stage Model

Stage	Staging	ECL - Measurement
Stage 1	Loans and advances that are not credit impaired on initial recognition are classified in "Stage 1" and have their credit risk continuously monitored by the company.	Loans and advances in Stage 1 have their ECL measured based on an amount equal to the portion of 12 months expected credit losses that result from default events possible within the next 12 months.
Stage 2	If a significant increase in credit risk ('SICR') since initial recognition is identified, the loans and advances are moved to "Stage 2" but are not yet deemed to be credit-impaired	Loans in Stages 2 have their ECL measured based on expected credit losses on a lifetime basis.
Stage 3	If the loan is in default, the financial instrument is then moved to "Stage 3".	Loans in Stages 3 have their ECL measured based on expected credit losses on a lifetime basis.
Forward looking information	A pervasive concept in measuring ECL in accordance with IFRS 9 is that it should consider forward-looking information.	
Significant increase in credit risk	SICR- is determined through a watchlist process whereby financial and project performance of the counterparties is discussed. In addition, the status of the construction of ongoing projects is taken into account as well as other ad hoc	

Measuring ECL - Explanation of inputs, assumptions and estimation techniques

Expected credit losses are the discounted product of the probability of default (PD), exposure at default (EAD) and loss given default (LGD), defined as follows:

- PD represents the likelihood of a borrower defaulting on its financial obligation either over the next 12 months (12M PD), or over the remaining lifetime (lifetime PD) of the obligation.
- EAD is based on the amounts the company expects to be owed at the time of default, over the next 12 months (12M EAD) or over the remaining lifetime (lifetime EAD).
- LGD represents the company's expectation of the extent of loss on a defaulted exposure. LGD varies by type of counterparty, type and seniority of claim and availability of collateral or other credit support.

The ECL is determined by projecting the PD, LGD and EAD for each future month and for each individual exposure.

These three components are multiplied together and adjusted for the likelihood of survival, (i.e., the exposure has not prepaid or defaulted in an earlier month). This effectively calculates the ECL for each future month, which is then discounted back to the reporting date and summed.

The discount rate used in the ECL calculation is the original effective interest rate.

The Lifetime PD is developed by applying a maturing profile to the current 12M PD. The maturity profile looks at how defaults develop on a portfolio from the point of initial recognition throughout the lifetime of the loans.

The maturity profile is based on historical observed data and is assumed to be the same across all assets within a portfolio and credit grade band. This is supported by historical analysis.

The 12-month and Lifetime EADs are determined based on the expected payment profile. For amortising products and bullet repayment loans, this is based on the contractual repayments owed by the borrower over a 12 month or lifetime basis. This will also be adjusted for any expected overpayments made by a borrower. Early repayment/refinance assumptions are also incorporated into the calculation.

These assumptions vary by product type and current limit utilisation band, based on an analysis of the company's recent default data.

The 12-month and Lifetime LGDs are determined based on the factors which impact the recoveries made post default and this is based on collateral type and projected collateral values, historical discounts to market/book values due to forced sales, time to repossession and recovery costs incurred.

Forward-looking economic information such as the gross domestic product (GDP) are included in determining the 12-month and Lifetime PD, EAD and LGD. Forward- looking economic information such as property prices are included in the determining of the 12-month LGD.

The assumptions underlying the ECL calculation - such as how the maturity profile of the PDs and how the collateral values change etc. - are monitored and reviewed on an annual basis.

Definitions

SICR:

- SICR is primarily determined through the watchlist process whereby the financial performance of the counterparties are discussed. In addition, the status of the construction of ongoing projects is taken into account and as well as qualitative factors such as financial distress, significant change in collateral value or significant adverse changes in business, financial or economic status.
- A backstop is applied and the financial instrument considered to have experienced a significant increase in credit risk if the borrower is more than 30 days past due on its contractual payments.
- The Group has not used the low credit risk exemption for any financial instruments in the year ended 31 March 2023.
- The assessment of SICR incorporates forward looking information (see below) and is performed annually for all loans.

DEFAULT:

The definition of default, which triggers the credit impaired classification (stage 3), is based on the group's internal credit risk management approach and definitions and occurs at the earlier of:

- In the Group's view, the counterparty is considered to be unlikely to pay amounts due on the due date or shortly thereafter without recourse to actions such as the realisation of security; or
- When the counterparty is past due for more than 90 days. The Group has not rebutted IFRS 9's 90 days past due rebuttable presumption.

WRITE-OFF POLICY:

An impaired loan is written off once all reasonable attempts at collection have been made and there is no material economic benefit expected from attempting to recover the balance outstanding. The following criteria must be met before a financial asset can be written off:

- at the point of write-off, the financial asset is fully impaired (i.e. 100% allowance) with no reasonable expectations of recovery of the asset, or a portion thereof. As an exception to the above requirements, where the exposure is secured (or for collateralised structures), the impaired loan can only be written off once the collateral has been realised. Post realisation of the collateral, at the point of write-off any excess amounts to be written off will be recognised in the income statement under Gains (losses) of derecognised financial assets.

CURING:

Continuous assessment is required to determine whether the conditions that led to a financial asset being considered to be credit impaired (i.e. stage 3) still exist.

Qualitative factors include compliance with covenants and compliance with existing financial asset terms and conditions. Where it has been determined that a financial asset no longer meets the criteria for SICR, the financial asset will be moved from stage 2 (lifetime expected credit loss model) back to stage 1 (12-month expected credit loss model) prospectively.

When it has been determined that the financial asset no longer meets the classification for stage 3 and all arrears are current, the financial asset will move from stage 3 to stage 2 or stage 1.

Loans to (from) group companies

These loans are recognised initially at fair value plus direct transaction costs. Subsequently these loans are measured at amortised cost using the effective interest rate method, less any impairment loss recognised to reflect irrecoverable amounts.

Expected credit losses on loans to group companies and related parties

This relates to the intercompany expected credit losses raised on the loans granted between companies in the group. Interest is charged at the contracted interest rate that is applicable to the relevant agreement. The methods for calculating Expected Credit Losses for each financial asset type depends on the underlying collateral. Sometimes several techniques and models may be used within a single asset class. Calculation methods and models may differ from company to company based on the types of assets in each category.

Measuring ECL - Explanation of inputs, assumptions and estimation techniques

The loans between Group companies (inter-company loans) were valued based on the risk of the counterparty under the general approach.

Interest rates
The interest rates used are the stated rates of each loan as per the signed loan agreements. ECL calculations include the interest rate of each loan.

Loans to joint ventures and subsidiaries TUHF Equity Group:

The equity loans are loans made to entities in which an equity stake has been taken by TUHF Equity. These loans are in addition to property loans made to these entities subject to TUHF’s normal approval process.

Measurement of PD and LGD

As the counterparties are similar in nature to TUHF Limited’s borrowing customers, The company has applied the average PD that TUHF Limited has applied to its loan portfolio. The PD was not reduced by the potential benefit of having TUHF Equity as an equity holder in the business.

The LGD has been measured by considering the value of the property held based on a yearly valuation done by an external valuer and adjusting this to reflect the decline in value during a distressed sale.

The company then deducted the value of the first claim by TUHF Limited and applied the excess value to determine the loss in the event of default on the loan from TUHF Equity. The assumption was made that other assets and liabilities are negligible and will not impact on the value.

TUHF Equity does exert a degree of control over these companies through its equity stake and related agreements which ensures that there are limited other assets or liabilities within these companies.

- A 0.737% PD was applied to the loans that are in stage 1.
- A 10.929% PD was applied to the loans that are in stage 2.
- A 100%% PD was applied to the loans that are in stage 3.
- The properties were margined by 25% (LGD) in determining the amount available after settling of the TUHF claim on its property loan.
- The EAD was determined by adding 3 months of unpaid interest to the balance at year end

Intercompany Loans:

Measurement of PD and LGD

The rating was assessed judgmentally and the LGD's were measured using Moody's Analytics RiskCalc. These are historical through-the-cycle PD and LGD measures.

Conversion of rating, historical PD and LGD into ECLs

Ratings, measured PD and LGD's are converted from through-the-cycle to point-in-time measures using Moody's Analytics ImpairmentCalc product. ImpairmentCalc then converts (or "conditions") these historic or point-in-time measures into forward looking measures that constitute the ECL. This conditioning utilises their proprietary models, their database of validated historic macroeconomic and default data and forecast scenarios and recommended weightings of scenarios.

Moody's Analytics produces a set of macroeconomic forecasts for South Africa that considers the historical accuracy of various forecasters to identify reliable sources. These are incorporated into their GCorr macroeconomic forecast set. Based on research conducted by Moody's Analytics they recommend the use of their Baseline, Stronger Near-Term Rebound (S1) ("Bullish"), and Moderate Recession (S3)("Bearish") forecast sets weighted 40%, 30%, 30% respectively for a forward looking adjustment for the purposes of IFRS 9. They consider both public and private South African company defaults in this research. The methodology does consider the industry of the asset and includes in the calculations likely volatility of that industry to the average impact of the South African economy.

Moody's Analytics does not disclose the specific macroeconomic variables that they have found to be best predictive of changes in credit risk in South Africa but do provide indicators of the impact of certain of their measures. The forecast GDP growth for the year to Q4 2023 ranges from -1.06% to 3.74% with the baseline at 2.43%. The economy has now reached pre-covid levels (Q4 2019) and is forecast to remain above those levels under all three scenarios. GDP is not the only factor that determines the extent of the adjustment but is described here to illustrate the extent of impact on the general economy that is being taken into account.

Staging

The ECL applied is measured on an amount equal to the portion of 12 month ECL that results from default events possible within 12 months.

Where there has been a significant increase in credit risk, a loan is regarded as being in Stage 2 and a lifetime ECL is applied.

If a loan is credit impaired, it is regarded as being Stage 3 and a lifetime ECL is applied. No interest should be accrued on the loan.

Loans with fixed terms

Where a loan has a fixed term, this term is applied to the calculation of the ECL and a 1 year or lifetime ECL is applied depending on the staging of the loan.

Loans repayable on demand

Where a loan is repayable on demand, an assessment is made of the debtor's ability to repay if demand for immediate repayment was made. If there are:

- Sufficient cash and near cash investments to make repayment, it is assumed that the risk is negligible and no ECL is raised.
- Insufficient cash resources, or a restriction on repayment is imposed by sub-ordination, covenants or any other reason, the term of a loan is estimated by assessing how long it will take to repay in the normal course of business with reference to the cash flow of the debtor entity. The cash flow is estimated using the most recent financial year's financial statements or management accounts. We use a Debt Service Cover ratio calculation to estimate the available cash flow and assume that this can be used to repay the loan. Where the cash flow is negative or very low, we assume a repayment period based on management's strategic plans for the business.

Based on management’s plan to restructure the Group and the establishment of TUHF Services, a company that will service the group operations and evaluate the role of TUHF Holdings as funder to the Group, tangible steps have been taken to evaluate the capital structure and this may result in a restructuring of the intra-Group funding. It is quite likely that there will be loans between various Group entities but following a restructuring, there may be changes and new loans will replace existing loans. and the loan terms will be updated.

The ECL is calculated over the term of the loan.

Loans with no fixed terms of repayment

Loans with no fixed terms of repayment have been treated as repayable on demand regardless of the stated intention of management regarding repayment of the loan.

Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired or incurred in the ordinary course of business from suppliers and service providers. Trade payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer).

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Cash and cash equivalents and amounts paid to attorneys held in trust

Cash and cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash and are subject to insignificant risk in changing value.

Cash and cash equivalents are initially measured at fair value and subsequently measured at amortised cost.

Amounts paid to attorneys held in trust are cash held in trust and disclosed separately. Cash held in trust are funds deposited into the Group’s attorneys’ trust account to facilitate the issue of purchase guarantees and payment of the purchase price to the property seller of the bond and transfer registration.

Cash and cash equivalents held in trust are initially measured at fair value and subsequently measured at amortised cost.

For the purpose of the statement of cash flows, cash and cash equivalents include amounts paid to attorneys held in trust as these are short term and highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Cash and cash equivalents and amounts paid to attorneys held in trust are regarded as having a low probability of default and therefore the related expected credit loss is not significant.

Mortgage-backed securities

Variable-rate notes are classified as financial liabilities and measured at amortised cost.

Derecognition of financial assets and liabilities

Financial assets are derecognised when the contractual rights to receive cash flows from the financial assets have expired, or where the group has transferred its contractual rights to receive cash flows on the financial asset such that it has transferred substantially all the risks and rewards of ownership of the financial asset. Any interest in the transferred financial assets that is created or retained by the group is recognised as a separate asset or liability. Financial liabilities are derecognised when the financial liabilities' obligation is extinguished, that is, when the obligation is discharged, cancelled or expires.

Accounting for Derivatives

Classification

Non-hedging derivatives are classified as mandatorily at fair value through profit or loss.

The accounting for derivatives strategy will require the group to reduce any basis risk exposure on interest rate risk, where the interest rate is not linked to 3-month JIBAR. The group loans and advances originated before September 2020 earn interest on the basis of the prevailing prime interest rate plus a margin. Loans originated from September 2020 earn interest on the basis of 3-month JIBAR plus a margin.

The group increasingly funds itself in the capital markets by means of loans and/or structured finance notes subject to the 3-month JIBAR rate. This creates a mismatch between prime linked assets and JIBAR linked liabilities priced according to different benchmark rates.

Derivatives held by the group which are not in designated hedging relationships, include interests rate swaps.

Recognition and measurement

Derivatives are recognised when the company becomes a party to the contractual provisions of the instrument. They are measured, at initial recognition and subsequently, at fair value. Transaction costs are recognised in profit or loss. The fair value of the swaps are measured on a monthly basis applying the mark to market method.

Fair value gains or losses are included in other operating gains (losses) (note 29). Details of the valuation policies and processes are presented in note 29.

1.10 Taxation

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset. Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. A deferred tax asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for the carry forward of unused tax losses to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

In order to comply with the requirements of IAS 1, management has corrected the presentation of the deferred tax liability to move it to the least liquid item on the statement of financial position.

Tax expenses

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:

- a transaction or event which is recognised, in the same or a different period, to other comprehensive income, or
- a business combination.

Current tax and deferred taxes are charged or credited to other comprehensive income if the tax relates to items that are credited or charged, in the same or a different period, to other comprehensive income.

Current tax and deferred taxes are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly in equity.

1.11 Leases (IFRS 16)

The group assesses whether a contract is, or contains a lease, at the inception of the contract.

A contract is, or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

In order to assess whether a contract is, or contains a lease, management determine whether the asset under consideration is "identified", which means that the asset is either explicitly or implicitly specified in the contract and that the supplier does not have a substantial right of substitution throughout the period of use. Once management has concluded that the contract deals with an identified asset, the right to control the use thereof is considered. To this end, control over the use of an identified asset only exists when the group has the right to substantially all of the economic benefits from the use of the asset as well as the right to direct the use of the asset.

Group as lessee

A lease liability and corresponding right-of-use asset are recognised at the lease commencement date, for all lease agreements for which the group is a lessee.

The various lease and non-lease components of contracts containing leases are accounted for separately, with consideration being allocated to each lease component on the basis of the relative stand-alone prices of the lease components and the aggregate stand-alone price of the non-lease components (where non-lease components exist).

Details of leasing arrangements where the group is a lessee are presented in note 17 Leases (group as lessee).

Lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the incremental borrowing rate. The incremental borrowing rates was determined based on a rate that the group can borrow fund for a similar amount to the lease payments.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed lease payments

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability (or right-of-use asset). The related payments are recognised as an expense in the period incurred and are included in operating expenses (note 30).

The lease liability is presented as a separate line item on the Statement of Financial Position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect lease payments made. Interest charged on the lease liability is included in interest expense (note 26).

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The group considers historical lease durations, cost and business disruption to relocate business premises to assess if the lease term is reasonably certain to be extended (or not terminated). The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the group. IFRS 16 introduced additional guidance in determining reasonable certainty when assessing lease terms.

Right-of-use assets

Right-of-use assets are presented as a separate line item on the Statement of Financial Position.

The right-of-use assets is initially measured at cost and subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated over the lease term. Depreciation starts at the commencement date of a lease and is recognised in profit or loss.

Statement of cash flows

The group has classified:

- Cash payments for the principal portion of lease payments as financing activities;
- Cash payments for the interest portion as operating activities; and
- Short-term lease payments and variable lease payments not included in the measurement of the lease liability within operating activities.

1.12 Impairment of assets (non-financial)

The group assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the group estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the group also:

- tests intangible assets with an indefinite useful life or intangible assets not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed during the annual period and at the same time every period.
- tests goodwill acquired in a business combination for impairment annually.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss. An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease.

An entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset other than goodwill attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation other than goodwill is recognised immediately in profit or loss. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

1.13 Share capital and equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Ordinary shares are recognised at par value and classified as 'share capital' in equity. Any amounts received from the issue of shares in excess of par value is classified as 'share premium' in equity. Dividends are recognised as a liability in the group in which they are declared.

1.14 Non-distributable reserve

The group receives grant funds for the exclusive purpose of lending to its customers as per an agreement with National Treasury. These funds are combined with senior debt raised in the capital markets in a funding structure and represent equity in the funding structure. These funds are not repayable and meet the definition of equity per IAS 32. The funds must be accounted for and TUHF Limited is required to report on the development impact measures such as job creation and entrepreneur training. The funds can only be lent to customers for inner city renewal projects and the funds are not distributable as dividends and therefore have been classified as a non-distributable reserve.

1.15 Share based payments (IFRS 2)

TUHF Holdings Limited operates a conditional share plan, under which TUHF Limited receives services from employees as consideration for equity instruments of the company. The fair value of the employee services received in exchange for the grant of the shares at grant date is recognised as an expense in TUHF Holdings Limited.

The total amount to be expensed with a corresponding increase in equity is determined by reference to the fair value of the shares granted.

Non-market vesting conditions are included in assumptions about the number of shares that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each reporting period, the company revises its estimates of the number of shares that are expected to vest based on the non-market vesting conditions. It recognises the impact of the revision to original estimates, if any, in the statement of comprehensive income, with a corresponding adjustment to equity.

When the share awards are to be vested, TUHF Holdings Limited, issues new shares. The shares are purchased from TUHF Holdings Limited at the ruling net asset value through intercompany loan account and granted to the employees for no consideration. The actual consideration is compared to the amount provided over the vesting period and any adjustment is made where appropriate. This is recorded in the investment in holding company account.

Where the conditional share plan share award requires equity to be issued the impact is disclosed in share based payment reserve.

1.16 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service), are recognised in the period in which the employee renders the related service.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The accruals have been calculated at undiscounted amounts based on current wage and salary rates.

Defined contribution plans

A defined contribution plan is a retirement plan under which the group pays fixed contributions into a separate entity. The group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

For defined contribution plans, the group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

1.17 Revenue

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for services provided in the normal course of business, net of discounts and value added tax.

Revenue comprises interest income and non-interest income.

Interest income

Interest income and expenses are recognised in the statement of profit or loss and other comprehensive income using the effective interest rate method. The effective interest rate method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts over the expected life of the financial instrument, or when appropriate, a shorter period to the net carrying amount of the financial asset of financial liability. When calculating the effective interest rate, the group estimates cash flows considering all contractual terms of the financial instrument (e.g. prepayment options) but does not consider future credit losses.

Rental income

Rental income is recognised equally over the period of the lease taking into consideration the clauses affecting the rental charge.

Recovery income

Recovery income for services and charges on charged to the tenants to of the investment properties, including water recovery, electricity recovery.

Management fee income

Management fee income earned from the provision of management services is recognised in the accounting period in which the services are rendered, with reference to the stage of completion of the service.

Bad debts recovered

Recoveries of financial assets previously written-off are recognised as bad debts recovered which is shown as a deduction from the expected credit losses expense line.

Sundry income

Sundry income includes profits on sale of fixed assets and other sundry income received.

Dividends received

Dividends income includes dividends paid from unlisted investments and by group companies. Dividends are recognised when the entity’s right to receive payment is established, it is probable the economic benefits will flow to the entity and the amount can be measured reliably.

Other operating gains and loses

Other operating gains and losses comprise of the aggregated total of the fair value gains and losses of financial instruments. See note 29 for detailed information.

1.18 Unlisted investments

Unlisted investments comprise the equity investment in associated organisations held to earn dividend income and/or for capital appreciation. Unlisted investments are carried at the fair values determined by reference to the net asset values of the respective entities.

Changes in the fair value of investments are recognised in the statement of comprehensive incomes as investment surpluses.

1.19 Segmental reporting

The executive committee headed by the CEO, has been identified by the group as the chief operating decision maker who is responsible for assessing the performance and allocation of resources of the group. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The identification of reportable segments are determined based on a consideration of products and services, organisational structures, geographical areas, economic and regulatory environments and the separable nature of activities or conversely inherent inter-connectedness and whether these meet the criteria for aggregation.

The revenue from one single customer does not exceed 10% of the group's revenues in 2023 and in ,2022. The business sells a single product, 15 year mortgage loan facility. Management assesses information relating to the performance of the single segment on multiple levels and from multiple perspectives. All elements are regarded as inter-connected and as such, no part of the business is regarded as separable from the rest.

Notes to the Financial Statements

2. New Standards and Interpretations

2.1 Standards and interpretations effective and adopted in the current year

In the current year, the group has adopted the following standards and interpretations that are effective for the current financial year and have an impact on its financial reporting are listed below:

Standard/ Interpretation:
Annual Improvements to IFRS Standards 2018–2020

2.2 Standards and interpretations not yet effective

The group has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the group's accounting periods beginning on or after 01 April 2023 or later periods:

Standard/ Interpretation:	Effective date:	Expected impact:
Amendments to IAS 1	1 Jan 2023	Unlikely there will be a material impact
Amendments to IAS 1 and IFRS Practice Statement 2	1 Jan 2023	Unlikely there will be a material impact
Amendments to IAS 8	1 Jan 2023	Unlikely there will be a material impact

3. Risk management

Capital risk management

The group's objectives when managing capital are to safeguard the group's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to manage the group's cost of capital.

In order to maintain or adjust the capital structure, the group may adjust the amount of dividends paid to shareholders, return capital to the shareholder, issue new shares, issue subordinated debt instruments or sell assets to reduce debt.

Capital management forms part of the responsibilities of the group's Assets and Liabilities Committee (ALCO), a subcommittee of the board. The group monitors capital with reference to the recently adopted Basel III Capital Adequacy Ratios as well as the Leverage Ratio. The principal governance documents are the ALCO policy framework guidelines and terms of reference document and the risk management framework.

The gearing ratio on a TUHF Holdings Limited level is part of the old financial Covenants (Debt capital ratio) that has been replaced by the Basell III covenants and therefore the detailed calculation has been removed from this year's financial statements.

TUHF Limited has concluded a process of reviewing all funding facility covenants and has implemented new covenants for all borrowers. The new covenants are based on the Basel III framework that the group has voluntarily adopted. The covenants are measured at TUHF Holdings Limited, level but in addition, each borrower has facility covenants relevant to their pool of loan assets.

At 31 March 2023 the majority of the borrowers had agreed to the new Basel III covenants.

Basel III Covenants	**Target**	**Actual**	**Achieved**
Tier 1 Common Equity Capital	7.5% or more	8.36%	Yes
Tier 1 Capital Adequacy Ratio	10.0% or more	12.87%	Yes
Total Capital Adequacy	12.5% or more	12.87%	Yes
Tier 1 Leverage Ratio	7% or more	11.23%	Yes
Net Stable Funding Ratio	100% or more	101.23%	Yes

Each borrower has specific pool covenants and as at 31 March 2023, and all pool covenants were achieved.

The funding structures of the Group have changed over the past three years and the role of TUHF Limited is evolving. TUHF Limited originates new loan assets, and the Vuselela Warehouse SPV holds loan assets for securitisation. Management estimate that up to 70% of the group funding requirements will in future be sourced through structured finance transactions executed in the capital markets.

The Group currently has three structured finance transactions, two of which are listed, Urban Ubomi 1 (RF) Limited and TUHF Urban Finance (RF) Limited. No covenants were breached in the structured finance transactions.

Financial risk management

Financial risks are identified and managed on a group basis. These risks are identified per the risk management framework in the risk matrix which is reported to the board through the audit and risk committee.

The responsibility for risk management resides at all levels, from members of the board to individuals throughout the group.

Overall risk management policies and risk appetite is established on a comprehensive, organisation wide basis by senior management and is reviewed where appropriate and approved by the board of directors.

There has been no change in how the group assesses or manages its risks from the previous year, but the group has enhanced the risk management process by adopting a risk management framework that was approved by the board in May 2020. In terms of the framework, risks are identified both from within the organisation by designated risk champions and by management through Exco.

The main risks managed by the risk committee as described below include credit risk, liquidity risk and interest rate risk.

Liquidity risk

Borrowing capacity is determined by the directors in terms of the Memorandum of Incorporation, from time to time.

The group funds property loans through a combination of bilateral facilities, listed issuances, and off-balance sheet securitisation structures. The main Basel III covenant to measure liquidity is the Net Stable Funding Ratio and for the period to 31 March 2023 the ratio was 101.23%, above the 100% target.

Liquidity risk is the risk that the group is unable to meet its payment obligations when they fall due and to replace funds when they are withdrawn, the consequences of which may be the failure to meet obligations to repay commitments to borrowers.

The board is responsible for the management of the liquidity risk of the group. The function of managing liquidity risk is executed through the group’s Assets and Liabilities Committee (ALCO), a sub-committee of the board. Prudent management of liquidity contributes to sound liquidity risk management.

The key focus in managing this risk is the use of a cash flow model that monitors cash flows in the short term (12 months), ensuring that the group has adequate funding for repayments on lenders obligations as they become due, ongoing operational costs and disbursements of commitments to borrowers. Furthermore, the group performs a long term (5 years) financial forecast annually to manage and forecast cash flow requirements and compliance with covenants.

The group has developed and implemented a treasury management reporting system with full assets and liability management functionality. The more detailed treasury and risk management processes are important for the group in developing and enhancing the group funding strategy.

The flexibility in the funding facilities affords management more opportunity to manage and reduce such exposures. The source of funds may be accessed through the movement of assets to a warehouse, new liquidity, or prepayments.

The tables below analyses the company's financial liabilities at the statement of financial position date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows:

Group

At 31 March 2023 - Group	**Less than 1 year R**	**1 to 3 years R**	**3 to 5 years R**	**Over 5 years R**	**Total interest R**	**Carrying value R**
Loans from group companies	12,711,000	-	-	-	(738,440)	11,972,560
Other liabilities and accruals	44,719,948	-	-	-	-	44,719,948
Gross interest bearing liabilities (Refer note 23)	505,582,133	1,334,036,047	558,257,587	2,010,692,862	(978,407,207)	3,430,161,422
	563,013,081	**1,334,036,047**	**558,257,587**	**2,010,692,862**	**(979,145,647)**	**3,486,853,930**

Included in the table above the contractual maturity (R350,675,936) is recorded for TUHF Urban Finance (RF) Ltd and (R1,308,351,135) for Urban Ubomi (RF) Ltd financial liabilities in the buckets 1-3 years and 3-5 years. It is the intention that in 2025 and 2026 respectively these structures will come to an end and the financial liabilities will be settled through external funding.

At 31 March 2022 - Group	**Less than 1 year R**	**1 to 3 years R**	**3 to 5 years R**	**Over 5 years R**	**Total interest R**	**Carrying value R**
Loans from group companies	12,237,558	-	-	-	(390,684)	11,846,874
Other liabilities and accruals	52,816,521	-	-	-	-	52,816,521
Gross interest bearing liabilities (Refer note 23)	713,030,757	1,267,161,526	616,591,370	1,485,510,202	(862,842,491)	3,219,451,364
	778,084,836	**1,267,161,526**	**616,591,370**	**1,485,510,202**	**(863,233,175)**	**3,284,114,759**

Included in the table above the contractual maturity (R525 079 176) is recorded for TUHF Urban finance (RF) Limited financial liabilities in the bucket 1-3 years and 3-5 years. It is the intention that in 2025 this structure will come to an end and the financial liabilities will be settled through external funding.

Company

At 31 March 2023 - Company	**Less than 1 year R**	**1 to 3 years R**	**3 to 5 years R**	**Over 5 years R**	**Total interest R**	**Carrying value R**
Interest bearing liabilities	-	-	-	-	-	-
	-	**-**	**-**	**-**	**-**	**-**

At 31 March 2022 - Company	**Less than 1 year R**	**1 to 3 years R**	**3 to 5 years R**	**Over 5 years R**	**Total interest R**	**Carrying value R**
Interest bearing liabilities	40,730,757	-	-	-	(415,974)	40,314,783
	40,730,757	**-**	**-**	**-**	**(415,974)**	**40,314,783**

Liquidity mismatch - Group 2023

Gross advances	**Less than 1 year**	**1 to 3 years**	**3 to 5 years**	**Over 5 years**	**Carrying value**
	R	**R**	**R**	**R**	**R**
TUHF Limited	107,845,303	100,558,415	127,709,712	698,104,312	1,034,217,742
TUHF Urban Finance (RF) Limited	30,268,822	67,654,480	78,601,923	217,753,958	394,279,183
Vuselela Warehouse SPV (RF) Proprietary Limited	49,311,078	55,212,562	69,559,371	480,967,804	655,050,815
Urban Ubomi 1 (RF) Limited	53,538,024	220,214,365	175,147,154	949,540,505	1,398,440,048
TUHF Bridge Proprietary Limited	24,974,419	-	-	-	24,974,419
	265,937,646	**443,639,822**	**451,018,160**	**2,346,366,579**	**3,506,962,207**

Interest bearing liabilities	**Less than 1 year**	**1 to 3 years**	**3 to 5 years**	**Over 5 years**	**Carrying value**
	R	**R**	**R**	**R**	**R**
TUHF Limited	122,350,168	690,818,505	154,432,838	205,250,775	1,172,852,286
TUHF Urban Finance (RF) Limited	26,921,400	60,172,586	69,909,354	193,672,596	350,675,936
Vuselela Warehouse SPV (RF) Proprietary Limited	44,089,128	49,365,656	62,193,164	430,034,220	585,682,168
Urban Ubomi 1 (RF) Limited	50,089,050	206,027,934	163,863,999	888,370,152	1,308,351,135
Jeppestown Urban Trust	-	12,599,897	-	-	12,599,897
	243,449,746	**1,018,984,578**	**450,399,355**	**1,717,327,743**	**3,430,161,422**

	Less than 1 year	**1 to 3 years**	**3 to 5 years**	**Over 5 years**	**Carrying value**
	R	**R**	**R**	**R**	**R**
Liquidity mismatch	22,487,900	(575,344,756)	618,806	629,038,835	76,800,785
	22,487,900	**(575,344,756)**	**618,806**	**629,038,835**	**76,800,785**

Liquidity mismatch - Group 2022

Gross advances	Less than 1 year R	1 to 3 years R	3 to 5 years R	Over 5 years R	Carrying value R
TUHF Limited	80,759,942	203,186,118	258,159,254	1,089,130,164	1,631,235,478
TUHF Urban Finance (RF) Limited	40,093,546	79,897,912	92,826,514	282,683,922	495,501,894
Vuselela Warehouse SPV (RF) Proprietary Limited	9,005,324	13,759,946	17,335,424	84,675,953	124,776,647
Urban Ubomi 1 (RF) Limited	89,177,166	152,854,386	121,572,500	733,021,292	1,096,625,344
TUHF Bridge Proprietary Limited	3,528,853	-	-	-	3,528,853
	222,564,831	**449,698,362**	**489,893,692**	**2,189,511,331**	**3,351,668,216**

Interest bearing liabilities	Less than 1 year R	1 to 3 years R	3 to 5 years R	Over 5 years R	Carrying value R
TUHF Limited	320,277,534	837,582,654	187,242,040	257,130,972	1,602,233,200
TUHF Urban Finance (RF) Limited	36,706,658	73,148,564	84,985,027	258,804,299	453,644,548
Vuselela Warehouse SPV (RF) Proprietary Limited	46,301,301	7,957,954	10,025,803	48,971,657	113,256,715
Urban Ubomi 1 (RF) Limited	81,198,813	139,179,069	110,695,858	667,440,587	998,514,327
Jeppestown Urban Trust	-	11,487,790	-	-	11,487,790
TUHF Holdings Limited	40,314,784	-	-	-	40,314,784
	524,799,090	**1,069,356,031**	**392,948,728**	**1,232,347,515**	**3,219,451,364**

	Less than 1 year R	1 to 3 years R	3 to 5 years R	Over 5 years R	Carrying value R
Liquidity mismatch	(302,234,259)	(619,657,669)	96,944,964	957,163,816	132,216,852
	(302,234,259)	**(619,657,669)**	**96,944,964**	**957,163,816**	**132,216,852**

The liquidity mismatch pertaining to the period up to five years after reporting date will be managed by refinancing interest bearing liabilities.

Interest rate risk

Interest rate risk: the risk that the fair value, future earnings or future cash flows of a financial instrument fluctuate because of changes in market interest rates.

The board is responsible for the management of the interest rate of the group. The function of managing liquidity risk is executed through the group's Assets and Liabilities Committee (ALCO), a sub-committee of the board.

The group is exposed to cash flow interest rate risk on both loans and advances and interest bearing liabilities that are linked to the prime rate or 3-month JIBAR.

The group monitors and manages its interest rate exposures in line with the ALCO policy and where necessary potential adverse effect of interest rate movements are mitigated by entering into appropriate interest rate swaps to bring the risk within the approved risk appetite.

- Basis risk: Whilst some of the company's assets are linked to the prime interest rate, liabilities comprise of facilities linked to the Prime rate and JIBAR. In order to manage this risk, the company may decide to enter into interest rate swaps if it deems it necessary. The company has also decided to link its loans to JIBAR going forward. This process commenced in 2020.
- Repricing risk: A small portion of the liabilities are priced at fixed rates. The company may decide to enter into fixed/floating rate swaps if it deems the repricing risk to be significant.

The market risk exposure relates to the potential adverse effect of interest rate movements on net interest income. At 31 March 2023, if interest rates on net borrowings and advances had been 1% higher with all other variables held constant, pre-tax profit for the year would have been R1,045,088 (2022: R1,558,831) higher, mainly as a result of higher net interest earned on variable rate borrowings and advances. If interest rates on net borrowings and advances had been 1% lower with all other variables held constant, pre-tax profit for the year would have been R1,045,088 (2022: R1,558,831) lower.

Property Risk

The subsidiaries of TUHF Equity are property owning companies and as such their property portfolios make up the majority of their asset value. The property portfolios have inherent risk of volatility in the value of the portfolios due to the effect of the macro economic environment.

The valuation method used for the portfolios is based on open market value for existing use on a capitalised cash flow basis using capitalisation rates. The capitalisation rate used ranged between 10%-12% and is determined from the market (i.e. the rate at which similar assets have traded recently), and is influenced in general by: rates of return of similar properties, risk, obsolescence, inflation, market rental growth rates, rates of return on other investments, as well as mortgage rates.

Sensitivity:
The pertinent information used to determine the fair value of the property portfolio is the capitalisation rate used in determining the value of the property.

2023				**Effect on Carrying Value**	
Investment property portfolio	**Significant unobservable input**	**Change in Significant unobservable input**	**Carrying value**	**Upturn**	**Downturn**
Investment property portfolio	Capitalisation rate	From (1%) to 1%	R248,667,468	R273,534,215	R227,945,179

2022				Effect on Carrying Value	
Investment property portfolio	**Significant unobservable input**	**Change in significant unobservable input**	**Carrying value**	**Upturn**	**Downturn**
Investment property portfolio	Capitalisation rate	From (1%) to 1%	R260,880,000	R239,140,000	R286,968,000

Credit risk

Credit risk is the risk that one party to a financial instrument will cause financial loss for another party by failing to discharge an obligation.

The credit risk that the company faces arises mainly from commercial loans and advances. The company has policies, procedures and processes dedicated to controlling and monitoring risk from all such activities.

While credit exposures principally arise in loans and advances, the company can be exposed to other credit risks. These exposures comprise loan commitments and contingent liabilities. The risks are managed in a similar way to those loans in loans and advances and are subject to the same or similar approval and governance processes.

The granting of credit is one of the company's major sources of income and is therefore one of the most significant risks, and the company dedicates considerable resources to controlling it effectively. A system-based loan workflow process is used to facilitate the loan approval process. The granting of credit is considered on a project-by-project basis and various hurdle rates are considered in terms of our loan and credit policy.

Advances are subject to a risk rating evaluation that takes into consideration inter alia the overall risk profile, collateral cover, payment record, past experiences, customers' co-operation in abiding by loan conditions and the economic climate. For further details regarding the Company's accounting policy refer to accounting policy note 1.

The Group and Company's maximum exposure to credit risk is as follows:

	Group		Company	
Financial instrument	**2023**	**2022**	**2023**	**2022**
	R	**R**	**R**	**R**
Cash and cash equivalents	168,671,524	179,130,102	4,071	1,579
Amounts paid to attorneys held in trust	23,957,190	10,131,364	-	-
Gross loans and advances	3,506,962,207	3,351,668,216	-	-
Gross loans to group companies	7,146,062	6,040,685	148,015,881	181,026,705
Trade and other receivables excluding prepayments and VAT	17,442,303	35,687,587	-	-
Unlisted investment	23,172,170	-	-	-
Investment in joint venture	4,870,369	-	-	-
Fair value derivative asset	25,577,358	-	-	-
	3,777,799,183	**3,582,657,954**	**148,019,952**	**181,028,284**

Additional information pertaining to the areas below are contained in Note.

Additional information:

- Credit risk of loan advances
- Credit exposure per geographic area
- Product analysis

4. Financial assets by category

Group - 2023	Amortised cost	Fair value through profit or loss	Total
	R	R	R
Cash and cash equivalents	168,671,524	-	168,671,524
Amounts paid to attorneys held in trust	23,957,190	-	23,957,190
Loan and advances	3,345,993,716	-	3,345,993,716
Trade and other receivables excluding prepayments and VAT	17,442,303	-	17,442,303
Unlisted investments	-	23,172,170	23,172,170
Investment in joint ventures	4,870,369	-	4,870,369
Loans to group companies	6,730,674	-	6,730,674
Fair value derivative assets	-	25,577,358	25,577,358
	3,567,665,776	**48,749,528**	**3,616,415,304**

Group - 2022	Amortised cost	Fair value through profit or loss	Total
	R	R	R
Cash and cash equivalents	179,130,102	-	179,130,102
Amounts paid to attorneys held in trust	10,131,364	-	10,131,364
Loan and advances	3,221,604,016	-	3,221,604,016
Trade and other receivables excluding prepayments and VAT	28,775,805	6,911,782	35,687,587
Unlisted investments	-	22,036,080	22,036,080
Investment in joint ventures	4,560,543	-	4,560,543
Loans to group companies and related parties	6,040,685	-	6,040,685
	3,445,681,972	**28,947,862**	**3,474,629,834**

Company - 2023	Amortised cost	Total
	R	R
Cash and cash equivalents	4,071	4,071
Loans to group companies and related parties	142,172,181	142,172,181
	142,176,252	**142,176,252**

Company - 2022	Amortised cost	Total
	R	R
Cash and cash equivalents	1,579	1,579
Loans to group companies and related parties	181,026,705	181,026,705
	181,028,284	**181,028,284**

Summary of Principal valuation methods per level

Assets	Level	Valuation Techniques	Key Inputs
Loan and advances	1	Expected future cash flow	Interest rate
Derivative financial instruments	2	Expected cash flow	Interest rate
Unlisted Investments	3	Net asset value	Audited financials of the company

Fair value hierarchy levels 1 to 3 are based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs)

		Group		Company	
Fair value derivative assets	**Notional value**	**2023 R**	**2022 R**	**2023 R**	**2022 R**
1.CPI linked Hedge with Standard Bank	R200,000,000	12,532,884	4,109,250	-	-
2.Prime for 3 month JIBAR swap with Standard Bank	R704,886,447	9,607,637	2,802,531	-	-
3.Fixed/ Floating swap with Standard Bank	R60,000,000	1,240,639	-	-	-
4.CPI/JIBAR swap with Standard Bank Unlisted Investments	R25,000,000	2,196,198	-	-	-
Total Fair value assets		**25,577,358**	**6,911,781**	**-**	**-**

1. TUHF Limited entered into a fair value interest rate hedge with Standard Bank of South Africa Limited on 16 July 2021 to hedge against movements in cashflow in response to a financial liability linked to CPI (Consumer Price Index). The derivative swaps CPI-linked cash flows arising from the Eskom Pension and Provident Fund (EPPF) debt facility of R200 million for 3-month JIBAR-linked cash flows. In terms of the derivative, the company receives CPI plus 3% and pays 3-month JIBAR to Standard Bank of South Africa Limited.

2. Urban Ubomi 1 (RF) Limited has entered into a fair value interest rate swap with Standard Bank of South Africa Limited. The derivative swaps prime interest rate cashflows for 3-month JIBAR cashflows. The company calculates the Mark to Market (MTM) on the swap on a monthly basis. The maturity date of the swap is 15 May 2043. The swap is balance guaranteed so the nominal value will automatically go to zero on the coupon set-up date, currently May 2026.

3. Urban Ubomi 1 (RF) Limited has entered into a fixed-for-floating interest rate swap with Standard Bank of South Africa Limited to hedge interest rate risk on the fixed rate notes. The derivative swaps prime interest rate cashflows for 3-month JIBAR Cashflow. The company calculates the Mark to Market (MTM) on the swap on a monthly basis. The maturity date of the swap is 15 May 2026.

4. TUHF Limited entered into a CPI/JIBAR derivative with Standard Bank. This instrument swaps the CPI Linked cash flows on the R25 million, 10-year maturity, Intuthuko Equity Fund loan (IEF) from Eskom Pension and Provident Fund (EPPF) to JIBAR linked cash flows. TUHF then entered into a back-to-back swap with IEF, which is the opposite of the swap with Standard Bank.

The table below sets out the reconciliation of financial assets that are measured at fair value based on inputs that are not based on observable market data (level 3):

Level 3 Fair value disclosure:

	Group	
Unlisted investment	**2023**	**2022**
	R	**R**
Opening balance	22,036,080	24,967,606
Fair value adjustments (recognised in profit or loss)	1,136,090	(2,931,526)
	23,172,170	**22,036,080**

Sensitivity

Urban Task Force Proprietary Limited is valued as a percentage of net asset value of the latest available management accounts of Urban Task Force Proprietary Limited. Urban Task Force Proprietary Limited operates in the property rental business and the investment properties in the statement of financial position are measured at fair value at year end. Management is of the opinion that the net asset value represents fair value accurately as the investment properties are the most significant assets on the Statement of Financial Position. Management has also reviewed independent and director's valuations of the assets and liabilities of Urban Task Force Proprietary Limited and is comfortable that the net asset value is within an acceptable range of these values. Independent valuations are obtained by the directors of Urban Task Force Proprietary Limited and a capitalisation rate of 11% (2022: 10%) was considered a key assumption.

2023

			Effect on carrying value	
Assets	**Significant unobservable input**	**Change in significant unobservable input**	**Upturn**	**Downturn**
Unlisted investment	Capitalisation rate	From (1%) to 1%	R33,808,550	R19,845,297

2022

			Effect on carrying value	
Assets	**Significant unobservable input**	**Change in significant unobservable input**	**Upturn**	**Downturn**
Unlisted investment	Capitalisation rate	From (1%) to 1%	R29,350,393	R15,940,818

5. Financial liabilities by category

Group - 2023	**Amortised cost**	**Fair value through profit or loss**	**Total**
	R	**R**	**R**
Interest bearing liabilities	3,198,504,316	231,657,106	3,430,161,422
Loans from group companies	11,972,560	-	11,972,560
Trade and other payables	44,719,947	-	44,719,947
	3,255,196,823	**231,657,106**	**3,486,853,929**

Group - 2022	Amortised cost	Fair value through profit or loss	Total
	R	R	R
Interest bearing liabilities	3,002,094,284	217,357,080	3,219,451,364
Loans from group companies	11,846,874	-	11,846,874
Trade and other payables	52,816,522	-	52,816,522
	3,066,757,680	**217,357,080**	**3,284,114,760**

Company - 2023	Amortised cost	Fair value through profit or loss	Total
	R	R	R
Loans from group companies	102	-	102
	102	**-**	**102**

Company - 2022	Amortised cost	Fair value through profit or loss	Total
	R	R	R
Loans from group companies	102	-	102
Financial liabilities	40,314,783	-	40,314,783
	40,314,885	**-**	**40,314,885**

Summary of principal valuation methods per level:

Liabilities	Level	Valuation Techniques	Key Inputs
Fair value derivative instruments	2	Expected Cashflow	Interest rate
Interest bearing borrowings held at fair value	3	Net present value calculation	Discount rate

Fair value liabilities	Notional value	Group 2023	Group 2022	Company 2023	Company 2022
		R	R	R	R
Derivatives:					
1.Prime for 3-month JIBAR swap with Standard Bank	R704,886,447	11,979,859	4,030,943	-	-
2.CPI/JIBAR swap with Intuthuko Equity Fund	R25,000,000	2,196,198	-	-	-
Interest bearing borrowings:					
3.Eskom Pension Fund Loan	R200,000,000	205,593,004	202,854,128	-	-
4.Buffet Investment loan	R15,000,000	11,888,045	10,472,009	-	-
		231,657,106	**217,357,080**	**-**	**-**

1. TUHF Limited has entered into a fair value interest rate cashflow swap with Standard Bank of South Africa Limited. The derivative swaps 3-month JIBAR cashflows for prime cashflows. The company calculates the Mark to Market (MTM) on the swap on a monthly basis. The maturity date of the swap is 15 May 2043. The swap is balance guaranteed so the nominal value will automatically go to zero on the coupon set-up date, currently May 2026.
2. TUHF Limited entered into a CPI/JIBAR derivative with Intuthuko Equity Fund. This instrument is meant to swap the CPI linked cash flows from the R25 million, 10-year maturity, Intuthuko Equity Fund loan from Eskom Pension and Provident Fund (EPPF) to JIBAR linked cash flows. This swap is linked to the CPI/ JIBAR swap asset between TUHF Limited and Standard Bank.

3. The loan of R200 million from Eskom Pension and Provident Fund (EPPF) is accounted for at fair value through profit and loss is priced at CPI plus 3%. Pricing was swapped to JIBAR-linked pricing through a CPI-JIBAR interest rate derivative. The swapped rate for the facility is 3-month plus 1.72%.

4. The loan with Buffet Investment is recognised at fair value and a net present value calculation is performed to calculate the fair value adjustment. The net present value calculation uses the future outstanding balance of R15 million discounted using a discount rate of Prime +5% over the remaining period of the loan.

The table below sets out the reconciliation of financial liabilities that are measured at fair value based on inputs that are not based on observable market data (level 3):

	Group	
Interest bearing borrowing	**2023**	**2022**
	R	**R**
Opening balance	10,472,009	9,688,499
Interest	655,906	419,740
Fair value adjustments (recognised in profit or loss)	760,130	363,770
	11,888,045	**10,472,009**

Sensitivity

The loan with Buffet Investment is regonised at fair value and a net present value calculation is performed to calculate the fair value adjustment. The net present value calculation uses the future outstanding balance of R15 million discounted using an discount rate of Prime +5% over the remaining period of the loan.

2023

			Effect on carrying value	
Liabilities	**Significant unobservable input**	**Change in Significant unobservable input**	**Upturn**	**Downturn**
Interest bearing borrowings	Discount rate	From (1%) to 1%	R12,093,728	R11,686,217

2022

			Effect on Carrying value	
Liabilities	**Significant unobservable input**	**Change in Significant unobservable input**	**Upturn**	**Downturn**
Interest bearing borrowings	Discount rate	From (1%) to 1%	R10,767,733	R10,184,696

6. Cash and cash equivalents

	Group		Company	
	2023	**2022**	**2023**	**2022**
	R	**R**	**R**	**R**
Bank balances	168,657,983	179,120,814	4,071	1,579
Short-term deposits	13,541	9,288	-	-
	168,671,524	**179,130,102**	**4,071**	**1,579**

Credit quality of cash at bank and short-term deposits, excluding cash on hand

The credit quality of cash at bank and short-term deposits, excluding cash on hand that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or historical information about counterparty default rates:

Credit rating	Group 2023 R	Group 2022 R	Company 2023 R	Company 2022 R
Standard Bank of South Africa Limited (AA+)	163,514,853	188,499,041	4,071	1,579
First National Bank Limited (AA+)	5,156,671	762,425	-	-
	168,671,524	**189,261,466**	**4,071**	**1,579**

Composition of cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents include total cash and amounts paid to attorneys held in trust. The amounts paid to attorneys held in trust are subject to restrictions and are not available to the company or group unless the guarantees are cancelled.

	Group 2023 R	Group 2022 R	Company 2023 R	Company 2022 R
Cash and cash equivalents	168,671,524	179,130,102	4,071	1,579
Amounts paid to attorneys held in trust	23,957,190	10,131,364	-	-
	192,628,714	**189,261,466**	**4,071**	**1,579**

7. Amounts paid to attorneys held in trust

	Group 2023 R	Group 2022 R	Company 2023 R	Company 2022 R
Deposits for payment guarantees	23,816,913	9,542,916	-	-
Deposits pending property transfer registrations	140,277	588,448	-	-
	23,957,190	**10,131,364**	**-**	**-**

8. Loans and advances

	Group 2023 R	Group 2022 R	Company 2023 R	Company 2022 R
Loans and advances	3,506,962,207	3,351,668,216	-	-
Deferred raising fee**	(8,392,972)	(12,676,554)	-	-
Expected credit losses	(152,575,520)	(117,387,646)	-	-
	3,345,993,715	**3,221,604,016**	**-**	**-**

** The current portion of the deferred raising fee is R2,403,208 (2022: R3,433,787).

ECL raised on Commitments

	Group 2023		Group 2022	
Loan staged	**Commitment amount R**	**ECL raised R**	**Commitment amount R**	**ECL raised R**
Stage 1	72,597,321	106,293	82,304,266	907,138
Stage 2	3,908,871	138,746	544,203	120,783
Stage 3	229,889	-	-	-
	76,736,081	**245,039**	**82,848,469**	**1,027,921**

Exposure to credit risk

Loans and advances inherently exposes the group to credit risk, being the risk that the group will incur financial loss if counterparties fail to make payments as they fall due.

In order to mitigate the risk of financial loss from defaults, the group only deals with reputable counterparties with consistent payment histories. Sufficient collateral or guarantees are also obtained in all cases. Each counterparty is analysed individually for creditworthiness before terms and conditions are offered. The analysis involves making use of information submitted by the counterparties as well as external bureau data (where available). Counterparty credit limits are in place and are reviewed and approved by credit management committees. The exposure to credit risk and the creditworthiness of counterparties is continuously monitored.

Group 2023

Expected credit losses	**Stage 1** **R**	**Stage 2** **R**	**Stage 3** **R**	**Total** **R**
Opening balance at 1 April 2022	**21,840,784**	**4,095,773**	**91,451,089**	**117,387,646**
ECL movement in the current year	(1,817,767)	18,026,544	45,633,383	61,842,160
Change in ECL due to derecognition	(4,161,383)	(2,422,935)	(7,842,623)	(14,426,941)
Net impairments raised/(released) through profit or loss	**(5,979,150)**	**15,603,609**	**37,790,760**	**47,415,219**
Transfer of ECL between stages	(3,899,187)	1,668,985	2,230,202	-
Net transfer of ECL between stages	**(3,899,187)**	**1,668,985**	**2,230,202**	**-**
Impaired accounts written off against ECL provisions	(5,073,207)	-	(18,766,326)	(23,839,533)
Suspended interest movement in current year	-	-	11,612,188	11,612,188
Total Expected Credit loss balance	**6,889,240**	**21,368,367**	**124,317,913**	**152,575,520**

	Stage 1 **R**	**Stage 2** **R**	**Stage 3** **R**	**Total** **R**
Gross loans	2,427,704,218	563,722,498	515,535,491	3,506,962,207
Total Expected Credit loss balance	(6,889,240)	(21,368,367)	(124,317,913)	(152,575,520)
Net Advances	**2,420,814,978**	**542,354,131**	**391,217,578**	**3,354,386,687**

1. Net impairments raised/(released) less recoveries of amounts written off in previous years equals income statement impairment (refer credit impairment charges note).
2. The group's policy is to transfer opening balances based on the ECL stage at the end of the reporting period. Therefore exposures can be transferred directly from stage 3 to stage 1 as the curing requirements would have been satisfied during the reporting period. Furthermore, the expected credit loss recognised on new exposures originated during the reporting period (which are not included in opening balances) are included within the line "ECL movement in the current year" based on the exposures ECL stage as at the end of the reporting period.

Group 2022

Expected credit losses	Stage 1	Stage 2	Stage 3	Total
	R	R	R	R
Opening balance at 1 April 2021	**13,537,933**	**9,095,355**	**108,035,856**	**130,669,144**
ECL movement in the current year	11,886,186	(1,323,449)	22,117,479	32,680,216
Change in ECL due to derecognition	(3,667,452)	-	-	(3,667,452)
Net impairments raised/(released) through Profit or loss	**8,218,734**	**(1,323,449)**	**22,117,479**	**29,012,764**
Transfer of ECL from stage1	(1,202,284)	-	1,202,284	-
Transfer of ECL from stage 2	1,286,401	(3,676,134)	2,389,733	-
Net transfer of ECL between stages	**84,117**	**(3,676,134)**	**3,592,017**	**-**
Impaired accounts written off against ECL Provisions	-	-	(45,649,986)	(45,649,986)
Suspended interest movement in current	-	-	3,355,724	3,355,724
Total Expected Credit loss balance	**21,840,784**	**4,095,772**	**91,451,090**	**117,387,646**

	Stage 1	Stage 2	Stage 3	Total
	R	R	R	R
Gross loans	2,715,015,127	180,056,607	456,596,482	3,351,668,216
Total Expected Credit loss balance	(21,840,784)	(4,095,772)	(91,451,090)	(117,387,646)
Net Advances	**2,693,174,343**	**175,960,835**	**365,145,392**	**3,234,280,570**

1. Net impairments raised/(released) less recoveries of amounts written off in previous years equals income statement impairment (refer credit impairment charges note).
2. The group's policy is to transfer opening balances based on the ECL stage at the end of the reporting period. Therefore exposures can be transferred directly from stage 3 to stage 1 as the curing requirements would have been satisfied during the reporting period. Furthermore, the expected credit loss recognised on new exposures originated during the reporting period (which are not included in opening balances) are included within the line "ECL movement in the current year" based on the exposures ECL stage as at the end of the reporting period.

Renegotiated terms

None of the financial assets that are fully performing have been renegotiated in the last year. Funds receivable are first applied to any past due amounts.

Geographic and concentration of loans and advances

	Group		Company	
Geographical analysis	**2023**	**2022**	**2023**	**2022**
	R	**R**	**R**	**R**
Eastern Cape	290,423,915	247,909,292	-	-
Free State	116,736,835	112,894,314	-	-
Gauteng	1,975,983,600	1,924,866,156	-	-
KwaZulu-Natal	715,486,291	679,277,379	-	-
Western Cape	408,331,566	386,721,075	-	-
	3,506,962,207	**3,351,668,216**	**-**	**-**

	Group		Company	
Product analysis	**2023**	**2022**	**2023**	**2022**
	R	**R**	**R**	**R**
Mortgage loans	3,481,987,788	3,348,139,363	-	-
Bridge loans	24,974,419	3,528,853	-	-
	3,506,962,207	**3,351,668,216**	**-**	**-**

	Group		Company	
Collateral held	**2023**	**2022**	**2023**	**2022**
	R	**R**	**R**	**R**
Loan book less stage 3 assets	5,562,914,655	5,590,866,567	-	-
Stage 3 assets	548,071,178	605,007,118	-	-
	6,110,985,833	**6,195,873,685**	**-**	**-**

9. Trade and other receivables

	Group		Company	
Financial instruments:	**2023**	**2022**	**2023**	**2022**
	R	**R**	**R**	**R**
Trade receivables	1,353,775	3,047,594	-	-
Deposits	1,091,823	1,377,263	-	-
Financial asset hedge	-	14,301,781		
Interest on guarantee funds	-	6,274	-	-
Other receivables	7,579,447	6,808,039	-	-
Post loan write off debtors	7,417,258	-	-	-
Non-financial instruments:				
VAT	8,762,221	10,146,637	-	-
Deferred and prepaid expenses	1,611,240	1,394,856	313	417
	27,815,764	**30,170,665**	**313**	**417**

Amounts receivable are all current. Accounts receivable are regarded as having a low probability of default and therefore the related expected credit loss is not significant.

10. Investment Properties

Reconciliation of investment properties- Group - 2023

	Opening balance	Additions	Disposals	Fair value adjustments	Total
	R	R	R	R	R
Investment property	260,880,000	6,009,454	-	(18,221,986)	248,667,468
	260,880,000	**6,009,454**	**-**	**(18,221,986)**	**248,667,468**

Reconciliation of investment properties- Group - 2022

	Opening balance	Additions	Disposals	Fair value adjustments	Total
	R	R	R	R	R
Investment property	270,044,873	17,794,425	(45,087,564)	18,128,266	260,880,000
	270,044,873	**17,794,425**	**(45,087,564)**	**18,128,266**	**260,880,000**

Details of Investment properties

- Sections 1-8 of Sectional title scheme Toys Court & Sections 1-9 of Sectional title scheme Philips Court & Sections 1,2,3,5,6,7,8 of Sectional title scheme Wellsid court. Located at 5,6&7 Sueltz Street Gqeberha
- Erf 1089, New Doornforntein , Johannesburg Erf 144 and 41, New Centre Township, 17 Roper Street, Johannesburg Erf 175, 180, 181, 182 and 183, Jeppestown, 33
- Erf 336, 337, 339 and 341, Jeppestown, 34 Jules
- Erf 2808, Jeppestown, Johannesburg
- Erf 495 and Erf 496, Jeppestown, Johannesburg
- Erf 2805, Jeppestown, Johannesburg
- Erf 640, Jeppestown, Johannesburg
- Erf 246, Jeppestown, Johannesburg
- Erf 2762, 60 John Page Drive, Jeppestown,
- The remaining extent of Erf 2825, 9 John Page Drive, Jeppestown, Johannesburg Erf 512, 513, 514 and 515, Jeppestown, Johannesburg

Amounts recognised in profit or loss for investment properties:

	Group		Company	
	2023	**2022**	**2023**	**2022**
	R	**R**	**R**	**R**
Rental Income	17,652,083	16,270,576	-	-
Recovery Income	5,666,861	5,102,027	-	-
Direct operating expenses from properties	(21,765,899)	(24,445,792)	-	-
Fair value gain/(loss) recognised in other gains/(losses) *	(18,221,988)	18,128,265	-	-
	(16,668,943)	**15,055,076**	**-**	**-**

*The significant decrease in fair value for 2023 is due to the write down in fair value of the investment properties under the TUHF Equity group to reflect the current property use and the current macro-economic environment as well as the sale for 17 Roper street that was cancelled in this financial year.

Details of valuation

All revaluations for 2023 and 2022 were performed by an independent valuer that is not connected to the companies and has experience in the location and category of the investment property being revalued. The valuation was based on open market values for existing use on a capitalised cash flow basis. The capitalisation rate used for 2023 and 2022 ranged between 10%-13% and is determined from the market (i.e. the rate at which similar assets have traded recently), and is influenced in general by: rates of return of similar properties, risk, obsolescence, inflation, market rental growth rates, rates of return on other investments, as well as mortgage rates.

11. Properties in possession

Group 2023

	Opening balance R	Additions R	Disposals R	Transfers R	Carrying amount R
Properties in possession	-	1,136,169	(1,136,169)	-	-
	-	**1,136,169**	**(1,136,169)**	**-**	**-**

Group 2022

	Opening balance R	Additions R	Disposals R	Transfers R	Carrying amount R
Properties in possession	11,400,000	967,000	(5,267,000)	(7,100,000)	-
	11,400,000	**967,000**	**(5,267,000)**	**(7,100,000)**	**-**

Details of properties - 2023

1. Erf 475 Germiston, Johannesburg was bought in and directly onsold to a third party. Transfer took place 27 October 2022.

Details of properties - 2022

1. Old Trafford, Erven 828-830 located at 24 Kruger Street City and Suburban Johannesburg was sold in June 2021.
2. Cleveland Court Portion 2 of Erf 92 Johannesburg was bought and on sold in this financial year
3. Philips Court & Sections 1,2,3,5,6,7,8 of Sectional title scheme Wellside Court. Located at 5,6&7 Sueltz Street, Gqeberha the property was transferred to Investment Properties in the prior year as it no longer met the criteria of a Property in Possession.

12. Loans to/(from) group companies and related parties

	Group		Company	
Subsidiaries	**2023 R**	**2022 R**	**2023 R**	**2022 R**
TUHF Limited*	-	-	10,000,000	10,000,000
The loan is interest free with no stated terms of repayment.				
TUHF Limited*	-	-	99,956,989	93,153,941
The loan carries interest at 75% of prime lending rate and has no fixed terms of repayment.				
TUHF Limited*	-	-	156,227,874	145,119,039
The loan carries interest at prime lending rate less 2% and has no fixed terms of repayment.				
TUHF Limited*	-	-	(178,648,006)	(123,036,178)
The loan carries interest at the market call rates of the group.				
TUHF Equity Proprietary Limited*	-	-	60,479,024	58,079,843
The loan is unsecured, carries interest at prime lending rate plus 0,25%, with no fixed terms of repayment				
TUHF Bridge Proprietary Limited	-	-	(100)	-

	Group		Company	
Subsidiaries	**2023**	**2022**	**2023**	**2022**
	R	**R**	**R**	**R**
The loan is interest free with no stated terms of repayment.				
TUHF Equity Proprietary Limited	-	-	(1)	
The loan is interest free with no stated terms of repayment.				
TUHF MBS Proprietary Limited	-	-	(1)	
The loan is interest free with no stated terms of repayment.				
Loans to group companies ECL	-	-	(5,843,700)	(2,289,941)
	-	**-**	**142,172,079**	**181,026,602**

	Group		Company	
Joint ventures	**2023**	**2022**	**2023**	**2022**
	R	**R**	**R**	**R**
Risk Prop Proprietary Limited*	3,328,371	2,942,121	-	-
The loan is unsecured, bears interest at prime plus 3% and is payable in 2023.				
Pearl Property Investment Proprietary Limited**	3,643,889	3,151,620	-	-
The loan is unsecured, bears interest at prime plus 5% and is payable in 2024.				
ECL on loans to joint ventures	(415,385)	(271,517)	-	-
	6,556,875	**5,822,224**	**-**	**-**

	Group		Company	
Holding company	**2023**	**2022**	**2023**	**2022**
	R	**R**	**R**	**R**
TUHF21 NPC	(11,972,560)	(11,843,056)	-	-
Interest is charged at market call rates and there are no fixed terms of repayment.				
	(11,972,560)	**(11,843,056)**	**-**	**-**

	Group		Company	
Fellow subsidiaries	**2023**	**2022**	**2023**	**2022**
	R	**R**	**R**	**R**
uMaStandi Proprietary Limited	5,566	-	-	-
This is in intercompany (creditor)/debtor, is interest free and repayable within 12 months				
Intuthuko Equity Fund Proprietary Limited	168,233	(3,818)	-	-
This is in intercompany (creditor)/debtor, is interest free and repayable within 12 months.				
Silverkey Proprietary Limited	-	97,750	-	-
The loan is unsecured, is interest free and is repayable in within 12 months				
Better Urban Living 2 Proprietary Limited	-	120,710	-	-
The loan is unsecured, is interest free and is repayable in within 12 months				
	173,799	**214,642**	**-**	**-**

Net loans (to) from group companies	Group 2023 R	Group 2022 R	Company 2023 R	Company 2022 R
Loans to group companies' asset	6,730,673	6,040,685	142,172,181	181,026,705
Loans from group companies' liability	(11,972,560)	(11,846,874)	(102)	(102)
	(5,241,887)	**(5,806,189)**	**142,172,079**	**181,026,603**

All these loans have been classified as stage 1 in 2023 (2022: stage 1) *

All these loans have been classified as stage 2 in 2023 (2022: stage 2) **

All these loans have been classified as stage 3 in 2023 (2022: stage 3) ***

Reconciliation of group related borrowings

Loans to related parties	Group 2023 R	Group 2022 R	Company 2023 R	Company 2022 R
Opening balance	6,312,202	6,274,595	183,316,646	215,688,709
Advances	6,842	-	3,309,257	219,884
Interest	871,677	1,029,032	11,437,738	22,948,536
Advances non-cash	173,797	218,460	-	443,350
Repayments	(218,460)	(1,263,544)	(50,047,760)	(67,932,069)
Add back Intercompany ECL prior year		4,508,387		11,948,236
Gross loans to related parties	**7,146,058**	**10,766,930**	**148,015,881**	**183,316,646**
Intercompany ECL	(415,385)	(4,726,245)	(5,843,700)	(2,289,941)
Net loans to related parties	**6,730,673**	**6,040,685**	**142,172,181**	**181,026,705**

Loans from related parties	Group 2023 R	Group 2022 R	Company 2023 R	Company 2022 R
Opening balance	11,846,874	14,547,865	102	102
Advances	102,338,028	5,028,021	-	-
Interest	594,774	191,737	-	-
Advances non-cash	-	443,119	-	-
Repayments	(102,807,116)	(8,363,868)	-	-
Net loans from related parties	**11,972,560**	**11,846,874**	**102**	**102**

13. Investments in subsidiaries

Company	% Holding 2023	% Holding 2022	Carrying amount 2023 R	Carrying amount 2022 R
TUHF Limited (Property financier)	100%	100%	26,333,333	26,333,333
TUHF Bridge Proprietary Limited (Short-term bridging finance)	100%	100%	46,767	46,767
TUHF MBS Proprietary Limited (Security SPV)	100%	100%	1	1
TUHF Equity Proprietary Limited (Equity finance)	100%	100%	1	1
			26,380,102	**26,380,102**

14. Investments in joint ventures

	Ownership (%) 2023	Ownership (%) 2022	Carrying amount 2023 R	Carrying amount 2022 R
Risk Prop Proprietary Limited	50%	50%	4,869,869	4,560,043
Pearl Property Investment Proprietary Limited	50%	50%	500	500
			4,870,369	**4,560,543**

Aggregate amount of the group's share of profit/ (loss) after tax

	2023 R	2022 R
Risk Prop Proprietary Limited	309,826	876,113
Pearl Properties Proprietary Limited	-	-
Total	**309,826**	**876,113**

1. The company purchased 50% of the share capital in Risk Prop Proprietary Limited in September 2018 and a shareholder's loan of R2 million has been advanced (see note 12 for details). A joint venture agreement has been signed for the development of the investment property.
2. The company purchased 50% of the share capital in Pearl Properties Investment Proprietary Limited in June 2019 and a shareholders loan of R2.2 million has been advanced (see note 12 for details). A joint venture agreement has been signed for the development of the investment property.

The unrecognised losses on these joint ventures amount to R0.94 million (2022: R0.6 million) In the current and prior year the unregonised losses relates to TUHF Equity's 50% share in the total comprehensive losses made by Pearl Properties Investment Proprietary Limited

15. Unlisted investments

Classified at fair value through profit or loss:

	2023 R	2022 R
Urban Task Force Proprietary Limited	23,172,170	22,036,080
	23,172,170	**22,036,080**

Refer to note 4 for the fair value disclosure on unlisted investments.

16. Equipment

	2023			2022		
Group	**Cost R**	**Accumulated depreciation R**	**Carrying value R**	**Cost R**	**Accumulated depreciation R**	**Carrying value R**
Office furniture and equipment	4,419,664	(3,536,389)	883,275	4,200,425	(3,607,638)	592,787
Computer hardware and telephones	7,441,176	(6,145,966)	1,295,210	7,344,288	(5,934,786)	1,409,502
Total	**11,860,840**	**(9,682,355)**	**2,178,485**	**11,544,713**	**(9,542,424)**	**2,002,289**

Reconciliation of equipment - Group – 2023

	Opening balance R	Additions R	Disposals R	Depreciation R	Total R
Office furniture and equipment	592,787	592,625	-	(302,137)	883,275
Computer hardware and telephones	1,409,502	645,134	(12,757)	(746,669)	1,295,210
	2,002,289	**1,237,759**	**(12,757)**	**(1,048,806)**	**2,178,485**

Reconciliation of equipment - Group – 2022

	Opening balance R	Additions R	Disposals R	Depreciation R	Total R
Office furniture and equipment	583,141	281,580	-	(271,934)	592,787
Computer hardware and telephones	1,274,565	832,848	-	(697,911)	1,409,502
	1,857,706	**1,114,428**	**-**	**(969,845)**	**2,002,289**

17. Leases (group as lessee)

Right-of-use assets - 2023

	Opening balance R	Adjustments R	Additions R	Modifications R	Depreciation R	Total R
Office space (buildings)	13,687,370	948,399	-	-	(3,904,745)	10,731,024
	13,687,370	**948,399**	**-**	**-**	**(3,904,745)**	**10,731,024**

Right-of-use assets - 2022

	Opening balance R	Adjustments R	Additions R	Modifications R	Depreciation R	Total R
Office space (buildings)	14,623,490	46,291	2,769,508	-	(3,751,919)	13,687,370
	14,623,490	**46,291**	**2,769,508**	**-**	**(3,751,919)**	**13,687,370**

Lease liabilities - 2023

	Opening balance R	Adjustments R	Additions R	Modifications R	Payments R	Interest expense R	Total R
Office space (buildings)	15,847,663	496,023	-	-	(4,665,592)	1,338,654	13,016,748
	15,847,663	**496,023**	**-**	**-**	**(4,665,592)**	**1,338,654**	**13,016,748**

Lease liabilities - 2022

	Opening balance R	Adjustments R	Additions R	Modifications R	Payments R	Interest expense R	Total R
Office space (buildings)	16,045,530	(20,923)	2,769,508	-	(4,400,196)	1,453,744	15,847,663
	16,045,530	**(20,923)**	**2,769,508**	**-**	**(4,400,196)**	**1,453,744**	**15,847,663**

Finance lease liabilities

	Group		Company	
Maturity analysis	**2023**	**2022**	**2023**	**2022**
	R	**R**	**R**	**R**
Within one year	4,938,612	4,711,888	-	-
Two to five years	9,278,075	14,128,051	-	-
More than five years	-	-	-	-
Total undiscounted lease liabilities at 31 March	**14,216,687**	**18,839,939**	**-**	**-**

Lease liabilities in the statement of financial position at 31 March

	Group		Company	
	2023	**2022**	**2023**	**2022**
	R	**R**	**R**	**R**
Non-current liabilities	4,007,066	3,270,375	-	-
Current liabilities	9,009,682	12,577,288	-	-
	13,016,748	**15,847,663**	**-**	**-**

18. Intangible assets

	2023			2022		
Group	**Cost**	**Accumulated amortisation**	**carrying value**	**Cost**	**Accumulated amortisation**	**Carrying value**
	R	**R**	**R**	**R**	**R**	**R**
Computer software	24,631,042	(19,291,392)	5,339,650	21,844,468	(17,492,697)	4,351,771
	24,631,042	**(19,291,392)**	**5,339,650**	**21,844,468**	**(17,492,697)**	**4,351,771**

Reconciliation of intangible assets - Group – 2023

	Opening balance	**Additions**	**Amortisation**	**Disposal**	**Total**
	R	**R**	**R**	**R**	**R**
Computer software	4,351,771	2,791,902	(1,799,051)	(4,972)	5,339,650
	4,351,771	**2,791,902**	**(1,799,051)**	**(4,972)**	**5,339,650**

Reconciliation of intangible assets - Group – 2022

	Opening balance	**Additions**	**Amortisation**	**Disposal**	**Total**
	R	**R**	**R**	**R**	**R**
Computer software	5,104,458	1,333,239	(2,085,926)	-	4,351,771
	5,104,458	**1,333,239**	**(2,085,926)**	**-**	**4,351,771**

19. Deferred tax

	Group		Company	
Deferred tax liability	**2023** **R**	**2022** **R**	**2023** **R**	**2022** **R**
Accelerated depreciation	(1,441,705)	(1,174,978)	-	-
Deferred and prepaid expenses	(2,725,201)	(2,896,343)	(84)	(113)
Fair value adjustment derivatives	(89,964)	-	-	-
Fair value adjustment unlisted investments	(3,184,309)	-	-	-
Fair value adjustment Investment property	(69,030,800)	-	-	-
Fair value adjustment	-	(5,696,526)	-	-
Share scheme	(419,590)	-	-	-
Total deferred tax liability	**(76,891,569)**	**(78,142,389)**	**(84)**	**(113)**

	Group		Company	
Deferred tax asset	**2023** **R**	**2022** **R**	**2023** **R**	**2022** **R**
Provision for bonus	1,441,410	2,721,788	-	-
Expected credit losses	3,938,855	4,107,046	-	-
Provision for bad debt	5,808,875	4,743,699	-	-
Deferred Income	2,266,102	3,422,670	-	-
Fair value adjustment derivatives	851,953	-	-	-
Fair value adjustment Investment property	1,289,648	-	-	-
Intercompany ECL	67,292	765,652	946,679	370,971
Leases	451,020	295,012	-	-
Share scheme	-	494,191	-	-
Deferred tax asset on assessed loss	103,655,175	82,251,370	-	-
Total deferred tax asset	**119,770,330**	**98,801,428**	**946,679**	**370,971**

	Group		Company	
	2023 **R**	**2022** **R**	**2023** **R**	**2022** **R**
Deferred tax liability	(76,891,569)	(78,142,389)	(84)	(113)
Deferred tax asset	119,770,330	98,801,428	946,679	370,971
Total net deferred tax asset (liability)	**42,878,761**	**20,659,039**	**946,595**	**370,858**

Reconciliation of deferred tax asset / (liability)

	Group		Company	
	2023	**2022**	**2023**	**2022**
	R	**R**	**R**	**R**
At beginning of year	20,659,039	16,365,539	370,858	2,007,303
Provisions	(1,280,378)	2,372,503	-	-
Accelerated depreciation	(266,727)	254,270	-	-
Expected credit losses	(168,191)	(2,108,765)	-	-
Provision for bad debt	1,065,176	-	-	-
Deferred income	(1,156,567)	2,149,087	-	-
Deferred and prepaid expenses	171,142	766,182	28	(25)
Fair value adjustment unlisted investments	(245,395)	-	-	-
Fair value adjustment investment property	2,633,975	-	-	-
Fair value adjustment derivatives	880,607	-	-	-
Fair value adjustment	-	(2,383,964)	-	-
Loans to group companies	(698,359)	8,243	575,709	(1,636,420)
Operating leases	156,008	210,972	-	-
Share scheme	(913,781)	(326,034)	-	-
Deferred tax asset on assessed loss	22,042,212	7,314,042	-	-
	42,878,761	**20,659,039**	**946,595**	**370,858**

The deferred tax balance at year end is considered non-current.

20. Share capital

	Group		Company	
Authorised	**2023**	**2022**	**2023**	**2022**
	R	**R**	**R**	**R**
150 000 000 ordinary shares of no par value	-	-		
20 000 000 no par value ordinary C shares	-	-	-	-
100 000 000 no par value unspecified shares	-	-	-	-
Authorised - cumulative redeemable preference shares				
35 000 preference shares of R1 000 per share	35,000,000	35,000,000	35,000,000	35,000,000
	35,000,000	**35,000,000**	**35,000,000**	**35,000,000**

Refer to note 24 for disclosure of preference shares treated as a financial liability. The Preference share were fully repaid in this financial year, but as per the MOI of TUHF Holdings are still authorised and available to be reissued.

Unissued ordinary shares are under the control of the directors in terms of a resolution of members passed at the last annual general meeting. This authority remains in force until the next annual general meeting.

	Group		Company	
Issued	**2023**	**2022**	**2023**	**2022**
	R	**R**	**R**	**R**
79,654,978 (2022:79,654,978) ordinary shares at no par value	90,455,892	90,455,892	90,455,892	90,455,892
13,226,765 no par value C ordinary shares	25,335,615	25,335,615	25,335,615	25,335,615
Share premium	18,739,067	18,739,067	18,739,067	18,739,067
Treasury shares	(11,121,450)	(3,057,689)	-	-
Ordinary Share at no par value				
100 Shares: Vuselela Warehouse SPV (RF) Proprietary Limited, controlled entity, issued to Vuselela Warehouse SPV Owner Trust	100	100	-	-
100 Shares: Vuselela Collections SPV (RF) Proprietary Limited, controlled entity, issued to Vuselela Collections SPV Owner Trust	100	100	-	-
100 Shares: TUHF Urban Finance (RF) Limited, controlled entity, issued to TUHF Urban Finance Owner Trust	100	100	-	-
100 Shares: Urban Ubomi 1 (RF) Limited, controlled entity, issued to The Urban Ubomi 1 Issuer Owner Trust	100	100	-	-
	123,409,524	**131,473,285**	**134,530,574**	**134,530,574**

	Group		Company	
Treasury shares	**2023**	**2022**	**2023**	**2022**
	R	**R**	**R**	**R**
At beginning of the year	3,057,689	7,389,583	-	-
Share vested to employees	(1,408,695)	(7,393,517)	-	-
Shares bought by TUHF Limited from employees	9,472,456	3,061,623	-	-
	11,121,450	**3,057,689**	**-**	**-**

	Group		Company	
Share premium	**2023**	**2022**	**2023**	**2022**
	R	**R**	**R**	**R**
Share premium	18,739,068	18,739,068	18,739,068	18,739,068
	18,739,068	**18,739,068**	**18,739,068**	**18,739,068**

21. Non-distributable reserves

A grant agreement was entered into between TUHF Limited (TUHF) and National Treasury to advance R200 million to TUHF over 3 years. The funds were included in R800 million senior debt to lend to end user clients. To date R157,5 million has been received and on lent to end users. The project has successfully come to an end and no further funds will be received.

	Group		Company	
	2023	**2022**	**2023**	**2022**
	R	**R**	**R**	**R**
Non-distributable reserve	157,499,759	157,499,759	-	-
	157,499,759	**157,499,759**	**-**	**-**

22. Trade and other payables

	Group		Company	
Financial instruments	**2023** **R**	**2022** **R**	**2023** **R**	**2022** **R**
Bonuses and leave pay	5,338,556	10,080,698	-	-
Trade payables	37,672,196	40,115,617	-	-
Unallocated cash receipts	641,237	1,395,360	-	-
Deposits received	250,291	506,525	-	-
Other payables	748,951	388,197	-	-
Non-financial instruments				
VAT	68,716	330,125	-	-
	44,719,947	**52,816,522**	**-**	**-**

The balance at year end is considered current.

23. Financial liabilities

Held at amortised cost

	Group		Company	
Held at amortised cost	**2023** **R**	**2022** **R**	**2023** **R**	**2022** **R**
National Housing Finance Corporation SOC Limited	8,119,860	11,903,780	-	-
The loan of R50 million from the National Housing Finance Corporation SOC Limited is at an interest rate of prime minus 2%. Interest and capital are repaid over the remaining term and will be repaid by September 2024.				
National Housing Finance Corporation SOC Limited	19,612,249	22,824,740	-	-
The loan of R50 million from the National Housing Finance Corporation SOC Limited is at an interest rate of prime minus 2%. Interest and capital are repaid over the remaining term and will be repaid by 30 November 2024.				
Development Bank of Southern Africa Limited	-	3,109,492	-	-
The loan of R50 million from the Development Bank of Southern Africa Limited is at an interest rate of prime minus 2%. Interest and capital are repaid over the remaining term and was repaid by September 2022.				
Development Bank of Southern Africa Limited	14,137,623	24,088,721	-	-
The loan of R100 million from the Development Bank of Southern Africa Limited is at an interest rate of prime minus 2%. Interest and capital are repaid over the remaining term and must be repaid in full by 30 June 2024.				
National Housing Finance Corporation SOC Limited	43,552,287	50,150,087	-	-

	Group		Company	
Held at amortised cost	**2023**	**2022**	**2023**	**2022**
	R	**R**	**R**	**R**
The loan of R100 million from the National Housing Finance Corporation SOC Limited is at an interest rate of prime minus 2%. Interest and capital are repaid over the remaining term and will be repaid by July 2028.				
National Housing Finance Corporation SOC Limited	10,202,170	11,466,853	-	-
The loan of R25 million from the National Housing Finance Corporation SOC Limited is at an interest rate of prime minus 2%. Interest and capital are repaid over the remaining term and will be repaid by July 2029.				
National Housing Finance Corporation SOC Limited	39,106,143	50,586,403	-	-
The loan of R120 million from the National Housing Finance Corporation SOC Limited is at an interest rate of prime minus 0.5%. Interest and capital are repaid over the remaining term and will be repaid in full by December 2025.				
Development Bank of Southern Africa Limited	43,110,490	63,781,470		
The loan of R200 million from the Development Bank of Southern Africa Limited is at an interest rate of prime minus 1.0%. Interest and capital are repaid over the remaining term and must be repaid in full by 31 December 2024.				
Mergence Investment Managers	-	7,364,309	-	-
The loan of R15 million from Mergence Investment Managers is at an interest rate of prime less 0.5%. The facility is fully drawn and interest and capital are paid monthly. The facility was fully repaid in June 2022.				
Public Investment Corporation	133,134,724	157,761,212	-	-
The loan of R300 million from the Public Investment Corporation is at an interest rate of prime less 2%. The facility is fully drawn and interest and capital are paid monthly. The facility is repayable in full by December 2027.				
Futuregrowth Asset Management	-	132,878,977	-	-
The loan of R300 million from Futuregrowth Asset Management acting as facility agent on behalf of Senior Lenders is at an interest rate of prime plus 0.95%. R200 million is repayable in equal monthly instalments of capital and was repaid March 2023. R100 million is repayable in equal monthly instalments and was repaid March 2023.				
Futuregrowth Asset Management	-	78,172,469	-	-

	Group		Company	
Held at amortised cost	**2023**	**2022**	**2023**	**2022**
	R	**R**	**R**	**R**
The loan of R200 million from Futuregrowth Asset Management is at an interest rate of prime plus 0.95%. The facility is fully drawn as funds are required and interest and capital are paid monthly. The loan is repayable in equal installments and was fully repaid in March 2023.				
Mergence Investment Managers	-	8,157,997	-	-
The loan of R11 million from Mergence Investment Managers is at an interest rate of prime. The facility is fully drawn and interest and capital are paid monthly. The facility was be repaid in June 2022.				
Futuregrowth Asset Management	-	33,389,948	-	-
The loan of R60 million from Futuregrowth Asset Management is at an interest rate of prime plus 1.00%. The facility is fully drawn and interest and capital are paid monthly. The facility was fully repaid March 2023.				
Futuregrowth Asset Management	-	62,401,623	-	-
The loan of R100 million from Futuregrowth Asset Management is at an interest rate of prime plus 1.15%. The facility is fully drawn and interest and capital are paid monthly. The facility was fully repaid March 2023.				
Nedbank Limited	98,291,948	98,291,954	-	-
The loan of R100 million from Nedbank is at an interest rate of prime. The facility is fully drawn and interest is payable on a monthly basis. The capital will be repaid in a single payment at the end of the term. The facility repayment date was extended by 2 years and is fully repayable by April 2024.				
National Housing Finance Corporation SOC Limited	157,688,713	168,477,798	-	-
The loan of R200 million from National Housing Finance Corporation SOC Limited is at an interest rate of prime plus 0.25%. Interest and Capital is paid monthly. The facility is fully drawn and interest and capital are repaid over the remaining term. The facility is repayable in full by February 2033.				
Novo Impact Fund	10,083,945	10,056,693	-	-
The loan of R10 million from Novo Impact Fund is at an interest rate of prime less 0,5%. The facility is fully drawn and interest is payable on a monthly basis. The capital will be repaid in a single payment at the end of the term. The facility is fully repayable by October 2025.				
Ashburton Asset Managers	90,796,439	90,540,616	-	-

	Group		Company	
Held at amortised cost	**2023**	**2022**	**2023**	**2022**
	R	**R**	**R**	**R**
The loan of R90 million from Ashburton Asset Managers is at prime rate. The facility is fully drawn and interest is payable on a monthly basis. The capital will be repaid in a single payment at the end of the term. The facility is fully repayable by May 2024.				
Small Enterprise Finance Agency (SEFA)	-	26,477,784	-	-
A loan of R30 million from a R60 million SEFA facility priced at prime rate. Interest is payable on a monthly basis. The capital is repaid on a monthly basis, with a 6-month moratorium from first draw date. The facility was fully repaid in April 2022.				
The Standard Bank of South Africa Limited	585,682,169	113,256,715	-	-
A R1 billion warehouse revolving facility bearing interest at a rate of 3-month JIBAR rate plus a margin of 3.25%, with the 3-month JIBAR rate resetting quarterly. Interest is payable on a monthly basis and capital can be repaid and redrawn on a revolving basis. The facility is renewable every 12 months, with the contractual maturity being 17 years after the availability period.				
National Housing Finance Corporation SOC	-	40,314,783	-	40,314,783
The preference shares are issued to the National Housing Finance Corporation SOC Limited and are at an interest rate of prime less the corporate tax rate, currently 6.3%. Dividend payments have been accrued. The preference shares were redeemed in June 2022.				
Nedbank Limited	711,852	1,015,781		
The loan is unsecured and deeply subordinated to all loans made in Jeppestown Urban Trust or to be made to Jeppestown Urban Trust, is interest free. Repayment date is December 2024				
	1,254,230,612	**1,266,470,205**	**-**	**40,314,783**

	Group		Company	
Domestic Medium -Term Note Programme	**2023**	**2022**	**2023**	**2022**
	R	**R**	**R**	**R**
Sanlam Asset Management	285,246,632	283,465,203	-	-
A second listed and rated domestic medium-term note was raised on 24 January 2020. The term of the notes is 4 years and 9 months. The interest rate is at 3-month JIBAR rate a margin of 2.85%. The capital is repayable on 24 October 2024. The note was fully taken by Sanlam and was delisted on 26 July 2021.				
	285,246,632	**283,465,203**	**-**	**-**

Mortgage-backed securities	Group 2023 R	Group 2022 R	Company 2023 R	Company 2022 R
A listed mortgage-backed securitisation concluded December 2019. Interest is priced at 3-month JIBAR plus a specified margin for each tranche of notes, with the 3-month JIBAR rate resetting quarterly. The margins range from 2.22% to 10% across the various notes. Interest and capital are payable quarterly in terms of the TUHF Urban Finance (RF) priority of payment until all obligations are fully settled. The structure has a contractual maturity date of May 2039 and open to the first refinance in January 2025.				
A Class Note - Interest rate 9.687%	299,580,872	387,545,489	-	-
B Class Note - Interest rate 11.467%	34,851,471	45,085,463	-	-
D Class Note - Interest rate 12.217%	16,243,595	21,013,596	-	-
A listed mortgage-backed securitisation concluded in March 2021. Interest is priced at 3-month JIBAR plus a specified margin for each tranche of notes, with the 3- month JIBAR rate resetting quarterly. The margins range from 1.55% to 4.00% across the various notes. Interest and capital are payable quarterly in terms of the Urban Ubomi 1 (RF) priority of payment until all obligations are fully settled. The structure has a contractual maturity date of May 2043 and open to the first refinance in May 2046.				
Class A1 Noteholders: 3-month JIBAR plus 1.55%	108,928,737	144,573,521	-	-
Class A2 Noteholders: 3-month JIBAR plus 2.2%	312,676,253	311,425,565	-	-
Class A4 Noteholders: 3-month JIBAR plus 1.70%	20,490,248	27,199,333	-	-
Class A5 Noteholders: 3-month JIBAR plus 2.35%	286,419,260	285,321,127	-	-
Class A7 Noteholders: 3-month JIBAR plus 1.5%	132,177,403	-	-	-
Class A8 Noteholders: 3-month JIBAR plus 2.50%	136,656,062	-	-	-
Class B Noteholders: 3-month JIBAR plus 2.50% - 2.74%	193,377,936	192,625,848	-	-
Class C Noteholders: 3-month JIBAR plus 3.7% - 4%	55,763,582	37,368,934	-	-
Class A9 Noteholders: fixed rate of 10.24%	61,861,653	-	-	-
The Class A9 Note bears interest at a fixed rate of 10.24% and was issued December 2022. Interest is paid semi- annually in May and November. Capital is payable quarterly in terms of the Urban Ubomi 1 (RF) priority of payments until all obligations are fully settled. The note has a contractual maturity date of May 2043 with a step up date of May 2026. The fixed rate was swapped to floating through a Fixed-to-Floating swap, with all matching attributes. Fair value hedge accounting was adopted from inception.				
	1,659,027,072	**1,452,158,876**	**-**	**-**

	Group		Company	
Financial liabilities held at fair value	**2023**	**2022**	**2023**	**2022**
	R	**R**	**R**	**R**
Eskom Pension and Provident Fund	205,593,004	202,854,128	-	-
The loan of R200 million from Eskom Pension and Provident Fund (EPPF) is priced at CPI plus 3%. Pricing was swapped to JIBAR-linked pricing through a CPI-JIBAR interest rate derivative. The swapped rate for the facility is 3-month plus 1.72%. The facility is fully drawn. The Capital is repayable in 34 instalments after an 18-month moratorium from first draw date, ending in February 2023. The facility matures in May 2031.				
Buffet Investment	11,888,045	10,472,009		
The loan is unsecured and deeply subordinated to all loans made in Jeppestown Urban Trust or to be made to Jeppestown Urban Trust, is interest free. Repayment date is December 2024				
Fair value derivative liabilities				
The Standard Bank of South Africa Limited	11,979,859	4,030,943	-	-
TUHF Limited has entered into a fair value interest rate cashflow swap with Standard Bank of South Africa Limited. The derivative swaps prime for 3-month JIBAR cashflows. The company calculates the Mark to Market (MTM) on the swap on a monthly basis. The maturity date of the swap is 15 May 2043. The swap is balance guaranteed so the nominal value will automatically go to zero on the coupon set-up date, currently is May 2026.				
The Standard Bank of South Africa Limited	2,196,198	-	-	-
TUHF Limited entered into a CPI/JIBAR derivative with Standard Bank. This instrument is meant to swap the CPI Linked cash flows from the R25 million, 10-year maturity, Intuthuko Equity Fund loan from EPPF to JIBAR linked cash flows. TUHF then entered into a back-to-back swap with IEF, which is the opposite of the swap with Standard Bank.				
	231,657,106	**217,357,080**	**-**	**-**

	Group		Company	
Financial liabilities	**2023**	**2022**	**2023**	**2022**
	R	**R**	**R**	**R**
Total financial liabilities	3,430,161,422	3,219,451,364	-	40,314,783
Deferred raising fee expense	(8,842,493)	(10,052,102)	-	-
	3,421,318,929	**3,209,399,262**	**-**	**40,314,783**

24. Share based payment reserve

	Group		Company	
	2023	2022	2023	2022
	R	R	R	R
Opening balance	9,344,830	12,515,956	-	-
Awards vested during the year	-	(9,017,078)	-	-
Shares awarded not yet vested	3,960,201	5,845,952	-	-
	13,305,031	**9,344,830**	**-**	**-**

TUHF Conditional Share Plan:

As an incentive for current and prospective employees of TUHF Limited, TUHF Holdings Limited has established a Conditional Share Plan ("CSP") to which 5 234 292 ordinary shares of a par value of R0.0001 each has been allocated.

Conditional awards made are subject to TUHF Holdings Limited achieving performance metrics (such as, return on equity, growth in profit after tax, total capital impaired and other non-financial metrics) and are measured between a two to five year performance period. Conditional awards that employees become entitled to as a result of the Remuneration Committee and management's deliberations are vested into their name, equally over a three year period.

Following the vesting of conditional awards, TUHF Limited is required to procure the settlement of the shares to be vested from TUHF Holdings Limited. Such shares are allotted and issued at the market value per share at no cost to the employee. The employee bears the taxation cost when the shares vest based on the current value per share.

In terms of the rules of the CSP, if an employee should leave the employment of TUHF Limited, TUHF Limited has the right of first refusal to purchase those shares registered in the employee's name at the current market value classified as treasury shares.

TUHF Holdings Limited may withhold any amounts or make such arrangements as are necessary to meet any liability to taxation or any other liabilities and costs in respect of the vesting of a conditional award.

At the end of the period under review, TUHF Limited held 712 747 (2022: 1 997 621) treasury shares in TUHF Holdings Limited.

On 1 April 2019 and 23 September 2019, grant letters were awarded to employees for 5 234 292 shares that will vest over the period April 2021 to April 2024 subject to specific service and performance conditions being met. The assessed fair value at grant date of share awards granted during the year ended 31 March 2020 was R6.31 per share. No shares were awarded in March 2021. The fair value at grant date is determined using management’s best estimates of the following assumptions;

- 100% probability of meeting performance conditions; and
- 11% (2022:5%) attrition rate for qualifying employees.

25. Interest income

	Group		Company	
	2023	2022	2023	2022
	R	R	R	R
Interest on advances	389,068,057	319,444,438	-	-
Interest on advances to group companies	5,787	-	18,257,013	25,502,714
Interest on bank accounts	7,726,945	5,786,282	2,366	934
Interest on guarantee deposits	759,679	223,244	-	-
Interest on staff loans	2,424	(3,045)	-	-
Interest received from SARS	201,645	115,443	32,027	-
Interest received on derivative collateral	24,982	53,964	-	-
Interest received on fair value derivative	127,100	2		
	397,916,619	**325,620,328**	**18,291,406**	**25,503,648**

Raising fee income of R 13,303,042 (2022: R-19,105) was recognised in the financial year under review and is included in interest on advances for group.

26. Interest expenses

	Group		Company	
	2023	2022	2023	2022
	R	R	R	R
Interest on advances from group companies	(600,562)	(191,737)	(6,819,274)	(2,554,178)
Interest on borrowings	(284,109,470)	(217,545,661)	-	-
Interest paid on bank accounts	(19,355)	(3,024)	-	-
Interest paid - Preference Shares	(415,975)	(1,799,038)	(415,975)	(1,799,039)
Interest and penalties paid to SARS	(997,247)	(1,802)	(56,125)	-
Interest expense - lease liability	(1,338,654)	(1,440,772)	-	-
Interest on Shareholders Loan	-	(9,280,763)	-	(9,280,763)
	(287,481,262)	**(230,262,797)**	**(7,291,374)**	**(13,633,980)**

Raising fees and legal fees of R3,500,565 (2022: R 3,264,140) were recognised in the financial year under review and are included in interest on borrowings for group.

27. Expected credit losses

	Group		Company	
	2023	2022	2023	2022
	R	R	R	R
Stage 1	(5,981,018)	3,761,277	3,553,760	(9,658,295)
Stage 2	15,749,328	(1,547,274)	-	-
Stage 3	5,250,368	(19,298,191)	-	-
Recoveries	(928,377)			
	14,090,301	**(17,084,188)**	**3,553,760**	**(9,658,295)**

28. Other operating income

	Group		Company	
	2023	**2022**	**2023**	**2022**
	R	**R**	**R**	**R**
Rental income on investment property*	17,652,083	20,169,666	-	-
Rental Income		1,033,986		
Recovery income on investment property*	5,666,861	-	-	-
Management fees	263,372	993,753	-	-
Sundry income	762,323	7,368,862	-	-
Profit with the sale of property in possession	-	1,983,000	-	-
Penalties and settlement fees received on loans and advances	4,482,685	-	-	-
Dividends received	286,988	315,000	-	-
	29,114,312	**29,881,267**	**-**	**-**

***Recovery income of R5,102,027 for 2022 was presented as part of rental income for 2022 Group

29. Other operating gains/(losses)

	Group		Company	
	2023	**2022**	**2023**	**2022**
	R	**R**	**R**	**R**
Fair value - investment property	(18,221,988)	18,128,265	-	-
Loss with sale of property	-	(2,664,587)	-	-
Fair value - derivatives	(3,261,507)	1,838,835	-	-
Debt forgiveness	-	9,490,554	-	-
Fair value adjustment - interest bearing borrowing	(655,906)	(363,770)	-	-
Fair value adjustment -unlisted Investment	1,136,090	(2,015,681)	-	-
	(21,003,311)	**24,413,616**	**-**	**-**

Fair value disclosure

Financial Instrument	**Details**	**Notional Value**	**Company**	**Valuation techniques**	**Inputs**
Assets					
Derivative					
	CPI linked Hedge with Standard Bank	R200,000,000	TUHF Limited	Expected Cashflow based on Consumer Price Index	a PD of 0.14% and LGD 60% was used in the CVA and DVA calculations.
	Prime for 3 month JIBAR swap with Standard Bank	R704,886,477	Urban Ubomi 1 (RF) Limited	Expected Cashflow based on Consumer Price Index	a PD of 0.14% and LGD 60% was used in the CVA and DVA calculations.
	Fixed/ Floating swap with Standard bank	R60,000,000	Urban Ubomi 1 (RF) Limited	Expected Cashflow	Interest rates, interest rate curves
	CPI/ JIBAR swap with Standard Bank	R25,000,000	TUHF Limited	Expected Cashflow	Interest rates, CPI, interest rate curves

Financial Instrument	Details	Notional Value	Company	Valuation techniques	Inputs
Liabilities					
Derivatives					
	Prime for 3-month JIBAR swap with Standard Bank	R704,886,477	TUHF Limited	Expected Cashflow	a PD 3.449% and LGD of 75% was used for the CVA and DVA calculations.
	CPI/ JIBAR swap with Intuthuko Equity Fund	R25,000,000	TUHF Limited	Expected Cashflow	Interest rates, CPI, interest rate curves
Interest bearing borrowings					
	Eskom Pension Fund Loan	R200,000,000	TUHF Limited	Expected Cashflow based on Consumer Price Index	a PD of 3.44% and LGD 75% was used in then CVA and DVA calculations.
	Buffet Investment loan	R15,000,000	Jeppestown Urban Trust	Net present value calculation over remaining period of the loan	Discount rate of Prime +5% and remaining term of 22 months

30. Other operating expenses

	Group		Company	
	2023	**2022**	**2023**	**2022**
	R	**R**	**R**	**R**
Auditors remuneration	(8,325,326)	(6,290,707)	-	-
Bad debt written off	(1,643,732)	(150,675)	-	-
Consulting fees	(17,505,217)	(16,572,948)	-	-
Depreciation and amortisation	(2,847,502)	(3,055,771)	-	-
Depreciation - Leases	(3,904,745)	(3,751,919)	-	-
Employee costs	(62,859,405)	(72,251,184)	-	-
Financial administration	(2,805,133)	(1,228,069)	-	-
Information technology costs	(3,631,048)	(3,432,980)	-	-
Marketing	(2,726,234)	(2,718,415)	-	-
Office rental	-	-	-	-
Other expenses	(7,976,159)	(32,144,375)	(2,379)	(2,296)
Project management	(2,144,195)	(1,636,764)	-	-
Property and asset management	(9,527,758)	-	-	-
Telephone and internet costs	(1,353,701)	(1,279,904)	-	-
Training and skills development	(3,708,395)	(1,040,483)	-	-
Utilities	(10,991,220)	(1,255,891)	-	-
Valuations	(648,025)	(827,767)	-	-
VAT - input VAT not claimable as it relates to non taxable supplies	(13,312,981)	(5,381,594)	(154)	(176)
	(155,910,776)	**(153,019,447)**	**(2,533)**	**(2,472)**

31. Employee benefit expense

	Group		Company	
	2023	**2022**	**2023**	**2022**
	R	**R**	**R**	**R**
Employee costs salaried staff	43,747,238	44,798,221	-	-
Directors emoluments	8,798,764	17,271,661	-	-
Non-executive directors	4,944,503	4,335,350	-	-
Share-based payment	5,368,900	5,845,952	-	-
	62,859,405	**72,251,184**	**-**	**-**

TUHF Limited has a defined contribution provident plan governed by the Pension Funds Act, 1956, as amended, to ensure all permanent employees are required to join. Payments to the provident plan are charged as an expense as they fall due.

The group has no obligations for post-retirement health benefits.

The group's expense in respect of defined contribution plans is:

	Group		Company	
	2023	**2022**	**2023**	**2022**
	R	**R**	**R**	**R**
Provident fund	6,860,181	6,538,811	-	-
	6,860,181	**6,538,811**	**-**	**-**

32. Investment income

	Group		Company	
Joint ventures	**2023**	**2022**	**2023**	**2022**
	R	**R**	**R**	**R**
Interest income	871,677	641,369	-	-
Equity accounting earnings/ (losses) on joint ventures	309,826	876,113	-	-
Total investment income	**1,181,503**	**1,517,482**	**-**	**-**

33. Taxation

Major components of the tax expense

	Group		Company	
	2023	**2022**	**2023**	**2022**
	R	**R**	**R**	**R**
Current				
Local income tax - current period	14,645,204	11,384,935	2,713,014	4,908,246
Deferred				
Deferred tax - current period	(22,219,719)	(4,292,860)	(575,737)	1,636,445
	(7,574,515)	**7,092,075**	**2,137,277**	**6,544,691**

Reconciliation of the tax expense

	Group		Company	
	2023	**2022**	**2023**	**2022**
	R	**R**	**R**	**R**
Accounting profit	(50,273,216)	15,234,636	7,443,739	21,525,491
Tax at the applicable tax rate of 27% (2022: 28%)	(13,573,768)	4,265,698	2,009,809	6,027,137
Tax effect of adjustments on taxable income				
Exempt dividends	(77,487)	(88,200)	-	-
Non-taxable income	(146,623)	(511,150)	-	-
Non-deductible expenses	413,479	1,250,637	112,314	503,731
Non-taxable fair value adjustment	8,995,508	(393,216)	-	-
SARS interest and penalties	270,988	505	15,154	-
No assessed loss created	-	1,002,952	-	-
Fair value adjustment on investment properties	-	221,930	-	-
Assessed loss created	-	590,766	-	-
Effect of consolidation entries on assessed loss group position	(3,456,612)			
Deferred tax impact due to change of tax rate	-	752,153	-	13,823
	(7,574,515)	**7,092,075**	**2,137,277**	**6,544,691**

34. Commitments

Loans and Advances

As at 31 March, the TUHF Group have total unpaid commitments of R250 million (2022: R77 million). The commitments are contractual but not irrevocable as several conditions must be met to TUHF’s satisfaction before funds are paid.

Furthermore, it is a condition of the client’s loan that funds must be used within 12 months of the loan start date, and this reduces the commitments to R76 million (2022: R83 million). Upon a detailed analysis of the projects, the actual commitments reduced to R76 million (2022: R77 million) as some properties will be sold in their current configuration and in other instances amounts originally provided are no longer required.

35. Borrowing capacity

In terms of the company's memorandum of incorporation the borrowing powers of the company are unlimited except where any indebtedness, other than trade debt in the ordinary course of business, is limited to R 20 million. Undertakings have also been given to certain lenders of maintaining a debt to capital ratio of 90%.

36. Related parties

Relationship	Party
Holding company	TUHF21 NPC
Subsidiaries	Refer to note 13
Fellow subsidiaries	Intuthuko Equity Fund Proprietary Limited
Shareholders	National Housing Finance Corporation SOC Limited
	Futuregrowth on behalf of OMLACSA
	Government Employee Pension Fund (PIC)

Related party balances and transactions

	Group		Company	
	2023	**2022**	**2023**	**2022**
	R	**R**	**R**	**R**
TUHF21 NPC				
Interest paid	600,561	191,737	-	-
Management fees	(238,372)	(247,547)	-	-
Interest received	(5,787)	-	-	-
	356,402	**(55,810)**	**-**	**-**
National Housing Finance Corporation SOC Limited				
Interest paid	**25,971,416**	**25,066,482**	**-**	**-**
Futuregrowth Asset Management Proprietary Limited				
Interest paid	**28,815,515**	**28,512,403**	**-**	**-**
Public Investment Corporation				
Interest paid	**10,741,040**	**8,519,661**	**-**	**-**
TUHF Limited				
Interest paid	-	-	6,819,274	2,554,178
Interest received	-	-	(17,911,882)	-
	-	**-**	**(11,092,608)**	**(18,826,792)**
TUHF Equity Proprietary Limited				
Interest received	**-**	**-**	**(345,131)**	**(4,121,744)**
Risk Prop Proprietary Limited (Joint Venture)				
Interest received	**(386,250)**	**(282,594)**	**-**	**-**
Pearl Properties Investment Proprietary Limited (Joint Venture)				
Interest received	**(485,428)**	**(358,775)**	**-**	**-**

Key management compensation:

All members of the board are considered key management. Refer to note 37 for details of fees paid to directors.

The following shareholders in TUHF Holdings which is the holding company of TUHF Limited has provided the wholesale loan facility as stated below to TUHF Limited amounting to R1 403.1 million (2022: R2 013.5 million).

National Housing Finance Corporation SOC Limited	Group 2023 R	Group 2022 R	Company 2023 R	Company 2022 R
Total facilities	643,594,757	643,594,757	-	-
Loan balance as at 31 March	278,281,422	315,409,661	-	-
Interest accrued	25,971,416	25,066,482	-	-
Interest and capital repayments	63,099,655	135,563,337	-	-

Futuregrowth Asset Management Proprietary Limited	Group 2023 R	Group 2022 R	Company 2023 R	Company 2022 R
Total facilities	-	660,000,000	-	-
Loan balance as at 31 March	-	306,843,017	-	-
Interest accrued	28,815,515	28,512,403	-	-
Interest and capital repayments	335,658,533	207,873,577	-	-

Public Investment Corporation	Group 2023 R	Group 2022 R	Company 2023 R	Company 2022 R
Total facilities	299,980,457	299,980,457	-	-
Loan balance as at 31 March	133,134,724	157,761,212	-	-
Interest accrued	10,741,040	8,519,661	-	-
Interest and capital repayments	35,367,528	33,834,262	-	-

37. Directors' emoluments

Group - Executive

2023	Cash component R	Bonus R	Provident fund R	Other R	Shares vested R	Total R
PGN Jackson	3,168,277	1,350,000	613,736	234,143	-	5,366,156
IL Roodt	2,017,065	470,000	377,174	568,368	-	3,432,607
	5,185,342	**1,820,000**	**990,910**	**802,511**	**-**	**8,798,763**

2022	Cash component R	Bonus R	Provident fund R	Other R	Shares vested R	Total R
PGN Jackson	3,044,279	1,450,000	587,549	220,256	9,017,078	14,319,162
IL Roodt	1,941,690	580,000	350,573	80,237	-	2,952,500
	4,985,969	**2,030,000**	**938,122**	**300,493**	**9,017,078**	**17,271,662**

Group - Non-executive

2023	Directors fees R	Total R
SS Moraba	729,750	729,750
TM Adler	828,660	828,660
C Coovadia	826,140	826,140
RR Emslie	801,990	801,990
JF Howard	423,150	423,150
JK Mamatela	82,425	82,425

2023	Directors fees R	Total R
JS Strelitz	415,800	415,800
L Vutula	185,850	185,850
B Mapongwana	384,300	384,300
NHFC	54,950	54,950
P Kadi	53,288	53,288
S Bolipombo	79,100	79,100
V Ramokgopa	79,100	79,100
	4,944,503	**4,944,503**

2022	Directors fees R	Total R
SS Moraba	460,000	460,000
TM Adler	655,650	655,650
C Coovadia	710,400	710,400
RR Emslie	671,400	671,400
JF Howard	380,000	380,000
JK Mamatela	377,500	377,500
JS Strelitz	435,000	435,000
L Vutula	338,900	338,900
B Mapongwana	306,500	306,500
	4,335,350	**4,335,350**

38. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

39. Events after the reporting period

The company acquired 100% of uMaStandi Proprietary Limited for R 20 million with effect from 1 April 2023.

No matter which is material to the financial affairs of the company has occurred between the reporting date and the date of the approval of the financial statements.