TUHF Limited
(Registration number 2007/025898/06)
Annual Financial Statements
for the year ended 31 March 2022

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	The main business of the company is to provide commercial property finance in the form of long-term loans secured by mortgage collateral to finance entrepreneurs for the purchase, construction and improvement of property in South African inner-city areas. Related business activity includes the optimal recovery of the underlying property collateral to manage potential losses.
Directors	SS Moraba TM Adler C Coovadia RR Emslie JF Howard PGN Jackson JK Mamatela JS Strelitz IL Roodt L Vutula B Mapongwana
Business address	12th Floor, West Wing Libridge Building 25 Ameshoff Street Braamfontein 2001
Postal address	PO Box 30872 Braamfontein 2017
Holding company	TUHF Holdings Limited incorporated in South Africa
Ultimate holding company	TUHF21 NPC incorporated in South Africa
Auditor	Deloitte & Touche
Secretary	Kilgetty Statutory Services Proprietary Limited
Company registration number	2007/025898/06
Level of assurance	These financial statements have been audited in compliance with the applicable requirements of the Companies Act 71 of 2008., as amended (the Companies Act).
Preparer	The annual financial statements were internally compiled by: Lutic Mosoane BAP (SA) – Winsome Africa under the direction and review of Imke Kruger CIMA (SA) following the detailed workings provided, including a company working file for disclosure. A second technical review of the financial statements was performed by PricewaterhouseCoopers Inc. and an overall review was performed by the CFO Ilona Roodt, CA (SA).
Issued	29 September 2022

Contents

The reports and statements set out below comprise the annual financial statements presented to the shareholder:

Audit and Risk Committee Report

The Audit and Risk Committee is pleased to present its report to the shareholders of TUHF Limited as required in terms of section 94(7) of the Companies Act of South Africa.

1. Members of the Audit and Risk Committee

The Committee is chaired by an independent non-executive director and all the other members are non-executive directors of the group and include:

Name	
Belinda Mapongwana	Appointed 30 September 2021
Samson Moraba	Appointed 02 June 2022
James Howard	Appointed 02 June 2022
Mandu Mamatela	Resigned 02 June 2022
Cassim Coovadia	Resigned 02 June 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 terms of reference approved by the TUHF Limited board and reviewed annually. The committee has regulated its affairs in compliance with the Board charter and its terms of reference as well as in terms of the Companies Act. 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 through a bottom-up 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 September 2022, the committee will propose that Deloitte & Touche be appointed as the Group auditors for the 2023 financial year. This appointment will comply with the Companies Act.

Audit and Risk Committee Report

3. Summary of key focus areas and achievements

The committee:

- monitored the ongoing impact of the global COVID19 Pandemic particularly on the IFRS 9 Model and its implementation, the economy and uncertainty around collection levels and the business cashflows;
- monitored the implementation of the 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 completing the audited annual financial statements for the subsidiaries of TUHF Equity Proprietary Limited financial statements for 2021 and 2022: Silverkey Pty Ltd, Jeppestown Urban Trust and Better Urban Living Pty Ltd acquired in 2021, but concluded in 2022 in terms of the IFRS 3 standard;
- monitored the progress in obtaining condonations from all our funders as regards funder covenant levels that exceeded contractual requirements for the financial period to 31 March 2022;
- reviewed the Integrated Annual Report and recommended it to the board for approval;
- approved the appointment of Belinda Mapongwana as a member of the committee;
- the external audit plan was reviewed and approved with the following audit key focus areas;
  - Internal controls
  - Expected credit loss methodologies and how these were applied.
  - TUHF’s significant risks and fraud risk;
  - Related party transactions and balances; and
  - Compliance with rules and regulations
- the following internal audits were deferred from 2021 and were conducted during 2022 financial year,
  - Annual financial discipline review
  - Cyber review
  - Compliance Framework and Regulatory Universe Reporting
  - Protection of Personal Information Act (POPIA) review.
- the 2022 annual financial Discipline review was completed during the year with satisfactory conclusion;
- the cyber review was competed with a satisfactory conclusion;
- approved the TUHF Compliance Framework;
- and continued monitoring the development and implementation of the IT architecture including an assessment and enhancement of IT systems, system integration, data, and reporting requirements.

Monthly management accounts and loan book analyses, quarterly funders' reports for key stakeholders, the annual financial statements and accounting policies and integrated annual report;

The development of work programmes to provide management with a broad understanding of the status of compliance with higher risk regulatory requirements, with a particular focus on the JSE Debt listing Requirements relating to the debt listed securitisation companies in the group.

Review of the POPIA policy and project implementation and recommendations;

The 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 review of the external auditor's March 2022 audit plan; highlighting key audit matters, such as IFRS 9.

The review of the internal audit plan for the financial year ended March 2023, which can include liquidity risk management, market risk management, credit risk management follow up, selected annual IT controls review and annual internal financial control review;

Audit and Risk Committee Report

Reviewing the annual financial statements and recommending them to the board for approval;

Reports on the risk 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 and the DMTN programme, as well as negotiations with current and potential new funders;
- 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 were reviewed.

The review of the application of the King IV principles was further assessed during the 2022 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 TUHF Limited for the year ended 31 March 2022. 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 of South Africa, 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 2022. 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.

Audit and Risk Committee Report

9. King IV register

The application of the King IV Code of Corporate Governance is undertaken by TUHF Ltd and the King IV application register is disclosed in the TUHF21 NPC Integrated Annual Report and published on TUHF's website: http://www.tuhf.co.za/investor-relations/#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.

Robert Emslie
Chairman Audit Committee
Date: 29 September 2022

Directors' Responsibilities and Approval

The directors are required in terms of the Companies Act of South Africa 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 financial statements.

The 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 controls 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 controls 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 2023 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 financial statements. The financial statements have been examined by the group's external auditor and their report is presented on pages 14 to 20.

The directors' report on pages 9 to 13 and annual financial statements set out on pages 21 to 81, which have been prepared on the going concern basis, were approved by the board of directors on 29 September 2022 and were signed on their behalf by:

C Coovadia | **PGN Jackson**

29 September 2022

Company Secretary's Certification

In terms of Section 88(2)(e) of the Companies Act of South Africa, 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.

Matthew Wray for and on behalf of Kilgetty Statutory Services Proprietary Limited
Johannesburg
Date: 29 September 2022

Directors' Report

The directors have pleasure in submitting their report on the annual financial statements of TUHF Limited and its subsidiaries for the year ended 31 March 2022.

1. Incorporation

The company was incorporated in South Africa on 11 September 2007 and obtained its certificate to commence business on the same day.

2. Nature of business

The main business of the company is to provide commercial property finance in the form of long-term loans secured by mortgage collateral to finance entrepreneurs for the purchase, construction and improvement of property in South African inner-city and in-city areas.

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 financial statements have been prepared in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa. The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the group are set out in these consolidated and separate financial statements.

4. Share capital

TUHF Limited

	2022	2021
Authorised	Number of shares	
Ordinary shares	40,000,000	40,000,000

	2022	2021	2022	2021
Issued	R	R	Number of shares	
Ordinary shares	1,428	1,428	14,280,000	14,280,000

There have been no changes to the authorised or issued share capital during the year under review.

Controlled entities

TUHF Urban Finance (RF) Limited	2022	2021
Authorised	Number of shares	
Ordinary shares	100	100
Class A ordinary shares	100	100
Cumulative redeemable preference shares	10	10

	2022	2021	2022	2021
Issued	R	R	Number of shares	
Ordinary shares	100	100	100	100

**The shares in TUHF Urban Finance (RF) Limited are held by the TUHF Urban Finance Owner Trust.

Directors' Report (continued)

Vuselela Warehouse SPV (RF) Proprietary Limited

	2022	2021
Authorised	Number of shares	
Ordinary shares	1,000	1,000
Class A ordinary shares	1	1

	2022	2021	2022	2021
Issued	R	R	Number of shares	
Ordinary shares	100	100	100	100

**The shares in Vuselela Warehouse SPV (RF) Proprietary Limited are held by the Vuselela Warehouse SPV Owner Trust.

Vuselela Collections SPV (RF) Proprietary Limited

	2022	2021
Authorised	Number of shares	
Ordinary shares	1,000	1,000

	2022	2021	2022	2021
Issued	R	R	Number of shares	
Ordinary shares	100	100	100	100

**The shares in Vuselela Collections SPV (RF) Proprietary Limited are held by the Vuselela Collections SPV Owner Trust.

Urban Ubomi 1 (RF) Limited

	2022	2021
Authorised	Number of shares	
Ordinary shares	1,000	1,000
10 Type A preference shares	1	1

	2022	2021	2022	2021
Issued	R	R	Number of shares	
Ordinary shares	100	100	100	100

**The shares in Urban Ubomi 1 (RF) Limited are held by The Urban Ubomi 1 Issuer Owner Trust.

Preference shares

TUHF Limited holds preference shares in TUHF Urban Finance (RF) Limited (R10), Vuselela Warehouse SPV (RF) Proprietary Limited (R1) and Urban Ubomi 1 (RF) Limited (R0,01) - in terms of which the final distribution of profits will flow to TUHF.

5. Dividends

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

Directors' Report (continued)

6. Conditional share plan

The company has a Conditional Share Plan (CSP) from which conditional share awards are granted to 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 beginning 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. Shares will vest over the next three years from 2022. By arrangement, the first round of shares for the CEO have vested in 2022, the rest of shares will vest in 2023.

As at 31 March	2022	2021
-Total shares to date vested	4,056,516	2,668,297
-Treasury shares held by TUHF Limited	712,748	1,997,621

7. Directorate

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

Directors	Designation
SS Moraba	Non-executive
TM Adler	Non-executive
C Coovadia	Non-executive
RR Emslie	Independent non-executive
JF Howard	Non-executive
PGN Jackson	Executive
JK Mamatela	Non-executive
JS Strelitz	Non-executive
IL Roodt	Executive
L Vutula	Non-executive
B Mapongwana	Non-executive

8. Directors' interests in contracts

During the financial year, no contracts were entered into which the directors or officers of the Group had an interest in and which significantly affected the business of the Group.

9. Holding company

The Group's holding company is TUHF Holdings Limited which holds 100% (2021: 100%) of the Group's equity. TUHF Holdings Limited is incorporated in South Africa.

10. Ultimate holding company

The Group's ultimate holding company is TUHF21 NPC which is incorporated in South Africa.

11. Borrowing powers

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

Debt capital (interest bearing debt/ interest bearing debt plus capital and reserves) of the Group must be 90% or below. For the current year debt capital was 76% (2021: 78%).

The company issued listed notes on the JSE Limited amounting to R 280 million in January 2017. TUHF Holdings Limited is the guarantor in this structure. The issued notes are secured by loan assets with a book value of R 330 million and an underlying collateral value of approximately R 412 million. The notes were re-issued for a further period in January 2020 with a maturing date of 24 October 2024 but were delisted on 26 July 2021.

The pool covenants achieved on issue date and at year end:
- Loan to value ratio of 67.5%
- Concentration of top 5 assets < 35%
- Pool and group debt service coverage ratio 1.1 x

The covenants applicable to the company are as follows:
- Debt service cover ratio 1.1 x – achieved 1.1 x actual
- Interest cover ratio 1.1 x – achieved 1.2 x actual
- Bad debts written off < 5% - achieved, 2.4%
- Loans with arrears < 10% - not achieved (21.86% company : 14.16% group)
- Gearing < 90% - achieved 76%
- Risk Weighted Capital adequacy 15% - 20% - achieved 22%

Performance measures including a minimum Cost to Income Ratio and Return on Equity, were under pressure in the current operating environment but will be a focus of the Group into 2023.

Following discussions with the Listed Note investor, an approval to delist the note has been received and was submitted to STRATE and the JSE on 26 July 2021. The investor does not require a listed instrument and the Group has access to the capital markets through its securitisation programme. The DMTN Programme Memorandum allows for both listed and unlisted notes. The programme has been removed from the JSE in its entirety, and the JSE has confirmed that the debt listing requirements no longer apply to TUHF Limited or to TUHF Holdings Limited.

The investor has condoned the breach in covenants for the period 1 April 2021 to 31 March 2022.

The funder covenants for all bilateral funders and the Domestic Medium-Term Note Programme are under review. The loans with arrears covenant will be revised and replaced with a more appropriate covenant that will require funder consent and re-contracting. The covenants will be based on the Basel III framework and include Common Equity Tier I ratio, Total Tier II ratio, the Combined Capital Adequacy ratio, and the Net Stable Funding Ratio. All the Basel III liquidity ratios were considered as part of the covenants review. However, the Liquidity Coverage Ratio was deemed to be inappropriate as TUHF is not a deposit taking institution. The Net Stable Funding ratio is considered sufficient to reflect TUHF’s funding mismatch.

The funding structures of the Group has 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 proposed covenants were approved by the Board on 2 June 2022 and discussions with funders continue but are expected to be concluded by 30 September 2022.

A written condonation was obtained from all investors including Ashburton Investment, Futuregrowth Asset Management, National Housing Finance Corporation SOC Limited (NHFC), NOVO Impact NPC, Public Investment Corporation (PIC), Mergence Investment Managers and Nedbank Limited SA for the condonation of the loans with arrears covenant being above covenant level for the duration of the financial year, 1 April 2021 to 31 March 2022.

The investors Mergence Investment Managers, Development Bank of Southern Africa and Small Enterprise Finance Agency did not need to provide a condonation as the covenant does not apply to their facilities.

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.

Directors' Report (continued)

12. Events after the reporting period

The Standard Bank senior revolving facility was increased to R1 billion on 11 May 2022 following 2 years of compliance with the facility requirements and the successfully revolution of the facility.

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

13. 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 September 2022, the committee will propose Deloitte & Touche as the Group auditors and Stephen Munro as the designated auditor for the 2023 financial year. This appointment will comply with the Companies Act.

14. 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.

A second securitisation structure was implemented in March 2021, whereby the group raised an additional R 609 million in funding through the capital markets. This raised over R 100 million in funding for the company and enabled the balance of the proceeds of R 509 million to be applied to the revolving facility with Standard Bank. 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 at R 700 million. 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 for R 700 million 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 2022, R 400 million of the facility was repaid enabling the facility to remain active with R 587 million available.

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 8 for the maturity analysis relating to advances.

15. Secretary

The company secretary is Kilgetty Statutory Services Proprietary Limited.

16. Going concern

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the 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.

Deloitte.

Private Bag X6
Gallo Manor 2052
South Africa

Deloitte & Touche
Registered Auditors
Financial Services Team - FIST
Deloitte
5 Magwa Crescent
Waterfall City
Waterfall
Docex 10 Johannesburg

Tel: +27 (0)11 806 5200
www.deloitte.com

INDEPENDENT AUDITOR'S REPORT

To the Shareholder of TUHF Limited

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated and separate financial statements of TUHF Limited (the Group and Company) set out on pages 21 to 81, which comprise the consolidated and separate statement of financial position as at 31 March 2022, and the consolidated and separate statement of profit or loss and other comprehensive income, the consolidated and separate statement of changes in equity and the consolidated and separate statement 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 Limited and its subsidiaries as at 31 March 2022, 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 Consolidated and Separate 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.

Key Audit Matter	How the matter was addressed in the audit
Expected Credit Losses on loans and advances	
IFRS 9: Financial Instruments requires the recognition of expected credit losses ("ECL") on all financial assets within the scope of its impairment model. 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. The estimation of credit losses is inherently uncertain and the subject of significant judgment by management. 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.	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 project committee 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.

Key Audit Matter	How the matter was addressed in the audit
	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 2022; 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.

Key Audit Matter	How the matter was addressed in the audit
	• 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 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 consolidated and separate financial statements in accordance with IFRS 9.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the document titled "TUHF Limited Annual Financial Statements for the year ended 31 March 2022" 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 reports thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do 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 ("*IFRS*") 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 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 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

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 the 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 Limited for 2 years.

DocuSigned by:
Deloitte & Touche
E3537B899C20468...

Deloitte & Touche
Registered Auditor
Per: Stephen Munro
Partner

30 September 2022

Statements of Financial Position as at 31 March 2022

		Group		Company	
Figures in Rand	Notes	2022	2021	2022	2021
Assets					
Cash and cash equivalents	6	171,184,775	100,388,605	69,240,140	44,477,588
Money market assets	7	10,131,364	10,845,191	10,128,090	10,837,191
Current tax receivable		3,125,921	8,601,465	1,954,734	8,601,465
Loans and advances	8	3,402,001,780	3,730,570,007	1,706,257,916	2,076,058,022
Other assets	9	24,743,106	40,988,564	29,338,565	41,984,335
Properties in possession	10	-	11,400,000	-	11,400,000
Investment properties	11	24,800,000	-	24,800,000	-
Investment in holding company	12	5,345,609	8,569,794	5,345,609	8,569,794
Loans to group companies	13	10,384,771	1,263,542	156,519,937	112,351,464
Unlisted investments	14	22,036,080	24,967,606	73,054,694	84,008,840
Equipment	15	2,002,288	1,857,705	2,002,288	1,857,705
Right-of-use assets	16	13,687,370	14,623,490	13,687,370	14,623,490
Intangible assets	17	4,351,771	5,104,458	4,351,771	5,104,458
Deferred tax	18	19,219,227	17,379,934	17,129,783	16,227,376
Total assets		**3,713,014,062**	**3,976,560,361**	**2,113,810,897**	**2,436,101,728**
Equity and Liabilities					
Equity					
Share capital	19	9,990,828	9,990,828	9,990,428	9,990,428
Non-distributable reserves	20	157,499,759	157,499,759	157,499,759	157,499,759
Retained income		185,070,389	173,129,998	155,191,751	149,235,256
		352,560,976	**340,620,585**	**322,681,938**	**316,725,443**
Liabilities					
Trade and other payables	21	22,922,878	12,697,438	19,650,548	11,356,751
Loans from group companies	13	157,997,645	211,454,798	157,997,645	211,614,602
Financial liabilities	22	3,157,596,689	3,383,320,471	1,592,181,098	1,869,864,825
Share based payment liability	23	5,452,005	10,494,577	5,452,005	10,494,577
Lease liabilities	16	15,847,663	16,045,530	15,847,663	16,045,530
Current tax payable		636,206	1,926,962	-	-
		3,360,453,086	**3,635,939,776**	**1,791,128,959**	**2,119,376,285**
Total Equity and Liabilities		**3,713,014,062**	**3,976,560,361**	**2,113,810,897**	**2,436,101,728**

The accounting policies on pages 25 to 41 and the notes on pages 42 to 81 form an integral part of the financial statements.

Statements of Profit or Loss and Other Comprehensive Income

		Group		Company	
Figures in Rand	Notes	2022	2021	2022	2021
Interest income	24	342,602,292	377,335,441	193,580,328	264,619,420
Interest expenses	25	(239,889,955)	(251,946,412)	(141,058,025)	(173,356,867)
Expected credit losses	26	21,810,007	11,171,058	29,940,868	4,581,854
Income from lending activities		**124,522,344**	**136,560,087**	**82,463,171**	**95,844,407**
Other operating income	27	9,667,266	6,678,716	32,132,897	18,686,929
Other operating gains (losses)	28	13,412,800	(2,303,357)	13,483,120	(2,443,688)
Other operating expenses	29	(130,884,470)	(111,032,162)	(123,025,101)	(106,167,487)
Profit (loss) before taxation		**16,717,940**	**29,903,284**	**5,054,087**	**5,920,161**
Taxation	31	(4,777,549)	(6,785,892)	902,408	(596,201)
Total comprehensive income (loss) for the year		**11,940,391**	**23,117,392**	**5,956,495**	**5,323,960**

The accounting policies on pages 25 to 41 and the notes on pages 42 to 81 form an integral part of the financial statements.

Statements of Changes in Equity

Figures in Rand	Share capital	Share premium	Total share capital	Non-distributable reserve	Retained income	Total equity
Group						
Balance at 1 April 2020	**1,728**	**9,989,000**	**9,990,728**	**157,499,759**	**150,012,606**	**317,503,093**
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**23,117,392**	**23,117,392**
Issue of shares	100	-	100	-	-	100
Balance at 1 April 2021	**1,828**	**9,989,000**	**9,990,828**	**157,499,759**	**173,129,998**	**340,620,585**
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**11,940,391**	**11,940,391**
Balance at 31 March 2022	**1,828**	**9,989,000**	**9,990,828**	**157,499,759**	**185,070,389**	**352,560,976**
Company						
Balance at 1 April 2020	**1,428**	**9,989,000**	**9,990,428**	**157,499,759**	**143,911,296**	**311,401,483**
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**5,323,960**	**5,323,960**
Balance at 1 April 2021	**1,428**	**9,989,000**	**9,990,428**	**157,499,759**	**149,235,256**	**316,725,443**
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**5,956,495**	**5,956,495**
Balance at 31 March 2022	**1,428**	**9,989,000**	**9,990,428**	**157,499,759**	**155,191,751**	**322,681,938**
Notes	19	19	19	20		

The accounting policies on pages 25 to 41 and the notes on pages 42 to 81 form an integral part of the financial statements.

Statements of Cash Flows

		Group		Company	
Figures in Rand	Notes	2022	2021	2022	2021
Cash flows from operating activities					
Interest income		367,165,571	315,864,228	190,935,405	196,311,377
Rental income		1,033,986	1,273,390	1,033,986	1,273,390
Tax refund received		6,711,598	-	6,646,730	-
Interest expenses		(212,363,003)	(250,337,057)	(111,550,867)	(160,057,284)
Tax paid		(9,145,459)	(5,736,633)	-	(2,002,162)
Cash paid to suppliers and employees		(139,294,753)	(83,179,387)	(135,249,275)	(79,459,024)
Management fees		1,066,830	1,817,705	19,178,474	14,264,585
Cash received from clients		2,700	-	-	-
Net movement in advances		355,189,760	(164,480,284)	405,691,776	419,674,786
Bad debt recovered		11,255,916	-	11,255,916	-
Net cash from operating activities		**381,623,146**	**(184,778,038)**	**387,942,145**	**390,005,668**
Cash flows from investing activities					
Purchase of equipment	15	(1,114,429)	(878,932)	(1,114,429)	(878,932)
Proceeds from disposal of equipment	15	12,175	20,845	12,175	20,845
Purchase of investment properties	11	(5,301,078)	-	(5,301,078)	-
Purchase of other intangible assets	17	(1,333,238)	(2,538,539)	(1,333,238)	(2,538,539)
Dividends received		315,000	285,250	7,921,685	285,250
Purchase of properties in possession	10	(567,000)	-	(567,000)	-
Sale of properties in possession	10	7,238,506	-	7,238,506	-
Repayment received E Class Note		-	-	15,429,831	16,311,278
Net cash from investing activities		**(750,064)**	**(3,111,376)**	**22,286,452**	**13,199,902**
Cash flows from financing activities					
Derivative collatarel held for hedges in place		(7,390,000)	-	(7,390,000)	-
Amounts paid to related parties		(76,295,937)	(15,342,431)	(163,296,866)	(132,957,772)
Amounts received from related parties		6,287,745	56,388,864	71,844,419	123,585,813
Principle lease payments		(4,400,196)	(4,497,243)	(4,400,196)	(4,497,243)
Proceeds from financial liabilities		336,000,000	487,000,000	200,000,000	-
Repayments of financial liabilities		(943,074,959)	(929,325,057)	(479,453,464)	(376,310,032)
Proceeds from notes issue		440,000,000	609,000,000	-	-
Repayments of notes		(58,438,353)	-	-	-
Cashflow hedge and interest rate swaps payments		(3,479,039)	-	(3,479,039)	-
Net cash from financing activities		**(310,790,739)**	**203,224,133**	**(386,175,146)**	**(390,179,234)**
Total cash movement for the year		**70,082,343**	**15,334,719**	**24,053,451**	**13,026,336**
Cash at the beginning of the year		111,233,796	95,899,077	55,314,779	42,288,443
Total cash at end of the year	6	**181,316,139**	**111,233,796**	**79,368,230**	**55,314,779**

The accounting policies on pages 25 to 41 and the notes on pages 42 to 81 form an integral part of the financial statements.

Accounting Policies

Corporate information

TUHF Limited is a public company incorporated and domiciled in South Africa. The address of its principal place of business is 12th Floor, Libridge Building, 25 Ameshoff Street, Braamfontein, 2001.

The consolidated and separate financial statements for the year ended 31 March 2022 were authorised for issue in accordance with a resolution of the directors on 29 September 2022.

1. Significant accounting policies

1.1 Basis of preparation

The consolidated and separate 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 financial statements and the Companies Act of South Africa of South Africa, as amended.

The 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.

These accounting policies are consistent with the previous period.

1.2 Consolidation

Basis of consolidation

The consolidated financial statements incorporate the 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 financial statements from the effective date of acquisition to the effective date of disposal.

Adjustments are made when necessary to the 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 Significant judgements and sources of estimation uncertainty

The preparation of 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.

Accounting Policies

1.3 Significant judgements and sources of estimation uncertainty (continued)

1.3.1 The impact of Covid-19 on IFRS 9 Expected Credit Losses (ECL)

Following the disruption of normal economic activity because of Covid-19 this impact has started to ease but the company has taken a conservative view when assessing the ECL.

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 forecast conditions, consideration has been given both to the impact of Covid-19 and any remaining residual broader economic impact. 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 their weightings.

Another area of significant judgement relates to the migration of accounts between the IFRS 9 staging buckets. Although no further relief granted by TUHF (the Servicer) 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 behaviour, delays in construction projects and outstanding municipal arrears.

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 million 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 67% recovery rate 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 in 2022, 125% in 2023 and 100% thereafter 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 12 months thereafter. A 6% increase in property values has been applied from 2024.

PD Adjustment Factors

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

Accounting Policies

1.3 Significant judgements and sources of estimation uncertainty (continued)

Sensitivity analysis applicable to 2021

Throughout the 2021 year some of the uncertainty regarding the impact of covid could be seen and resulted in the actual direct impact of increasing arrears and a general decrease in collections for a period. Stability was achieved within a short period of time, of six months and consequently the per project assessment of risk could be conducted through the problematic project meeting process.

The additional stresses on the PDs were not done in the current year as this was already in the data but an approach to consider additional risk through the watchlist process was deemed appropriate. The project and risk screening approach ensured that the risk of default on loans with no arrears were evaluated and a quantitative assessment of the significant increase in credit risk was applied to the ECL through an overlay. No additional stresses to the PD’s were applied.

The loss given default information is conservative at 55% and was left unchanged. The loans are secured and the recovery of the collateral, form part of the model assessment and assumptions. In the model a 50% haircut is applied to reduce values, increasing the required provisions. The model considers economic variables such as property prices and interest rates. The decline in interest rates was again ignored for the purpose of the provision to remain conservative. Usually such a decrease would improve consumer credit and the ability of customers to repay their debt but given the other factors such as the economic shutdown and job losses this was ignored. Property values usually would be considered, and a growth factor would 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

	2021	**2022**	**2023**	**2024**
1 - Downturn	110%	110%	110%	110%
2 - Base case	100%	100%	100%	100%
3 - Upturn	90%	90%	90%	90%

1.3.2 Expected credit losses (ECL's) on loans and advances

TUHF Limited Group

In respect of the ECL’s for loans in the non-performing category we reported ECL’s of R91,451,089 (2021:R108,035,855).

In respect of the ECL’s for loans in the performing category we reported ECL’s of R27,574,985 (2021:R26,690,342).

Total expected credit losses, Stage 1, 2 and 3 combined reported are: R119,026,074 (2021:R134,726,197).

In respect of the ECL's for loans and advances, the weighted average of the downturn, base case and upturn scenario is as follows.

	2022	**2021**
Downturn	R140,450,768	R137,286,813
Base case	R119,026,074	R134,726,197
Upturn	R97,601,381	R132,105,619

TUHF Limited Company

In respect of the ECL’s for loans in the non-performing category we reported ECL’s of R80,033,658 (2021:R104,176,342).

In respect of the ECL’s for loans in the performing category we reported ECL’s of R17,832,395 (2021:R20,786,740).

Total expected credit losses, Stage 1, 2 and 3 combined reported are: R97,866,053 (2021:R124,963,082).

In respect of the ECL's for loans and advances, the weighted average of the downturn, base case and upturn scenario is as follows.

	2022	**2021**
Downturn	R115,481,942	R126,196,523
Base case	R97,866,053	R124,963,082
Upturn	R80,250,163	R122,066,862

Accounting Policies

1.3 Significant judgements and sources of estimation uncertainty (continued)

1.3.3 Expected credit losses (ECL's) on intercompany loans

TUHF Limited Group

In respect of the ECL’s for loans in the non-performing category we reported ECL’s of R- (2021:R-).

In respect of the ECL’s for loans in the performing category we reported ECL’s of R2,132,977 (2021:R4,222,312).

Total expected credit losses, Stage 1, 2 and 3 combined reported are: R2,132,977 (2021:R4,222,312).

In respect of the ECL's for loans and advances, the weighted average of the downturn, base case and upturn scenario is as follows.

	2022	**2021**
Downturn	R2,516,913	R5,128,913
Base case	R2,132,977	R4,222,312
Upturn	R1,749,041	R3,949,766

TUHF Limited Company

In respect of the ECL’s for loans in the non-performing category we reported ECL’s of R- (2021:R-).

In respect of the ECL’s for loans in the performing category we reported ECL’s of R4,269,198 (2021:R8,202,693).

Total expected credit losses, Stage 1, 2 and 3 combined reported are: R4,269,198 (2021:R8,202,693).

In respect of the ECL's for loans and advances, the weighted average of the downturn, base case and upturn scenario is as follows.

	2022	**2021**
Downturn	R5,037,653	R9,915,836
Base case	R4,269,198	R8,202,693
Upturn	R3,500,742	R7,689,934

1.4 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.

1.5 Investment property

Investment property is 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 valuator derived from current market prices of comparable real estate.

Accounting Policies

1.6 Equipment

Equipment is tangible assets which the group holds for its own use 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 is 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.

1.7 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.

Accounting Policies

1.7 Intangible assets (continued)

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

1.8 Financial instruments

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

IFRS 9 introduces 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 at amortised cost or at fair value through other comprehensive income.

Loans to group companies, 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.

Accounting Policies

1.8 Financial instruments (continued)

Application of the effective interest rate method

Interest income is calculated using the effective interest rate method, and is included in profit or loss in interest income (note 24).

The application of the effective interest rate 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 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

<table>
<tr><th></th><th>Staging</th><th>ECL - Measurement</th></tr>
<tr><td>Stage 1</td><td>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.</td><td>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.</td></tr>
<tr><td>Stage 2</td><td>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.</td><td rowspan="2">Loans in Stages 2 or 3 have their ECL measured based on expected credit losses on a lifetime basis.</td></tr>
<tr><td>Stage 3</td><td>If the loan is in default, the financial instrument is then moved to "Stage 3".</td></tr>
<tr><td>Forward looking information</td><td colspan="2">A pervasive concept in measuring ECL in accordance with IFRS 9 is that it should consider forward-looking information.</td></tr>
<tr><td>Significant increase in credit risk (SICR)</td><td colspan="2">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 indicators.</td></tr>
</table>

1.8 Financial instruments (continued)

IFRS 9 outlines a three-stage model for impairment based on changes in credit quality since initial recognition and is summarised as follows:

- A financial instrument that is not credit impaired on initial recognition is classified in "Stage 1" and has its credit risk continuously monitored by the company.
- If a significant increase in credit risk ('SICR') since initial recognition is identified, the financial instruments is moved to "Stage 2" but is not yet deemed to be credit-impaired.
- If the financial instrument is in default, the financial instrument is then moved to "Stage 3".
- Financial Instruments 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.
- Instruments in Stages 2 or 3 have their ECL measured based on expected credit losses on a lifetime basis.
- A pervasive concept in measuring ECL in accordance with IFRS 9 is that it should consider forward-looking information.

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.

1.8 Financial instruments (continued)

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 of 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:

- Qualitative criteria: 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 2022.
- 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 company's internal credit risk management approach and definitions and occurs at the earlier of:

1. 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
2. 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.

Accounting Policies

1.8 Financial instruments (continued)

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.

Accounting for Derivatives

Interest rate swap

Classification

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

The accounting for derivatives strategy will require the company to reduce any basis risk exposure on interest rate risk. The company loans and advances originated before September 2020 earn interest on the basis of the prevailing prime interest rate.

The company funds itself in the capital markets by means of structured finance notes subject to the 3-month Jibar rate. This creates a mismatch between assets and liabilities priced according to different benchmark rates. Accordingly, an interest rate swap has been entered into with Standard Bank to swap the underlying principal asset cashflows with the 3-month Jibar rate.

The reasoning behind the accounting for derivatives correlates strongly to the underlying rating action taken by the rating agency. The structure risk would have been higher had the prime/Jibar swap not been concluded.

Derivatives held by the company which are not in designated hedging relationships, include interests rate swaps. A swap between the company and the servicer ensures that the structure pricing benefit is retained and that the overall group risk objective is achieved ensuring that the overall derivative impact is neutral.

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) for fair value hedges (note 28). Details of the valuation policies and processes are presented in note 28.

Assessment of hedge effectiveness was done at the inception of the cashflow hedge, and is done at each interest payment date, at the reporting date and upon a significant change in the circumstances affecting the hedge effectiveness requirements

1.8 Financial instruments (continued)

At 31 March 2022 the hedging instrument and the hedged items perfectly match. Therefore, management can qualitatively assess that the hedging instrument and the hedged items will move in the opposite direction and will be perfectly offset. Therefore, the hedge is expected to be highly effective for the duration of the hedge relationship. The impact of the hedge reserve is reflected in other comprehensive income.

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.

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 money market assets

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.

Money market assets are cash held in trust and disclosed separately.

Cash held in trust constitutes 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 money market assets 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 money market assets 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 Policies

1.9 Expected credit losses on loans to group companies

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.

Staging

The ECL's applied is measured on an amount equal to the portion of 12 month ECL that result 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 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. It is assumed that the risk is negligible and an appropriate ECL was raised. If, however, there are insufficient cash resources, the term of a loan is estimated by assessing how long it will take to repay in the normal course of busines 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 budgeted forecasts. Management used 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, management assume a repayment period based on management's strategic plans for the business, to generate sufficient cash flows to repay the loans, which is typically 2 years.

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.

1.10 Tax

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.

Accounting Policies

1.10 Tax (continued)

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.

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

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 16 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 29).

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 25).

1.11 Leases (continued)

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.

Accounting Policies

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 Share based payments (IFRS 2)

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

For share-based payment transactions, the goods or services acquired and the liability incurred are measured at the fair value of the liability. Until the liability is settled, the fair value of the liability is re-measured at each reporting date and at the date of settlement, with any changes in fair value recognised in profit or loss for the period.

The total amount to be expensed is determined by reference to the fair value of the shares granted.

- excluding the impact of any service and non-market performance vesting conditions (for example profitability, sales growth targets and remaining an employee of the company over a specified period); and
- 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 profit or loss, with a corresponding adjustment to share-based payment liability.

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 independent valuation to determine the price through an 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.

1.15 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.

Accounting Policies

1.16 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

Where the group is the lessor, rental income from the subletting of leased premises is recognised on a straight-line basis over the lease term. Subletting is incidental to the group’s occupation of certain properties.

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.

Sundry income

Sundry income includes penalty income on outstanding instalment and early repayment settlement fee.

Dividends received

Dividend income includes dividends paid from controlled entities where TUHF Limited is the servicer and administrator to these companies and from unlisted investments and other 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 Losses

Other operationg gains and losses comprise of the aggregated total of the fair value gains and losses of the following instruments:

(a) Unlisted investments
Changes in the fair value of investments are recognised in the statement of profit or loss and other comprehensive income as other operating gains.

(b) Investment properties
The fair value is determined annually by an external valuator derived from current market prices of comparable real estate.

(c) Interest rate swap
Fair value of the swaps have been determined using expected cashflows based on the respective 3-month JIBAR and Prime interest rate forward curves, as well as using a determinded PD and LGD in the CVA and DVA calculations. (see note 28 for detailed information).

(d) Financial liabilities
Fair value of the debt have been determined using expected cashflows based on the CPI Index forward curves as well as using a determinded PD and LGD in the CVA and DVA calculations.(see note 28 for detailed information).

Accounting Policies

1.17 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 profit or loss and other comprehensive income as other operating gains.

1.18 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 2022 and 2021. 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 that are relevant to its operations:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• Interest Rate Benchmark Reform - Phase 2: Amendments to IFRS 4	1 January 2021	The impact of the amendments is not material.
• Interest Rate Benchmark Reform - Phase 2: Amendments to IFRS 7	1 January 2021	The impact of the amendments is not material.
• Interest Rate Benchmark Reform - Phase 2: Amendments to IFRS 9	1 January 2021	The impact of the amendments is not material.
• Interest Rate Benchmark Reform - Phase 2: Amendments to IFRS 16	1 January 2021	The impact of the amendments is not material.
• Interest Rate Benchmark Reform - Phase 2: Amendments to IAS 39	1 January 2021	The impact of the amendments is not material.
• COVID-19 - Related Rent Concessions - Amendment to IFRS 16	1 June 2020	The impact of the amendment is not material.

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 reduce the 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 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 board approved maximum gearing ratio together with a minimum debt service cover ratio. The principal governance documents are the ALCO policy framework guidelines and terms of reference document and the risk management framework.

The group and company's contractual debt to capital ratio must not exceed 90% but strives and ensures that debt levels remain within a maximum target level of 88.5%. The debt service cover ratio is defined as net operating income divided by total debt required to be serviced and the group and company's minimum debt service cover ratio is 1:1 times. The group remained compliant with the debt to capital ratio and debt service ratio targets throughout the 2022 financial year.

Capital as defined in the relevant agreements with shareholders is included in the calculation and differs from the IFRS definition of capital. Total capital is calculated as equity shown in the statement of financial position together with any subordinated shareholders loans and other Tier II Capital.

The company has issued listed notes on the JSE Limited amounting to R280 million in 2017. The notes are secured by loan assets with a book value of R330 million issued by TUHF Limited. The collateral value of the loans assets is approximately R412 million.

The warehouse facility was used to originate assets for the listed Domestic Medium Note Program but has since been repaid in full in March 2021. The R 280 million Domestic Medium-Term Note program matured in January 2020 and was extended to October 2024 but the program was delisted on 26 July 2021.

Notes to the Financial Statements

3. Risk management (continued)

A second securitisation structure was implemented in March 2021, whereby the group raised an additional R 609 million and R 440 million in funding through the capital markets in February 2022. These funds are applied to the revolving facility with Standard Bank and complies with the requirements of the Standard Bank facility to allow for the facility availability period to be extended for a further 12 months, Post year end the Standard Bank Warehouse facility was increased to 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.

A senior revolving facility for R 700 million was put in place with Standard Bank of South Africa Limited in January 2020 in a bankruptcy remote company which 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. During the year ended 31 March 2022, R 400 million of the facility was repaid enabling the facility to remain active and at year end R 113 million was committed under the Bank Warehouse.

The gearing ratio at 2022 and 2021 respectively were as follows:

	Company	
Figures in Rand	2022	2021
Total borrowings		
Interest bearing liabilities	1,598,202,258	1,875,164,046
Borrowings not subordinated	11,843,056	14,464,589
Total debt	**1,610,045,314**	**1,889,628,635**
Cash and cash equivalents	(69,240,140)	(44,477,588)
Net debt	**1,540,805,174**	**1,845,151,047**
-Tier 1 (capital and reserves per statement of financial position)	165,182,181	159,225,684
-Tier 2 (includes subordinated shareholders loans, non distributable reserves and deferred income)	311,756,021	352,289,906
Total capital	**476,938,202**	**511,515,590**
Total capital and debt	**2,017,743,376**	**2,356,666,637**
Gearing ratio	76%	78%

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 organization by designated risk champions and by management through the Executive Committee.

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

Notes to the Financial Statements

Liquidity risk

The group funds property loans through a combination of bilateral facilities, unlisted issuances, and off-balance sheet securitisation structures.

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 funders.

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.

TUHF Limited 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 group monitors the interest bearing liabilities in the current period and has managed the amount down from prior years. The flexibility in the funding facilities affords management greater ability to reduce such exposures. The source of funds may be accessed through the movement of assets to a warehouse, new liquidity, or prepayments.

As at 31 March 2022, management breached the loans with arrears covenants of certain funder loan agreements, but did received condonation for all funders before year end.

The table below analyses the group and 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.

At 31 March 2022 - Group	Less than 1 year	1 to 5 years	Over 5 years	Total interest	Carrying value
Related parties	14,444,429	145,255,792	16,342,905	(18,045,481)	157,997,645
Other liabilities and accruals	22,922,878	-	-	-	22,922,878
Interest bearing liabilities	671,915,856	1,872,512,603	1,485,510,203	(862,289,871)	3,167,648,791
	709,283,163	**2,017,768,395**	**1,501,853,108**	**(880,335,352)**	**3,348,569,314**

Included in the table above the contractual maturity (R495 501 8941) is recorded for TUHF Urban Finance (RF) and (R998 514 327) for Urban Ubomi RF Ltd financial liabilities in the bucket 1-5 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 2021 - Group	Less than 1 year	1 to 5 years	Over 5 years	Total interest	Carrying value
Related parties	-	212,125,406	16,342,905	(18,277,055)	210,191,256
Other liabilities and accruals	12,697,438	-	-	-	12,697,438
Interest bearing liabilities	710,788,183	1,955,099,039	1,482,364,841	(752,615,350)	3,395,636,713
	723,485,621	**2,167,224,445**	**1,498,707,746**	**(770,892,405)**	**3,618,525,407**

Included in the table above the contractual maturity (R525,079,176) is recorded for TUHF Urban Finance (RF) financial liabilities in the bucket 1-5 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.

Notes to the Financial Statements

Liquidity mismatch - Group 2022	Less than 1 year	1 to 5 years	Over 5 years	Carrying value
Gross advances				
TUHF Limited	83,110,150	528,419,095	1,205,271,278	1,816,800,523
TUHF Urban Finance (RF) Limited	40,093,546	172,724,425	282,683,923	495,501,894
Vuselela Warehouse SPV (RF) Proprietary Limited	9,005,324	31,095,370	84,675,953	124,776,647
Urban Ubomi 1 (RF) Limited	89,177,166	274,426,886	733,021,292	1,096,625,344
	221,386,186	**1,006,665,776**	**2,305,652,446**	**3,533,704,408**

Interest bearing liabilities	Less than 1 year	1 to 5 years	Over 5 years	Carrying value
TUHF Limited	320,277,534	1,024,824,694	257,130,973	1,602,233,201
TUHF Urban Finance (RF) Limited	36,706,658	158,133,591	258,804,299	453,644,548
Vuselela Warehouse SPV (RF) Proprietary Limited	46,301,301	17,983,757	48,971,657	113,256,715
Urban Ubomi 1 (RF) Limited	81,198,813	249,874,927	667,440,587	998,514,327
	484,484,306	**1,450,816,969**	**1,232,347,516**	**3,167,648,791**
Liquidity mismatch	**(263,098,120)**	**(444,151,193)**	**1,073,304,930**	**366,055,617**

Liquidity mismatch - Group 2021	Less than 1 year	1 to 5 years	Over 5 years	Carrying value
Gross advances				
TUHF Limited	105,305,665	604,957,384	1,495,306,567	2,205,569,616
TUHF Urban Finance (RF) Limited	40,109,070	189,263,943	352,628,893	582,001,906
Vuselela Warehouse SPV (RF) Proprietary Limited	19,483,427	115,371,132	290,526,639	425,381,198
Urban Ubomi 1 (RF) Limited	31,112,034	172,971,131	452,808,831	656,891,996
	196,010,196	**1,082,563,590**	**2,591,270,930**	**3,869,844,716**

Interest bearing liabilities	Less than 1 year	1 to 5 years	Over 5 years	Carrying value
TUHF Limited	459,430,827	1,160,576,487	262,173,753	1,882,181,067
TUHF Urban Finance (RF) Limited	35,829,709	169,070,789	320,178,678	525,079,176
Vuselela Warehouse SPV (RF) Proprietary Limited	17,336,737	102,659,506	258,516,326	378,512,569
Urban Ubomi 1 (RF) Limited	28,688,141	159,495,200	421,680,560	609,863,901
	541,285,414	**1,591,801,982**	**1,262,549,317**	**3,395,636,713**
Liquidity mismatch	**(345,275,218)**	**(509,238,392)**	**1,328,721,613**	**474,208,003**

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 8 for the maturity analysis relating to advances.

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.

Notes to the Financial Statements

3. Risk management (continued)

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 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 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 necessary. The company has also decided to link its loans to JIBAR going forward. This 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 company 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 of a financial liability linked to CPI. 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. The hedge was concluded as part of the company's Interest rate risk management strategy. All the key attributes of the hedge are aligned to the EPPF debt facility in order to ensure that the hedge is effective. This includes the start and end dates of the transactions, the notional amounts, the capital repayment profile and the interest rate frequency.

The group has not entered into any additional interest rate swaps in the financial year ending 31 March 2022, however the notional amount of the Prime-JIBAR swap was updated in line with the balance of the underlying exposure.

The market risk exposure relates to the potential adverse effect of interest rate movements on net interest income.

At 31 March 2022, 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 R2,755,519 (2021: R3,479,447) 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 R2,755,519 (2021: R3,479,447) lower.

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 group faces arises mainly from commercial loans and advances. The group 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 group'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 group's accounting policy refer to accounting policy note 1.8.

Notes to the Financial Statements

Figures in Rand	Group 2022	Group 2021	Company 2022	Company 2021
Financial instrument				
Cash and cash equivalents	171,184,775	100,388,605	69,240,140	44,477,588
Money market assets	10,131,364	10,845,191	10,128,090	10,837,191
Loans and advances	3,533,704,408	3,869,844,716	1,816,800,523	2,205,569,616
Loans to group companies	10,384,771	1,263,542	156,519,936	112,351,464
Unlisted investments	22,036,080	24,967,606	73,054,694	84,008,840
Other assets excluding prepayments	23,609,356	39,434,349	28,204,814	40,431,053
	3,771,050,754	**4,046,744,009**	**2,153,948,197**	**2,497,675,752**

Additional information pertaining to the credit risk of loan advances is contained in note 8. Credit exposure per geographic area for the mortgage lending product is shown in note 8. The company has a single product offering being a 15 year mortgage finance loan to purchase, convert and refurbish residential property in inner city areas experiencing urban decline.

4. Financial assets by category

Group - 2022	**Amortised cost**	**Fair value through profit or loss**	**Total**
Cash and cash equivalents	171,184,775	-	171,184,775
Money market assets	10,131,364	-	10,131,364
Loans and advances	3,402,001,780	-	3,402,001,780
Other assets excluding prepayments	16,697,574	6,911,781	23,609,355
Unlisted investments	-	22,036,080	22,036,080
Investment in holding company	-	5,345,609	5,345,609
Loans to group companies	10,384,771	-	10,384,771
	3,610,400,264	**34,293,470**	**3,644,693,734**

Group - 2021	**Amortised cost**	**Fair value through profit or loss**	**Total**
Cash and cash equivalents	100,388,605	-	100,388,605
Money market assets	10,845,191	-	10,845,191
Loans and advances	3,730,570,007	-	3,730,570,007
Other assets excluding prepayments	33,816,835	5,617,514	39,434,349
Unlisted investments	-	24,967,606	24,967,606
Investment in holding company	-	8,569,794	8,569,794
Loans to group companies	1,263,542	-	1,263,542
	3,876,884,180	**39,154,914**	**3,916,039,094**

Company - 2022	**Amortised cost**	**Fair value through profit or loss**	**Total**
Cash and cash equivalents	69,240,140	-	69,240,140
Money market assets	10,128,090	-	10,128,090
Loans and advances	1,706,257,916	-	1,706,257,916
Other assets excluding prepayments	21,363,042	6,841,772	28,204,814
Unlisted investments	51,018,614	22,036,080	73,054,694
Investment in holding company	-	5,345,609	5,345,609
Loans to group company	156,519,936	-	156,519,936
	2,014,527,738	**34,223,461**	**2,048,751,199**

Notes to the Financial Statements

Company - 2021	Amortised cost	Fair value through profit or loss	Total
Cash and cash equivalents	44,477,588	-	44,477,588
Money market assets	10,837,191	-	10,837,191
Loans and advances	2,076,058,022	-	2,076,058,022
Other assets excluding prepayments	34,953,870	5,477,183	40,431,053
Unlisted investments	59,041,234	24,967,606	84,008,840
Investment in holding company	-	8,569,794	8,569,794
Loans to group company	112,351,464	-	112,351,464
	2,337,719,369	**39,014,583**	**2,376,733,952**

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 2):

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	
Figures in Rand	2022	2021	2022	2021
Level 2 Derivatives				
Opening balance	5,617,514	-	5,477,183	-
Addition	-	5,540,262	-	5,540,262
Fair value adjustments (recognised in profit or loss)	(2,308,188)	77,252	(2,237,867)	(63,079)
Payments received	(506,794)	-	(506,794)	-
	2,802,532	**5,617,514**	**2,732,522**	**5,477,183**

TUHF Limited Group
Urban Ubomi 1 (RF) Limited

Nominal value R562 412 460. The company 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 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 2043. The swap is balance guaranteed so the nominal value will automatically go to zero on the coupon step-up date, currently May 2026.

Notes to the Financial Statements

TUHF Limited Company

Nominal value R562 412 460. The company has entered into a fair value interest rate swap with Urban Ubomi 1 (RF) Ltd. The derivative swaps the 3-month JIBAR rate on the nominal value for prime rate cash flows. The swap is subordinated in terms of the transaction cashflows and supports the overall Group hedge strategy and pricing benefit enjoyed by the structure that was agreed to obtain the most optimal credit rating. 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 step-up date, currently May 2026.

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):

	Group		Company	
Figures in Rand	2022	2021	2022	2021
Level 3 unlisted investments				
Unlisted investments				
Opening balance	24,967,606	24,573,001	24,967,606	24,573,001
Fair value adjustments (recognised in profit or loss)	(2,931,526)	394,605	(2,931,526)	394,605
	22,036,080	**24,967,606**	**22,036,080**	**24,967,606**
Investment in holding company				
Opening balance	8,569,794	9,868,248	8,569,794	9,868,248
Shares bought back	3,061,623	-	3,061,623	-
Shares issued	(8,573,728)	-	(8,573,728)	-
Fair value adjustments (recognised in profit or loss)	2,287,921	-	2,287,921	-
Fair value adjustments (recognised in profit or loss)	-	(1,298,454)	-	(1,298,454)
	5,345,610	**8,569,794**	**5,345,610**	**8,569,794**

The most pertinent information used to determine the fair value of the unlisted investment is the underlying net asset value of the companies.

The fair value of investment in Holding company is based on an external valuation performed Merchantec to calculate the price to book value of TUHF Holdings which is translated to a price per share.

The carrying amount of financial assets (loans and advances) measured at amortised cost approximates the fair value.

	Group		Company	
Figures in Rand	2022	2021	2022	2021
Level 3 Derivatives				
Derivates				
Addition	(3,916,119)	-	(3,916,119)	-
Fair value adjustments (recognised in profit or loss)	8,025,369	-	8,025,369	-
	4,109,250	**-**	**4,109,250**	**-**

Notes to the Financial Statements

TUHF Limited Group and Company

Nominal Value R200 000 000. The company 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 (Comsumer 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.

5. Financial liabilities by category

Group - 2022	Amortised cost	Fair value through profit or loss	Total
Interest bearing liabilities	2,960,763,720	206,885,071	3,167,648,791
Loans from group companies	157,997,645	-	157,997,645
Other liabilities	22,922,880	-	22,922,880
	3,141,684,245	**206,885,071**	**3,348,569,316**

Group - 2021	Amortised cost	Fair value through profit or loss	Total
Interest bearing liabilities	3,388,619,691	7,017,022	3,395,636,713
Loans from group companies	211,454,798	-	211,454,798
Other liabilities	12,697,438	-	12,697,438
	3,612,771,927	**7,017,022**	**3,619,788,949**

Company - 2022	Amortised cost	Fair value through profit or loss	Total
Interest bearing liabilities	1,395,348,130	206,885,071	1,602,233,201
Loans from group companies	157,997,645	-	157,997,645
Other liabilities	19,650,550	-	19,650,550
	1,572,996,325	**206,885,071**	**1,779,881,396**

Company - 2021	Amortised cost	Fair value through profit or loss	Total
Interest bearing liabilities	1,875,164,045	7,017,022	1,882,181,067
Loans from group companies	211,614,602	-	211,614,602
Other liabilities	11,356,751	-	11,356,751
	2,098,135,398	**7,017,022**	**2,105,152,420**

Notes to the Financial Statements

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 2):

	Group		Company	
Figures in Rand	2022	2021	2022	2021
Level 2 Derivatives				
Opening balance	7,017,022	-	7,017,022	-
Addition	-	7,197,083	-	7,197,083
Fair value adjustments (recognised in profit or loss)	(2,137,834)	(180,061)	(2,137,834)	(180,061)
Repayment	(848,245)	-	(848,245)	-
	4,030,943	**7,017,022**	**4,030,943**	**7,017,022**

Financial liabilities from derivatives

Level 3 Derivatives				
Opening balance	-	-	-	-
Addition	200,000,000	-	200,000,000	-
Interest	-	-	754,065	-
Repayment	-	-	-	-
Fair value adjustments (recognised in profit or loss)	2,100,063	-	2,100,063	-
	202,100,063	**-**	**202,854,128**	**-**

TUHF Limited Group and Company

Nominal Value R200 000 000. The company 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 (Comsumer 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. In order for the company to achieve an effective interest rate swap the Financial liability ot R200 million with EPPF is valued at fair value instead of being regonised at amortised cost.

Liabilities not held at fair value for which fair value is disclosed:

Group - 2022	**Level 2**	**Level 3**	**Total**
Loans from group companies	157,997,645	-	157,997,645
Financial liabilities	2,964,794,663	202,854,128	3,167,648,791
	3,122,792,308	**202,854,128**	**3,325,646,436**

Group - 2021	**Level 2**	**Level 3**	**Total**
Loans from group companies	211,454,798	-	211,454,798
Financial liabilities	3,395,636,713	-	3,395,636,713
	3,607,091,511	**-**	**3,607,091,511**

Company - 2022	**Level 2**	**Level 3**	**Total**
Loans from group companies	157,997,645	-	157,997,645
Interest bearing liabilities	1,399,379,072	202,854,128	1,602,233,200
	1,557,376,717	**202,854,128**	**1,760,230,845**

Notes to the Financial Statements

Company - 2021	**Level 2**	**Level 3**	**Total**
Loans from group companies	215,594,983	-	215,594,983
Interest bearing liabilities	1,882,181,067	-	1,882,181,067
	2,097,776,050	**-**	**2,097,776,050**

	Group		Company	
Figures in Rand	2022	2021	2022	2021

6. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balances	171,175,486	100,376,931	69,230,851	44,465,914
Short-term deposits	9,289	11,674	9,289	11,674
	171,184,775	**100,388,605**	**69,240,140**	**44,477,588**

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				
Standard Bank of South Africa Limited (AA+)	181,316,138	111,233,796	79,368,229	55,314,779

Composition of cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents include total cash and money market assets. The money market assets are subject to restrictions and are not available to the company or group unless the guarantees are cancelled. Cash is held at Standard Bank of South Africa Limited.

Cash and cash equivalents	171,184,775	100,388,605	69,240,140	44,477,588
Money market assets	10,131,364	10,845,191	10,128,090	10,837,191
	181,316,139	**111,233,796**	**79,368,230**	**55,314,779**

7. Money market assets

Deposits for payment guarantees	9,542,916	10,162,081	9,542,916	10,162,081
Deposits pending property transfer registrations	588,448	683,110	585,174	675,110
	10,131,364	**10,845,191**	**10,128,090**	**10,837,191**

8. Loans and advances

Loans and advances	3,533,704,408	3,869,844,716	1,816,800,523	2,205,569,616
Deferred raising fee**	(12,676,554)	(4,548,512)	(12,676,554)	(4,548,512)
Expected credit losses	(119,026,074)	(134,726,197)	(97,866,053)	(124,963,082)
	3,402,001,780	**3,730,570,007**	**1,706,257,916**	**2,076,058,022**

** The current portion of the deferred raising fee is R3,433,787 (2021: R 3,723,023).

Notes to the Financial Statements

8. Loans and advances (continued)

ECL Raised on Commitments - Company	**Commitment amount**	**ECL**
Stage 1	77,215,608	789,941
Stage 2	-	-
Stage 3	-	-

ECL Raised on Commitments - Group	**Commitment amount**	**ECL**
Stage 1	82,304,266	907,138
Stage 2	544,203	120,783
Stage 3	-	-
	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 2022	**Stage 1 Standard monitoring**	**Stage 2 Special monitoring**	**Stage 3 Default**	**Total**
Gross loans	2,768,884,856	308,223,069	456,596,483	3,533,704,408

Expected credit losses	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Opening balance 1 April 2021	14,562,898	12,127,444	108,035,855	134,726,197
Transfers between stages	84,117	(3,676,134)	3,592,017	-
Transfer from stage 1	(1,202,284)	-	1,202,284	-
Transfer from stage 2	1,286,401	(3,676,134)	2,389,733	-
Transfer from stage 3	-	-	-	-
Net impairments raised/(released)	5,800,109	(1,323,449)	22,117,479	26,594,139
ECL movement in the current year	9,192,671	(1,323,449)	22,117,479	29,986,701
Change in ECL due to derecognition	(3,392,562)	-	-	(3,392,562)
Suspended interest current year	-	-	3,355,723	3,355,723
Impaired accounts written off	-	-	(45,649,985)	(45,649,985)
Closing balance	**20,447,124**	**7,127,861**	**91,451,089**	**119,026,074**

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 and shown in the "Subsequent changes in ECL line". 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.

Net Advances	2,748,437,732	301,095,208	365,145,394	3,414,678,334

Notes to the Financial Statements

8. Loans and advances (continued)

Company 2022	**Stage 1 Standard monitoring**	**Stage 2 Special monitoring**	**Stage 3 Default**	**Total**
Gross loans	1,198,319,057	241,869,637	376,611,829	1,816,800,523

Expected credit losses	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Opening balance at 1 April 2021	9,310,892	11,475,848	104,176,342	124,963,082
Transfers between stages	(1,526,683)	(1,477,043)	3,003,726	-
Transfer from stage 1	(1,526,683)	505,380	1,021,303	-
Transfer from stage 2	-	(1,982,423)	1,982,423	-
Transfer from stage 3	-	-	-	-
Net impairments raised/(released)	5,492,317	(5,442,936)	15,724,567	15,773,948
ECL movement in the current year	7,310,869	(3,523,258)	16,895,410	20,683,021
Change in ECL due to derecognition	(1,818,552)	(1,919,678)	(1,170,843)	(4,909,073)
Interest income on stage 3 loans not recognised	-	-	2,779,008	2,779,008
Impaired accounts written off	-	-	(45,649,985)	(45,649,985)
Closing balance	**13,276,526**	**4,555,869**	**80,033,658**	**97,866,053**

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 company'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 and shown in the "Subsequent changes in ECL line". 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.

Net Advances	1,185,042,531	237,313,768	296,578,171	1,718,934,470

Group 2021	**Stage 1 Standard monitoring**	**Stage 2 Special monitoring**	**Stage 3 Default**	**Total**
Gross loans	3,419,486,416	127,177,977	323,180,323	3,869,844,716

Expected credit losses	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Opening balance at 1 April 2020	18,391,847	27,086,580	76,599,752	122,078,179
Transfers between stages	35,723,792	(18,255,034)	(17,468,758)	-
Transfer from stage 1	(314,463)	117,762	196,701	-
Transfer from stage 2	14,937,170	(18,372,796)	3,435,626	-
Transfer from stage 3	21,101,085	-	(21,101,085)	-
(released)	(39,552,741)	3,295,898	72,511,531	36,254,688
ECL on new exposures raised	(33,186,137)	10,940,022	87,344,584	65,098,469
Change in ECL due to derecognition	(6,366,604)	(7,644,124)	(14,833,053)	(28,843,781)
Interest income on stage 3 loans not recognised	-	-	(3,073,861)	(3,073,861)
Impaired accounts written off	-	-	(20,532,809)	(20,532,809)
Closing balance	**14,562,898**	**12,127,444**	**108,035,855**	**134,726,197**

Notes to the Financial Statements

8. Loans and advances (continued)

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" on new exposure raised" based on the exposures ECL stage as at the end of the reporting period.

Net Advances	3,404,923,518	115,050,533	215,144,468	3,735,118,519

Company 2021	**Stage 1 Standard monitoring**	**Stage 2 Special monitoring**	**Stage 3 Default**	**Total**
Gross loans	1,807,907,165	100,326,484	297,335,967	2,205,569,616

Expected credit losses	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Opening balance at 1 April 2020	12,632,699	22,437,224	73,935,226	109,005,149
Transfers between stages	49,223,237	(17,636,858)	(31,586,379)	-
Transfer from stage 1	(281,004)	84,303	196,701	-
Transfer from stage 2	14,285,534	(17,721,161)	3,435,627	-
Transfer from stage 3	35,218,707	-	(35,218,707)	-
(released)	(52,545,044)	6,675,482	85,535,208	39,665,646
ECL on new exposures raised	(48,707,712)	10,932,525	100,147,931	62,372,744
Change in ECL due to derecognition	(3,837,332)	(4,257,043)	(14,612,723)	(22,707,098)
Interest income on stage 3 loans not recognised	-	-	(3,174,904)	(3,174,904)
Impaired accounts written off	-	-	(20,532,809)	(20,532,809)
Closing balance	**9,310,892**	**11,475,848**	**104,176,342**	**124,963,082**

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 company'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" on new exposure raised" based on the exposures ECL stage as at the end of the reporting period.

Net Advances	1,798,596,273	88,850,636	193,159,625	2,080,606,534

Renegotiated terms

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

	Group		Company	
Figures in Rand	2022	2021	2022	2021

8. Loans and advances (continued)

Credit quality and concentration of loans and advances

Geographical analysis				
Eastern Cape	247,909,293	223,126,667	62,527,441	60,143,558
Free State	112,894,314	90,455,081	46,352,357	34,189,895
Gauteng	2,106,902,346	2,576,209,096	997,294,805	1,470,915,665
KwaZulu Natal	679,277,379	608,725,034	366,527,229	299,663,074
Western Cape	386,721,076	371,328,838	344,098,691	340,657,424
	3,533,704,408	**3,869,844,716**	**1,816,800,523**	**2,205,569,616**

Collateral held

Loan book less stage 3 assets	5,993,607,765	7,075,088,251	2,688,224,696	3,794,964,415
Stage 3 assets	621,211,491	452,378,146	486,555,258	347,769,100
	6,614,819,256	**7,527,466,397**	**3,174,779,954**	**4,142,733,515**

9. Trade and other receivables

Financial instruments:				
Trade receivables	1,201,184	-	5,867,354	4,043,496
Deposits	8,434,508	908,723	8,434,508	908,723
Financial asset hedge	6,911,781	5,617,514	6,841,772	5,477,183
Interest on guarantee funds	6,274	95,397	6,274	95,397
Other receivables	6,795,236	32,253,598	6,797,473	29,347,137
Non-financial instruments:				
VAT	-	559,117	-	559,117
Deferred and prepaid expenses	1,394,123	1,554,215	1,391,184	1,553,282
Total trade and other receivables	**24,743,106**	**40,988,564**	**29,338,565**	**41,984,335**

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.

Notes to the Financial Statements

10. Properties in possession

Reconciliation of properties in possession - Group - 2022

	Opening balance	Additions	Disposals*	Transfer to investment property**	Total
Properties in possession	11,400,000	967,000	(5,267,000)	(7,100,000)	-

Reconciliation of properties in possession - Group - 2021

	Opening balance	Total
Properties in possession	11,400,000	11,400,000

Reconciliation of properties in possession - Company - 2022

	Opening balance	Additions	Disposals*	Transfer to investment property**	Total
Properties in possession	11,400,000	967,000	(5,267,000)	(7,100,000)	-

Reconciliation of properties in possession - Company - 2021

	Opening balance	Total
Properties in possession	11,400,000	11,400,000

*
1. Old Trafford, Erven 828-830 Johannesburg was sold in June 2021.

2. Cleveland Court Portion 2 of Erf 92 Johannesburg was bought and on sold in this financials year.

**

2. Philipps, Toys, Wellsid Court, 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 Port Elizabeth was transferred to Investment Properties as it no longer met the critea of a Property in Possession.

Details of properties - 2021

1. Old Trafford, Erven 828-830 located at 24 Kruger Street City and Suburban Johannesburg.

2. Philipps, Toys, Wellsid Court, 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 Port Elizabeth.

11. Investment properties

Reconciliation of investment properties - Group - 2022

	Opening balance	Additions	Fair value adjustments	Total
Investment properties	-	12,582,430	12,217,570	24,800,000

Reconciliation of investment properties - Company - 2022

	Opening balance	Additions	Fair value adjustments	Total
Investment properties	-	12,582,430	12,217,570	24,800,000

	Group		Company	
Figures in Rand	2022	2021	2022	2021

Details of properties - 2022

Phillips, Toys, Wellsid Court
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 Port

Purchase price	6,700,000	-	6,700,000	-
Additions/Capital expenditure	581,352	-	581,352	-
Fair value adjustment	1,518,648	-	1,518,648	-
	8,800,000	**-**	**8,800,000**	**-**

Aerial Empire
Erf 1089, New Doornfontein, Johannesburg

Purchase price	5,100,000	-	5,100,000	-
Additions/Capital expenditure	201,078	-	201,078	-
Fair value adjustment	10,698,922	-	10,698,922	-
	16,000,000	**-**	**16,000,000**	**-**

Details of valuation

All revaluations for 2022 were performed by an independent valuer that is not connected to the Company and has experience in the location and category of the investment property being revalued. The valuation was based on open market value for existing use on a capitalised cash flow basis. The capitalisation rate used 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.

Notes to the Financial Statements

	Group		Company	
Figures in Rand	2022	2021	2022	2021

12. Investment in holding company

Shares in TUHF Holdings Limited purchased in terms of the TUHF Conditional Share Plan	5,345,609	8,569,794	5,345,609	8,569,794

As at 2022 financial year end TUHF Limited holds 712,748 (2021: 1,997,621) ordinary no par value shares in TUHF Holdings Limited valued at R 7.50 (2021: R4.29) per share.

Fair value disclosures

Group and company -2022	**Carrying value**	**Level 1**	**Level 2**	**Level 3**	**Fair value**
Investment in holding company	5,345,609	-	-	5,345,609	5,345,609

Group and company -2021	**Carrying value**	**Level 1**	**Level 2**	**Level 3**	**Fair value**
Investment in holding company	8,569,794	-	-	8,569,794	8,569,794

The investment in TUHF Holdings Limited is valued through an external valuation performed by Merchantec to calculated the price to book value of TUHF Holdings.The price to book value was translated into a price per share which was used to calculate the fair value of the investment in TUHF Holdings Limited. The shares are not publicly traded.

At 31 March 2022, if the share price per share used to value the shares in TUHF Holdings Limited had been R1 lower (downturn) or R1 higher (upturn) with all other variables held constant, the value of the investment in holding would be as follows:

	2022	**2021**
Downturn	R4,632,862	R6,572,173
Base case	R5,345,609	R9,868,248
Upturn	R6,058,358	R10,567,415

Notes to the Financial Statements

	Group		Company	
Figures in Rand	2022	2021	2022	2021

13. Loans to (from) group companies

Holding company*

TUHF Holdings Limited The loan is subordinated in favour of all other liabilities. Repayment can be made with the approval of TUHF Holdings Limited's board after a minimum period of 5 years beginning 1 April 2018. The loan is considered non-current. Interest is levied at a market related rate.	(248,272,981)	(292,205,119)	(248,272,981)	(292,205,119)
TUHF Holdings Limited The loan is subordinated in favour of all other liabilities. Repayment can be made with the approval of TUHF Holdings Limited's board after a minimum period of 5 years beginning 1 April 2018. The loan is considered non-current. Interest is levied at a market related rate.	123,036,178	118,306,389	123,036,178	118,306,389
TUHF Holdings Limited The loan is at an interest rate of prime plus 10%. Interest payments have been deferred. It is the intention that the loan is in place for an indefinite period. The loan is unsecured and is subordinated to all the company's other unsecured loans and liabilities.	(16,342,905)	(16,342,905)	(16,342,905)	(16,342,905)
TUHF21 NPC The loan is unsecured and is considered current. Interest is levied at a market related rate.	(11,843,056)	(14,464,589)	(11,843,056)	(14,464,589)
Intercompany ECL	(1,973,509)	(4,222,312)	(1,973,509)	(4,222,312)
	(155,396,273)	**(208,928,536)**	**(155,396,273)**	**(208,928,536)**

*All these loans have been classified as stage 1 in 2022 (2021: stage 1)

Fellow subsidiaries*

TUHF Bridge Proprietary Limited The loan owing at year end is unsecured, bears interest at a market related rate and is repayable on demand.	(2,597,554)	(2,526,262)	(2,597,554)	(2,526,262)
Intuthuko Equity Fund Proprietary Limited	(3,818)	1,263,542	(3,818)	1,263,542
JUT bridging loan The loan owing at year end is unsecured, bears interest at a market related rate and is repayable on demand.	2,884,771	-	2,884,771	-
JUT repayment of thrid party claim The loan owing at year end is unsecured, bears interest at a market related rate and is repayable on demand.	7,500,000	-	7,500,000	-
Loans to group companies ECL	(159,468)	-	(159,468)	-
	7,623,931	**(1,262,720)**	**7,623,931**	**(1,262,720)**

*All these loans have been classified as stage 1 in 2022 (2021: stage 1)

Notes to the Financial Statements

	Group		Company	
Figures in Rand	2022	2021	2022	2021

13. Loans to (from) group companies (continued)

Subsidiaries*

Vuselela Warehouse SPV (RF) Proprietary Limited Subordinated loan The loan is unsecured and is considered current. Interest is levied at a market related rate.	-	-	14,164,934	48,141,775
TUHF Urban Finance (RF) Limited	-	-	381,494	28,887
Vuselela Warehouse SPV (RF) Proprietary Limited	-	-	34,609	(159,804)
Urban Ubomi 1 (RF) Limited Subordinated loan	-	-	133,449,756	62,266,229
Urban Ubomi 1 (RF) Limited	-	-	240,594	4,631,411
Loans to group company ECL	-	-	(2,136,222)	(3,980,381)
	-	**-**	**146,135,165**	**110,928,117**
Loans to group companies asset	10,384,771	1,263,542	156,519,937	112,351,464
Loans from group companies liability	(157,997,645)	(211,454,798)	(157,997,645)	(211,614,602)
Net loans (to) from group companies	**(147,612,874)**	**(210,191,256)**	**(1,477,708)**	**(99,263,138)**

*All these loans have been classified as stage 1 in 2022 (2021: stage 1)

Reconciliation of net group related borrowings

Loans from related parties				
Opening balance	325,538,875	265,160,247	325,698,679	265,487,196
Advances	5,024,203	56,388,363	5,024,203	56,388,363
Interest	21,643,998	14,422,889	21,643,998	14,422,889
Advances non-cash	526,395	81	526,395	159,885
Repayments	(73,676,976)	(10,432,705)	(73,836,780)	(10,759,654)
	279,056,495	**325,538,875**	**279,056,495**	**325,698,679**
Loans to related parties				
Opening balance	119,569,931	109,536,623	234,638,234	159,100,710
Advances	2,618,963	4,909,726	89,460,087	122,197,930
Interest	2,554,178	3,860,538	18,972,332	14,612,851
Advances non-cash	(3,818)	1,263,545	(4,503,815)	5,923,541
Change in mapping	10,544,238	-	10,544,238	-
Repayments	(1,263,542)	(501)	(66,820,216)	(67,196,798)
Share vesting	(443,350)	-	(443,350)	-
	133,576,600	**119,569,931**	**281,847,510**	**234,638,234**
Intercompany ECL	2,132,979	4,222,312	4,268,723	8,202,693
Net group related borrowings	**147,612,874**	**210,191,256**	**1,477,708**	**99,263,138**

Notes to the Financial Statements

	Group		Company	
Figures in Rand	2022	2021	2022	2021

14. Unlisted investments

Mandatorily at fair value through profit or loss:				
Urban Task Force Proprietary Limited TUHF Limited holds 5% in Urban Task Force Proprietary Limited. The shares are held at fair value.	22,036,080	24,967,606	22,036,080	24,967,606
Measured at amortised cost:				
E Class Note The company holds an investment in an E Class Note issued by TUHF Urban Finance (RF) Limited. The note earns an interest at a variable rate and is repayable in terms of the priority of payments of the structure.	-	-	51,018,604	59,041,224
Preference shares - TUHF Urban Finance (RF) Limited TUHF Urban Finance (RF) Limited issued R10 preference shares to TUHF Limited. This entitles TUHF Limited to the residual profits on maturity after all payments have been enforced under the priority of payments calculation.	-	-	10	10
Preference shares - Vuselela Warehouse SPV (RF) Proprietary Limited Vuselela Warehouse SPV (RF) Proprietary Limited has issued R 0.01 Preference shares to TUHF Limited.	-	-	0.01	0.01
Preference shares - Urban Ubomi 1 (RF) Limited Urban Ubomi 1 (RF) Limited has issued R 0.01 Preference shares to TUHF Limited.	-	-	0.01	0.01
	22,036,080	**24,967,606**	**73,054,694**	**84,008,840**

Fair value disclosures

Group and company -2022	**Carrying value**	**Level 1**	**Level 2**	**Level 3**	**Fair value**
Investment in Urban Task Force Proprietary Limited	22,036,080	-	-	22,036,080	22,036,080

Group and company -2021	**Carrying value**	**Level 1**	**Level 2**	**Level 3**	**Fair value**
Investment in Urban Task Force Proprietary Limited	24,967,606	-	-	24,967,606	24,967,606

Notes to the Financial Statements

14. Unlisted investments (continued)

Urban Task Force Proprietary Limited is valued as a percentage of net asset value of the latest available audited financial statements 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 the statement of financial position date. 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 directors 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 were obtained by the directors of Urban Task Force Proprietary Limited and a capitalization rate of 10% - 12% (2020: 10% - 12%) was considered a key assumption.

At 31 March 2022, if the capitalisation rate used to value the investment properties of Urban Task Force Proprietary Limited had been 1% higher (downturn) or 1% lower (upturn) with all other variables held constant, the value of the unlisted investment would be as follows:

	2022	**2021**
Downturn	R15,940,818	R18,872,345
Base case	R22,036,080	R24,967,606
Upturn	R29,350,393	R32,281,919

15. Equipment

Group	2022			2021		
	Cost	**Accumulated depreciation**	**Carrying value**	**Cost**	**Accumulated depreciation**	**Carrying value**
Office furniture and equipment	3,827,039	(3,234,252)	592,787	3,554,282	(2,971,141)	583,141
Computer hardware and telephones	6,837,824	(5,428,323)	1,409,501	6,070,339	(4,795,775)	1,274,564
Total	**10,664,863**	**(8,662,575)**	**2,002,288**	**9,624,621**	**(7,766,916)**	**1,857,705**

Company	2022			2021		
	Cost	**Accumulated depreciation**	**Carrying value**	**Cost**	**Accumulated depreciation**	**Carrying value**
Office furniture and equipment	3,827,039	(3,234,252)	592,787	3,554,282	(2,971,141)	583,141
Computer hardware and telephones	6,837,824	(5,428,323)	1,409,501	6,070,339	(4,795,775)	1,274,564
Total	**10,664,863**	**(8,662,575)**	**2,002,288**	**9,624,621**	**(7,766,916)**	**1,857,705**

Reconciliation of equipment - Group - 2022

	Opening balance	**Additions**	**Depreciation**	**Total**
Office furniture and equipment	583,141	281,580	(271,934)	592,787
Computer hardware and telephones	1,274,564	832,849	(697,912)	1,409,501
	1,857,705	**1,114,429**	**(969,846)**	**2,002,288**

Notes to the Financial Statements

15. Equipment (continued)

Reconciliation of equipment - Group - 2021

	Opening balance	Additions	Disposals	Depreciation	Total
Office furniture and equipment	925,424	62,865	-	(405,148)	583,141
Computer hardware and telephones	1,002,923	816,068	(5,201)	(539,226)	1,274,564
	1,928,347	**878,933**	**(5,201)**	**(944,374)**	**1,857,705**

Reconciliation of equipment - Company - 2022

	Opening balance	Additions	Depreciation	Total
Office furniture and equipment	583,141	281,580	(271,934)	592,787
Computer hardware and telephones	1,274,564	832,849	(697,912)	1,409,501
	1,857,705	**1,114,429**	**(969,846)**	**2,002,288**

Reconciliation of equipment - Company - 2021

	Opening balance	Additions	Disposals	Depreciation	Total
Office furniture and equipment	925,424	62,865	-	(405,148)	583,141
Computer hardware and telephones	1,002,923	816,068	(5,201)	(539,226)	1,274,564
	1,928,347	**878,933**	**(5,201)**	**(944,374)**	**1,857,705**

Notes to the Financial Statements

16. Leases (group as lessee)

Right-of-use assets

2022	**Opening balance**	**Adjustments**	**Additions**	**Modifications**	**Depreciation**	**Total**
Office space (buildings)	14,623,490	46,291	2,769,508	-	(3,751,919)	13,687,370

2021	**Opening balance**	**Adjustments**	**Additions**	**Modifications**	**Depreciation**	**Total**
Office space (buildings)	8,258,342	(9,648)	224,522	9,958,480	(3,808,206)	14,623,490

Lease liabilities

2022	**Opening balance**	**Adjustments**	**Additions**	**Modifications**	**Payments**	**Interest expense**	**Total**
Office space (buildings)	16,045,530	(20,924)	2,769,508	-	(4,400,196)	1,453,744	15,847,663

2021	**Opening balance**	**Adjustments**	**Additions**	**Modifications**	**Payments**	**Interest expense**	**Total**
Office space (buildings)	9,227,648	(19,564)	224,522	9,585,231	(4,497,243)	1,524,936	16,045,530

Notes to the Financial Statements

	Group		Company	
Figures in Rand	2022	2021	2022	2021

16. Leases (group as lessee) (continued)

Finance lease liabilities

Maturity analysis				
Within one year	4,711,888	4,108,785	4,711,888	4,108,785
Two to five years	14,128,051	15,694,033	14,128,051	15,694,033
More than five years	-	-	-	-
Total undiscounted lease liabilities at 31 March 2022	**18,839,939**	**19,802,818**	**18,839,939**	**19,802,818**

Lease liabilities in the statement of financial position at 31 March 2022				
Non-current liabilities	12,577,288	13,271,171	12,577,288	13,271,171
Current liabilities	3,270,375	2,774,359	3,270,375	2,774,359
Total	**15,847,663**	**16,045,530**	**15,847,663**	**16,045,530**

17. Intangible assets

Group	2022			2021		
	Cost / Valuation	**Accumulated amortisation**	**Carrying value**	**Cost / Valuation**	**Accumulated amortisation**	**Carrying value**
Computer software	21,844,468	(17,492,697)	4,351,771	20,511,229	(15,406,771)	5,104,458

Company	2022			2021		
	Cost / Valuation	**Accumulated amortisation**	**Carrying value**	**Cost / Valuation**	**Accumulated amortisation**	**Carrying value**
Computer software	21,844,468	(17,492,697)	4,351,771	20,511,229	(15,406,771)	5,104,458

Reconciliation of intangible assets - Group - 2022

	Opening balance	**Additions**	**Amortisation**	**Total**
Computer software	5,104,458	1,333,238	(2,085,925)	4,351,771

Reconciliation of intangible assets - Group - 2021

	Opening balance	**Additions**	**Amortisation**	**Total**
Computer software	4,785,034	2,538,539	(2,219,115)	5,104,458

Reconciliation of intangible assets - Company - 2022

	Opening balance	**Additions**	**Amortisation**	**Total**
Computer software	5,104,458	1,333,238	(2,085,925)	4,351,771

Notes to the Financial Statements

	Group		Company	
Figures in Rand	2022	2021	2022	2021

17. Intangible assets (continued)

Reconciliation of intangible assets - Company - 2021

	Opening balance	Additions	Amortisation	Total
Computer software	4,785,034	2,538,539	(2,219,115)	5,104,458

18. Deferred tax

Deferred tax liability

Accelerated depreciation	(1,174,978)	(1,429,248)	(1,174,978)	(1,429,248)
Deferred and prepaid expenses	(2,896,118)	(3,662,350)	(2,895,576)	(3,662,116)
Fair value adjustment unlisted investments	(3,433,104)	(3,968,791)	(3,433,104)	(3,968,791)
Fair value adjustment interest rate hedges	(118,618)	-	(99,716)	-
Fair value adjustment properties in posession	(2,638,995)	-	(2,638,995)	-
Total deferred tax liability	**(10,261,813)**	**(9,060,389)**	**(10,242,369)**	**(9,060,155)**

Deferred tax asset

Provision for bonus	2,721,788	349,285	2,721,788	349,285
Expected credit losses	4,140,543	3,058,208	2,688,497	1,955,287
Deferred income	3,422,670	1,273,583	3,422,670	1,273,583
Provision for bad debts	4,982,327	7,061,216	3,979,414	6,303,349
Fair value adjustment interest rate hedges	-	391,862	-	431,155
Intercompany ECL	345,542	709,349	691,613	1,378,052
IFRS 16 leases	295,012	84,040	295,012	84,040
Deferred tax asset on assessed loss	13,573,158	13,512,780	13,573,158	13,512,780
Total deferred tax asset	**29,481,040**	**26,440,323**	**27,372,152**	**25,287,531**

The deferred tax assets and the deferred tax liability relate to income tax in the same jurisdiction, and the law allows net settlement. Therefore, they have been offset in the statement of financial position as follows:

Deferred tax liability	(10,261,813)	(9,060,389)	(10,242,369)	(9,060,155)
Deferred tax asset	29,481,040	26,440,323	27,372,152	25,287,531
Total net deferred tax asset	**19,219,227**	**17,379,934**	**17,129,783**	**16,227,376**

Notes to the Financial Statements

	Group		Company	
Figures in Rand	2022	2021	2022	2021

18. Deferred tax (continued)

Reconciliation of deferred tax asset / (liability)

At beginning of year	17,379,934	18,594,877	16,227,376	16,823,577
Provision for bonus	2,372,503	27,462	2,372,503	27,462
Accelerated depreciation	254,270	(89,439)	254,270	(89,439)
Current year charge - movement on loan impairment	(996,554)	(11,162,168)	(1,590,725)	(10,584,802)
Deferred income	2,149,087	(4,207,438)	2,149,087	(4,207,438)
Deferred and prepaid expenses	766,232	(500)	766,539	(443)
Fair value adjustment unlisted investments	535,687	202,462	535,687	633,617
Fair value adjustment interest rate hedges	(510,484)	391,862	(530,870)	-
Fair value adjustment properties in posession	(2,638,995)	-	(2,638,995)	-
IFRS 16 leases	210,972	234,051	210,972	234,051
Intercompany ECL	(363,806)	(124,015)	(686,442)	(121,989)
Deferred tax asset on assessed loss	60,381	13,512,780	60,381	13,512,780
	19,219,227	**17,379,934**	**17,129,783**	**16,227,376**

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

The effect of the change in tax rate from 28% to 27% has not been disclosed separately but has been accounted for in the movement for 2022 on each of the line items disclosed.

In his speech in February 2022, the Minister of Finance announced a budgeted change in the corporate income tax rate from 28% to 27%. The new corporate income tax rate of 27% is effective for all financial year-ends commencing 1 April 2022. Therefore the applicable tax rate used in the tax rate reconciliation is 28% as this is the corporate tax rate still applicable as at the end of the financial period. Deferred tax, however, is measured at tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. The 27% tax rate has been “substantively enacted” in South Africa with effect from the date of the budget speech. Therefore, deferred tax for the current year is measured at 27%, as the timing difference is expected to reverse in a tax period when the new tax rate will be effective.

19. Share capital

Authorised				
40 000 000 Ordinary shares at a par value of R0,0001 each	4,000	4,000	4,000	4,000

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.

Issued				
14 280 000 (2018:14 280 000) ordinary shares at a par value of R0.0001 each	1,428	1,428	1,428	1,428
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	-	-
14 280 000 shares at a premium of R0.69951 each	9,989,000	9,989,000	9,989,000	9,989,000
	9,990,828	**9,990,828**	**9,990,428**	**9,990,428**

Notes to the Financial Statements

	Group		Company	
Figures in Rand	2022	2021	2022	2021

20. Non-distributable reserves

A grant agreement was entered into between the company and National Treasury to advance R 200 million to the company over 3 years. The funds were included in R 800 million senior debt to lend to end user clients. To date R 157,499,759 has been received and on lent to end users. The amount received of R 157 million is not available for distribution to the shareholders. TUHF Limited has the unconditional right to avoid the repayment of these funds as at 31 March 2022.

Non-distributable reserve	157,499,759	157,499,759	157,499,759	157,499,759

21. Trade and other payables

Financial instruments:				
Trade payables	12,375,855	11,345,985	9,106,215	10,005,294
Other payables	10,216,898	1,351,453	10,214,208	1,351,457
Non-financial instruments:				
VAT	330,125	-	330,125	-
	22,922,878	**12,697,438**	**19,650,548**	**11,356,751**

The balance at year end is considered current.

22. Financial liabilities

Held at amortised cost				
Secured				
National Housing Finance Corporation SOC Limited 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.	11,903,780	15,708,590	11,903,780	15,708,590
National Housing Finance Corporation SOC Limited 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.	22,824,740	26,332,360	22,824,740	26,332,360
Development Bank of Southern Africa Limited 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 will be repaid by September 2022.	3,109,492	9,076,456	3,109,492	9,076,456
Development Bank of Southern Africa Limited 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.	24,088,721	33,944,523	24,088,721	33,944,523
Futuregrowth Asset Management The loan of R100 million from Futuregrowth Asset Management at an interest rate of prime minus 0,75%. The facility was fully repaid by February 2022.	-	15,085,048	-	15,085,048
National Housing Finance Corporation SOC Limited 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.	50,150,087	57,425,400	50,150,087	57,425,400

Notes to the Financial Statements

	Group		Company	
Figures in Rand	2022	2021	2022	2021
22. Financial liabilities (continued)				
National Housing Finance Corporation SOC Limited 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.	11,466,853	12,901,838	11,466,853	12,901,838
National Housing Finance Corporation SOC Limited 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.	50,586,403	62,274,936	50,586,403	62,274,936
Development Bank of Southern Africa Limited 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.	63,781,470	84,357,485	63,781,470	84,357,485
Cadiz Life and Asset Management The loan of R40 million from Cadiz Life and R10 million from Cadiz Asset Management was at an interest rate of prime plus 0.25%. The facility period was extended for another 60 months in June 2015. The facility was fully repaid by May 2021.	-	23,801,744	-	23,801,744
Futuregrowth Asset Management The loan of R250 million from Futuregrowth Asset Management is at an interest rate of prime plus 0.5%. The facility is fully drawn and interest and capital are paid monthly. The facility was fully repaid by August 2021.	-	87,579,320	-	87,579,320
Mergence Investment Managers 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 will be fully repaid in June 2022.	7,364,309	8,755,586	7,364,309	8,755,586
Public Investment Corporation 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.	157,761,212	183,075,813	157,761,212	183,075,813
Futuregrowth Asset Management 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 interest calculated and interest calculated according to a 144-month amortisation profile as from 13 June 2013 and a final single payment on 15 July 2023. R100 million is repayable in equal monthly instalments of capital and interest calculated according to a 144-month amortisation profile as from 15 January 2014 and a final single payment 15 January 2024.	132,878,977	165,285,432	132,878,977	165,285,432

Notes to the Financial Statements

	Group		Company	
Figures in Rand	2022	2021	2022	2021
22. Financial liabilities (continued)				
Standard Bank Warehouse A R700 million 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.	113,256,715	378,512,569	-	-
Futuregrowth Asset Management 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 is repayable in full by September 2024.	78,172,469	105,418,780	78,172,469	105,418,780
Mergence Investment Managers 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 will be repaid in June 2022.	8,157,997	8,922,216	8,157,997	8,922,216
Futuregrowth Asset Management 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 on the remainder of the term facility will be fully paid by March 2026.	33,389,948	40,061,361	33,389,948	40,061,361
Futuregrowth Asset Management 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 is repayable in full by December 2026.	62,401,623	72,774,249	62,401,623	72,774,249
National Housing Finance Corporation SOC Limited 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.	168,477,798	181,985,138	168,477,798	181,985,138
Nedbank 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 is fully repayable by July 2022.	98,291,954	98,291,954	98,291,954	98,291,954
Novo Impact Fund 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.	10,056,693	10,051,969	10,056,693	10,051,969
National Housing Finance Corporation SOC Limited The loan of R60 million from National Housing Finance Corporation SOC Limited is at an interest rate of prime plus 2%. The facility was fully repaid by September 2021.	-	69,278,255	-	69,278,255

Notes to the Financial Statements

	Group		Company	
Figures in Rand	2022	2021	2022	2021
22. Financial liabilities (continued)				
Ashburton Asset Managers 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.	90,540,616	90,500,548	90,540,616	90,500,548
Lionshead Global Partners The loan of R100 million from Lionshead (ACLB Fund) was at a fixed interest rate of 10,25% for the first 12 months. Step-up interest rate of the fixed rate equivalent of 3-month JIBAR plus 3.75% came into effect from October 2020 to March 2021. A further step up of the fixed rate equivalent of 3-month JIBAR plus 4.25% applies from April 2021 to September 2021. The facility was repaid in a single payment in September 2021.	-	100,130,401	-	100,130,401
Small Enterprise Finance Agency (SEFA) 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. **Domestic Medium-Term Note Programme:** 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.	26,477,784	28,850,754	26,477,784	28,850,754
Sanlam Asset Management	283,465,203	283,293,889	283,465,203	283,293,889
Mortgage-backed securities				
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 Noteholders	387,545,489	448,574,984	-	-
B Class Noteholders	45,085,463	52,183,010	-	-
D Class Noteholders	21,013,596	24,321,182	-	-

Notes to the Financial Statements

	Group		Company	
Figures in Rand	2022	2021	2022	2021
22. Financial liabilities (continued)				
Mortgage-backed securities				
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 2024.				
Class A1 Noteholders	144,573,521	202,259,849	-	-
Class A2 Noteholders	311,425,565	309,447,017	-	-
Class A4 Noteholders	27,199,333	-	-	-
Class A5 Noteholders	285,321,127	-	-	-
Class B Noteholders	192,625,848	73,111,006	-	-
Class C Noteholders	37,368,934	25,046,029	-	-
All the loans/notes issued are secured by cessions of all the rights, titles and/or interests the group holds or which it may acquire in future, arising out of, or in connection with the end-user agreements, which have been financed by the respective funding facilities.				
Held at Fair Value:				
Eskom: R200 million 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.	202,854,128	-	202,854,128	-
Fair value hedge liability Nominal value R562 412 460. The company has entered into a fair value interest rate cashflow swap with Standard Bank of South Africa Limited. The derivative swaps prime 3- month Jibar cashflows for prime 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 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.	4,030,943	7,017,022	4,030,943	7,017,022
	3,167,648,791	3,395,636,713	1,602,233,200	1,882,181,067
Deferred raising fees**	(10,052,102)	(12,316,242)	(10,052,102)	(12,316,242)
	3,157,596,689	**3,383,320,471**	**1,592,181,098**	**1,869,864,825**

** The current portion of the deferred raising fee is R 2,400,405 (2021: R 2,481,235).

Notes to the Financial Statements

	Group		Company	
Figures in Rand	2022	2021	2022	2021

23. Share based payment liability

Liability raised for shares awarded not yet vested	5,452,005	10,494,577	5,452,005	10,494,577

TUHF Conditional Share Plan:

As an incentive for current and prospective employees of the Company, 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 the company 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, the company 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.

TUHF 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 712,748 (2021: 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 granted 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% (2021: 5%) attrition rate for qualifying employees.

24. Interest income

Interest on advances	334,043,798	369,694,874	163,531,088	238,414,770
Interest on advances to related company	2,554,179	3,860,538	26,380,017	23,166,654
Interest on call deposits	5,616,723	3,402,530	3,283,184	2,684,197
Interest on guarantee deposits	223,244	114,209	223,244	114,209
Interest on staff loans	(3,045)	9,569	(3,045)	9,569
Interest received from SARS	113,429	253,721	111,876	230,021
Interest received on derivative collateral	53,964	-	53,964	-
	342,602,292	**377,335,441**	**193,580,328**	**264,619,420**

Raising fee income of R 7,930,947 (2021: R 9,815,308) was recognised in the financial year under review and is included in interest on advances for group.

Notes to the Financial Statements

	Group		Company	
Figures in Rand	2022	2021	2022	2021

25. Interest expenses

Interest on advances from related company	21,643,998	14,422,889	21,643,998	14,422,889
Interest on borrowings	214,245,712	235,978,613	115,416,030	157,396,080
Interest on current account	3,024	3,984	2,578	3,928
Cash flow hedge	2,554,647	-	2,554,647	-
Interest paid to SARS	1,802	15,990	-	9,034
Interest expense - lease liability	1,440,772	1,524,936	1,440,772	1,524,936
	239,889,955	**251,946,412**	**141,058,025**	**173,356,867**

Raising fees and legal fees of R 3,264,140 (2021: R 3,558,378) were recognised in the financial year under review and are included in interest on borrowings for group.

26. Expected credit losses

IFRS 9				
Stage 1	5,622,355	(54,903,645)	1,558,822	(53,271,166)
Stage 2	(3,813,015)	3,774,541	(5,442,936)	6,675,482
Stage 3	(23,619,347)	39,958,046	(26,056,754)	42,013,830
Recoveries during the year	-	-	-	-
	(21,810,007)	**(11,171,058)**	**(29,940,868)**	**(4,581,854)**

27. Other operating income

Penalties and other sundry income	7,299,528	3,345,365	5,867,762	2,906,697
Rental income	1,033,986	1,273,390	1,033,986	1,273,390
Management fees	993,753	1,749,711	993,753	1,749,711
Dividends received	315,000	285,250	7,921,685	285,250
Admin and Servicing fees	24,999	25,000	16,315,711	12,471,881
	9,667,266	**6,678,716**	**32,132,897**	**18,686,929**

28. Other operating gains (losses)

Fair value gains (losses)				
Financial assets mandatorily at fair value through profit or loss	13,583,153	(903,849)	13,583,153	(903,849)
Net loss on the hedged item in fair value hedges	(170,353)	(1,399,508)	(100,033)	(1,539,839)
	13,412,800	**(2,303,357)**	**13,483,120**	**(2,443,688)**

TUHF Limited Company
*Fair value of the swaps has been determined using expected cashflows based on the respective 3-month JIBAR and Prime interest rate forward curves, a PD 3.449% and LGD of 75% was used for the CVA and DVA calculations.

Fair value of the debt has been determined using expected cashflows based on the Consumer Price Index (CPI) forward curves, a PD of 3.44% and LGD 75% was used in the the CVA and DVA calculations.

Fair value of the swap has been determined using expected cashflows based on the Consumer Price Index (CPI) forward curves, a PD of 0.14% and LGD 60% was used in the the CVA and DVA calculations.

Urban Ubomi 1 (RF) Limited
*Fair value of the swaps have been determined using expected cashflows based on the respective 3-month JIBAR and Prime interest rate forward curves, a PD 0.14% and LGD of 60% was used for the CVA and DVA calculations.

Notes to the Financial Statements

	Group		Company	
Figures in Rand	2022	2021	2022	2021

29. Other operating expenses

Auditor's remuneration	5,661,357	4,980,078	3,982,750	4,346,745
Consulting fees	16,517,930	17,037,113	16,517,930	17,037,113
Depreciation - Equipment and amortisation	3,055,771	3,163,488	3,055,771	3,163,488
Depreciation - Right-of-use assets	3,751,919	3,808,206	3,751,919	3,808,206
Employee costs	70,379,738	55,595,813	70,379,738	55,595,813
Financial administration	1,228,069	1,068,838	712,648	702,243
Information technology costs	3,432,980	2,711,883	3,432,980	2,711,883
Marketing	2,718,415	1,471,794	2,718,415	1,471,794
Office rental	(300)	26,727	(300)	26,727
Project management	1,636,764	1,684,733	1,636,764	1,684,733
Telephone and fax charges	1,279,904	1,155,261	1,279,904	1,155,261
Training and skills development	1,040,483	2,577,398	1,040,483	2,577,398
Utilities	1,086,707	961,058	1,086,707	961,058
Valuations	827,767	1,408,828	827,767	1,408,828
VAT - input VAT not claimable as it relates to non-taxable supplies	5,381,473	5,172,812	5,381,473	5,172,812
Other expenses	12,885,493	8,208,132	7,220,152	4,343,385
	130,884,470	**111,032,162**	**123,025,101**	**106,167,487**

30. Employee benefit expense

Employee costs included in note 29, comprises:

Employee costs				
Employee costs salaried staff	44,798,220	41,314,488	44,798,220	41,314,488
Directors emoluments	17,271,662	6,011,364	17,271,662	6,011,364
Non-executive directors	4,335,350	3,392,200	4,335,350	3,392,200
Share-based payment	3,974,506	4,877,761	3,974,506	4,877,761
	70,379,738	**55,595,813**	**70,379,738**	**55,595,813**

TUHF Limited has a defined contribution provident plan governed by the Pension Funds Act, 1956, as amended, that 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:

Provident fund	6,538,811	6,289,733	6,538,811	6,289,733

Notes to the Financial Statements

	Group		Company	
Figures in Rand	2022	2021	2022	2021

31. Taxation

Major components of the tax expense (income)

Current				
Local income tax - current period	6,616,845	5,570,949	-	-
Deferred				
Deferred tax	(1,839,296)	1,214,943	(902,408)	596,201
	4,777,549	**6,785,892**	**(902,408)**	**596,201**

Reconciliation of the tax expense

Reconciliation between accounting profit and tax expense.

Accounting profit	16,717,940	29,903,284	5,054,087	5,920,161
Tax at the applicable tax rate of 28% (2021: 28%)	4,681,023	8,372,920	1,415,144	1,657,645
Tax effect of adjustments on taxable income				
Non-deductible expenses	178,592	178,591	178,592	178,591
Non-taxable fair value adjustment	(393,216)	50,615	(393,216)	50,615
SARS interest and penalties	505	1,947	-	-
Exempt dividends	(88,200)	-	(2,218,072)	-
No assessed loss created	-	315,264	-	-
Assessed loss utilised	(296,012)	(2,133,445)	(489,741)	(1,290,650)
Deferred tax adjustment for change in tax rate	694,857	-	604,885	-
	4,777,549	**6,785,892**	**(902,408)**	**596,201**

32. Commitments

Loans and Advances

As at 31 March 2022, the TUHF Group have total unpaid commitments of R77 million (2021: R386 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 R83 million (2021: R107 million). Upon a detailed analysis of the projects, the actual commitments reduced to R77 million (2021: R55 million) as some properties will be sold in their current configuration and in other instances amounts originally provided are no longer required.

33. 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 R20 million. Undertakings have also been given to certain lenders of maintaining a debt to capital ratio of 90%.

Notes to the Financial Statements

	Group		Company	
Figures in Rand	2022	2021	2022	2021

34. Related parties

Ultimate holding company	TUHF21 NPC
Holding company	TUHF Holdings Limited
Servicer and administrator for	Vuselela Warehouse SPV (RF) Proprietary Limited
	Vuselela Collections SPV (RF) Proprietary Limited
	TUHF Urban Finance (RF) Limited
Fellow subsidiaries	TUHF Bridge Proprietary Limited
	Intuthuko Equity Fund Proprietary Limited
	TUHF Equity Proprietary Limited
	Jeppestown Urban Trust
	Better Urban Living 2 Proprietary Limited
	Silverkey Proprietary Limited
Shareholders of holding company	National Housing Finance Corporation SOC Limited
	Futuregrowth on behalf of OMLACSA
	Government Employee Pension Fund (PIC)

Related party balances and transactions

	Group 2022	Group 2021	Company 2022	Company 2021
TUHF21 NPC				
Interest Paid -TUHF Limited	191,737	120,871	191,737	120,871
Management Fees	(247,547)	(257,298)	(247,547)	(257,298)
	(55,810)	**(136,427)**	**(55,810)**	**(136,427)**
National Housing Finance Corporation SOC Limited				
Interest paid	25,066,482	30,399,447	25,066,482	30,399,447
Futuregrowth Asset Management Proprietary Limited				
Interest paid	28,512,403	44,836,955	28,512,403	44,836,955
Public Investment Corporation				
Interest paid	8,519,661	9,988,685	8,519,661	9,988,685
Mortgage bonds				
Jeppestown Urban Trust	(102,982,425)	(79,450,197)	(102,982,425)	(79,450,197)
Better Urban Living 2 Proprietary Limited	(60,078,707)	(50,738,949)	(60,078,707)	(50,738,949)
Silverkey Proprietary Limited	(22,503,913)	(57,366,556)	(22,503,913)	(57,366,556)
	(185,565,045)	**(187,555,702)**	**(185,565,045)**	**(187,555,702)**
Jeppestown Urban Trust				
Interest received	(6,940,297)	(8,392,056)	(6,940,297)	(8,392,056)
Better Urban Living 2 Proprietary Limited				
Interest received	(4,336,939)	(4,897,128)	(4,336,939)	(4,897,128)
Silverkey Proprietary Limited				
Interest received	(3,909,477)	(4,256,490)	(3,909,477)	(4,256,490)

Notes to the Financial Statements

Figures in Rand	Group 2022	Group 2021	Company 2022	Company 2021
34. Related parties (continued)				
TUHF Holdings Limited: Parent company				
Interest Paid - TUHF Holdings Limited 50M	4,129,594	3,984,783	4,129,594	3,984,783
Interest Paid - TUHF Holdings Limited 75M	7,254,188	6,953,134	7,254,188	6,953,134
Interest received - TUHF Holdings Limited Loan	(2,554,178)	(3,860,538)	(2,554,178)	(3,860,538)
Interest Paid - TUHF Holdings Limited 55M	9,280,763	3,159,837	9,280,763	3,159,837
	18,110,367	**10,237,216**	**18,110,367**	**10,237,216**
TUHF Bridge Proprietary Limited: Fellow subsidiary of TUHF Holdings Limited				
Interest paid	71,291	204,264	71,291	204,264
TUHF Urban Finance (RF) Limited				
Admin fee received	-	-	(312,233)	(349,280)
Servicing fee received	-	-	(5,307,962)	(5,937,760)
	-	**-**	**(5,620,195)**	**(6,287,040)**
Urban Ubomi 1 (RF) Limited				
Interest received	-	-	(9,961,935)	-
Interest accrued not yet paid	-	-	-	(209,129)
Admin fee received	-	-	(1,234,385)	(95,075)
Servicing fee received	-	-	(6,994,847)	(538,759)
	-	**-**	**(18,191,167)**	**(842,963)**
Vuselela Warehouse SPV (RF) Proprietary Limited				
Interest received	-	-	(6,456,693)	(10,543,183)
Admin fee received	-	-	(732,734)	(1,108,956)
Servicing fee received	-	-	(4,152,157)	(6,284,083)
	-	**-**	**(11,341,584)**	**(17,936,222)**

Key management compensation:

All members of the board are considered key management. Refer to note 35 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 (2021: R2,013.5 million).

Figures in Rand	Group 2022	Group 2021	Company 2022	Company 2021
National Housing Finance Corporation				
Total National Housing Finance Corporation debt facilities: capital advanced	443,094,757	703,594,757	443,094,757	703,594,757
Interest paid	25,066,482	30,399,447	25,066,482	30,399,447
Interest and capital repayments	135,563,337	44,297,848	135,563,337	44,297,848
Futuregrowth Asset Management Proprietary Limited				
Total facilities	660,000,000	1,010,000,000	660,000,000	1,010,000,000
Interest paid	28,512,403	44,836,955	28,512,403	44,836,955
Interest and capital repayments	207,873,577	210,549,909	207,873,577	210,549,909
Public Investment Corporation				
Total facilities	299,980,457	299,980,457	299,980,457	299,980,457
Interest paid	8,519,661	9,988,685	8,519,661	9,988,685
Interest and capital repayments	33,834,262	21,887,673	33,834,262	21,887,673

Notes to the Financial Statements

35. Directors' emoluments

Group

Executive

2022

	Cash component	Bonus	Provident fund	Other	Total
PGN Jackson	3,044,279	1,450,000	587,549	9,237,334	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**	**9,317,571**	**17,271,662**

2021

	Cash component	Provident fund	Other	Total
PGN Jackson	2,939,931	558,039	222,347	3,720,317
IL Roodt	1,875,996	332,381	82,670	2,291,047
	4,815,927	**890,420**	**305,017**	**6,011,364**

Non-executive

2022

	Directors' fees	Total
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**

2021

	Directors' fees	Total
SS Moraba	432,000	432,000
TM Adler	461,400	461,400
C Coovadia	616,400	616,400
RR Emslie	563,400	563,400
JF Howard	286,000	286,000
JK Mamatela	356,000	356,000
JS Strelitz	378,000	378,000
L Vutula	299,000	299,000
	3,392,200	**3,392,200**

Notes to the Financial Statements

36. Going concern

The 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 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.

37. Events after the reporting period

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.