TUHF Limited

(Registration number 2007/025898/06)

Annual Financial Statements for the year ended 31 March 2023

General Information

General Information

Item	Description
Country of incorporation and domicile	South Africa
Nature of business and principal activities	The main business of the company is to 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 with the aim to provide affordable residential accommodation in South Africa.
Directors	C Coovadia JF Howard PGN Jackson IL Roodt B Mapongwana S Bolipombo R Wesselo
Business address	12th Floor, West Wing Libridge Building 25 Ameshoff Street Braamfontein 2001
Postal address	PO Box 30872 Braamfontein 2017
Holding company	TUHF Holdings 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: Imke Kruger CIMA (SA) following the detailed workings provided by Patricia Khomani, including a detailed working file for disclosure. An overall review was performed by the CFO Ilona Roodt, CA (SA).
Issued	28 July 2023

Contents

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 71 of 2008.

Members of the Audit and Risk Committee

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

Name	Designation	Changes
Robert Emslie	Independent non-executive	
Belinda Mapongwana	Non-executive	
Samson Moraba	Non-executive	
James Howard	Non-executive	Resigned 1 July 2023
Mandu Mamatela	Non-executive	Resigned 6 December 2022
Cassim Coovadia	Non-executive	Resigned 6 December 2022
Vuyiswa Ramokgopa	Non-executive	Appointed 1 July 2023

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.

Duties and responsibilities

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

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

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

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

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

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

Summary of key focus areas and achievements

The committee:

- monitored the ongoing impact of the economic environment on the IFRS 9 Model and its implementation, the economy and uncertainty around collection levels and the business cashflows;
- monitored the implementation of the improved IFRS 9 ECL process and calculation enhancements;
- monitored key risks in the group including liquidity risk, credit risk, macroeconomic risks and operational risk and reporting to Board under the governance framework;

- monitored the progress in planning for the 2023 annual audit for the Group,
- monitored the progress in implementing new covenants and obtaining condonations from relevant funders for the financial period to 31 March 2023;
- reviewed the Integrated Annual Report and recommended it to the board for approval;
- reviewed 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 risks;
  - Related party transactions and balances; and
  - Compliance with rules and regulations.
- The following internal audits were conducted during 2023 financial year,
  - Annual financial discipline review (Good);
  - Cyber review (WIP);
  - Risk Management maturity Review (Mature Rating);
  - Regulatory Reporting : JSE debt listing process, controls, trigger calculations and reporting (Good);
  - Credit Granting Review (Good);
  - POPIA implementation review (Needs Improvement);
- The following internal audits were approved for the 2024 financial year,
  - Annual financial discipline review;
  - Cyber review;
  - Quantitative Credit Risk Review;
  - Liquidity Management Review;
  - Assets and Liabilities Management Review;
  - Human Resources Review;
- The internal audit plan for the financial year ended March 2024 was approved;

The committee reviewed

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

the reports on legal and regulatory risk

- Regulatory reports pertaining to Financial Intelligence Centre Act, National Credit Act, Protection of Personal Information Act, JSE Debt Listing Requirements

The review of the application of the King IV principles was further assessed during the 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.

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.

Statutory reporting

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

Internal financial functions

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

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

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

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

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.

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.

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/investorrelations/#tuhf-limited.

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
28 July 2023

Director's Responsibility and Approval

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

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

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

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

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

The external auditor is responsible for independently auditing and reporting on the group's annual financial statements. The annual financial statements have been examined by the group's external auditor and their report is presented on pages 13 to19.

The directors' report on pages 8 to 12 and annual financial statements set out on pages 20 to 84 which have been prepared on the going concern basis, were approved by the board of directors on 28 July 2023 and were signed on their behalf by:

C Coovadia	PGN Jackson
Director	Director

28 July 2023

Company Secretary's Certification

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

Matthew Wray on behalf of Kilgetty Statutory Services Proprietary Limited

Johannesburg

28 July 2023

Director's Report

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

1. Incorporation

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

2. Nature of business

The main business of the company is to invest in subsidiary companies whose main business is to provide commercial property finance in the form of bridging finance, equity finance and long-term loans secured by mortgage collateral to entrepreneurs and landlords for the purchase, construction and/or improvement of property where the primary objective is the supply of affordable housing and associated commercial property for rental stock in South Africa's metropoles.

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

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

3. Review of financial results and activities

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

4. Share capital

	Number of shares	
Authorised	**2023**	**2022**
Ordinary shares	40,000,000	40,000,000

	R	R	Number of shares	
Issued	**2023**	**2022**	**2023**	**2022**
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

	Number of shares	
Authorised	**2023**	**2022**
TUHF Urban Finance (RF) Limited		
Ordinary shares	100	100
Preference shares	100	100
Vuselela Warehouse SPV (RF) Proprietary Limited		
Ordinary shares	1000	1000
Preference shares	1	1

	Number of shares	
Authorised	**2023**	**2022**
Vuselela Collections SPV (RF) Proprietary Limited		
Ordinary shares	1000	1000
Urban Ubomi 1 (RF) Limited		
Ordinary shares	1000	1000
Preference shares	1	1

	R	R	Number of shares	
Issued	**2023**	**2022**	**2023**	**2022**
TUHF Urban Finance (RF) Limited				
Ordinary Shares*	100	100	100	100
Vuselela Warehouse SPV (RF) Proprietary Limited				
Ordinary Shares**	100	100	100	100
Vuselela Collections SPV (RF) Proprietary Limited				
Ordinary Shares***	100	100	100	100
Urban Ubomi 1 (RF) Limited				
Ordinary Shares****	100	100	100	100

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

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

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

****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 (R0,01) and Urban Ubomi 1 (RF) Limited (R0,01) - in terms of which the final distribution of profits will flow to TUHF Limited.

5. Dividends

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

6. Conditional share plan

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

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

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

A new issuance under the Conditional Share Plan was approved by the Board in 2019 and 2021. Shares will vest over from 2022. By arrangement, the shares for the CEO have vested in 2022, with the remaining staff shares will vest between 2022 and 2026.

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

7. Directorate

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

Directors	Designation	Changes
SS Moraba	Non-executive	Resigned 1 July 2023
TM Adler	Non-executive	Resigned 1 July 2023
C Coovadia	Non-executive	
RR Emslie	Independent non-executive	Resigned 1 July 2023
JF Howard	Non-executive	
PGN Jackson	Executive	
JK Mamatela	Non-executive	Resigned 6 December 2022
JS Strelitz	Non-executive	Resigned 1 July 2023
IL Roodt	Executive	
L Vutula	Non-executive	Resigned 6 December 2022
B Mapongwana	Non-executive	Appointed 6 December 2022
S Bolipombo	Non-executive	Appointed 6 December 2022
R Wesselo	Independent non-executive	Appointed 1 July 2023

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% (2022: 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.

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

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

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

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

12. Events after the reporting period

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 August 2023, the committee will propose Deloitte & Touche as the Group auditors and Nokuthula Mavuso as the designated auditor for the 2024 financial year. This appointment will comply with the Companies Act.

14. Funding

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

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

A second securitisation structure was implemented in March 2021, whereby the group raised an additional R 609 million in funding through the capital markets. Three additional tap issuances have occurred since the first issuance, raising a further R 1.028 billion. The proceeds are applied to the revolving facility with Standard Bank to the extent that qualifying assets have been purchased. This complied with the requirements of the facility to allow for the facility availability period to be extended for a further 12 months, with the total facility now at R1.000 billion.

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

The senior revolving facility approved by Standard Bank of South Africa in January 2020 uses the funding to acquire assets from TUHF Limited. TUHF Limited is the originator in this capital market scheme and retains the role of servicer and administrator. Vuselela Warehouse SPV (RF) Proprietary Limited is a bankruptcy remote company, independently owned by the Vuselela Warehouse Owner Trust. At the end of March 2023, R 727 million of committed liquidity is available made up of the Standard Bank Warehouse R 547 million and a R 180 million new facility approved and contracted with Proparco.

A new facility of R 90 million from Ashburton Asset Management has been approved and is in the process of being contracted with the Basel III covenants attached.

A R 1.2 billion facility is under negotiation with an International Development Finance organisation. The due diligence was concluded in March 2023 and a term sheet is currently being negotiated, following credit approval in June 2023.

The liquidity mismatch pertaining to the period up to five years after reporting date will be managed by refinancing interest bearing liabilities. The 12-month mismatch at 31 March 2023 is negative R69 million, which is a manageable level in relation to the current funding base. This position includes a R100 million Nedbank maturity in April 2024, which is likely to be refinanced. We are at an advanced stage of contracting this facility and expect the new facility agreement to be signed in mid 2023. The 12-month mismatch without the Nedbank maturity would be a positive R31 million.

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.

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders 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 20 to 84, which comprise the consolidated and separate statements of financial position as at 31 March 2023, and the consolidated and separate statements of profit or loss and other comprehensive income, the consolidated and separate statements of changes in equity and the consolidated and separate statements of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

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

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Basis for Opinion

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

Key Audit Matters

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

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 loans and advances. The ECL on loans and advances, has been identified as a Key Audit Matter ("KAM") due to the magnitude of the loans and advances and the inherent uncertainty and level of significant judgement applied by management in determining the ECL. Models used to determine the credit provisions can be complex, and inputs used may not be fully observable.	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.

Key Audit Matter	How the matter was addressed in the audit
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.	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: 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. We inspected the minutes of the arrears and problematic meetings to assess the classification of those clients that have been identified as being in arrears and being problematic and whether management's classification of these loans as a result of identified SICR is appropriate. 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: Assessment of methodologies for compliance with IFRS 9 and testing of assumptions in response to the relevant risks of material misstatement identified;

Key Audit Matter	How the matter was addressed in the audit
	Reperformance of management's calculation of model parameters (i.e. PD, LGD, and EAD); Reperformance of management's calculation of the ECL allowance as at 31 March 2023; 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 Assessing, in conjunction with the audit team, the completeness and accuracy of data used in the model. For a sample of properties held as collateral, we performed the following procedures to test the fair value of the collateral: We benchmarked the rental streams and capitalisation rates used to value the collateral against market related data; and We assessed the reasonability of the haircuts applied to the valuation of the property. We assessed the adequacy of the disclosures in the financial statements in accordance with IFRS 9 and IFRS 7.

Other Information

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

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

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

Responsibilities of the Directors for the Consolidated and Separate Financial Statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and / or the Company to cease to continue as a going concern.

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

DocuSigned by:
Deloitte & Touche
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Deloitte & Touche
Registered Auditor
Per: Stephen Munro
Partner

31 July 2023

5 Magwa Crescent
Waterfall City
Waterfall
2090

Statement of Financial Position as at 31 March 2023

		Group		Company	
	Note(s)	2023	2022	2023	2022
		R		R	
Assets					
Cash and cash equivalents	6	162,562,904	171,184,775	1,018,718	69,240,140
Amounts paid to attorneys held in trust	7	21,903,140	10,131,364	21,903,140	10,128,090
Current tax receivable		2,355,542	3,125,921	2,075,536	1,954,734
Loans and advances	8	3,532,521,836	3,402,001,780	1,113,877,075	1,706,257,916
Trade and other receivables	9	18,353,373	17,831,325	18,935,359	22,496,793
Fair value Derivative asset	4	25,577,358	6,911,781	24,096,710	6,841,772
Investment properties	10	28,000,000	24,800,000	28,000,000	24,800,000
Investment in holding company	12	9,178,906	5,345,609	9,178,906	5,345,609
Loans to group companies and related parties	13	21,651,994	10,384,771	256,158,716	156,519,937
Unlisted investments	14	23,172,170	22,036,080	64,833,040	73,054,694
Equipment	15	2,178,485	2,002,288	2,178,485	2,002,288
Right to use asset	16	10,731,024	13,687,370	10,731,024	13,687,370
Intangible assets	17	5,339,650	4,351,771	5,339,650	4,351,771
Deferred tax asset	18	37,778,940	19,219,227	35,346,233	17,129,783
Assets		**3,901,305,322**	**3,713,014,062**	**1,593,672,592**	**2,113,810,897**
Equity capital and reserves					
Share capital	19	9,990,828	9,990,828	9,990,428	9,990,428
Non-distributable reserve	20	157,499,759	157,499,759	157,499,759	157,499,759
Retained earnings		163,341,808	185,070,389	105,713,633	155,191,751
Equity capital and reserves		**330,832,395**	**352,560,976**	**273,203,820**	**322,681,938**
Liabilities					
Lease liability	16	13,016,748	15,847,663	13,016,748	15,847,663
Loans from group companies and related parties	13	118,506,415	157,997,645	118,506,415	157,997,645
Trade and other payables	21	20,569,223	22,922,878	18,654,557	19,650,548
Financial liabilities	22	3,408,719,032	3,157,596,689	1,164,009,791	1,592,181,098
Share based payment liability	23	6,281,261	5,452,005	6,281,261	5,452,005
Current tax payable		3,380,248	636,206	-	-
Liabilities		**3,570,472,927**	**3,360,453,086**	**1,320,468,772**	**1,791,128,959**
Total Equity and Liabilities		**3,901,305,322**	**3,713,014,062**	**1,593,672,592**	**2,113,810,897**

The accounting policies on pages 24 to 38 and the notes on pages 39 to 84 form an integral part of the financial statements.

Statements of Profit or Loss and Other Comprehensive Income

		Group		Company	
	Note(s)	2023	2022	2023	2022
		R		R	
Interest income	24	412,502,899	342,602,292	197,780,771	193,580,328
Interest expense	25	(303,924,642)	(239,889,955)	(148,689,548)	(141,058,025)
Expected credit loss	26	(14,179,422)	21,810,007	(17,676,586)	29,940,868
Income from lending activities		**94,398,835**	**124,522,344**	**31,414,637**	**82,463,171**
Other operating income	27	6,687,991	9,667,266	24,526,798	32,132,897
Other operating gains /(losses)	28	(1,638,534)	13,412,800	(1,901,724)	13,483,120
Operating expenditure	29	(128,721,710)	(130,884,470)	(121,734,278)	(123,025,101)
Profit (loss) before taxation		**(29,273,418)**	**16,717,940**	**(67,694,567)**	**5,054,087**
Taxation	31	7,544,834	(4,777,549)	18,216,449	902,408
Total comprehensive income (loss) for the year		**(21,728,584)**	**11,940,391**	**(49,478,118)**	**5,956,495**

The accounting policies on pages 24 to 38 and the notes on pages 39 to 84 form an integral part of the financial statements.

Statement of Changes in Equity

Group	Share capital	Share premium	Total share capital	Non-distributable reserve	Retained income	Total equity
	R	R	R	R	R	R
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 1 April 2022	**1,828**	**9,989,000**	**9,990,828**	**157,499,759**	**185,070,389**	**352,560,976**
Total comprehensive income/(loss) for the year	-	-	-		(21,728,584)	(21,728,584)
Balance at 31 March 2023	**1,828**	**9,989,000**	**9,990,828**	**157,499,759**	**163,341,808**	**330,832,395**

Company	Share capital	Share premium	Total share capital	Non-distributable reserve	Retained income	Total equity
	R	R	R	R	R	R
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 April 2022	**1,428**	**9,989,000**	**9,990,428**	**157,499,759**	**155,191,751**	**322,681,938**
Total comprehensive income/(loss) for the year	-	-	-	-	(49,478,118)	(49,478,118)
Balance at 31 March 2023	**1,428**	**9,989,000**	**9,990,428**	**157,499,759**	**105,713,633**	**273,203,820**
Note(s)	**19**		**19**	**20**		

The accounting policies on pages 24 to 38 and the notes on pages 39 to 84 form an integral part of the financial statements.

Statement of Cash Flows

		Group		Company	
	Note(s)	2023	2022	2023	2022
		R		R	
Interest income		409,426,337	367,165,571	162,822,701	190,935,405
Rental income		863,348	1,033,986	863,348	1,033,986
Interest expenses		(260,959,665)	(212,363,003)	(118,478,090)	(111,550,867)
Tax paid		(9,953,576)	(9,145,459)	-	-
Cash received from clients		50,491	2,700	-	-
Cash paid to suppliers and employees		(128,645,533)	(139,294,753)	(124,124,043)	(135,249,275)
Management fees		274,127	1,066,830	21,301,507	19,178,474
Net movement in advances		(146,451,939)	355,189,760	569,636,286	405,691,776
Tax refund received		1,696,774	6,711,598	-	6,646,730
Bad debts recovered		928,377	11,255,916	928,377	11,255,916
Sundry Income		762,020	-	762,020	-
Cash flow from operating activities		**(132,009,237)**	**381,623,146**	**513,712,106**	**387,942,145**
Purchase of equipment		(1,237,759)	(1,114,429)	(1,237,759)	(1,114,429)
Proceeds from disposal of equipment		35,053	12,175	35,053	12,175
Purchase of other intangible assets		(2,791,902)	(1,333,238)	(2,791,902)	(1,333,238)
Purchase of investment properties		-	(5,301,078)	-	(5,301,078)
Capital expenditure on investment properties		(770,572)	-	(770,572)	-
Purchase of properties in possession		(1,136,169)	(567,000)	(1,136,169)	(567,000)
Sale of properties in possession		1,095,505	7,238,506	1,095,505	7,238,506
Repayment received E Class Note		-	-	16,169,779	15,429,831
Dividends received		286,988	315,000	286,988	7,921,685
Cash flow from investing activities		**(4,518,856)**	**(750,064)**	**11,650,923**	**22,286,452**
Proceed on share vesting under CPS		(9,472,460)	-	(9,472,460)	-
Derivative collateral held for hedges in place		7,390,000	(7,390,000)	7,390,000	(7,390,000)
Amounts paid to related parties		(196,519,657)	(76,295,937)	(188,038,207)	(163,296,866)
Amounts received from related parties		133,514,066	6,287,745	69,942,150	71,844,419
Lease payment		(4,665,592)	(4,400,196)	(4,665,592)	(4,400,196)
Proceeds from financial liabilities		1,133,000,000	776,000,000	-	200,000,000
Repayments of financial liabilities		(906,938,204)	(1,001,513,312)	(441,355,485)	(479,453,464)
Derivative payments		(16,630,154)	(3,479,039)	(15,609,806)	(3,479,039)
Cash flow from financing activities		**139,677,998**	**(325,154,939)**	**(581,809,401)**	**(386,175,146)**
Total cash movement for the year		**3,149,907**	**70,082,345**	**(56,446,372)**	**24,053,451**
Cash at the beginning of the year		181,316,139	111,233,794	79,368,230	55,314,779
Total cash and cash equivalents at end of the year		**184,466,044**	**181,316,139**	**22,921,858**	**79,368,230**

The accounting policies on pages 24 to 38 and the notes on pages 39 to 84 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 consolidated and separate annual financial statements for the year ended 31 March 2023 were approved by a resolution of the directors on 28 July 2023.

1.Significant accounting policies

1.1 Basis of preparation

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

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

These accounting policies are consistent with the previous period.

1.2 Consolidation

Basis of consolidation

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

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

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

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

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

Investments in subsidiaries in the separate financial statements

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

1.3 Significant judgements and sources of estimation uncertainty

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

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

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

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

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

Sensitivity analysis applicable to 2023

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

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

Initial assumptions have been reviewed given the improvements in the identification of SICR and some of the conservatism has been revised relying on historic data to determine inputs. Overall, the calculation remains conservative through the recognition of 56% of the collateral based on historic data and a haircut of 44% of the valuation amount to reduce the amount considered and increase the ECL, Expected Credit Loss.
To consider FLI (Forward Looking Indicators) additional stresses on the probability of default, PDs were included, and the outcome is that the PD used for the purpose of the calculation is 1.25 x the actual calculated PD to consider the impact of interest rates, a higher cost of living and property cycle not yet in recovery.

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

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

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

Sensitivity analysis applicable to 2022

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

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

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

Initial assumptions have been reviewed given the improvements in the identification of SICR and some of the conservatism has been revised but overall, the calculation remains conservative through the recognition of 55% of the collateral, well below the actual 80% and a haircut of 45% of the valuation amount to reduce the amount considered and increase the ECL, Expected Credit Loss. The conservative assumptions will again be reviewed going forward.
To consider FLI (Forward Looking Indicators) additional stresses on the probability of default, PDs were included, and the outcome is that the PD used for the purpose of the calculation is double the actual calculated PD to consider the impact of interest rates, a higher cost of living and property cycle not yet in recovery.

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

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

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

1.3.2 Expected credit losses (ECLs) on loans and advances

TUHF Limited Group

In respect of the ECLs for loans and advances in the non-performing category we reported ECLs of R124,317,911 (2022: R91,451,089).

In respect of the ECLs for loans and advances in the performing category we reported ECLs of R29,285,865 (2022: R27,574,985).

Total expected credit losses, Stage 1, 2 and 3 combined reported are: R153,630,776 (2022: R119,026,074).

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

	2023	**2022**
Downturn	R181,252,456	R140,450,769
Base case	R153,603,776	R119,026,074
Upturn	R125,955,097	R97,601,382

TUHF Limited Company

In respect of the ECL for loans and advances in the non-performing category we reported ECLs of R110,014,679 (2022: R80,033,658).

In respect of the ECL for loans and advances in the performing category we reported ECLs of R14,463,831 (2022: R17,832,395).

Total expected credit losses, Stage 1, 2 and 3 combined reported are: R124,478,511 (2022: R97,866,053).

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

	2023	**2022**
Downturn	R146,884,642	R115,481,942
Base case	R124,478,510	R97,866,053
Upturn	R102,072,379	R80,250,163

1.3.3 Expected credit losses (ECLs) on intercompany loans

TUHF Limited Group

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

In respect of the ECLs for loans to group companies in the performing category we reported ECLs of R2,976,118 (2022: R2,132,977).

Total expected credit losses, Stage 1, 2 and 3 combined reported are: R2,976,118 (2022: R2,132,977).

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

	2023	**2022**
Downturn	R3,511,819	R2,516,913
Base case	R2,976,118	R2,132,977
Upturn	R2,440,417	R1,749,041

TUHF Limited Company

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

In respect of the ECL for loans to group companies in the performing category we reported ECLs of R6,123,909 (2022:R4,269,198).

Total expected credit losses, Stage 1, 2 and 3 combined reported are: R6,123,909 (2022:R4,269,198).

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

	2023	**2022**
Downturn	R7,226,212	R5,037,653
Base case	R6,123,909	R4,269,198
Upturn	R5,021,605	R3,500,742

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 or 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 recognised within operating income.

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

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

1.6 Equipment

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

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

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

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

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

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

Item	Depreciation method	Average useful life
Office furniture and equipment	Straight line	20% - 33,33% per annum
Computer hardware and telephones	Straight line	25% per annum

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

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

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

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

1.7 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.

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

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

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

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

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

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

Application of the effective interest rate method

Interest income is calculated using the effective interest method and is included in profit or loss in interest income (note 24 & 25).

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

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

Impairment

IFRS 9 Three Stage Model

Stage	Staging	ECL - Measurement
Stage 1	Loans and advances that are not credit impaired on initial recognition are classified in "Stage 1" and have their credit risk continuously monitored by the company.	Loans and advances in Stage 1 have their ECL measured based on an amount equal to the portion of 12 months expected credit losses that result from default events possible within the next 12 months.
Stage 2	If a significant increase in credit risk ('SICR') since initial recognition is identified, the loans and advances are moved to "Stage 2" but are not yet deemed to be credit-impaired.	Loans in Stages 2 have their ECL measured based on expected credit losses on a lifetime basis.
Stage 3	If the loan is in default, the financial instrument is then moved to	Loans in Stages 3 have their ECL measured based on expected credit losses on a lifetime basis.
Forward looking information	A pervasive concept in measuring ECL in accordance with IFRS 9 is that it should consider forward-looking information.	
Significant increase in credit risk (SICR)	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.	

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. This is supported by historical analysis.

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

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

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

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

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

Definitions

SICR:

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

DEFAULT:

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

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.

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

Classification

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

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

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

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

Recognition and measurement

Derivatives are recognised when the company becomes a party to the contractual provisions of the instrument. They are measured, at initial recognition and subsequently, at fair value.

Transaction costs are recognised in profit or loss. The fair value of the swaps are measured on a monthly basis applying the mark to market method.

Fair value gains or losses are included in other operating gains/(losses) (note 28). Details of the valuation policies and processes are presented in note 28.

Where possible, we endeavor to enter hedges where the terms of the hedging instrument match the hedged item as closely as possible. Management can qualitatively assess that the hedging instrument and the hedged items will move in the opposite direction and that the hedge is effective and the hedge relationship is measured to demonstrate effectiveness for 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 amounts paid to attorneys held in trust

Cash and cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash and are subject to insignificant risk in changing value. Cash and cash equivalents are initially measured at fair value and subsequently measured at amortised cost.

Amounts paid to attorneys held in trust are cash held in trust and disclosed separately. Cash held in trust are funds deposited into the Group’s attorneys’ trust account to facilitate the issue of purchase guarantees and payment of the purchase price to the property seller of the bond and transfer registration. Cash and cash equivalents held in trust are initially measured at fair value and subsequently measured at amortised cost.

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

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

Mortgage-backed securities

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

Derecognition of financial assets and liabilities

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

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 ECLs 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 business with reference to the cash flow of the debtor entity. The cash flow is estimated using the most recent financial year’s financial statements or 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 Taxation

Current tax assets and liabilities

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

Deferred tax assets and liabilities

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

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

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

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

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

Tax expenses

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

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

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

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

1.11 Leases

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

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

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

Group as lessee

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

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

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

Lease liability

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

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

- fixed lease payments

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability (or right-of-use asset).

The 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).

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

Statement of cash flows

The group has classified:

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

1.12 Impairment of assets (non-financial)

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

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

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

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

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

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

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

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

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

1.13 Share capital and equity

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

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

1.14 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.

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 or financial liability. When calculating the effective interest rate, the group estimates cash flows considering all contractual terms of the financial instrument (e.g. prepayment options) but does not consider future credit losses.

Rental income

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

Management fee income

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

Bad debts recovered

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

Sundry income

Sundry income includes penalty income on outstanding instalments and early repayment settlement fees.

Dividends received

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

Other operating gains and Losses

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

- **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/ Losses.

- **Investment properties**

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

- **Interest rate swaps**

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 determined PD and LGD in the Credit Valuation Adjustment (CVA) and Dedit Valuation Adjustment (DVA) calculations. (see note (TBC) for detailed information).

- **Financial liabilities**

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

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 2023 and 2022. The business sells a single product, being a 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 adopted all the standards and interpretations that are effective for the current financial year. The standards that are relevant and have an impact to its operations are listed below:

Standard/ Interpretation:	Effective date:
Annual Improvements to IFRS Standards 2018–2020	1 April 2022

2.2 Standards and interpretations not yet effective

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

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

3. Risk management

Capital risk management

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

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

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

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

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

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

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

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

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

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

Financial risk management

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

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

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

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

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

Liquidity risk

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

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

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

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

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

The table below analyses the group and company's financial liabilities at the statement of financial position date to the contractual maturity date.

At 31 March 2023 - Group	Less than 1 year	1 to 3 years	3 to 5 years	Over 5 years	Total interest	Carrying value
	R	R	R	R	R	R
Loans from group companies	12,711,000	-	106,862,812	16,342,905	(17,410,302)	118,506,415
Trade and other payables	20,569,223	-	-	-	-	20,569,223
Interest bearing liabilities	505,190,699	1,321,678,281	558,257,587	2,010,692,862	(978,257,904)	3,417,561,525
	538,470,922	**1,321,678,281**	**665,120,399**	**2,027,035,767**	**(995,668,206)**	**3,556,637,163**

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

At 31 March 2022 - Group	Less than 1 year	1 to 3 years	3 to 5 years	Over 5 years	Total interest	Carrying value
	R	R	R	R	R	R
Loans from group companies	14,444,429	145,255,792	-	16,342,905	(18,045,481)	157,997,645
Trade and other payables	22,922,878	-	-	-	-	22,922,878
Interest bearing liabilities	671,915,856	1,255,921,233	616,591,370	1,485,510,203	(862,289,872)	3,167,648,790
	709,283,163	**1,401,177,025**	**616,591,370**	**1,501,853,108**	**(880,335,353)**	**3,348,569,313**

Included in the table above the contractual maturity (R453,644,548) is recorded for TUHF Urban Finance (RF) LTD and (R958,514,327), for Urban Ubomi (RF) Ltd financial liabilities in the buckets 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.

The table below analyses the group and company's discounted cashflow Liquidity mismatch over the period up to 5 years after reporting date:

Liquidity mismatch - Group 2023

Gross advances	Less than 1 year	1 to 3 years	3 to 5 years	Over 5 years	Carrying value
	R	R	R	R	R
TUHF Limited	117,357,651	127,793,761	160,643,777	840,953,369	1,246,748,558
TUHF Urban Finance (RF) Limited	30,268,822	67,654,480	78,601,923	217,753,959	394,279,184
Vuselela Warehouse SPV (RF) Proprietary Limited	49,311,078	55,212,562	69,559,371	480,967,803	655,050,814
Urban Ubomi 1 (RF) Limited	53,538,024	220,214,365	175,147,154	949,540,505	1,398,440,048
	250,475,575	**470,875,168**	**483,952,225**	**2,489,215,636**	**3,694,518,604**

Interest bearing liabilities	Less than 1 year	1 to 3 years	3 to 5 years	Over 5 years	Carrying value
	R	R	R	R	R
TUHF Limited	122,350,168	690,818,505	154,432,838	205,250,773	1,172,852,284
TUHF Urban Finance (RF) Limited	26,921,400	60,172,586	69,909,354	193,672,596	350,675,936
Vuselela Warehouse SPV (RF) Proprietary Limited	44,089,128	49,365,656	62,193,164	430,034,221	585,682,169
Urban Ubomi 1 (RF) Limited	50,089,050	206,027,934	163,863,999	888,370,152	1,308,351,135
	243,449,746	**1,006,384,681**	**450,399,355**	**1,717,327,742**	**3,417,561,524**
					-
Liquidity Mismatch	**7,025,829**	**(535,509,513)**	**33,552,870**	**771,887,895**	**276,957,081**

Liquidity mismatch - Group 2022

Gross advances	Less than 1 year	1 to 3 years	3 to 5 years	Over 5 years	Carrying value
	R	R	R	R	R
TUHF Limited	83,110,150	234,118,846	294,300,249	1,205,271,279	1,816,800,524
TUHF Urban Finance (RF) Limited	40,093,546	79,897,912	92,826,514	282,683,921	495,501,893
Vuselela Warehouse SPV (RF) Proprietary Limited	9,005,324	13,759,946	17,335,424	84,675,953	124,776,647
Urban Ubomi 1 (RF) Limited	89,177,166	152,854,386	121,572,500	733,021,292	1,096,625,344
	221,386,186	**480,631,090**	**526,034,687**	**2,305,652,445**	**3,533,704,408**

Interest bearing liabilities	Less than 1 year	1 to 3 years	3 to 5 years	Over 5 years	Carrying value
	R	R	R	R	R
TUHF Limited	320,277,534	837,582,654	187,242,040	257,130,974	1,602,233,202
TUHF Urban Finance (RF) Limited	36,706,658	73,148,564	84,985,027	258,804,299	453,644,548
Vuselela Warehouse SPV (RF) Proprietary Limited	46,301,301	7,957,954	10,025,803	48,971,657	113,256,715
Urban Ubomi 1 (RF) Limited	81,198,813	139,179,069	110,695,858	667,440,587	998,514,327
	484,484,306	**1,057,868,241**	**392,948,728**	**1,232,347,517**	**3,167,648,792**
					-
Liquidity Mismatch	**(263,098,121)**	**(577,237,151)**	**133,085,959**	**1,073,304,929**	**366,055,616**

The Liquidity mismatch on Company level is not disclosed separately as it forms part of the group liquidity mismatch disclosure.

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

Interest rate risk

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

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

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

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

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

The 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 cash flow in response to 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 a floating rate linked to a 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 reset frequency.

The company entered into a fixed-for-floating swap with Standard Bank. This was done as a fair value hedge for R60 million, A9 notes issued at a fixed rate by Urban Ubomi1 on the 14th of December 2022. The interest rate derivative swaps the fixed rate for a JIBAR-linked rate. All the key attributes of the hedge are aligned to the notes in order to ensure that the hedge is effective.

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

At 31 March 2023, if interest rates on net borrowings and advances had been 1% higher with all other variables held constant, pre-tax profit for the year would have been R3,219,741 (2022: R2,755,519) 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 R3,219,741 (2022: R2,755,519) 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 company faces arises mainly from commercial loans and advances. The company has policies, procedures and processes dedicated to controlling and monitoring risk from all such activities.

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

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

Advances are subject to a risk rating evaluation that takes into consideration inter alia the overall risk profile, collateral cover, payment record, past experiences, customers' cooperation in abiding by loan conditions and the economic climate. For further details regarding the Company's accounting policy refer to accounting policy note 1.8

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

	Group		Company	
Financial instrument	**2023**	**2022**	**2023**	**2022**
	R	**R**	**R**	**R**
Cash and cash equivalents	162,562,904	171,184,775	1,018,718	69,240,140
Amounts paid to attorneys held in trust	21,903,140	10,131,364	21,903,140	10,128,090
Gross loans and advances	3,694,518,603	3,533,704,408	1,246,748,558	1,816,800,523
Gross loans to group companies and related parties	21,974,019	10,544,239	259,628,532	158,815,625
Unlisted Investments	23,172,170	22,036,080	64,833,040	73,054,694
Other assets excluding prepayments	17,102,324	16,437,302	17,690,499	21,105,609
Fair value Derivative asset	25,577,358	6,911,781	24,096,710	6,841,772
	3,966,810,518	**3,770,949,949**	**1,635,919,197**	**2,155,986,453**

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 - 2023	**Amortised cost**	**Fair value through profit or loss**	**Total**
	R	**R**	**R**
Cash and cash equivalents	162,562,904	-	162,562,904
Amounts paid to attorneys held in trust	21,903,140	-	21,903,140
Loan and advances	3,532,521,836	-	3,532,521,836
Other assets excluding prepayments	17,102,324	-	17,102,324
Fair value derivative assets	-	25,577,358	25,577,358
Unlisted investments	-	23,172,170	23,172,170
Investment in holding company	-	9,178,906	9,178,906
Loans to group companies and related parties	21,651,994	-	21,651,994
	3,755,742,198	**57,928,434**	**3,813,670,632**

Group - 2022	**Amortised cost**	**Fair value through profit or loss**	**Total**
	R	**R**	**R**
Cash and cash equivalents	171,184,775	-	171,184,775
Amounts paid to attorneys held in trust	10,131,364	-	10,131,364
Loan and advances	3,402,001,780	-	3,402,001,780
Other assets excluding prepayments	16,437,302		16,437,302
Fair value derivative asset	-	6,911,781	6,911,781
Unlisted investments	-	22,036,080	22,036,080
Investment in holding company	-	5,345,609	5,345,609
Loans to group companies and related parties	10,384,771	-	10,384,771
	3,610,139,991	**34,293,470**	**3,644,433,461**

Company- 2023	Amortised cost	Fair value through profit or loss	Total
	R	R	R
Cash and cash equivalents	1,018,718	-	1,018,718
Amounts paid to attorneys held in trust	21,903,140	-	21,903,140
Loans and advances	1,113,877,075	-	1,113,877,075
Other assets excluding prepayments	17,690,499	-	17,690,499
Fair value derivative asset	-	24,096,710	24,096,710
Unlisted investments	41,660,870	23,172,170	64,833,040
Investment in holding company	-	9,178,906	9,178,906
Loans to group companies and related parties	256,158,716	-	256,158,716
	1,452,309,018	**56,447,786**	**1,508,756,804**

Company - 2022	Amortised cost	Fair value through profit or loss	Total
	R	R	R
Cash and cash equivalents	69,240,140	-	69,240,140
Amounts paid to attorneys held in trust	10,128,090	-	10,128,090
Loan and advances	1,706,257,916	-	1,706,257,916
Other assets excluding prepayments	21,105,610	-	21,105,610
Fair value derivative asset	-	6,841,772	6,841,772
Unlisted investments	51,018,614	22,036,080	73,054,694
Investment in holding company	-	5,345,609	5,345,609
Loans to group companies and related parties	156,519,937	-	156,519,937
	2,014,270,307	**34,223,461**	**2,048,493,768**

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)

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 derivative assets	**2023**	**2022**	**2023**	**2022**
	R	**R**	**R**	**R**
Interest rate swaps				
CPI linked Hedge with Standard Bank	12,532,884	4,109,250	12,532,884	4,109,250
Nominal Value R200 000 000. TUHF Limited entered into a fair value Interest rate hedge with Standard Bank of South Africa Limited on 16 July 2021 to hedge against movements in cashflow in response to a financial liability linked to CPI (Consumer Price Index). The derivative swaps CPI-linked cash flows arising from the Eskom Pension and Provident Fund (EPPF) debt facility of R200 million for 3-month JIBAR-linked cash flows. In terms of the derivative, the company receives CPI plus 3% and pays 3-month JIBAR to Standard Bank of South Africa Limited.				
3 Month Jibar swap with Urban Ubomi 1 (RF) Limited	-	-	9,367,628	2,732,522
Nominal value R704 886 477. TUHF Limited has entered into a fair value interest rate swap with Urban Ubomi 1 (RF) Ltd. The derivative swaps is 3-month JIBAR rate on the nominal 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 is May 2026.				
Prime for 3 month JIBAR swap with Standard Bank	9,607,637	2,802,531	-	-
Nominal value R704 886 477. Urban Ubomi 1 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 set-up date, currently is May 2026.				
Total Interest rate swap	**22,140,521**	**6,911,781**	**21,900,512**	**6,841,772**

Fair value derivative assets	2023	2022	2023	2022
	R	R	R	R
Fair value Hedges				
Fixed/ Floating swap with Standard bank	1,240,639	-	-	-
The nominal value R60 000 000.Urban Ubomi 1has entered into a Fixed-for-floating interest rate swap with Standard Bank of South Africa Limited to hedge interest rate rate risk on the fixed rate notes. The derivative swaps prime interest rate cashflows for 3-month JIBAR Cashflow. The company calculates the Mark to Market (MTM) on the swap on a monthly basis. The maturity date of the swap is 15 May 2026.				
CPI/ JIBAR swap with Standard Bank	2,196,198	-	2,196,198	-
TUHF Limited entered into a CPI/JIBAR derivative with Standard Bank. This instrument is meant to swap the CPI Linked cash flows from the R25 million, 10-year maturity, Intuthuko Equity Fund loan from EPPF to JIBAR linked cash flows. TUHF then entered into a back-to-back swap with IEF, which is the opposite of the swap with Standard Bank.				
Total Fair value Hedges	**3,436,837**	**-**	**2,196,198**	**-**
Total Fair value derivative assets	**25,577,358**	**6,911,781**	**24,096,710**	**6,841,772**

	Group		Company	
Level 2 Interest rate swap	**2023**	**2022**	**2023**	**2022**
	R	**R**	**R**	**R**
Opening balance	6,911,781	5,617,514	6,841,772	5,477,183
Transfer from Derivative liability*	-	(3,916,119)	-	(3,916,119)
Net Settlement/(Receipt)	2,227,231	(506,794)	2,227,231	(506,794)
Fair value adjustments (recognised in profit or loss)	13,001,509	5,717,180	12,831,510	5,787,502
	22,140,521	**6,911,781**	**21,900,513**	**6,841,772**

The table below sets out the reconciliation of fair value hedges that are measured at fair value based on inputs that are not based on observable market data (level 2):

	Group		Company	
Level 2 Fair value hedges	**2023**	**2022**	**2023**	**2022**
	R	**R**	**R**	**R**
Opening balance	-	-	-	-
Addition	2,454,876		2,358,499	
Net Settlement/(Receipt)	975,758	-		-
Fair value adjustments (recognised in profit or loss)	(20,338)	-	(61,742)	-
Accrued Interest	26,540		(100,559)	
	3,436,836	**-**	**2,196,198**	**-**

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

Level 3 unlisted investments*

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

Investment in holding company**

	Group		Company	
	2023	**2022**	**2023**	**2022**
	R	**R**	**R**	**R**
Opening balance	5,345,610	8,569,794	5,345,610	8,569,794
Shares bought back	9,472,456	3,061,622	9,472,456	3,061,622
Shares issued	(3,696,615)	(8,573,728)	(3,696,615)	(8,573,728)
Fair value adjustments (recognised in profit or loss)	(1,942,545)	2,287,921	(1,942,545)	2,287,921
Total on financial statement	**9,178,906**	**5,345,609**	**9,178,906**	**5,345,609**

***Unlisted investment**

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

At 31 March 2023, 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:

Scenarios	**2023**	**2022**
Downturn	R21,506,091	R15,940,818
Base Case	R23,172,170	R22,036,080
Upturn	R24,367,854	R29,350,393

Investment in Holdings**

The investment in TUHF Holdings Limited is valued through an external valuation performed by Merchantec calculated based on 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 2023, 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:

Scenarios	**2023**	**2022**
Downturn	R7,696,038	R4,632,862
Base Case	R9,178,906	R5,345,610
Upturn	R10,661,756	R6,058,358

5. Financial liabilities by category

Group - 2023	Amortised cost	Fair value through profit or loss	Total
	R	R	R
Interest bearing liabilities	3,135,930,809	281,630,714	3,417,561,523
Loans from group companies	118,506,415	-	118,506,415
Other liabilities	20,500,508	-	20,500,508
	3,274,937,732	**281,630,714**	**3,556,568,446**

Group - 2022	Amortised cost	Fair value through profit or loss	Total
	R	R	R
Interest bearing liabilities	2,960,763,721	206,885,071	3,167,648,792
Loans from group companies	157,997,645	-	157,997,645
Other liabilities	22,592,752	-	22,592,752
	3,141,354,118	**206,885,071**	**3,348,239,189**

Company - 2023	Amortised cost	Fair value through profit or loss	Total
	R	R	R
Interest bearing liabilities	953,083,223	219,769,061	1,172,852,284
Loans from group companies	118,506,415	-	118,506,415
Other liabilities	18,585,841	-	18,585,841
	1,090,175,479	**219,769,061**	**1,309,944,540**

Company - 2022	Amortised cost	Fair value through profit or loss	Total
	R	R	R
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	19,320,423	-	19,320,423
	1,572,666,198	**206,885,071**	**1,779,551,269**

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	
Fair value derivative liabilities	**2023**	**2022**	**2023**	**2022**
	R	**R**	**R**	**R**
Interest rate swaps				
Prime for 3-month JIBAR swap with Standard Bank	11,979,859	4,030,943	11,979,859	4,030,943
Nominal value R704 886 477. TUHF Limited 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.				
Interest rate swaps	**11,979,859**	**4,030,943**	**11,979,859**	**4,030,943**
Fair value Hedges				
CPI/ JIBAR swap with Intuthuko Equity Fund	2,196,198	-	2,196,198	-
TUHF Limited entered into a CPI/JIBAR derivative with Intuthuko Equity Fund. This instrument is meant to swap the CPI Linked cash flows from the R25 million, 10-year maturity, Intuthuko Equity Fund loan from EPPF to JIBAR linked cash flows. This swap is linked to the CPI/ JIBAR swap asset between TUHF Limited and Standard Bank.				
Fair value Hedges	**2,196,198**	**-**	**2,196,198**	**-**
Interest bearing borrowings				
Eskom Pension Fund Loan	205,593,004	202,854,128	205,593,004	202,854,128
The loan of R200 million from Eskom Pension and Provident Fund (EPPF) is accounted for at fair value through profit and loss is priced at CPI plus 3%. Pricing was swapped to JIBAR-linked pricing through a CPI-JIBAR interest rate derivative. The swapped rate for the facility is 3-month plus 1.72%.				
Interest bearing borrowings	**205,593,004**	**202,854,128**	**205,593,004**	**202,854,128**
	219,769,061	**206,885,071**	**219,769,061**	**206,885,071**

	Group		Company	
Level 2 Interest rate swaps	**2023**	**2022**	**2023**	**2022**
	R	**R**	**R**	**R**
Opening balance	4,030,943	7,017,022	4,030,943	7,017,022
Addition	-	-	-	-
Repayment	(392,412)	(848,245)	(392,412)	(848,245)
Fair value adjustments (recognised in profit or loss)	8,341,328	(2,137,834)	8,341,328	(2,137,834)
	11,979,859	**4,030,943**	**11,979,859**	**4,030,943**

	Group		Company	
Level 2 Fair value hedge	**2023**	**2022**	**2023**	**2022**
	R	**R**	**R**	**R**
Opening balance	-	-	-	-
Addition	2,358,499	-	2,358,499	-
Accrued Interest	(100,559)	-	(100,559)	-
Net Settlement/(Receipt)		-		-
Fair value adjustments (recognised in profit or loss)	(61,742)	-	(61,742)	-
	2,196,198	**-**	**2,196,198**	**-**

	Group		Company	
Interest bearing borrowing	**2023**	**2022**	**2023**	**2022**
	R	**R**	**R**	**R**
Opening balance	202,854,128	-	202,854,128	-
Addition*	-	200,000,000	-	200,000,000
Interest	7,520,853	754,065	7,520,853	754,065
Net Settlement/(Payments)	(12,796,856)	-	(12,796,856)	-
Fair value adjustments (recognised in profit or loss)	8,014,879	2,100,063	8,014,879	2,100,063
	205,593,004	**202,854,128**	**205,593,004**	**202,854,128**

The carrying amount of financial liabilities measured at amortised cost approximates the fair value.

6. Cash and cash equivalents

Cash and cash equivalents consist of:

	Group		Company	
	2023	**2022**	**2023**	**2022**
	R	**R**	**R**	**R**
Bank balances	162,549,363	171,175,486	1,005,177	69,230,851
Short-term deposits	13,541	9,289	13,541	9,289
	162,562,904	**171,184,775**	**1,018,718**	**69,240,140**

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:

	Group		Company	
Credit rating	**2023**	**2022**	**2023**	**2022**
	R	**R**	**R**	**R**
Standard Bank of South Africa Limited (AA+)	162,562,904	171,184,775	1,018,718	69,240,140
	162,562,904	**171,184,775**	**1,018,718**	**69,240,140**

Composition of cash equivalents

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

	Group		Company	
	2023	**2022**	**2023**	**2022**
	R	**R**	**R**	**R**
Cash and cash equivalents	162,562,904	171,184,775	1,018,718	69,240,140
Amounts paid to attorneys held in trust	21,903,140	10,131,364	21,903,140	10,128,090
	184,466,044	**181,316,139**	**22,921,858**	**79,368,230**

7. Amounts paid to attorneys held in trust

	2023	**2022**	**2023**	**2022**
	R	**R**	**R**	**R**
Deposits for payment guarantees	21,762,863	9,542,916	21,762,863	9,542,916
Deposits pending property transfer registrations	140,277	588,448	140,277	585,174
	21,903,140	**10,131,364**	**21,903,140**	**10,128,090**

8. Loans and advances

	Group		Company	
	2023	**2022**	**2023**	**2022**
	R	**R**	**R**	**R**
Loans and advances	3,694,518,603	3,533,704,408	1,246,748,558	1,816,800,523
Deferred raising fee**	(8,392,972)	(12,676,554)	(8,392,972)	(12,676,554)
Expected credit losses	(153,603,795)	(119,026,074)	(124,478,511)	(97,866,053)
	3,532,521,836	**3,402,001,780**	**1,113,877,075**	**1,706,257,916**

** The current portion of the deferred raising fee is R2,403,208 (2022: R 3,433,787).

ECL Raised on Commitments - Company

	Company 2023		Company 2022	
	Commitment amount	ECL raised	Commitment amount	ECL raised
	R	R	R	R
Stage 1	22,110,654	10,186	77,215,608	789,941
Stage 2	3,908,871	138,745	-	-
Stage 3	-	-	-	-
	26,019,525	**148,931**	**77,215,608**	**789,941**

ECL Raised on Commitments - Group

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

Exposure to credit risk

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

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

Group -Expected credit losses 2023	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
	R	**R**	**R**	**R**
Opening balance 1 April 2022	**20,447,123**	**7,127,861**	**91,451,090**	**119,026,074**
ECL movement in the current year	(3,066,486)	18,488,670	45,633,383	61,055,567
Change in ECL due to derecognition	(3,984,940)	(2,422,935)	(7,842,623)	(14,250,498)
Net impairments raised/(released) through Profit or loss	**(7,051,426)**	**16,065,735**	**37,790,760**	**46,805,069**
Transfer of ECL between stages	(2,681,970)	451,768	2,230,202	-
Net transfer of ECL between stages	**(2,681,970)**	**451,768**	**2,230,202**	**-**
Impaired accounts written off against ECL Provisions	(5,073,207)	-	(18,766,326)	(23,839,533)
Suspended interest movement in current year	-	-	11,612,185	11,612,185
Total Expected Credit loss balance	**5,640,520**	**23,645,364**	**124,317,911**	**153,603,795**

Group -Expected credit losses 2023	Stage 1	Stage 2	Stage 3	Total
	R	R	R	R
Gross loans	2,465,287,348	713,695,765	515,535,490	3,694,518,603
Total Expected Credit loss balance	(5,640,520)	(23,645,364)	(124,317,911)	(153,603,795)
Net advances	**2,459,646,828**	**690,050,401**	**391,217,579**	**3,540,914,808**

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

Company Expected credit losses 2023	Stage 1	Stage 2	Stage 3	Total
	R	R	R	R
Opening balance 1 April 2022	**13,276,526**	**4,555,869**	**80,033,658**	**97,866,053**
ECL movement in the current year	(1,148,687)	9,906,653	45,182,433	53,940,399
Change in ECL due to derecognition	(3,592,620)	(689,822)	(7,458,921)	(11,741,363)
Net impairments raised/(released) through Profit or Loss	**(4,741,307)**	**9,216,831**	**37,723,512**	**42,199,036**
Transfer of ECL between stages	(2,436,512)	478,507	1,958,005	-
Net transfer of ECL between stages	**(2,436,512)**	**478,507**	**1,958,005**	**-**
Transfer of ECL on loans Sold to Vuselela warehouse	(261,520)	(551,356)	(3,332,120)	(4,144,996)
Impaired accounts written off against ECL Provisions	(5,073,207)	-	(17,145,892)	(22,219,099)
Suspended interest movement in current year	-	-	10,777,517	10,777,517
Total Expected Credit loss balance	**763,980**	**13,699,851**	**110,014,680**	**124,478,511**

Gross loans	513,321,659	388,143,900	345,282,999	1,246,748,558
Total Expected Credit loss balance	(763,980)	(13,699,851)	(110,014,680)	(124,478,511)
Net Advances	**512,557,679**	**374,444,049**	**235,268,319**	**1,122,270,047**

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

Group - Expected credit losses 2022	Stage 1	Stage 2	Stage 3	Total
	R	R	R	R
Opening balance 1 April 2021	**14,562,896**	**12,127,444**	**108,035,855**	**134,726,195**
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)
Net impairments raised/(released) through Profit and Loss	**5,800,109**	**(1,323,449)**	**22,117,479**	**26,594,139**
Transfer to/ (from) stage 1	(1,202,284)	-	1,202,284	-
Transfer to/ (from) stage 2	1,286,401	(3,676,134)	2,389,733	-
Net impairments raised/(released)	**84,117**	**(3,676,134)**	**3,592,017**	**-**
Impaired accounts written off against ECL Provisions	-	-	(45,649,985)	(45,649,985)
Suspended interest movement in current year	-	-	3,355,724	3,355,724
Total Expected Credit loss balance	**20,447,122**	**7,127,861**	**91,451,090**	**119,026,073**
Gross loans	2,768,884,856	308,223,069	456,596,483	3,533,704,408
Total Expected Credit loss balance	(20,447,122)	(7,127,861)	(91,451,090)	(119,026,073)
Net Advances	**2,748,437,734**	**301,095,208**	**365,145,393**	**3,414,678,335**

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

Company - Expected credit losses 2022	Stage 1	Stage 2	Stage 3	Total
	R	R	R	R
Opening balance 1 April 2021	**9,310,892**	**11,475,848**	**104,176,342**	**124,963,082**
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)
Net impairments raised/(released) through Profit or Loss	**5,492,317**	**(5,442,936)**	**15,724,567**	**15,773,948**
Transfer from stage 1	(1,526,683)	505,380	1,021,303	-
Transfer from stage 2	-	(1,982,423)	1,982,423	-
Net transfer of ECL between stages	**(1,526,683)**	**(1,477,043)**	**3,003,726**	**-**
Impaired accounts written off against ECL Provisions	-	-	(45,649,985)	(45,649,985)
Suspended interest movement in current year	-	-	2,779,008	2,779,008
Total Expected Credit loss balance	**13,276,526**	**4,555,869**	**80,033,658**	**97,866,053**

Company - Expected credit losses 2022	Stage 1 R	Stage 2 R	Stage 3 R	Total R
Gross loans	1,198,319,057	241,869,637	376,611,829	1,816,800,523
Total Expected Credit loss balance	(13,276,526)	(4,555,869)	(80,033,658)	(97,866,053)
Net Advances	**1,185,042,531**	**237,313,768**	**296,578,171**	**1,718,934,470**

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

Renegotiated terms

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

Credit quality and concentration of loans and advances

Geographical analysis

	Group		Company	
	2023 **R**	**2022** **R**	**2023** **R**	**2022** **R**
Eastern Cape	290,423,915	247,909,292	13,953,586	62,527,441
Free State	116,736,835	112,894,314	21,441,388	46,352,357
Gauteng	2,182,300,551	2,106,902,348	588,251,005	997,294,806
KwaZulu Natal	711,946,201	679,277,379	309,920,473	366,527,229
Western Cape	393,111,101	386,721,075	313,182,106	344,098,690
	3,694,518,603	**3,533,704,408**	**1,246,748,558**	**1,816,800,523**

Collateral held

	Group		Company	
	2023 **R**	**2022** **R**	**2023** **R**	**2022** **R**
Loan book less stage 3 assets	5,948,397,455	5,993,607,765	1,618,222,457	2,688,224,696
Stage 3 assets	548,071,178	605,007,118	275,207,460	486,555,258
	6,496,468,633	**6,598,614,883**	**1,893,429,917**	**3,174,779,954**

The carrying value of loans and advances approximates fair value.

9. Trade and other receivables

	Group		Company	
Financial instruments:	**2023**	**2022**	**2023**	**2022**
	R	**R**	**R**	**R**
Trade receivables	1,018,598	1,201,184	1,018,598	5,867,354
Deposits	1,091,823	8,434,508	1,091,823	8,434,508
Interest on guarantee funds	-	6,274	-	6,274
Other receivables	14,991,903	6,795,336	15,580,078	6,797,473
Non-financial instruments:				
VAT	-	-	-	-
Deferred and prepaid expenses	1,251,049	1,394,023	1,244,860	1,391,184
Total trade and other receivables	**18,353,373**	**17,831,325**	**18,935,359**	**22,496,793**

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

10. Investment Properties

Reconciliation of investment properties- Group and Company - 2023

	Opening balance	Additions	Disposals	Fair value adjustments	Total
	R	**R**	**R**	**R**	**R**
Investment property	24,800,000	770,572	-	2,429,428	28,000,000
	24,800,000	**770,572**	**-**	**2,429,428**	**28,000,000**

Reconciliation of investment properties - Group and Company- 2022

	Opening balance	Additions	Disposals	Fair value adjustments	Total
	R	**R**	**R**	**R**	**R**
Investment property	-	12,582,430	-	12,217,570	24,800,000
	-	**12,582,430**	**-**	**12,217,570**	**24,800,000**

Details of properties - 2023

Sections 1-8 of Sectional title scheme Toys Court & Sections 1-9 of Sectional title scheme Philips Court & Sections 1,2,3,5,6,7,8 of Sectional title scheme Wellsid court. Located at 5,6&7 Sueltz Street Gqeberha

	Group		Company	
Phillips, Toys, Wellsid Court	**2023**	**2022**	**2023**	**2022**
	R	**R**	**R**	**R**
Purchase price	6,700,000	6,700,000	6,700,000	6,700,000
Capitalised expenditure	581,352	581,352	581,352	581,352
Fair value adjustment	1,518,648	1,518,648	1,518,648	1,518,648
	8,800,000	**8,800,000**	**8,800,000**	**8,800,000**

Erf 1089, New Doornforntein, Johannesburg

	Group		Company	
Aerial Empire	**2023**	**2022**	**2023**	**2022**
	R	**R**	**R**	**R**
Purchase price	5,100,000	5,100,000	5,100,000	5,100,000
Capital expenditure	971,649	201,077	971,649	201,077
Fair value adjustment	13,128,351	10,698,923	13,128,351	10,698,923
	19,200,000	**16,000,000**	**19,200,000**	**16,000,000**

Details of valuation

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

11. Properties in possession

Group and Company 2023	**Opening balance**	**Additions**	**Disposals**	**Transfers**	**Carrying amount**
	R	**R**	**R**	**R**	**R**
Properties in possession	-	1,136,169	(1,136,169)	-	-
	-	**1,136,169**	**(1,136,169)**	**-**	**-**

Group and Company 2022	**Opening balance**	**Additions**	**Disposals**	**Transfers**	**Carrying amount**
	R	**R**	**R**	**R**	**R**
Properties in possession	11,400,000	967,000	(5,267,000)	(7,100,000)	-
	11,400,000	**967,000**	**(5,267,000)**	**(7,100,000)**	**-**

Details of properties - 2023

1. Erf 475 Germiston, Johannesburg was bought by TUHF Ltd and directly on sold to a third party. Transfer took place 27 October 2022.

Details of properties - 2022

1. Philips, 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, Gqeberha.

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 criteria of a Property in Possession.

12. Investment in holding company

	Group		Company	
	2023	**2022**	**2023**	**2022**
	R	**R**	**R**	**R**
Shares in TUHF Holdings Limited	9,178,906	5,345,609	9,178,906	5,345,609
	9,178,906	**5,345,609**	**9,178,906**	**5,345,609**

As at 2023 financial year end TUHF Limited holds 1,482,859 (2022: 712,748) ordinary no par value shares in TUHF Holdings Limited valued at R6.19 (2022: R7.5) per share.

13. Loans to/(from) group companies

	Group		Company	
TUHF Holdings Limited*	**2023**	**2022**	**2023**	**2022**
	R	**R**	**R**	**R**
TUHF Holdings Limited	(266,184,863)	(248,272,981)	(266,184,863)	(248,272,981)
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(Prime less 2%) .				
TUHF Holdings Limited	178,648,006	123,036,178	178,648,006	123,036,178
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.				
TUHF Holdings Limited	(16,342,905)	(16,342,905)	(16,342,905)	(16,342,905)
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.				
TUHF21 NPC	(11,972,560)	(11,843,056)	(11,972,560)	(11,843,056)
The loan is unsecured and is considered current. Interest is levied at a market related rate.				
Intercompany ECL	(2,654,093)	(1,973,509)	(2,654,093)	(1,973,509)
	(118,506,415)	**(155,396,273)**	**(118,506,415)**	**(155,396,273)**

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

	Group		Company	
Fellow Subsidiaries*	**2023**	**2022**	**2023**	**2022**
	R	**R**	**R**	**R**
TUHF Bridge Proprietary Limited	11,255,981	(2,597,554)	11,255,981	(2,597,554)
The loan owing at year end is unsecured, bears interest at a market related rate and is repayable on demand.				
uMaStandi Proprietary Limited	5,566	-	5,566	-
This is in intercompany creditor/debtor , is interest free and repayable within 12 months				
Intuthuko Equity Fund Proprietary Limited	168,233	(3,818)	168,233	(3,818)

	Group		Company	
Fellow Subsidiaries*	**2023**	**2022**	**2023**	**2022**
	R	**R**	**R**	**R**
This is in intercompany creditor/debtor , is interest free and repayable within 12 months				
JUT bridging loan	3,044,239	3,044,239	3,044,239	3,044,239
The loan owing at year end is unsecured, bears interest at a market related rate and is repayable on demand.				
JUT repayment of third party claim	7,500,000	7,500,000	7,500,000	7,500,000
The loan owing at year end is unsecured, bears interest at a market related rate and is repayable on demand.				
Loans to group companies ECL	(322,025)	(159,468)	(322,025)	(159,468)
	21,651,994	**7,783,399**	**21,651,994**	**7,783,399**

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

	Group		Company	
Subsidiaries*	**2023**	**2022**	**2023**	**2022**
	R	**R**	**R**	**R**
Vuselela Warehouse SPV (RF) Proprietary Limited Subordinated loan	-	-	65,271,521	14,164,934
The loan bears interest at the 3-month Jibar rate plus a margin of 5%, with the 3- month JIBAR rate resetting quarterly. Interest is payable on a monthly basis given that there is sufficient cash flow for such payment in the priority of payments and with a capital repayment at the maturity date of May 2040				
Vuselela Warehouse SPV (RF) Proprietary Limited Subordinated loan(NPL)	-	-	32,228,902	-
The loan bears no interest with a capital repayment at the maturity date of May 2040				
Vuselela Warehouse SPV (RF) Proprietary Limited	-	-	799,637	34,609
This is in intercompany (creditor/) debtor, is interest free and repayable within 12 months				
Urban Ubomi 1 (RF) Limited Subordinated loan	-	-	138,619,092	133,449,756
The loan bears interest at the 3-month JIBAR rate plus a margin of 10%, with the 3- month JIBAR rate resetting quarterly. Interest is payable on a quarterly basis given that there is sufficient cash flow for such payment in the Urban Ubomi priority of payments and with a capital repayment at the maturity date of May 2043.				
Urban Ubomi 1 (RF) Limited	-	-	139,294	240,594

	Group		Company	
Subsidiaries*	**2023**	**2022**	**2023**	**2022**
	R	**R**	**R**	**R**
This is in intercompany (creditor/) debtor, is interest free and repayable within 12 months				
TUHF Urban Finance (RF) Limited	-	-	596,067	381,494
This is in intercompany (creditor/) debtor, is interest free and repayable within 12 months				
Loans to group company ECL	-	-	(3,147,791)	(2,136,222)
	-	**-**	**234,506,722**	**146,135,165**

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

	Group		Company	
Net loans (to) from group companies	**2023**	**2022**	**2023**	**2022**
	R	**R**	**R**	**R**
Loans to group companies’ asset	21,651,994	10,384,771	256,158,716	156,519,937
Loans from group companies’ liability	(118,506,415)	(157,997,645)	(118,506,415)	(157,997,645)
	(96,854,421)	**(147,612,874)**	**137,652,301**	**(1,477,708)**

Reconciliation of group related borrowings

	Group		Company	
Loans to related parties	**2023**	**2022**	**2023**	**2022**
	R	**R**	**R**	**R**
Opening balance	133,576,599	119,569,931	281,847,985	234,638,234
Advances	65,317,452	2,618,961	193,798,795	89,460,087
Interest	6,976,276	2,554,178	34,299,909	18,972,806
Advances non-cash	173,798	(447,168)	7,142,830	(4,503,814)
Repayments	(5,422,100)	(1,263,542)	(78,812,980)	(66,820,216)
Changes in mapping	-	10,544,239	-	10,544,239
Share vesting	-	-	-	(443,350)
Loans to related parties	**200,622,025**	**133,576,599**	**438,276,539**	**281,847,986**
Loans to group companies ECL	(322,025)	(159,468)	(3,469,816)	(2,295,689)
Net Loans to related parties	**200,300,000**	**133,417,131**	**434,806,723**	**279,552,297**

	Group		Company	
Loans from related parties	**2023**	**2022**	**2023**	**2022**
	R	**R**	**R**	**R**
Opening balance	279,056,495	325,538,875	279,056,495	325,698,679
Advances	102,338,028	5,024,203	102,338,028	5,024,203
Interest	18,561,713	21,643,998	18,561,713	21,643,998
Advances non-cash	-	526,395	-	526,395
Repayments	(105,455,907)	(73,676,976)	(105,455,907)	(73,836,780)
Dividends paid	-	-	-	-
Loans from related parties before ECL	**294,500,329**	**279,056,495**	**294,500,329**	**279,056,495**
Less: Intercompany ECL 2023	2,654,092	1,973,509	2,654,092	1,973,509
Net Loans from related parties	**297,154,421**	**281,030,004**	**297,154,421**	**281,030,004**
Net group related borrowings	**(96,854,421)**	**(147,612,874)**	**137,652,301**	**(1,477,708)**

14. Unlisted investments

	Group		Company	
Mandatorily at fair value through profit or loss:	**2023**	**2022**	**2023**	**2022**
	R	**R**	**R**	**R**
Urban Task Force Proprietary Limited	23,172,170	22,036,080	23,172,170	22,036,080
TUHF Limited holds 5% in Urban Task Force Proprietary Limited. The shares are held at fair value.				
Measured at amortised cost:				
E Class Note	-	-	41,660,860	51,018,604
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.				
Preference shares - TUHF Urban Finance (RF) Limited	-	-	10	10
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.				
Preference shares - Vuselela Warehouse SPV (RF) Proprietary Limited	-	-	-	-
Proprietary Limited Vuselela Warehouse SPV (RF) Proprietary Limited has issued R 0.01 Preference shares to TUHF Limited.				

	Group		Company	
Mandatorily at fair value through profit or loss:	**2023**	**2022**	**2023**	**2022**
	R	**R**	**R**	**R**
Preference shares - Urban Ubomi 1 (RF) Limited	-	-	-	-
Urban Ubomi 1 (RF) Limited has issued R 0.01 Preference shares to TUHF Limited.				
	23,172,170	**22,036,080**	**64,833,040**	**73,054,694**

Fair value disclosures

Group and company- 2023	**Carrying value**	**Level 1**	**Level 2**	**Level 3**	**Fair value**
	R	**R**	**R**	**R**	**R**
Investment in Urban Task Force Proprietary Limited	23,172,170	-	-	23,172,170	23,172,170
	23,172,170	**-**	**-**	**23,172,170**	**23,172,170**

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

Urban Task Force Proprietary Limited is valued as a percentage of net asset value of the latest available management accounts of UrbanTask Force Proprietary Limited. Urban Task Force Proprietary Limited operates in the property rental business and the investment properties in the statement of financial position are measured at fair value at year end.

Management is of the opinion that the net asset value represents fair value accurately as the investment properties are the most significant assets on the Statement of Financial Position. Management has also reviewed independent and director's valuations of the assets and liabilities of Urban Task Force Proprietary Limited and is comfortable that the net asset value is within an acceptable range of these values. Independent valuations are obtained by the directors of Urban Task Force Proprietary Limited and a capitalisation rate of 10% - 12% (2022: 10% - 12%) was considered a key assumption.

15. Equipment

	2023			2022		
Group and Company	**Cost**	**Accumulated depreciation**	**Carrying value**	**Cost**	**Accumulated depreciation**	**Carrying value**
	R	**R**	**R**	**R**	**R**	**R**
Office furniture and equipment	4,419,664	(3,536,389)	883,275	3,827,039	(3,234,252)	592,787
Computer hardware and telephones	7,441,176	(6,145,966)	1,295,210	6,837,824	(5,428,323)	1,409,501
Total	**11,860,840**	**(9,682,355)**	**2,178,485**	**10,664,863**	**(8,662,575)**	**2,002,288**

Reconciliation of equipment - Group and Company – 2023

	Opening balance	Additions	Disposals	Depreciation	Total
	R	R	R	R	R
Office furniture and equipment	592,787	592,625	-	(302,137)	883,275
Computer hardware and telephones	1,409,501	645,134	(12,756)	(746,669)	1,295,210
	2,002,288	**1,237,759**	**(12,756)**	**(1,048,806)**	**2,178,485**

Reconciliation of equipment - Group and Company – 2022

	Opening balance	Additions	Disposals	Depreciation	Total
	R	R	R	R	R
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**

16. Leases (group as lessee)

Right-of-use assets - 2023

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

Right-of-use assets - 2022

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

Lease liabilities - 2023

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

Lease liabilities - 2022

Group and Company	Opening balance	Adjustments	Additions	Modifications	Payments	Interest expense	Total
	R	R	R	R	R	R	R
Office space (buildings)	16,045,530	(20,924)	2,769,508	-	(4,400,195)	1,453,744	15,847,663
	16,045,530	**(20,924)**	**2,769,508**	**-**	**(4,400,195)**	**1,453,744**	**15,847,663**

Undiscounted lease liabilities at 31 March 2023

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

Lease liabilities in the statement of financial position at 31 March 2023

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

17. Intangible assets

	2023			2022		
Group and Company	**Cost/Valuation**	**Accumulated amortisation**	**Carrying value**	**Cost/Valuation**	**Accumulated amortisation**	**Carrying value**
	R	**R**	**R**	**R**	**R**	**R**
Computer software	24,631,042	(19,291,391)	5,339,650	21,844,468	(17,492,698)	4,351,771
	24,631,042	**(19,291,391)**	**5,339,650**	**21,844,468**	**(17,492,698)**	**4,351,771**

Reconciliation of intangible assets – Group and Company – 2023

	Opening balance	**Additions**	**Disposals**	**Amortisation**	**Total**
	R	**R**	**R**	**R**	**R**
Computer software	4,351,771	2,791,902	(4,973)	(1,799,050)	5,339,650
	4,351,771	**2,791,902**	**(4,973)**	**(1,799,050)**	**5,339,650**

Reconciliation of intangible assets - Group and Company – 2022

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

18. Deferred tax

	Group		Company	
Deferred tax liability	**2023**	**2022**	**2023**	**2022**
	R	**R**	**R**	**R**
Accelerated depreciation	(1,441,705)	(1,174,978)	(1,441,705)	(1,174,978)
Deferred and prepaid expenses	(2,725,032)	(2,896,121)	(2,723,586)	(2,895,577)
Fair value adjustment- Derivatives	(89,964)	(118,618)	-	(99,715)
Fair value adjustment unlisted investments	(3,258,910)	(3,433,104)	(3,258,910)	(3,433,104)
Investment property	(3,163,752)	(2,638,995)	(3,163,752)	(2,638,995)
Total deferred tax liability	**(10,679,363)**	**(10,261,816)**	**(10,587,953)**	**(10,242,369)**

	Group		Company	
Deferred tax asset	**2023**	**2022**	**2023**	**2022**
	R	**R**	**R**	**R**
Provision for bonus	1,441,410	2,721,788	1,441,410	2,721,788
Expected credit losses	3,685,988	4,140,542	2,374,082	2,688,497
Provision for Bad debt	6,177,748	4,982,327	4,455,595	3,979,414
Deferred Income	2,266,102	3,422,670	2,266,102	3,422,670
Fair value adjustment- Derivatives	851,953	-	851,953	-
Intercompany ECL	482,131	345,542	992,073	691,610
IFRS 16 Leases	451,020	295,012	451,020	295,012
Deferred tax asset on assessed loss	33,101,951	13,573,162	33,101,951	13,573,161
Total deferred tax asset	**48,458,303**	**29,481,043**	**45,934,186**	**27,372,152**

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:

	Group		Company	
Net deferred tax asset	**2023**	**2022**	**2023**	**2022**
	R	**R**	**R**	**R**
Deferred tax liability	(10,679,363)	(10,261,816)	(10,587,953)	(10,242,369)
Deferred tax asset	48,458,303	29,481,043	45,934,186	27,372,152
Total net deferred tax asset	**37,778,940**	**19,219,227**	**35,346,233**	**17,129,783**

	Group		Company	
Reconciliation of deferred tax asset / (liability)	**2023**	**2022**	**2023**	**2022**
	R	**R**	**R**	**R**
At beginning of year	19,219,227	17,379,933	17,129,783	16,227,376
Provisions for bonus	(1,280,378)	2,372,503	(1,280,378)	2,372,503
Accelerated depreciation	(266,727)	254,270	(266,727)	254,270
Loan Impairment	740,867	(996,554)	161,766	(1,590,725)
Deferred income	(1,156,567)	2,149,087	(1,156,567)	2,149,087
Deferred and prepaid expenses	171,086	766,229	171,990	766,539
Fairvalue adjustment unlisted investments	174,194	535,687	174,194	535,687
Fair value adjustment- derivatives	880,607	(510,480)	951,668	(530,870)
Fair value adjustment investment properties	(524,757)	(2,638,995)	(524,757)	(2,638,995)
Intercompany ECL	136,589	(363,806)	300,463	(686,442)
IFRS 16 Leases	156,008	210,972	156,008	210,972
Deferred tax asset on assessed loss	19,528,791	60,381	19,528,790	60,381
	37,778,940	**19,219,227**	**35,346,233**	**17,129,783**

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

19. Share capital

	Group		Company	
Authorised	**2023**	**2022**	**2023**	**2022**
40 000 000 ordinary shares of R 0.0001 each	4000	4000	4000	4000
TUHF Urban Finance (RF) Limited				
100 Ordinary shares of R1 each	100	100		
Vuselela Warehouse SPV (RF) Proprietary Limited				
100 Ordinary shares of R1 each	100	100		
Vuselela Collections SPV (RF) Proprietary Limited				
1000 Ordinary shares of R1 each	1000	1000		
Urban Ubomi 1 (RF) Limited				
1000 Ordinary shares of R1 each	1000	1000		

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

	Group		Company	
Issued	**2023**	**2022**	**2023**	**2022**
	R	**R**	**R**	**R**
14 280 000 ordinary shares at no par value	1,428	1,428	1,428	1,428
14 280 000 shares at a premium R 0.69951 each	9,989,000	9,989,000	9,989,000	9,989,000
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	-	-
	9,990,828	**9,990,828**	**9,990,428**	**9,990,428**

20. Non-distributable reserves

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

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

21. Trade and other payables

	Group		Company	
Financial instruments	**2023**	**2022**	**2023**	**2022**
	R	**R**	**R**	**R**
Trade payables	14,955,292	12,375,857	13,117,816	9,106,215
Other payables	5,545,215	10,216,896	5,468,025	10,214,208
Non-financial instruments:				
VAT	68,716	330,125	68,716	330,125
	20,569,223	**22,922,878**	**18,654,557**	**19,650,548**

The balance at year end is considered current.

22. Financial liabilities

Held at amortised cost

	Group		Company	
	2023	2022	2023	2022
	R	R	R	R
National Housing Finance Corporation SOC Limited	8,119,860	11,903,780	8,119,860	11,903,780
The loan of R50 million from the National Housing Finance Corporation SOC Limited is at an interest rate of prime minus 2%. Interest and capital are repaid over the remaining term and will be repaid by September 2024.				
National Housing Finance Corporation SOC Limited	19,612,249	22,824,740	19,612,249	22,824,740
The loan of R50 million from the National Housing Finance Corporation SOC Limited is at an interest rate of prime minus 2%. Interest and capital are repaid over the remaining term and will be repaid by 30 November 2024.				
Development Bank of Southern Africa Limited	-	3,109,492	-	3,109,492
The loan of R50 million from the Development Bank of Southern Africa Limited is at an interest rate of prime minus 2%. Interest and capital are repaid over the remaining term and was repaid by September 2022.				
Development Bank of Southern Africa Limited	14,137,623	24,088,721	14,137,623	24,088,721
The loan of R100 million from the Development Bank of Southern Africa Limited is at an interest rate of prime minus 2%. Interest and capital are repaid over the remaining term and must be repaid in full by 30 June 2024.				
National Housing Finance Corporation SOC Limited	43,552,287	50,150,087	43,552,287	50,150,087
The loan of R100 million from the National Housing Finance Corporation SOC Limited is at an interest rate of prime minus 2%. Interest and capital are repaid over the remaining term and will be repaid by July 2028.				
National Housing Finance Corporation SOC Limited	10,202,170	11,466,853	10,202,170	11,466,853
The loan of R25 million from the National Housing Finance Corporation SOC Limited is at an interest rate of prime minus 2%. Interest and capital are repaid over the remaining term and will be repaid by July 2029.				

	Group		Company	
	2023	**2022**	**2023**	**2022**
	R	**R**	**R**	**R**
National Housing Finance Corporation SOC Limited	39,106,143	50,586,403	39,106,143	50,586,403
The loan of R120 million from the National Housing Finance Corporation SOC Limited is at an interest rate of prime minus 0.5%. Interest and capital are repaid over the remaining term and will be repaid in full by December 2025.				
Development Bank of Southern Africa Limited	43,110,490	63,781,470	43,110,490	63,781,470
The loan of R200 million from the Development Bank of Southern Africa Limited is at an interest rate of prime minus 1.0%. Interest and capital are repaid over the remaining term and must be repaid in full by 31 December 2024.				
Mergence Investment Managers	-	7,364,309	-	7,364,309
The loan of R15 million from Mergence Investment Managers is at an interest rate of prime less 0.5%. The facility is fully drawn and interest and capital are paid monthly. The facility was fully repaid in June 2022.				
Public Investment Corporation	133,134,724	157,761,212	133,134,724	157,761,212
The loan of R300 million from the Public Investment Corporation is at an interest rate of prime less 2%. The facility is fully drawn and interest and capital are paid monthly. The facility is repayable in full by December 2027				
Futuregrowth Asset Management	-	132,878,977	-	132,878,977
The loan of R300 million from Futuregrowth Asset Management acting as facility agent on behalf of Senior Lenders is at an interest rate of prime plus 0.95%. R200 million is repayable in equal monthly instalments of capital and was repaid March 2023. R100 million is repayable in equal monthly instalments and was repaid March 2023.				
Futuregrowth Asset Management	-	78,172,469	-	78,172,469
The loan of R200 million from Futuregrowth Asset Management is at an interest rate of prime plus 0.95%. The facility is fully drawn as funds are required and interest and capital are paid monthly. The loan is repayable in equal installments and was fully repaid in March 2023.				
Mergence Investment Managers	-	8,157,997	-	8,157,997
The loan of R11 million from Mergence Investment Managers is at an interest rate of prime. The facility is fully drawn and interest and capital are paid monthly. The facility was be repaid in June 2022				

	Group		Company	
	2023	**2022**	**2023**	**2022**
	R	**R**	**R**	**R**
Futuregrowth Asset Management	-	33,389,948	-	33,389,948
The loan of R60 million from Futuregrowth Asset Management is at an interest rate of prime plus 1.00%. The facility is fully drawn and interest and capital are paid monthly. The facility was fully repaid March 2023.				
Futuregrowth Asset Management	-	62,401,623	-	62,401,623
The loan of R100 million from Futuregrowth Asset Management is at an interest rate of prime plus 1.15%. The facility is fully drawn and interest and capital are paid monthly. The facility was fully repaid March 2023				
Nedbank Limited	98,291,948	98,291,954	98,291,948	98,291,954
The loan of R100 million from Nedbank is at an interest rate of prime. The facility is fully drawn and interest is payable on a monthly basis. The capital will be repaid in a single payment at the end of the term. The facility repayment date was extended by 2 years and is fully repayable by April 2024				
National Housing Finance Corporation SOC Limited	157,688,713	168,477,798	157,688,713	168,477,798
The loan of R200 million from National Housing Finance Corporation SOC Limited is at an interest rate of prime plus 0.25%. Interest and Capital is paid monthly. The facility is fully drawn and interest and capital are repaid over the remaining term. The facility is repayable in full by February 2033.				
Novo Impact Fund	10,083,945	10,056,693	10,083,945	10,056,693
The loan of R10 million from Novo Impact Fund is at an interest rate of prime less 0,5%. The facility is fully drawn and interest is payable on a monthly basis. The capital will be repaid in a single payment at the end of the term. The facility is fully repayable by October 2025.				
Ashburton Asset Managers	90,796,438	90,540,616	90,796,438	90,540,616
The loan of R90 million from Ashburton Asset Managers is at prime rate. The facility is fully drawn and interest is payable on a monthly basis. The capital will be repaid in a single payment at the end of the term. The facility is fully repayable by May 2024.				
Small Enterprise Finance Agency (SEFA)	-	26,477,784	-	26,477,784
A loan of R30 million from a R60 million SEFA facility priced at prime rate. Interest is payable on a monthly basis. The capital is repaid on a monthly basis, with a 6-month moratorium from first draw date. The facility was fully repaid in April 2022.				

	Group		Company	
	2023	**2022**	**2023**	**2022**
	R	**R**	**R**	**R**
The Standard Bank of South Africa Limited	585,682,169	113,256,715	-	-
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.				
	1,253,518,759	**1,225,139,641**	**667,836,590**	**1,111,882,926**

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

	Group		Company	
Mortgage-backed securities	**2023**	**2022**	**2023**	**2022**
	R	**R**	**R**	**R**
A listed mortgage-backed securitisation concluded December 2019. Interest is priced at 3-month JIBAR plus a specified margin for each tranche of notes, with the 3-month JIBAR rate resetting quarterly. The margins range from 2.22% to 10% across the various notes. Interest and capital are payable quarterly in terms of the TUHF Urban Finance (RF) priority of payment until all obligations are fully settled. The structure has a contractual maturity date of May 2039 and open to the first refinance in January 2025.				
A Class Note - Interest rate 9,687%	299,580,872	387,545,489	-	-
B Class Note - Interest rate 11,467%	34,851,471	45,085,463	-	-
D Class Note - Interest rate 12,217%	16,243,593	21,013,596	-	-

	Group		Company	
Mortgage-backed securities	**2023**	**2022**	**2023**	**2022**
	R	**R**	**R**	**R**
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 20246				
Class A1 Noteholders: 3-month JIBAR plus 1,55%	108,928,736	144,573,521	-	-
Class A2 Noteholders: 3-month JIBAR plus 2,20%	312,676,253	311,425,565	-	-
Class A4 Noteholders: 3-month JIBAR plus 1,70%	20,490,248	27,199,333	-	-
Class A5 Noteholders: 3-month JIBAR plus 2,35%	286,419,260	285,321,127	-	-
Class A7 Noteholders: 3-month JIBAR plus 1,50%	132,177,403	-	-	-
Class A8 Noteholders: 3-month JIBAR plus 2,50%	136,656,062	-	-	-
Class B Noteholders: 3-month JIBAR plus 2,50% - 2,74%	193,377,936	192,625,848	-	-
Class C Noteholders: 3-month JIBAR plus 3,70% - 4,00%	55,763,582	37,368,934	-	-
Class A9 Noteholders	61,861,653			
The Note bears interest at a fixed rate of 10.24% and was issued December 2022. Interest is paid semi- annually in May and November. Capital is payable quarterly in terms of the Urban Ubomi 1 (RF) priority of payments until all obligations are fully settled. The note has a contractual maturity date of May 2043 with a step up date of May 2026. The fixed rate was swapped to floating through a Fixed-to-Floating swap, with all matching attributes. Fair value hedge accounting was adopted from inception.				
	1,659,027,069	**1,452,158,876**	**-**	**-**

	Group		Company	
Held at Fair Value:	**2023**	**2022**	**2023**	**2022**
	R	**R**	**R**	**R**
Eskom Pension and Provident Fund	205,593,004	202,854,128	205,593,004	202,854,128
The loan of R200 million from Eskom Pension and Provident Fund (EPPF) is priced at CPI plus 3%. Pricing was swapped to JIBAR-linked pricing through a CPI-JIBAR interest rate derivative. The swapped rate for the facility is 3-month plus 1.72%. The facility is fully drawn. The Capital is repayable in 34 instalments after an 18-month moratorium from first draw date, ending in February 2023. The facility matures in May 2031.				
Fair value hedge liability	11,979,859	4,030,943	11,979,859	4,030,943
Nominal value R704 886 477. TUHF Limited has entered into a fair value interest rate cashflow swap with Standard Bank of South Africa Limited. The derivative swaps prime for 3-month JIBAR cashflows. The company calculates the Mark to Market (MTM) on the swap on a monthly basis. The maturity date of the swap is 15 May 2043. The swap is balance guaranteed so the nominal value will automatically go to zero on the coupon set-up date, currently is May 2026.				
Financial liability CPI hedge	2,196,198	-	2,196,198	-
Nominal value R25 000 000.TUHF Limited entered into a CPI/JIBAR derivative with Standard Bank. This instrument is meant to swap the CPI Linked cash flows from the R25 million, 10-year maturity, Intuthuko Equity Fund loan from EPPF to JIBAR linked cash flows. TUHF then entered into a back-to-back swap with IEF, which is the opposite of the swap with Standard Bank.				
	219,769,061	**206,885,071**	**219,769,061**	**206,885,071**
Total Financial Liabilities	**3,417,561,523**	**3,167,648,792**	**1,172,852,284**	**1,602,233,201**
Deferred raising fees**	(8,842,492)	(10,052,103)	(8,842,492)	(10,052,103)
	3,408,719,032	**3,157,596,689**	**1,164,009,791**	**1,592,181,098**

** The current portion of the deferred raising fee is R 3,297,677 (2022: R 2,400,405).

23. Share based payment reserve

	Group		Company	
Share based payment liability	**2023**	**2022**	**2023**	**2022**
	R	**R**	**R**	**R**
Liability raised for shares awarded not yet vested	6,281,261	5,452,005	6,281,261	5,452,005
	6,281,261	**5,452,005**	**6,281,261**	**5,452,005**

TUHF Conditional Share Plan:

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

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

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

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

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

At the end of the period under review, TUHF Limited held 1 482 859 (2022: 712 747) 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 2022 to April 2024 subject to specific service and performance conditions being met. The assessed fair value at grant date of share awards granted during the year ended 31 March 2020 was R6.31 per share. No shares were awarded in March 2021, March 2022 or March 2023. An additional 854 263 shares were awarded to staff on 1 April 2021 that will vest over the period April 2024 to April 2026. The fair value at grant date is determined using management’s best estimates of the following assumptions;

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

24. Interest income

	Group		**Company**	
	2023	**2022**	**2023**	**2022**
	R	**R**	**R**	**R**
Interest on advances	396,822,874	334,043,799	153,810,998	163,531,088
Interest on advances to related company	6,982,063	2,554,178	41,117,730	26,380,017
Interest on call deposits	7,620,299	5,616,723	1,944,154	3,283,184
Interest on guarantee deposits	759,681	223,244	759,681	223,244
Interest on staff loans	2,424	(3,045)	2,424	(3,045)
Interest received from SARS	163,476	113,429	120,802	111,876
Interest received on hedge	152,082	53,964	24,982	53,964
	412,502,899	**342,602,292**	**197,780,771**	**193,580,328**

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

25. Interest expenses

	Group		Company	
Interest expenses	**2023**	**2022**	**2023**	**2022**
	R	**R**	**R**	**R**
Interest on advances from related company	(18,567,499)	(21,643,998)	(18,567,499)	(21,643,998)
Interest on borrowings	(278,108,011)	(214,245,712)	(123,803,765)	(115,416,030)
Interest and fees on current account	(19,356)	(3,024)	(4,345)	(2,578)
Interest paid - Derivatives	(4,975,285)	(2,554,647)	(4,975,285)	(2,554,647)
Interest paid to SARS	(915,837)	(1,802)	-	-
Interest expense - lease liability	(1,338,654)	(1,440,772)	(1,338,654)	(1,440,772)
	(303,924,642)	**(239,889,955)**	**(148,689,548)**	**(141,058,025)**

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

26. Expected credit losses

	Group		Company	
Expected credit losses	**2023**	**2022**	**2023**	**2022**
	R	**R**	**R**	**R**
Stage 1	(6,456,479)	5,622,355	(2,886,596)	1,558,822
Stage 2	16,261,964	(3,813,015)	9,216,831	(5,442,936)
Stage 3	5,302,314	(23,619,347)	12,274,729	(26,056,754)
Recoveries	(928,377)	-	(928,378)	-
	14,179,422	**(21,810,007)**	**17,676,586**	**(29,940,868)**

27. Other operating income

	Group		Company	
Other operating income	**2023**	**2022**	**2023**	**2022**
	R	**R**	**R**	**R**
Penalties and other sundry income	5,298,283	7,299,527	3,465,755	5,867,762
Rental income	839,348	1,033,986	839,348	1,033,986
Management fees	238,372	993,753	238,372	993,753
Dividends received	286,988	315,000	286,988	7,921,685
Admin and servicer fees	25,000	25,000	19,696,335	16,315,711
	6,687,991	**9,667,266**	**24,526,798**	**32,132,897**

28. Other operating gains/(losses)

	Group		Company	
Fair value gains (losses)	**2023**	**2022**	**2023**	**2022**
	R	**R**	**R**	**R**
Financial assets mandatorily at fair value through profit or loss	2,124,919	13,583,153	2,031,727	13,583,153
Net loss on the hedged item in fair value hedges	(3,763,453)	(170,353)	(3,933,451)	(100,033)
	(1,638,534)	**13,412,800**	**(1,901,724)**	**13,483,120**

***Fair value derivatives**

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.

**** Fair value Interest bearing liabilities**

Fair value of the loan with the Eskom Pension and Provident fund 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.

29. Other operating expenses

	Group		Company	
Other operating expenses	**2023**	**2022**	**2023**	**2022**
	R	**R**	**R**	**R**
Auditors remuneration	(6,851,670)	(5,661,357)	(5,737,720)	(3,982,750)
Consulting fees	(16,578,569)	(16,517,930)	(16,578,569)	(16,517,930)
Depreciation and amortisation	(2,847,502)	(3,055,771)	(2,847,502)	(3,055,771)
Depreciation - Leases	(3,904,745)	(3,751,919)	(3,904,745)	(3,751,919)
Employee costs	(62,016,379)	(70,379,738)	(62,016,379)	(70,379,738)
Financial administration	(1,637,202)	(1,641,673)	(803,949)	(712,648)
Information technology costs	(3,631,048)	(3,432,980)	(3,631,048)	(3,432,980)
Marketing	(2,651,377)	(2,718,415)	(2,651,377)	(2,718,415)
Office rental	-	300	-	300
Other expenses	(9,646,304)	(12,471,888)	(7,556,775)	(7,220,152)
Project management	(2,144,195)	(1,691,403)	(2,144,195)	(1,691,403)
Telephone and internet charges	(1,175,889)	(1,279,904)	(1,175,889)	(1,279,904)

	Group		Company	
Other operating expenses	**2023**	**2022**	**2023**	**2022**
	R	**R**	**R**	**R**
Training and skills development	(3,708,395)	(1,040,483)	(3,708,395)	(1,040,483)
Utilities	(1,114,808)	(1,086,707)	(1,114,808)	(1,086,707)
Valuations	(648,025)	(773,128)	(648,025)	(773,128)
VAT - input VAT not claimable as it relates to non-taxable supplies	(10,165,602)	(5,381,474)	(7,214,902)	(5,381,473)
	(128,721,710)	**(130,884,470)**	**(121,734,278)**	**(123,025,101)**

30. Employee benefit expense

	Group		Company	
Employee costs	**2023**	**2022**	**2023**	**2022**
	R	**R**	**R**	**R**
Employee costs salaried staff	43,747,238	44,798,221	43,747,238	44,798,221
Directors emoluments	8,798,764	17,271,661	8,798,764	17,271,661
Non-executive directors	4,944,503	4,335,350	4,944,503	4,335,350
Share-based payment	4,525,874	3,974,506	4,525,874	3,974,506
	62,016,379	**70,379,738**	**62,016,379**	**70,379,738**

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

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

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

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

31. Taxation

Major components of the tax expense

	Group		Company	
	2023	**2022**	**2023**	**2022**
	R	**R**	**R**	**R**
Current				
Local income tax - current period	11,014,876	6,616,847	-	-
Deferred				
Deferred tax	(18,559,710)	(1,839,298)	(18,216,449)	(902,408)
	(7,544,834)	**4,777,549**	**(18,216,449)**	**(902,408)**

Reconciliation of the tax expense

Reconciliation between accounting profit and tax expense.

	Group		Company	
	2023	**2022**	**2023**	**2022**
	R	**R**	**R**	**R**
Accounting profit	(29,273,418)	16,717,940	(67,694,567)	5,054,087
Tax at the applicable tax rate of 27% (2022: 28%)	(7,903,823)	4,681,023	(18,277,533)	1,415,144
Tax effect of adjustments on taxable income				
Non deductible expense	172,214	178,592	172,214	178,592
Non-taxable fair value adjustment	(87,641)	(393,216)	(87,641)	(393,216)
SARS interest and penalties	247,276	505	-	-
No assessed loss created	159,879	-	-	-
Reduction in assessed loss carried forward	(55,252)	(296,012)	53,998	(489,741)
Exempt dividends	(77,487)	(88,200)	(77,487)	(2,218,072)
Deferred tax impact due to change of tax	-	694,857	-	604,885
	(7,544,834)	**4,777,549**	**(18,216,449)**	**(902,408)**

32. Commitments

Loans and Advances

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

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

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 R 20 million. Undertakings have also been given to certain lenders of maintaining a debt to capital ratio of 90%.

34. Related parties

Relationship	**Party**
Ultimate holding company	TUHF21 NPC
Holding company	TUHF Holdings Limited
Servicer for	Vuselela Warehouse SPV (RF) Proprietary Limited
	Vuselela Collections SPV (RF) Proprietary Limited
	TUHF Urban Finance (RF) Limited
	Urban Ubomi (RF) Limited
Fellow subsidiaries	TUHF Bridge Proprietary Limited

Relationship	**Party**
	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 Employees Pension Fund (PIC)

Related party balances and transactions

	Group		Company	
	2023	**2022**	**2023**	**2022**
	R	**R**	**R**	**R**
TUHF21 NPC				
Interest Paid	600,561	191,737	600,561	191,737
Interest Received	(5,787)	-	(5,787)	-
Management Fees	(238,372)	(247,547)	(238,372)	(247,547)
	356,402	**(55,810)**	**356,402**	**(55,810)**
National Housing Finance Corporation SOC Limited				
Interest paid	**25,971,416**	**25,066,482**	**25,971,416**	**25,066,482**
Futuregrowth Asset Management Proprietary Limited				
Interest paid	**28,815,515**	**28,512,403**	**28,815,515**	**28,512,403**
Public Investment Corporation				
Interest paid	**10,741,040**	**8,519,661**	**10,741,040**	**8,519,661**
Mortgage bonds				
Jeppestown Urban Trust	(62,422,888)	(60,078,707)	(62,422,888)	(60,078,707)
Better Urban Living 2 Proprietary Limited	(126,663,010)	(102,982,425)	(126,663,010)	(102,982,425)
Silverkey Proprietary Limited	(23,444,920)	(22,503,913)	(23,444,920)	(22,503,913)
	(212,530,818)	**(185,565,045)**	**(212,530,818)**	**(185,565,045)**
Jeppestown Urban Trust				
Interest received	**(11,475,371)**	**(6,940,297)**	**(11,475,371)**	**(6,940,297)**
Better Urban Living 2 Proprietary Limited				
Interest received	**14,908**	**(4,336,939)**	**14,908**	**(4,336,939)**
Silverkey Proprietary Limited				
Interest received	**5,528**	**(3,909,477)**	**5,528**	**(3,909,477)**

	Group		Company	
	2023	**2022**	**2023**	**2022**
	R	**R**	**R**	**R**
TUHF Holdings Limited: Parent company				
Interest Paid - TUHF Holdings Limited 50M	6,803,048	4,129,594	6,803,048	4,129,594
Interest Paid - TUHF Holdings Limited 75M	11,108,834	7,254,188	11,108,834	7,254,188
Interest Paid - TUHF Holdings Limited 55M	-	9,280,763	-	9,280,763
Interest received - TUHF Holdings Limited Loan	(6,797,338)	(2,554,178)	(6,797,338)	(2,554,178)
	11,114,544	**18,110,367**	**11,114,544**	**18,110,367**
TUHF Bridge Proprietary Limited: Fellow subsidiary of TUHF Holdings Limited				
Interest paid	55,056	71,291	55,056	71,291
Interest Received	(157,002)	-	(157,002)	-
	(101,946)	**71,291**	**(101,946)**	**71,291**
TUHF Urban Finance (RF) Limited				
Admin fee received	(250,408)	(312,233)	(250,408)	(312,233)
Servicing fee received	(4,256,930)	(5,307,962)	(4,256,930)	(5,307,962)
	(4,507,338)	**(5,620,195)**	**(4,507,338)**	**(5,620,195)**
Urban Ubomi 1 (RF) Limited				
Interest received	(20,862,015)	(9,961,935)	(20,862,015)	(9,961,935)
Admin fee received	(2,056,382)	(1,234,385)	(2,056,382)	(1,234,385)
Servicing fee received	(11,652,833)	(6,994,847)	(11,652,833)	(6,994,847)
	(34,571,230)	**(18,191,167)**	**(34,571,230)**	**(18,191,167)**
Vuselela Warehouse SPV (RF) Proprietary Limited				
Interest received	(6,461,618)	(6,456,693)	(6,461,618)	(6,456,693)
Admin fee received	(660,822)	(732,734)	(660,822)	(732,734)
Servicing fee received	(3,744,660)	(4,152,157)	(3,744,660)	(4,152,157)
	(10,867,100)	**(11,341,584)**	**(10,867,100)**	**(11,341,584)**

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 R943.6 million (2022: R1,603.6 million).

	Group		Company	
NHFC	**2023**	**2022**	**2023**	**2022**
	R	**R**	**R**	**R**
Total NHFC debt facilities: capital advanced	643,594,757	643,594,757	643,594,757	643,594,757
Loan balance as at 31 March	278,281,422	315,409,661	278,281,422	315,409,661
Interest paid	25,971,416	25,066,482	25,971,416	25,066,482
Interest and capital paid	63,099,655	135,563,337	63,099,655	135,563,337

	Group		Company	
Futuregrowth	**2023**	**2022**	**2023**	**2022**
	R	**R**	**R**	**R**
Total facilities	-	660,000,000	-	660,000,000
Loan balance as at 31 March		306,843,017		306,843,017
Interest paid	28,815,515	28,512,403	28,815,515	44,836,955
Interest and capital paid	335,658,533	207,873,577	335,658,533	210,549,909

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

35. Directors' emoluments

Group

Executive

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

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

Non-executive

2023	**Directors fees**	**Total**
	R	**R**
SS Moraba	622,860	622,860
TM Adler	768,495	768,495
C Coovadia	700,560	700,560
RR Emslie	761,723	761,723
JF Howard	398,234	398,234
JK Mamatela	74,182	74,182
JS Strelitz	261,135	261,135
L Vutula	177,607	177,607
B Mapongwana	293,948	293,948
NHFC	54,950	54,950
P Kadi	53,287	53,287
S Bolipombo	79,100	79,100
V Ramokgopa	52,535	52,535
	4,298,616	**4,298,616**

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

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. Delays in the resolution of older litigation matters resulted in the company reporting a loss for the current financial year, although significant progress was made in bringing these matters to a favourable conclusion.

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.