2021

AUDITED CONSOLIDATED FINANCIAL STATEMENTS

WBHO

CONTENTS

1 **Statement of responsibility by the Board**
1 **Chief Executive Officer and Chief Financial Officer's responsibility statement**
2 **Statement of compliance by the Audit Committee**
2 **Statement of compliance by the Company Secretary**
3 **Directors' report**
5 **Independent Auditor's report**
10 **Consolidated statement of financial position**
11 **Consolidated statement of financial performance and other comprehensive income**
12 **Consolidated statement of changes in equity**
14 **Consolidated statement of cash flows**
15 **Significant accounting policies**
22 **Notes to the consolidated financial statements**
61 **Annexure 1: Investments in subsidiaries**
62 **Annexure 2: Interests in joint operations**
63 **Annexure 3: Shareholders' analysis**

STATUTORY INFORMATION

WILSON BAYLY HOLMES-OVCON LIMITED
(Incorporated in the Republic of South Africa)
(Registration number 1982/011014/06)
Share code: WBO
ISIN: ZAE000009932
(WBHO)

REGISTERED OFFICE AND CONTACT DETAILS
53 Andries Street
Wynberg, Sandton, 2090
PO Box 531
Bergvlei, 2012
Telephone: +27 11 321 7200
Fax: +27 11 887 4364
Website: www.wbho.co.za
Email: wbhoho@wbho.co.za

COMPANY SECRETARY
Donnafeg Msiska
CA (SA)

LEVEL OF ASSURANCE:
These consolidated financial statements have been audited in compliance with section 30(2)(a) of the Companies Act of South Africa. The consolidated financial statements were internally prepared under the supervision of the Chief Financial Officer, Charles Henwood CA(SA).

Published: 3 September 2021

AUDITORS
BDO South Africa Incorporated

TRANSFER SECRETARIES
Computershare Investor Services (Pty) Limited
Rosebank Towers
15 Biermann Avenue
Rosebank
Johannesburg 2196
South Africa
Telephone: +27 11 370 5000
Fax: +27 11 370 5271

SPONSOR
Investec Bank Limited

STATEMENT OF RESPONSIBILITY BY THE BOARD
for the year ended 30 June 2021

STATEMENT OF COMPLIANCE

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and comply with the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, the JSE Listings Requirements and the requirements of the Companies Act of South Africa. The directors have also prepared other information included in the annual report and are responsible for both its accuracy and its consistency with the consolidated financial statements.

The directors acknowledge that, ultimately, they are 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 (Board) sets standards for internal control aimed at reducing the risk of error or loss in a cost-effective manner. These 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 that the business of the Group is conducted in a manner which, in all reasonable circumstances, is above reproach. The focus of risk management within the Group is to identify, assess and monitor 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.

Based on the information and explanations given by management and the internal auditors, the Board is of the opinion that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the consolidated financial statements, however, a system of internal control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The going concern basis has been applied in preparing the consolidated financial statements based on budgets and forecast cash flows for the period up to September 2022. Taking into account the global impact of Coronavirus (COVID-19), the directors have no reason to believe that the Group will not be a going concern in the foreseeable future. The viability of the Group is supported by the consolidated financial statements.

The consolidated financial statements have been audited by the independent auditor, BDO South Africa Incorporated, who was given unrestricted access to all financial records and the related data, including minutes of all meetings of shareholders, the Board and committees of the Board. The directors believe that all representations made to the independent auditors during their audit were valid and appropriate. The unqualified audit report of BDO South Africa Incorporated is presented on pages 5 to 9.

The preparation of the consolidated financial statements was supervised by the Chief Financial Officer, Charles Henwood CA(SA) and approved by the Board on 2 September 2021 and are signed on its behalf.

Louwtjie Nel
Chairman

Wolfgang Neff
Chief Executive Officer

3 September 2021

CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER'S RESPONSIBILITY STATEMENT
for the year ended 30 June 2021

The directors, whose names are stated below, hereby confirm that:

(a) the annual financial statements set out on pages 10 to 63, fairly present in all material respects the financial position, financial performance and cash flows of Wilson Bayly Holmes-Ovcon Limited in terms of IFRS;

(b) no facts have been omitted, or untrue statements made that would make the annual financial statements false or misleading;

(c) internal financial controls have been put in place to ensure that material information relating to Wilson Bayly Holmes-Ovcon Limited and its consolidated subsidiaries have been provided to effectively prepare the annual financial statements of Wilson Bayly Holmes-Ovcon Limited; and

(d) the internal financial controls are adequate and effective and can be relied upon in compiling the annual financial statements, having fulfilled our role and function within the combined assurance model pursuant to principle 15 of the King IV Report on Corporate Governance for South Africa, 2016. Where we are not satisfied, we have disclosed to the audit and risk committee and the auditors the deficiencies in design and operational effectiveness of the internal financial controls and any fraud that involves directors, and have taken the necessary remedial action.

Wolfgang Neff
Chief Executive Officer

Charles Henwood
Chief Financial Officer

3 September 2021

STATEMENT OF COMPLIANCE BY THE AUDIT COMMITTEE
for the year ended 30 June 2021

MEMBERS
AJ Bester (Chairman)
KM Forbay
RW Gardiner
SN Maziya

Each of the members of the Audit Committee are independent non-executive directors. The committee meets at least four times a year to fulfil its mandate. The internal and external auditors as well as certain members of the executive and senior management attend committee meetings by invitation.

The Audit Committee has executed its duties and responsibilities in accordance with its terms of reference which are informed by the Companies Act and King IV and are approved by the Board of Directors.

The committee performed certain statutory and other duties during the reporting period including:
- monitoring the effectiveness and implementation of internal financial controls and the adequacy of financial reporting;
- ensured that the financial reporting of the Group complies with International Financial Reporting Standards and Companies Act of South Africa;
- considered the effectiveness of the Chief Financial Officer and financial function;
- considered and reviewed the independence of the external auditor and the extent of non-audit services provided;
- reviewed the audit plans for internal and external audit; and
- reviewed the key audit matters and work performed thereon by the external auditors.

Cobus Bester
Audit Committee Chairman

3 September 2021

STATEMENT OF COMPLIANCE BY THE COMPANY SECRETARY
for the year ended 30 June 2021

I confirm that the Company has lodged with the Registrar of Companies all returns that are required to be lodged by a public company in terms of the Companies Act of South Africa in respect of the year ended 30 June 2021 and that all such returns are true, correct and up to date.

Donnafeg Msiska
Company Secretary

3 September 2021

DIRECTORS' REPORT
for the year ended 30 June 2021

NATURE OF BUSINESS
The Company is listed on the securities exchange operated by the JSE Limited and is the holding company of a number of subsidiary companies principally engaged in civil engineering and building construction activities in Africa, Australia and the United Kingdom.

GROUP RESULTS
Revenue decreased by 11% to R38,3 billion (2020: R43,1 billion). An operating profit of R457 million (2020: loss R585 million) was recognised after accounting for a further A$28 million (R322 million) loss on the Western Roads Upgrade (WRU) and A$14 million (R165 million) loss on the 443 Queens Street projects in Australia. The total earnings attributable to the equity shareholders of the Group amounted to R316 million (2020: loss of R498 million) and the headline earnings attributable to equity shareholders of the Group amounted to R329 million (2020: loss of R491 million). A full reconciliation between earnings and headline earnings has been disclosed in note 21 of the consolidated financial statements. The consolidated financial statements set out on pages 10 to 63 provide full details of the financial position, results of operations and cash flows for the year ended 30 June 2021.

COVID-19 PANDEMIC
The Group incurred significant non-recoverable costs and expenses directly attributable to the Covid-19 pandemic in the previous reporting period.

While overall productivity continued to be impacted in the current reporting period through supply chain disruptions, quarantine periods for infected employees and employees who have had close contact with infected persons as well as remote working conditions for office-based employees, construction activities continued mostly uninterrupted through the lock down periods implemented across all regions.

Further details have been disclosed in note 32 of the consolidated financial statements.

SUBSIDIARIES
Details of significant subsidiary companies have been included in Annexure 1. A full list of subsidiary companies is available on request from the Company Secretary.

The holding company is an investment company and consequently all profits recognised in the consolidated profit or loss were earned by subsidiary companies.

During the reporting period, WBHO Construction (Pty) Ltd acquired a 1,66% shareholding in Probuild Constructions (Aust.) Pty Ltd from a non-controlling shareholder at a cost of AU$1,4 million, while WBHO Infrastructure reacquired 1,69% from its non-controlling shareholders at a cost of AU$676 thousand. The combined effect of these transactions resulted in an increase in the Group's interest in Probuild from 87,9% to 89,6% and in WBHO Infrastructure from 94,8% to 96,9%.

On 14 January 2021 the non-controlling shareholders of WBHO-Russell exercised put options in terms of the share purchase agreement. The transaction was concluded on 11 February 2021 for a consideration of £6,6 million (R136 million) and increased the Group's shareholding in WBHO-Russell from 80% to 90%. A true-up of £337 thousand (R6,9 million) was paid on the second put option exercised in January 2020.

Details of these transactions have been included in note 13 of the consolidated financial statements.

LOSSES IN SUBSIDIARIES
Included in the Group's profit before tax of R624 million are pre-tax losses from the following subsidiaries:

Subsidiary	Country of incorporation	Amount of loss
WBHO Infrastructure Pty Ltd	Australia	R401 million
WBHO Lesotho (Pty) Ltd	Lesotho	R35 million
WBHO Mozambique Projects (Pty) Ltd	Mozambique	R90 million

SHARE CAPITAL
The Company has 59 890 514 ordinary shares in issue. There were no changes to the authorised or issued share capital during the current reporting period.

Subject to the regulations of the JSE, 5% of the unissued ordinary shares are under the control of the directors until the next annual general meeting (AGM), at which time shareholders will be requested to grant the directors control over 5% of the unissued ordinary shares until the next AGM.

DIVIDENDS
The Group declares dividends from cash reserves dependent upon profits earned and the availability of cash. A dividend of 205 cents per share was declared for the 2021 financial year. There was no interim dividend declared and no dividend declared for the 2020 financial year.

SHARE SCHEMES
Details of transactions undertaken by the share trusts and empowerment vehicles have been disclosed in note 27 of the consolidated financial statements. There have been no changes to the trustees of the share schemes for the reporting period. In certain of the share schemes, participants are advanced interest-free loans by the trust to enable them to purchase the shares offered.

The trusts are consolidated in preparing the consolidated financial statements.

DIRECTORS' REPORT (continued)

for the year ended 30 June 2021

BORROWING POWERS

In terms of the memorandum of incorporation the Company has unlimited borrowing powers.

DIRECTORATE

Details of the Company's directors are available online at www.wbho.co.za. The business physical address, postal address and Company Secretary details are set out on the first page of the consolidated financial statements.

In terms of the memorandum of incorporation, Ms SN Maziya retires at the forthcoming annual general meeting however, Ms Maziya is eligible for re-election. Also in terms of the memorandum of incorporation, Mr AJ Bester and Ms KM Forbay retire by rotation and offer themselves for re-election.

DIRECTORS' SHAREHOLDING

The direct and indirect interests of the Directors have been disclosed in note 24 of the consolidated financial statements.

There have been no changes to directors' shareholdings between the reporting date and the date of this report.

RELATED PARTY TRANSACTIONS

Related party transactions have been disclosed in note 24 of the consolidated financial statements.

PROPERTY, PLANT AND EQUIPMENT

Full details of the property, plant and equipment have been disclosed in note 2 of the consolidated financial statements.

SPECIAL RESOLUTIONS

The following special resolutions were passed at the 2020 AGM:

SPECIAL RESOLUTION NUMBER 1
Approval of non-executive directors' fees for the 2021 reporting period.

SPECIAL RESOLUTION NUMBER 2
Financial assistance to directors, prescribed officers, employee share scheme beneficiaries and related or inter-related companies and corporations.

SPECIAL RESOLUTION NUMBER 3
General authority to repurchase company shares.

AUDITORS

BDO South Africa Incorporated will continue in office in accordance with section 90(6) of the Companies Act of South Africa. At the AGM, shareholders will be requested to re-appoint BDO South Africa Incorporated as the Group auditors for the 2022 reporting period and it is noted that Mr J Schoeman will be the individual registered auditor who will undertake the audit.

GOING CONCERN

Although the lingering impact of Covid-19 on global economies can still be felt within certain market sectors, for the most part economies have stabilised and are beginning to show growth. The directors have assessed the going concern of the Group over the next 12 months and are satisfied that the Group has access to adequate resources to continue in operational existence for the foreseeable future.

As such, the going concern basis has been applied in preparing the financial statements. Stakeholders are referred to note 33 of the consolidated financial statements for full details of the going concern assessment.

EVENTS AFTER THE REPORTING DATE

In July 2021, widespread looting and community unrest was experienced across South Africa. The impact on the Group's South African operations was minimal. In the interest of employee safety, all projects and the regional office were closed for two weeks in Kwa-Zulu Natal (KZN) while in Gauteng, the Group's Head office was closed for one week. Only one project in KZN sustained minor damage.

The Board is not aware of any other matter or circumstance arising since the reporting date, not otherwise dealt with in the consolidated financial statements, which significantly affects the financial position of the Group at 30 June 2021 or the results of its operations or cash flows for the year then ended.

INDEPENDENT AUDITOR'S REPORT

for the year ended 30 June 2021

TO THE SHAREHOLDERS OF WILSON BAYLY HOLMES-OVCON LIMITED

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

OPINION

We have audited the consolidated financial statements of Wilson Bayly Holmes-Ovcon Limited and its subsidiaries ("the group") set out on pages 10 to 62, which comprise the consolidated statement of financial position as at 30 June 2021, and the consolidated statement of financial performance and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Wilson Bayly Holmes-Ovcon Limited and its subsidiaries as at 30 June 2021, and its consolidated financial performance and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the group 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' *International Code of Ethics for Professional Accountants (including International Independence Standards)*. 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 financial statements of the current period. These matters were addressed in the context of our audit of the consolidated 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 our audit addressed the key audit matter
Recognition of contract revenue, contract assets and contract liabilities	
The construction industry is characterised by contract risk with significant judgements and estimates involved in the assessment of both current and future contractual financial performance. In terms of IFRS 15: *Revenue from Contracts with Customers* ('IFRS 15') revenue is recognised over time, measured at the fair value of the consideration received or receivable and includes variations and claims. The output method, being surveys of work performed, is used to determine the progress towards the satisfaction of the performance obligation under long-term contracts with customers. Contract assets and liabilities may arise as a result of the assessment of performance obligations. Contract modifications and contractual claims to existing performance obligations are considered when measuring the revenue over time. The status of contracts is updated on a regular basis. In doing so, management are required to exercise significant judgement when recognising the revenue over time which involves assessing the progress made towards completing the specific performance obligation and their assessment of the valuation of contract variations and claims. Dependent on the level of judgement and estimates in each, the range on each contract can be individually significant (Construction contracts and revenue accounting policy note on pages 19 and 20). In addition, changes in these judgements, and the related estimates as contracts progress, can result in material adjustments to revenue and margin, which can be both positive and negative. The significance of revenue and the possible impact of changes to revenue recognition together with the significant judgement and estimates involved when recognising contract revenue has resulted in this area being regarded as a matter of most significance to the current year audit of the consolidated financial statements. Refer to the significant judgements and critical accounting estimates (D), accounting policies note on pages 19 to 20 and notes 8 and 16 to the consolidated financial statements for relevant disclosures applicable to this matter.	Our procedures included amongst others: • We evaluated and tested the operating effectiveness of the relevant internal and automated IT system controls over the accuracy and timing of revenue recognised in the consolidated financial statements. • For a sample of contracts, we performed the following procedures: – Construction contracts were assessed against the revenue recognition criteria of IFRS 15 focusing on contract classification, allocation of income and cost to performance obligations and timing of transfer of control. Where a contract contained multiple elements, management's judgements were considered as to whether they comprised performance obligations that should be recognised separately, and, in such cases, the judgements made in the allocation of the consideration to each performance obligation were assessed against the contract obligations. – Obtained an understanding of the performance and status of the contracts through enquiries with management and contract directors with oversight over the various contracts. – Tested the contract status through the examination of externally generated evidence, such as approved variations and customer correspondence. – Analysed, through inspection of contract documentation, the estimates for total forecast revenue and costs to complete in order to perform a reasonability test of the estimate made by management of the progress made towards completion of the performance obligation. This included taking into account the historical accuracy of such estimates. – In assessing management's estimate of progress, independently calculated an estimate of the progress made towards completion of the performance obligation based on the input method and compared it to the survey of work performed which was used to quantify the contract assets and contract liabilities recognised on the output method. – Agreed the recognised construction revenue amounts to the externally approved and signed off revenue certificates. – Critically assessed management's recognised provisions for loss-making contracts to determine whether these appropriately reflect the expected contractual positions. Refer to audit procedures described under "Recognition and measurement of onerous contracts" below. – Tested the recoverability of contract assets and the related receivables. • We assessed the adequacy of the disclosure made in the financial statements with reference to the disclosure requirements of IFRS 15.

Key audit matter	How our audit addressed the key audit matter
Impairment assessment of goodwill	
IAS 36: *Impairment of Assets* ('IAS 36') requires management to carry out an annual impairment test on recognised goodwill. The assessment, based on value in use calculations, is complex and requires significant management judgement and estimates which includes assumptions regarding the estimated cash flows and future profitability for the related businesses against which appropriate long-term growth rates and discount rates must be applied. The significance of the balance, together with the significant judgement and estimates involved when testing for the impairment of goodwill has resulted in this area being regarded as a matter of most significance to the current year audit of the consolidated financial statements. Refer to the significant judgements and critical accounting estimates (A), accounting policies note on page 17 and note 4 to the consolidated financial statements for selected disclosures applicable to this matter.	Our procedures included, amongst others: • We obtained management's value in use calculations to determine the recoverable amount of each cash-generating unit to which goodwill is allocated, evaluated the appropriateness of the models used against the requirements of IAS 36 and industry standards and tested the arithmetical accuracy of the models and related calculations. • We challenged the assumptions underpinning the models, including the discount rates used, long-term growth rates and cash flow forecasts. This was achieved through: – Enquiries with management; – Assessment of the reasonableness of forecast future cash flows by comparison to historical performance and future outlook; – Assessment of the reasonability of the discount rates by comparison against relevant market information. This was achieved by making use of our internal valuations expert; and – Compared prior year forecasts against current year actual results in order to assess management's ability to prepare credible forecasts. • We also assessed whether the significant assumptions have been determined and applied consistently year on year and across the Group. • We assessed the adequacy of the disclosure made in the financial statements with reference to the disclosure requirements of IAS 36.
Completeness and adequacy of closed contract- and other provisions	
The Group has recognised claims and construction related provisions that have arisen, or that may arise based on prior experience, after the completion of certain contracts, as well as in relation to other matters of litigation, including current legal disputes. Provisions are recognised in terms of IAS 37: *Provisions, Contingent Liabilities and Contingent Assets* ('IAS 37'). The determination and valuation of provisions is judgemental by its nature and requires a high degree of estimation and judgement by contract directors and management. The significant judgement involved when estimating the amount and timing of the provision has resulted in this area being regarded as a matter of most significance to the current year audit of the consolidated financial statements. Refer to the significant judgements and critical accounting estimates (B), accounting policies note on page 19 and note 15 to the consolidated financial statements for selected disclosures applicable to this matter.	Our procedures included, amongst others: • We enquired from contract directors and management and inspected board minutes for actual and potential claims which arose during the year in order to assess completeness. • For a sample of closed contract- and other provisions recognised, we tested the calculation of the provision for mathematical accuracy and assessed reasonability through input testing. • In respect of open matters of litigation, we had discussions with the Group's internal legal council, obtained confirmations from the Group's external legal advisors and inspected correspondence in respect of these matters. • We assessed each provision against the recognition and measurement requirements of IAS 37. • We assessed the adequacy of the disclosure made in the financial statements with reference to the disclosure requirements of IAS 37.

Key audit matter	How our audit addressed the key audit matter
Recognition and measurement of onerous contracts	
The Group recognised material provisions in respect of onerous contracts relating to projects in Australia. The provisions were recognised in line with the requirements of IAS 37: *Provisions, Contingent Liabilities and Contingent Assets* ('IAS 37'). Management continued to assess the progress of the projects in order to reach practical completion. The significant judgement involved when estimating the expected losses in order to reach practical completion, has resulted in this area being regarded as a matter of most significance to the current year audit of the consolidated financial statements. Refer to the significant judgements and critical accounting estimates (C), accounting policies note on page 19 and note 15 to the consolidated financial statements for selected disclosures applicable to this matter.	Our procedures included amongst others: • Group audit instructions, addressing the significant audit areas in general, as well as specific information required to be reported on to the Group audit team relating to onerous contracts, was issued to the component auditor. We held various planning, execution and completion meetings and discussions with the component auditor and senior management throughout the engagement. • We assessed the competence, knowledge and experience of the component audit team and assessed the adequacy of the work performed in respect of the onerous contracts. The following procedures, amongst others, were performed by the component auditor: • Reviewed management's Position Paper on the loss-making projects and challenged the assumptions applied by management to agree the accuracy and completeness of the provision recognised. This involved the following: – The robustness of management's forecasts and budgeted cost to complete; – Current status of legal activity in relation to the contracts; – Recalculation of the adjusted forecast loss to agree the clerical accuracy of management's assessment; and – Assessment of revenue and cost adjustments included in the forecast loss position. • We assessed the adequacy of the disclosure made in the financial statements with reference to the disclosure requirements of IAS 37.

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the information included in the document titled "Wilson Bayly Holmes-Ovcon Limited consolidated financial statements for the year ended 30 June 2021", in the document titled "Wilson Bayly Holmes-Ovcon Limited Separate Financial Statements for the year ended 30 June 2021", which includes the Directors' Report, the Statement of Compliance by the Audit Committee and the Statement of Compliance by the Company Secretary as required by the Companies Act of South Africa, which we obtained prior to the date of this report, and the Integrated Annual Report, which is expected to be made available to us after that date. The other information does not include the consolidated or the separate financial statements and our auditor's reports thereon.

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

In connection with our audit of the consolidated 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 financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, 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 FINANCIAL STATEMENTS

The directors are responsible for the preparation and fair presentation of the consolidated 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the group'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 or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated 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 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 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 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 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 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 to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated 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 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 BDO South Africa Incorporated has been the auditor of Wilson Bayly Holmes-Ovcon Limited for 35 years.

BDO South Africa Inc.

BDO South Africa Incorporated
Registered Auditors
J Schoeman
Director
Registered Auditor

3 September 2021

Wanderers Office Park
52 Corlett Drive
Illovo
2196

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

at 30 June 2021

	Note	Audited 2021 R'000	Audited 2020 R'000
ASSETS			
Non-current assets			
Property, plant and equipment	2	1 763 539	2 054 254
Right-of-use assets	3	320 638	406 690
Goodwill	4	1 005 631	1 085 894
Equity-accounted investees	5	885 410	1 105 159
Long-term receivables	6	265 023	283 598
Deferred tax	12	797 094	733 583
Total		5 037 335	5 669 178
Current assets			
Inventories	7	405 600	364 992
Contract assets	8	1 054 546	864 638
Trade and other receivables	9	6 162 925	6 212 471
Current tax assets		102 817	199 549
Cash and cash equivalents		5 680 717	7 599 344
Total		13 406 605	15 240 994
Non-current asset held-for-sale	10	31 200	–
Total assets		18 475 140	20 910 172
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital		28 565	28 565
Reserves		252 125	618 998
Retained income		5 248 089	5 028 883
Shareholders' equity		5 528 779	5 676 447
Non-controlling interests	13	96 456	205 173
Total		5 625 235	5 881 620
Non-current liabilities			
Lease liabilities	3	273 797	352 336
Long-term liabilities	11	252 115	305 984
Deferred tax	12	29 447	27 979
Total		555 359	686 299
Current liabilities			
Contract liabilities	8	2 490 026	2 998 037
Trade and other payables	14	7 505 691	8 912 917
Provisions	15	2 281 192	2 368 563
Current tax liabilities		17 637	62 736
Total		12 294 546	14 342 253
Total equity and liabilities		18 475 140	20 910 172

CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE AND OTHER COMPREHENSIVE INCOME

for the year ended 30 June 2021

	Note	Audited 2021 R'000	Audited 2020 R'000
Revenue	16	38 331 413	43 080 295
Operating expenses		(36 641 026)	(42 266 264)
Administrative expenses		(1 273 652)	(1 433 825)
Other income		40 396	34 467
Operating profit/(loss)	17	457 131	(585 327)
Share of profits and losses from equity-accounted investees, net of tax	5	101 572	109 284
Deemed loss on disposal of equity-accounted investee	30	(8 350)	–
Finance income	18	110 874	200 864
Finance costs	18	(37 347)	(35 013)
Profit/(loss) before tax		623 880	(310 192)
Income tax expense	19	(273 330)	(197 921)
Profit/(loss) for the year		350 550	(508 113)
Other comprehensive income			
Items that may be or have been reclassified to profit or loss:			
Translation of foreign operations		(309 241)	269 266
Translation of foreign operations reclassified to profit or loss on derecognition		–	14 250
Translation of net investment in a foreign operation		(80 372)	178 549
Tax effect of above item		22 504	(49 994)
Share of other comprehensive income from equity-accounted investees, net of tax	5	(46 994)	55 476
Other comprehensive (loss)/income		(414 103)	467 547
Total other comprehensive loss for the year		(63 553)	(40 566)
Profit/(loss) from operations attributable to:			
Equity shareholders of Wilson Bayly Holmes-Ovcon Limited (WBHO)		315 996	(497 827)
Non-controlling interests		34 554	(10 286)
		350 550	(508 113)
Total comprehensive (loss)/income attributable to:			
Equity shareholders of WBHO		(71 763)	(53 860)
Non-controlling interests		8 210	13 294
		(63 553)	(40 566)
Earnings/(loss) per share (cents)	21		
Basic earnings/(loss) per share		594,2	(936,6)
Diluted earnings/(loss) per share		594,0	(936,4)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the year ended 30 June 2021

	Number of ordinary shares issued	Number of shares held by share trusts	Number of shares issued to the public	Share capital R'000	Foreign currency translation reserve R'000	Equity-settled share-based payments reserve R'000	Retained earnings R'000	Shareholders' equity R'000	Non-controlling interests (NCI) R'000	Total equity R'000
Balance at 1 July 2019	59 890 514	6 719 494	53 171 020	28 565	160 571	(18 776)	5 701 825	5 872 186	261 645	6 133 831
Vesting of treasury shares with participants	–	(10 000)	10 000	–	–	–	–	–	–	–
Adoption of IFRS 16, net of tax	–	–	–	–	–	–	3 846	3 846	662	4 508
Total comprehensive loss for the year					443 967		(497 827)	(53 860)	13 294	(40 566)
Loss for the year	–	–	–	–	–	–	(497 827)	(497 827)	(10 286)	(508 113)
Other comprehensive income for the year	–	–	–	–	443 967	–	–	443 967	23 580	467 547
Dividend paid	–	–	–	–	–	–	(109 072)	(109 072)	(7 875)	(116 947)
Share-based payment expense	–	–	–	–	–	43 986	–	43 986	–	43 986
Share-based payment settlement	–	–	–	–	–	(10 750)	–	(10 750)	–	(10 750)
Acquisition of NCI without a change in control	–	–	–	–	–	–	(69 889)	(69 889)	(62 553)	(132 442)
Balance at 30 June 2020	59 890 514	6 709 494	53 181 020	28 565	604 538	14 460	5 028 883	5 676 447	205 173	5 881 620
Vesting of treasury shares with participants	–	(15 897)	15 897	–	–	–	–	–	–	–
Total comprehensive income for the year	–	–	–	–	(387 759)	–	315 996	(71 763)	8 210	(63 553)
Profit for the year	–	–	–	–	–	–	315 996	315 996	34 554	350 550
Other comprehensive loss for the year	–	–	–	–	(387 759)	–	–	(387 759)	(26 344)	(414 103)
Dividend paid	–	–	–	–	–	–	–	–	(17 277)	(17 277)
Share-based payment expense	–	–	–	–	–	40 192	–	40 192	–	40 192
Share-based payment settlement	–	–	–	–	–	(19 306)	–	(19 306)	–	(19 306)
Derecognition of NCI	–	–	–	–	–	–	–	–	(8 176)	(8 176)
Acquisition of NCI without a change in control (note 13)	–	–	–	–	–	–	(96 790)	(96 790)	(91 472)	(188 262)
Balance at 30 June 2021	**59 890 514**	**6 693 597**	**53 196 917**	**28 565**	**216 779**	**35 346**	**5 248 089**	**5 528 779**	**96 456**	**5 625 235**
Authorised share capital										
– ordinary shares of 1 cent each	**100 000 000**									
– redeemable preference shares of 5 cents each	**20 000 000**									

There were no changes to the authorised share capital during the current or prior reporting periods.

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 30 June 2021

	Notes	Audited 2021 R'000	Audited 2020 R'000
Cash flows from operating activities			
Operating profit/(loss) before working capital requirements		774 834	(283 018)
Working capital changes		(1 933 637)	1 073 418
Cash (utilised in)/generated from operating activities	29.1	(1 158 803)	790 400
Dividends received		132 303	72 606
Finance income		91 681	181 814
Finance costs		(26 033)	(5 895)
Income tax paid	29.2	(281 059)	(171 438)
Dividends paid		–	(113 707)
Cash (utilised in)/retained from operating activities		(1 241 911)	753 780
Cash flows from investing activities			
Advance of long-term receivables		(1 263)	(25 070)
Receipts from repayment of long-term receivables		76 455	57 148
Acquisition of subsidiary, net of cash		3 723	–
Additional investment in equity-accounted investees		(1 456)	(24 292)
Loans advanced to equity-accounted investees		(119 685)	(279 197)
Loans repaid by equity-accounted investees		266 252	516 420
Proceeds on disposal of property, plant and equipment		89 173	30 247
Acquisition of property, plant and equipment		(94 923)	(137 044)
Cash flows from investing activities		218 276	138 212
Cash flows from financing activities			
Bank loans received		–	103 357
Repayment of bank loans	29.5	(350)	–
Acquisition of NCI without a change in control		(185 717)	(133 033)
Purchase of shares for equity-settled incentives		(20 256)	(11 422)
Payments of lease liabilities	29.3	(82 492)	(84 786)
Payments of instalment sale agreements	29.4	(75 490)	(104 594)
Cash flows from financing activities		(364 305)	(230 478)
Net (decrease)/increase in cash and cash equivalents		(1 387 940)	661 514
Foreign currency translation effect on cash balances		(530 687)	985 845
Cash and cash equivalents at the beginning of the year		7 599 344	5 951 985
Cash and cash equivalents at the end of the year		5 680 717	7 599 344

SIGNIFICANT ACCOUNTING POLICIES

for the year ended 30 June 2021

REPORTING ENTITY

Wilson Bayly Holmes-Ovcon Limited (the Company) is a company domiciled in South Africa. The address of the Company is 53 Andries Street, Wynberg, Sandton, 2090. The consolidated financial statements of the Company as at and for the period ended 30 June 2021 comprise the Company and its subsidiaries (together referred to as the Group). The Group is principally engaged in civil engineering and building construction activities in Africa, Australia and the United Kingdom as well as owning a number of subsidiary companies and participating in joint arrangements engaged in similar activities both locally and internationally.

STATEMENT OF COMPLIANCE

The consolidated financial statements (financial statements) are prepared in accordance with International Financial Reporting Standards (IFRS) and comply with the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, the JSE Listings Requirements and the requirements of the Companies Act of South Africa.

BASIS OF PREPARATION

The financial statements have been prepared on the historical cost basis. The expenses recognised in operating and administrative costs in profit or loss are classified based on their function within the Group. The accounting policies adopted have been consistently applied throughout the Group to all the periods presented. The financial statements have been prepared on the going concern basis.

The financial statements are presented in South African Rands, which is the functional currency of the holding company of the Group. The Company separate financial statements are available at the Company's registered address.

SIGNIFICANT JUDGEMENTS AND CRITICAL ACCOUNTING ESTIMATES

In preparing the financial statements, management is required to make estimates and assumptions that affect the application of the Group's accounting policies and recognised amounts of assets, liabilities, income and expenses. Judgements and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. Significant judgements and estimates include:

A) IMPAIRMENT OF GOODWILL
Estimates are made in determining the recoverable amounts of cash-generating units (CGUs), based on the greater of value-in-use and fair value less costs to sell calculations. The estimates used have been disclosed in note 4.

B) PROVISIONS
Estimates are made of the expected cash outflow taking into account that the exact amount and timing of the outflow is uncertain. These have been disclosed in note 15.

C) ONEROUS CONTRACT PROVISION
The Group has made provision for the unavoidable costs of meeting its obligations in respect of a contract in Australia, to the extent that such costs exceed the economic benefits expected to be received.

The outcome of pending and future legal, judicial, regulatory and commercial-in-confidence negotiations cannot be predicted with certainty. An adverse outcome of any of these variables could result in additional costs not being recovered, either wholly or partially, under the existing provision. Similarly, if outcomes are more positive, the existing provision disclosed in note 15 may be reduced or derecognised.

D) REVENUE RECOGNITION: DETERMINING THE TRANSACTION PRICE OF CONSTRUCTION CONTRACTS
When determining the transaction price of a contract, management is required to make estimates of the value of unapproved variations and claims as well as the probability that they will not be reversed. Estimates in respect of unapproved variations and contractual claims are determined by applying the contractual rates agreed between the parties to the time taken, activities performed and materials supplied in performing the obligations that relate to such variation orders and contractual claims. Management assesses the probability that any revenue associated with unapproved variations and contractual claims will not be reversed in accordance with the Group's rights under the contract, correspondence between the parties and the progress of any negotiations or dispute resolution processes implemented between the parties. The accounting policy relating to construction contracts is on pages 19 and 20. Revenue is disclosed in note 16.

E) FAIR VALUE
The Group is required to measure fair value for both financial and non-financial assets and liabilities and when recognising identifiable assets and liabilities under business combinations. Assumptions and estimates are required when determining the inputs to be used in the various valuation methods used. Business combinations concluded during the periods under review are disclosed in note 30.

F) EXPECTED CREDIT LOSS
The Group utilises statistical modelling when calculating probabilities of default and loss-given ratios. These, together with forward-looking macro-economic factors, are applied when determining expected credit losses. Estimates and assumptions are required when determining certain inputs to be used in the model as well as the future impact of forward-looking macro-economic factors on receivables balances. Details of these assumptions and estimates are disclosed in note 25.

G) LEASES
Judgement is applied in determining the lease term for lease contracts in which the Group is a lessee, including whether the Group is reasonably certain to exercise renewal or termination options. Refer to note 3.

BASIS OF CONSOLIDATION

BUSINESS COMBINATIONS

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether a particular set of activities and assets is a business, the Group assesses at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs. The Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The consideration transferred in the acquisition is measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised immediately in profit or loss. Transaction costs are expensed in profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition and remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

If the initial accounting for the business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

SUBSIDIARIES

Subsidiaries are entities controlled by the Group. The Group obtains control of a subsidiary when it becomes exposed to, or gains rights to, variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the subsidiary is classified as held-for-sale or the date on which control ceases. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the Group's accounting policies.

NON-CONTROLLING INTERESTS

Any non-controlling interest in a subsidiary is initially recognised at the non-controlling interest's proportionate share of the subsidiary's net assets at the date of acquisition. Thereafter the carrying amount of non-controlling interest includes any subsequent changes in the subsidiary's equity. Total comprehensive income is attributed to non-controlling interest even if this results in the non-controlling interest having a deficit balance.

CHANGES IN SHAREHOLDING

Changes in shareholding that do not result in a loss of control are accounted for as equity transactions. The non-controlling interest is adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between this amount and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the parent.

JOINT OPERATIONS

Joint operations are arrangements where the parties have joint control of the assets as well as the obligations in respect of liabilities as they pertain to the arrangement. The financial and operating decisions in respect of joint operations require the unanimous consent of all the parties. The Group, as a joint operator, recognises in relation to its interest in a joint operation:

- its assets, including its share of any assets held jointly;
- its liabilities, including its share of any liabilities incurred jointly;
- its share of the revenue from the sale of the output by the joint operation; and
- its expenses, including its share of any expenses incurred jointly.

EQUITY-ACCOUNTED INVESTEES

The Group's interests in equity-accounted investees comprise interests in associates and joint ventures.

An associate is an entity over which the Group has the ability to exercise significant influence. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in associates and joint ventures are accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the financial statements include the Group's share of the profit or loss and other comprehensive income of equity-accounted investees, up until the date on which significant influence or joint control ceases.

TRANSACTIONS ELIMINATED ON CONSOLIDATION

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

PROPERTY, PLANT AND EQUIPMENT

MEASUREMENT

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

SUBSEQUENT COSTS

Subsequent costs are capitalised only when it is probable that the future economic benefits associated with the item will flow to the Group and these costs can be measured reliably.

DEPRECIATION

Items of property, plant and equipment are depreciated to their estimated residual values over their expected useful lives. Depreciation is recognised in profit or loss, unless it is capitalised to the cost of another asset. Land is not depreciated. The depreciation methods, estimated useful lives and residual values are reviewed at each reporting date and adjusted if appropriate. The depreciation methods and useful lives are set out in note 2.

DERECOGNITION

Gains and losses on disposal of property, plant and equipment are determined by deducting the carrying amount from the proceeds and are recognised in profit or loss.

LEASES

At inception of the contract, the Group assesses whether a contract is, or contains, a lease. 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.

AS LESSEE

The Group recognises a right-of-use asset and the corresponding lease liability at the commencement date of the lease. The recognition exemptions for leases of low value assets and short-term leases have been applied whereby the lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property, the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The lease liability is initially measured at the present value of the contractual lease payments due to the lessor over the lease term, discounted using the rate implicit in the lease, or if this rate cannot be readily determined, using the incremental borrowing rate of the Group. Generally, the Group uses its incremental borrowing rate as the discount rate, obtained from various external financing sources, which is specific to each geographical region.

Lease payments consist of:

- fixed lease payments less any lease incentives;
- variable lease payments, that depend on an index or a rate, initially measured using the index or rate as at the commencement date; and
- penalties for terminating a lease agreement, if the Group is reasonably certain to exercise termination options.

The lease term is determined as the non-cancellable period of a lease, which includes optional periods where the Group is reasonably certain to exercise lease extensions or reasonably certain not to exercise termination options.

Subsequently, the lease liability is measured at amortised cost using the effective interest method. A lease liability is remeasured when:

- there is a change in the lease term;
- there is a change in the Group's assessment of whether it will exercise an extension or termination option;
- the future lease payments change due to a change in an index or rate used to determine the lease payments; or
- a lease contract is modified and the lease modification is not accounted for as a separate lease.

When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset or is recognised in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

A right-of-use asset is initially measured at cost, comprising the initial measurement of the lease liability, adjusted for any lease payments made at, or before the commencement date, plus any initial direct costs incurred and less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of their estimated useful life and the lease term. In addition, right-of-use assets are subject to impairment, and adjusted for certain remeasurements of the lease liability.

The Group presents right-of-use assets and the non-current portion of lease liabilities as separate line items in the statement of financial position. The current portion of lease liabilities is included in trade and other payables.

AS LESSOR

The Group has entered into a lease agreement as a lessor with respect to a property sub-lease.

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset.

Amounts due from lessees under finance leases are recognised as a lease receivable. The non-current and current portions of the lease receivable are included in long-term receivables and trade and other receivables respectively. The Group applies the derecognition and impairment requirements in IFRS 9 to the lease receivable.

INSTALMENT SALE AGREEMENTS

Assets acquired through instalment sale agreements, where the risks and rewards of ownership are transferred to the Group at the end of the agreement, are capitalised as property, plant and equipment. These assets are initially recognised at cost and depreciated over their useful lives. The capital portion of the instalment sale agreements are included as part of long-term liabilities with the current portion included in trade and other payables in the statement of financial position. The finance costs are recognised in profit or loss.

GOODWILL

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree, over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirers' previously held interest in the acquiree, the excess is recognised immediately in profit or loss as a gain on bargain purchase.

Goodwill arising on the acquisition of subsidiaries is measured at cost less accumulated impairment losses. Goodwill arising on the acquisition of associates or joint ventures is included in the equity-accounted investee.

On disposal of a subsidiary, the attributable goodwill is included in the determination of the profit or loss on disposal.

FINANCIAL INSTRUMENTS

RECOGNITION AND INITIAL MEASUREMENT

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a contract or trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

CLASSIFICATION AND SUBSEQUENT MEASUREMENT

FINANCIAL ASSETS

Financial assets that meet the following conditions are classified and subsequently measured at amortised cost:

- the financial asset is held within a business model where the objective is to hold the financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

In assessing whether the contractual cash flows are solely payments of principle and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers contingent events that would change the amount or timing of cash flows and terms that may adjust the amount to be repaid.

All financial assets of the Group are classified as measured at amortised cost.

Financial assets at amortised cost are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

The “effective interest rate” is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset. In calculating interest income, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired).

FINANCIAL LIABILITIES

Financial liabilities of the Group are classified as measured at amortised cost. Financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

IMPAIRMENT OF FINANCIAL ASSETS

The Group recognises loss allowances for expected credit losses for financial assets that are measured at amortised cost.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the financial assets.

MEASUREMENT OF EXPECTED CREDIT LOSSES (ECL)

Historic ECL percentages are calculated using the probability of default (PD) and loss-given default (LGD) of financial assets. The PD and LGD represent the likelihood of the occurrence of a default and the quantum of any losses arising from that default. The Group considers a default to have occurred when a financial asset is more than 90 days past due.

The PD and LGD are derived from a statistical analysis of historical data (where available). The historic ECL is adjusted after taking into account relevant quantitative and qualitative forward-looking information. The exposure to default represents the gross carrying amount of a financial asset or portfolio of financial assets at the reporting date.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

ECLs are measured at the present value of cash shortfalls arising from a credit default event, discounted at the effective interest rate of the financial asset.

CONTRACT ASSETS, CONTRACT RECEIVABLES AND TRADE AND OTHER RECEIVABLES

The Group recognises lifetime ECLs for contract assets and trade and other receivables that reflect changes to the credit risk profile of either an individual financial asset or a portfolio of financial assets (as appropriate) at each reporting date.

The ECL is measured on a collective basis using the simplified approach.

Financial assets exhibiting similar credit risks and behaviour are grouped together as follows:

- General construction;
- Subcontractor and supply; and
- Sundry receivables.

The PD and LGD ratios are calculated from the average rate of default and actual losses incurred per category over a period of 36 months.

The Group considers a trade receivable to be credit-impaired when one or more detrimental events have occurred such as:

- Significant financial difficulty of the customer;
- Liquidation, business rescue proceedings or other forms of financial reorganisation are implemented; or
- Any other event where the likelihood of full settlement is remote.

In instances where the Group determines a receivable to be credit-impaired, the receivable is excluded from the portfolio for the purposes of calculating an ECL and a specific credit loss is recognised. A specific credit loss is recognised when a financial asset is more than 120 days past due and based on an assessment of the individual circumstances relating to the default event.

The gross carrying amount of a financial asset is written off in profit or loss when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Group expects no significant recovery from amounts written off, however, it remains the intention of the Group to recover these amounts.

LONG-TERM RECEIVABLES AND LOANS TO EQUITY-ACCOUNTED INVESTEES AND JOINT OPERATORS

The Group recognises ECLs on long-term receivables and loans to equity-accounted investees and joint operators that reflect changes to the individual credit risk profile of each financial asset at the reporting date.

The PD and LGD ratios, as well as the conversion to account for forward-looking information for these financial assets, are determined using models that take into account payment history, security held, underlying financial information where available, external credit ratings (if applicable), forward-looking macro-economic indicators and the industry and country in which the counterparty operates.

DERECOGNITION

Financial assets or a portion thereof are derecognised when the Group`s rights to the cash flows expire, when the Group transfers all the risks and rewards related to the financial asset or when the Group loses control of the financial asset.

Financial liabilities or a portion thereof are derecognised when the obligations specified in the contract are discharged, cancelled or expire. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

INVENTORIES

Inventories are measured at the lower of cost or net realisable value. The cost of materials on site, raw materials and consumable stores is determined using the weighted-average basis. Costs for developed properties are assigned by specific identification and includes the cost of acquisition, the cost of conversion and all other costs that are incurred to prepare developed properties for its intended use.

IMPAIRMENT OF NON-FINANCIAL ASSETS

At each reporting date, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication of impairment. If any such indication exists, then the asset’s recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset’s carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

PROVISIONS

Provisions are measured by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the liability. The unwinding of the discount is recognised as finance costs in profit or loss.

ONEROUS CONTRACTS

A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract.

REVENUE RECOGNITION

The Group recognises revenue from the following major sources:

- Construction contracts for the construction of buildings, roads and other infrastructure;
- Supply of construction materials including asphalt, bitumen and long-steel products; and
- Sale of properties.

Revenue comprises the consideration received or receivable on contracts entered into with customers in the ordinary course of the Group’s activities and is shown net of amounts collected on behalf of third parties. The amount of revenue recognised is the value of the transaction price allocated to each completed or partially completed performance obligation depicting the consideration the entity is entitled to, in exchange for transferring the goods and services promised within the contract to the customer.

The Group has not entered into any contracts where the period between the transfer of the goods or services to the customer and payment by the customer exceeds one year. Therefore, no significant element of financing is present and no adjustment for the time value of money is made to the Group’s transaction prices.

The operating cycle relating to construction assets and construction liabilities is considered to be greater than 12 months. As these assets and liabilities are continually recycled through working capital (thereby distinguishing them from the assets and liabilities utilised in the long-term operations of the Group), they are accordingly classified as current assets and liabilities.

CONSTRUCTION CONTRACTS
The Group provides construction services embodying single performance obligations under long-term contracts with customers. Revenue is recognised over a period of time where the customer controls the work-in-progress as the asset is constructed, or where the asset being constructed has no alternative use and the Group has an enforceable right to payment for work done to date.

Contract modifications and contractual claims, representing variable revenue, are common within the construction industry. The transaction price is adjusted for approved variations and claims in full. The transaction price for unapproved variations and claims is adjusted only to the extent it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur, at the time when the uncertainty associated to the variability is resolved.

Construction contracts regularly contain penalty provisions for late completion. The transaction price is adjusted for penalties on a contract-by-contract basis, only where it is highly probable that penalties will be implemented.

The output method, incorporating surveys of work performed, is applied to measure performance based on the value of goods and services delivered relative to those undelivered. This method best represents the fair value of the construction works performed and the transfer of control of the goods and services to the customer.

Revenue recognised in accordance with the measure of performance is not necessarily aligned with the payment terms of the contract. Payment terms vary between 30 and 60 days from the date on which the measure of work performed is agreed and certified, but can extend to 90 days under certain contracts. In limited circumstances, the Group may agree to milestone payments under a contract, whereby payment becomes due only on completion of a specified portion of the works to be delivered. In these instances, the duration between milestones is not expected to be greater than 60 days. Project durations are generally between 12 and 18 months but can extend to between 24 and 36 months on larger projects. On contracts requiring substantial mobilisation or with a significant material component, advance payments are often agreed upon. Retention monies are often withheld from payment until the performance obligations have been substantially completed.

Where performance under the contract exceeds the payment received to date, a contract asset is recognised. Uncertified work, retentions, unapproved variation orders and the Group's assessment of the outcome of contractual claims are recognised as contract assets. Contract assets and construction contract revenue are recognised as a trade receivable once the contractual right to consideration is unconditional, subject only to the passage of time. Where payment is received in respect of construction work yet to be performed, the revenue attributed thereto is not recognised but accounted for as a contract liability. Advance payments are also included in contract liabilities. Contract liabilities are released to revenue as and when the associated performance obligations are satisfied.

SALE OF CONSTRUCTION MATERIALS
The Group recognises revenue at a point in time, being when the customer takes possession of the goods, usually on delivery or collection thereof. Invoices are generated and revenue is recognised at that point in time. Invoices are usually payable within 30 days.

SALE OF PROPERTIES
Revenue from property sales is recognised at a point in time once legal ownership of the property has transferred to the customer. Payment is due immediately at that point in time.

FOREIGN CURRENCY

FOREIGN OPERATIONS
The assets and liabilities of foreign operations are translated into the functional currency at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into the functional currency at the exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income and accumulated in the foreign currency translation reserve, except to the extent that the translation difference is allocated to non-controlling interest.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to NCI. When the Group disposes of only part of an equity-accounted investee or joint operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

FOREIGN CURRENCY TRANSACTIONS
Foreign currency transactions are translated into the functional currency using the exchange rates at the transaction dates.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

Foreign currency differences are recognised in profit or loss.

INCOME TAX

Income tax for the period comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination or items directly recognised in equity or in other comprehensive income.

CURRENT TAX
Current tax comprises the expected tax payable on the taxable income for the year using substantively enacted tax rates and includes any adjustments to tax payable in respect of prior years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. Current tax also includes any tax arising from foreign dividends. Current tax assets and liabilities are offset only when certain criteria are met.

DEFERRED TAX
Deferred tax is recognised in respect of temporary differences between the carrying amounts for financial reporting purposes and the tax base used for tax purposes.

Deferred tax is not recognised on temporary differences relating to:

- taxable temporary differences arising on the initial recognition of goodwill; and
- temporary differences relating to investments in subsidiaries and joint arrangements to the extent they will probably not reverse in the foreseeable future.

A deferred tax asset is recognised to the extent that it is probable that future taxable income will be generated against which any available tax losses and deductible temporary differences can be utilised. Future taxable profits are generated from future trading activities and the reversal of relevant taxable temporary differences.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised. Such reductions are reversed when the probability of future taxable profits improves. Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date, and reflects uncertainty related to income taxes, if any.

The deferred tax asset on the face of the Statement of Financial Position represents a consolidation of the net deferred tax assets within various statutory entities within the Group and the deferred tax liability on the face of the Statement of Financial Position represents a consolidation of the net deferred tax liabilities within various statutory entities within the Group. Where the deferred tax balance changes from a net asset to a net liability or vice versa within a specific statutory entity, it is thus necessary to transfer the balance from one net carrying amount to the other. Deferred tax assets and liabilities are offset only if certain criteria are met.

EMPLOYEE BENEFITS

SHORT-TERM EMPLOYEE BENEFITS
Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present or legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

DEFINED CONTRIBUTION BENEFITS
The Group's legal or constructive obligation under defined contribution plans is limited to the amount contributed to the fund. Consequently the risk that assets invested will be insufficient to meet the expected benefits is borne by the employees.

Contributions to a defined contribution plan in respect of the services rendered in a particular period are recognised as an expense in profit or loss in that period.

EQUITY-SETTLED SHARE-BASED PAYMENT ARRANGEMENTS
In terms of the WBHO Share Plan, approved by shareholders, the Group has the right to determine how the vesting will be settled and is its practice to settle vested allocations by issue of shares. The fair value of equity-settled share-based payment arrangements granted to employees is recognised as an expense with a corresponding increase in equity over the vesting period of the awards. The fair value is measured at grant date, taking into account the structure of the grant, and expensed over the period during which the employees are required to provide services in order to become unconditionally entitled to the equity instruments, allowing for an estimate of the number of shares that will eventually vest. The fair value of the instruments granted is measured using generally accepted valuation techniques, taking into account the terms and conditions upon which the instruments are granted. Where an employee resigns from the scheme, the estimated share-based payment expense is adjusted such that on a cumulative basis, no expense is recognised in respect of that employee.

SHARE CAPITAL

ORDINARY SHARES
Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity.

TREASURY SHARES
When shares recognised as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs, is recognised as a deduction from equity. Repurchased shares are classified as treasury shares and are disclosed in the share capital reserve.

When treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in equity and the resulting surplus or deficit on the transaction is presented in the equity-settled share-based payments reserve.

1. STANDARDS AND INTERPRETATIONS

The Group has applied the following standards for the first time in the current reporting period:

Standard	Effective date for annual periods commencing on or after:	Description
Definition of material amendments to IAS 1 and IAS 8	1 January 2020	The IASB issued amendments to IAS 1 Presentation of Financial Statements and IAS 8 to align the definition of "material" across the standards and to clarify certain aspects of the definition. The new definition states that, information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity. The amendments clarify that materiality will depend on the nature or magnitude of information or both. An entity will need to assess whether the information, either individually or in combination with other information, is material in the context of the financial statements. These amendments have not had a significant impact on the entity's financial statements.
The conceptual framework for financial reporting	1 January 2020	The IASB issued the Conceptual Framework in March 2018. It sets out a comprehensive set of concepts for financial reporting, standard setting, guidance for preparers in developing consistent accounting policies and assistance to others in their efforts to understand and interpret the standards. The Conceptual Framework includes some new concepts, provides updated definitions and recognition criterial for assets and liabilities and clarifies some important concepts. No impact as the Group applies the standards throughout a set of financial statements and does not revert to the framework
Business combinations amendments to IFRS 3	1 January 2020	Definition of a business: The IASB amended the definition of a business to assist preparers in determining whether an acquired set of activities and assets is a business or not. This amendment: • clarifies that a minimum requirement for a business includes inputs and a substantive process that together significantly contribute to create outputs; • narrows the definition of a business and outputs by placing emphasis on goods and services provided to customers and removing the reference to an ability to reduce costs; and • adds an optional concentration test that permits a simplified assessment of whether an asset or a Group of similar assets is not a business. The impact has been disclosed in note (note 30).

NEW AND REVISED IFRS IN ISSUE BUT NOT YET EFFECTIVE

At the date of authorisation of these financial statements there are a number of new standards, amendments and interpretations which will only be effective after 30 June 2021 and have not been early adopted by the Group. The following standards and amendments are significant to the Group:

Standard	Effective date for annual periods commencing on or after:	Description
Business combinations amendments to IFRS 3	1 January 2022	Reference to the conceptual framework: The amendment: • updates a reference in IFRS 3 to the conceptual framework; • adds a requirement that transactions and other events within the scope of IAS 37 must be accounted for per IAS 37 (instead of the Conceptual Framework) to identify the liabilities assumed in a business combination; and • adds an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination. This amendment will only be applicable if there is a business combination in the reporting period in which it becomes effective and for subsequent reporting periods.
Provisions, Contingent Liabilities and Contingent Assets Amendments to IAS 37	1 January 2022	The IASB issued amendments relating to onerous contracts, which specifies that the 'cost of fulfilling' a contract comprises the costs that relate directly to the contract. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract or an allocation of other costs that relate directly to fulfilling contracts. We do not expect this amendment to have a material impact on the Group.
Classification of liabilities as current or non-current amendments to IAS 1	1 January 2023	The IASB issued amendments to IAS 1: *Presentation of Financial Statements* which clarifies that the classification of liabilities as current or non-current is based on whether an entity has a right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period. It further states that classification is unaffected by an entity's intention to exercise its right to defer settlement of a liability. The amendment further clarifies the definition of a settlement to be a transfer to the counterparty that results in the extinguishment of the liability. We do not expect this amendment to have a material impact on the Group.

2. PROPERTY, PLANT AND EQUIPMENT

	Land and buildings R'000	Aircraft R'000	Plant, vehicles and equipment R'000	Office and computer equipment R'000	Total R'000
Cost					
At 1 July 2020	488 002	54 298	3 660 996	233 939	4 437 235
Additions	2 626	9 016	83 714	21 349	116 705
Acquired through business combination (note 30)	–	–	46	333	379
Disposals	(1 494)	(2 100)	(264 758)	(4 300)	(272 652)
Property transferred to held-for-sale (note 10)	(36 224)	–	–	–	(36 224)
Exchange rate effects	(23 949)	–	(166 820)	(15 691)	(206 460)
At 30 June 2021	428 961	61 214	3 313 178	235 630	4 038 983
Accumulated depreciation and impairment losses					
At 1 July 2020	125 319	5 222	2 096 120	156 320	2 382 981
Depreciation	15 927	704	178 474	28 249	223 354
Acquired through business combination (note 30)	–	–	42	331	373
Disposals	(1 494)	(2 100)	(200 808)	(4 127)	(208 529)
Property transferred to held-for-sale (note 10)	(5 024)	–	–	–	(5 024)
Exchange rate effects	(10 373)	–	(96 736)	(10 602)	(117 711)
At 30 June 2021	124 355	3 826	1 977 092	170 171	2 275 444
Carrying amount at 30 June 2021	304 606	57 388	1 336 086	65 459	1 763 539
Cost					
At 1 July 2019	472 562	54 298	2 973 629	188 944	3 689 433
Additions	2 156	–	237 697	13 331	253 184
Disposals	(126)	–	(114 262)	(11 772)	(126 160)
Exchange rate effects	13 410	–	563 932	43 436	620 778
At 30 June 2020	488 002	54 298	3 660 996	233 939	4 437 235
Accumulated depreciation and impairment losses					
At 1 July 2019	124 396	5 072	1 498 116	125 140	1 752 724
Depreciation	15 849	150	210 495	23 894	250 388
Disposals	(125)	–	(101 842)	(10 208)	(112 175)
Exchange rate effects	(14 801)	–	489 351	17 494	492 044
At 30 June 2020	125 319	5 222	2 096 120	156 320	2 382 981
Carrying amount at 30 June 2020	362 683	49 076	1 564 876	77 619	2 054 254

	2021 R'000	2020 R'000
The carrying amount of land and buildings comprises:		
Land	118 548	142 411
Buildings	186 058	220 272
	304 606	362 683

The depreciation rates applied are set out below:

Aircraft	Variable based on flying hours
Buildings	50 years straight-line
Plant and vehicles	Variable based on expected production units
Equipment	3 years straight-line
Office and computer equipment	3 to 10 years straight-line

Plant, vehicles and equipment with a carrying amount of R131 million (2020: R210 million) are encumbered by instalment sale agreements (note 11).

3. LEASES

NATURE OF LEASING ACTIVITIES

The Group enters into leases in respect of buildings and vehicles. Leases for site accommodation are negotiated based on terms and conditions specific to a project and are subject to IFRS 16's recognition exemptions, either being low-value assets or short-term leases. The Group does not expect a change in the portfolio of short-term leases in future periods. Short-term and low-value lease expenses have been disclosed in note 17. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. Lease terms for vehicles are for a period of 3 years. The lease terms for buildings vary in length, and range from month to month agreements up to 15 years. Month-to-month lease agreements relate to site accommodation. The incremental borrowing rates used by the Group in the measurement of lease liabilities vary depending on the geographical regions in which the leases are entered in to and take in to account the duration of the lease and the value of the right-of-use asset. All future cash flows to which the Group is exposed have been included in the measurement of lease liabilities.

The Group has remeasured certain lease liabilities and the relating right-of-use assets, as a result of extension options being exercised which was not previously included in the determination of the lease terms as well as changes in future lease payments resulting from a market rent review. These remeasurements have been disclosed under reassessments below.

	Buildings R'000	Vehicles R'000	Total R'000
RIGHT-OF-USE ASSETS			
Cost			
Recognised at 1 July 2020	480 406	8 894	489 300
Additions	5 243	4 767	10 010
Reassessments	11 977	–	11 977
Derecognition of expired or terminated leases	(3 466)	(2 510)	(5 976)
Derecognition of a sub-lease	(5 555)	–	(5 555)
Exchange rate effects	(32 081)	(677)	(32 758)
At 30 June 2021	456 524	10 474	466 998
Accumulated depreciation			
At 1 July 2020	78 594	4 016	82 610
Depreciation	77 785	3 727	81 512
Derecognition of expired or terminated leases	(3 466)	(2 510)	(5 976)
Derecognition of a sub-lease	(2 778)	–	(2 778)
Exchange rate effects	(8 694)	(314)	(9 008)
At 30 June 2021	141 441	4 919	146 360
Carrying amount at 30 June 2021	315 083	5 555	320 638
Cost			
Recognised at 1 July 2019	401 516	5 260	406 776
Additions	10 453	2 646	13 099
Exchange rate effects	68 437	988	69 425
At 30 June 2020	480 406	8 894	489 300
Accumulated depreciation			
At 1 July 2019	–	–	–
Depreciation	72 145	3 720	75 865
Exchange rate effects	6 449	296	6 745
At 30 June 2020	78 594	4 016	82 610
Carrying amount at 30 June 2020	401 812	4 878	406 690

		2021 R'000	2020 R'000
3.	**LEASES (continued)**		
	LEASE LIABILITIES		
	Carrying amount at 1 July	430 674	421 038
	Additions	10 012	13 099
	Finance costs	14 472	15 898
	Lease payments	(96 964)	(84 786)
	Reassessments	11 974	–
	Exchange rate effects	(25 392)	65 425
	Carrying amount at 30 June	344 776	430 674
	Less: Current portion (note 14)	(70 979)	(78 338)
	Non-current portion	273 797	352 336
	Maturity analysis of lease liabilities		
	Due within one year	82 015	92 415
	Due between two and five years	246 413	283 990
	Due between six and eight years	46 252	101 550
	Due later than nine years	3 083	–
	Total undiscounted lease liabilities	377 763	477 955
	Less: Future finance costs	(32 987)	(47 281)
		344 776	430 674
4.	**GOODWILL**		
	Cost	1 173 866	1 153 231
	Goodwill impairment	(20 635)	–
	Exchange rate effects	(147 600)	(67 337)
	Carrying amount	1 005 631	1 085 894
	The carrying amount of goodwill is reconciled as follows:		
	Carrying amount at 1 July	1 085 894	921 103
	Goodwill recognised on business combination (note 30)	20 635	–
	Impairment of goodwill (note 17)	(20 635)	–
	Exchange rate effects	(80 263)	164 791
	Carrying amount at 30 June	1 005 631	1 085 894

Business segment:	Cash generating unit: (CGU)	2021 R'000	2020 R'000
Roads and earthworks	WBHO Pipelines division	70 545	70 545
Australia	Probuild Constructions (Aust) Pty Ltd	488 947	537 988
United Kingdom	WBHO-Russell	446 139	477 361
		1 005 631	1 085 894

IMPAIRMENT OF GOODWILL ASSESSMENT
The recoverable amount of each identified CGU is determined using the value in use methodology incorporating discounted cash flows.

Discount rates are pre-tax measures based upon risk-free government bonds of the same tenure as the valuation period. The rates are adjusted for risk factors inherent to the market or sector in which the CGU operates, risk factors unique to the CGU as well as the volatility of the CGU to material movement.

Cash flow projections take in to account the following for each CGU:
- current order book levels;
- the number and availability of projects in the forward-looking pipeline;
- the 12-month budget for the following reporting period; and
- the existing and future expected cost base of the CGU.

The growth rates used in the valuation of the recoverable amounts represent management's assessment of future trends relevant to each CGU taking into accounts the inputs above and using published industry data where available.

PROBUILD
The impact of Covid-19 on procurement activity in FY21 will likely result in the negative growth of 3.7% forecast for FY22, followed by improved growth in line with industry predictions thereafter as key construction markets recover.

WBHO-RUSSELL
Based on current levels of secured work, activity within WBHO-Russell is forecast to decline by 31.7% in FY22, followed by a recovery of 20% in the year thereafter. The recovery is based on an improved forward-looking pipeline of projects expected to be bid upon during the latter half of FY22, with work commencing in FY23. Growth rates in line with industry norms have been applied to the remaining forecast period.

PIPELINES
During FY19, the Group was awarded a R1 billion contract for the construction of a pipeline in KZN. In FY20 the project was suspended due to community unrest. The contract was never terminated and the Group continues to perform care and maintenance duties. Based on the latest communication from the client in respect of their ongoing negotiations with the community, it has been conservatively estimated that the project will recommence toward the end of 2022 with the bulk of the works being executed in FY23 and FY24. This will likely result in the significant spike in activity of 162% in FY23, followed by a decline of 32% in the year thereafter as this large-scale project nears completion without being fully replaced.

The table below illustrates the growth and discount rates used in determining the recoverable amounts as well as the amount by which the assumptions would need to change individually for the estimated recoverable amount to be equal to the carrying amount:

	Probuild Constructions (Aust) Pty Ltd	Russells Limited	WBHO Pipelines division
2021			
Carrying amount	488 947	446 139	70 545
Recoverable amount	1 946 259	1 347 782	177 338
Amount by which the recoverable amount exceeds the carrying amount	1 457 312	901 643	106 793
Growth rate range	(3,7%) to 6,1%	(31,1%) to 20,0%	(31,7%) to 162,6%
Average growth rate	(0,5%)	1,3%	23,9%
Terminal growth rate	(0,5%)	3,0%	3,0%
Change in growth rate resulting in recoverable amount being equal to the carrying amount	(33,3%)	(116,8%)	(34,4%)
Pre-tax discount rate	10,0%	20,4%	21,3%
Change in pre-tax discount rate resulting in recoverable amount being equal to the carrying amount	49,7%	9,9%	39,1%
2020			
Carrying amount	537 988	477 361	70 545
Recoverable amount	3 461 381	1 655 464	167 067
Amount by which the recoverable amount exceeds the carrying amount	2 923 393	1 178 103	96 522
Growth rate range	(6,6%) to 3,8%	(2%) to 7,5%	(17.2%) to 38,8%
Average growth rate	(1,3%)	3,5%	5,8%
Terminal growth rate	(1,3%)	3,0%	4,0%
Change in growth rate resulting in recoverable amount being equal to the carrying amount	(65,3%)	(7,9%)	(17,6%)
Pre-tax discount rate	10,0%	12,4%	16,5%
Change in pre-tax discount rate resulting in recoverable amount being equal to the carrying amount	59,3%	22,6%	21,0%

IMPAIRMENT OF GOODWILL
In the six month period subsequent to the acquisition date, a project on which iKusasa Rail SA (Pty) Ltd had been considered the preferred contractor did not reach financial close and was terminated. In addition, the tender on another major project on which the business had submitted a competitive bid was withdrawn. Based on these events, the ongoing uncertainty surrounding the timing of awards of future rail projects and further losses incurred by the business over the course of period and the potential impact of the emergence of a second wave of Covid-19 on the South African economy, a number of impairment indicators existed at 31 December 2021. Consequently, goodwill amounting to R20,6 million was impaired in full. iKusasa Rail SA (Pty) Ltd forms part of the Roads and earthworks segment in South Africa (note 30).

5. EQUITY-ACCOUNTED INVESTEES

	2021 R'000	2020 R'000
Investment at cost	202 074	213 885
Additional equity contributions	255 638	351 302
Loans to equity-accounted investees	151 607	244 183
Total investment	609 319	809 370
Attributable post-acquisition profits, losses and equity movements	276 091	295 789
	885 410	1 105 159
The carrying amount of equity-accounted investees is reconciled as follows:		
Carrying amount at 1 July	1 105 159	1 069 822
Additions	1 456	–
Share of profits and losses	101 572	109 284
Share of other comprehensive (loss)/income	(46 994)	55 476
Dividends received	(132 303)	(64 543)
Equity (repayments)/drawdowns	(56 813)	(168 924)
Deemed disposal of equity-accounted investee	(15 565)	–
Loans repaid	(71 162)	(4 915)
Loss allowance	50	4 341
Exchange rate effects	10	104 618
Carrying amount at 30 June	885 410	1 105 159

Equity-accounted investees include:

	Country of incorporation	Effective interest 2021 %	Effective interest 2020 %	Investments at cost 2021 R'000	Investments at cost 2020 R'000	Equity contributions and loans advanced 2021 R'000	Equity contributions and loans advanced 2020 R'000
Associates							
Dipalopalo Concession (RF) (Pty) Ltd*	South Africa	27,7	27,7	–	–	53 904	57 760
Tshala Bese Uyavuna (RF) (Pty) Ltd*	South Africa	32,5	–	325	–	1	–
Russell Homes Limited†	England	31,7	31,7	64 541	72 716	152 148	225 142
Less: Loss allowance (note 25)				–	–	(874)	(924)
				64 866	72 716	205 179	281 978
Gigajoule International (Pty) Ltd#	South Africa	26,6	26,6	31 835	31 835	–	–
Gigajoule Power (Pty) Ltd#	South Africa	13,0	13,0	7 657	7 657	106 704	106 704
Ilembe Airport Construction Services (Pty) Ltd^	South Africa	29,3	29,3	3	3	–	–
Dipalopalo FM Solutions (RF) (Pty) Ltd*	South Africa	14,6	14,6	–	–	–	–
Edwin Construction (Pty) Ltd^	South Africa	49,0	49,0	97 713	96 582	–	–
iKusasa Rail (SA) (Pty) Ltd^	South Africa	–	49,0	–	5 092	–	19 040
BPG Caulfield Village Pty Ltd†	Australia	30,0	30,0	–	–	3 234	20 012
The Glen Redevelopment Project†	Australia	20,0	20,0	–	–	59 851	131 042
Joint ventures							
Catchu Trading (Pty) Ltd†	South Africa	50,0	50,0	–	–	32 277	36 709
				202 074	213 885	407 245	595 485

The Group has significant influence over Gigajoule Power (Pty) Ltd and Dipalopalo FM Solutions (RF) (Pty) Ltd through its investments in Gigajoule International (Pty) Ltd and Dipalopalo Concession (RF) (Pty) Ltd respectively. The Group acquired 100% control of iKusasa Rail (SA) (Pty) Ltd on 1 July 2020 (note 30).

Loans to equity-accounted investees will not be repaid within the next 12 months in terms of the loan agreements and bear interest between 0% and 15% per annum. The equity contributions in respect of BPG Caulfield Village Pty Ltd and The Glen Redevelopment Project are expected to be repaid in the next 12 months.

The operations of the entities listed above comprise:
^ Construction activities
 # Power generation
** Serviced accommodation*
† Property development

	Russell Homes Limited R'000	Gigajoule International Group R'000	Edwin Construction (Pty) Ltd R'000	BPG Caulfield Village Pty Ltd R'000	The Glen Re-development Project R'000	Catchu Trading (Pty) Ltd R'000	Other R'000	Total R'000
2021								
Investment at cost	64 541	39 492	97 713	–	–	–	328	202 074
Equity contributions and loans advanced	152 148	106 704	–	3 234	59 851	32 277	53 031	407 245
	216 689	146 196	97 713	3 234	59 851	32 277	53 359	609 319
Post-acquisition gains/(losses) and movements in reserves less dividends received	10 008	206 738	(13 631)	–	38 762	22 617	11 597	276 091
Carrying amount at 30 June	226 697	352 934	84 082	3 234	98 613	54 894	64 956	885 410
Share of profits in equity-accounted investees	6 683	50 264	8 758	3 750	28 949	–	3 168	101 572
Dividends received	–	61 316	9 800	61 187	–	–	–	132 303
2020								
Investment at cost	72 716	39 492	96 582	–	–	–	5 095	213 885
Equity contributions and loans advanced	225 142	106 704	–	20 012	131 042	36 709	75 876	595 485
	297 858	146 196	96 582	20 012	131 042	36 709	80 971	809 370
Post-acquisition gains/(losses) and movements in reserves less dividends received	201	264 784	(12 589)	33 182	–	22 617	(12 406)	295 789
Carrying amount at 30 June	298 059	410 980	83 993	53 194	131 042	59 326	68 565	1 105 159
Share of profits/(losses) in equity-accounted investees	186	32 673	3 955	55 650	–	22 617	(5 797)	109 284
Dividends received	–	–	15 668	48 875	–	–	–	64 543

The summary financial information below is presented at 30 June where the reporting dates of equity-accounted investees are different to the Group. The operations of the Gigajoule Group are located in Mozambique and have a 31 December year end.

	Russell Homes Limited R'000	Gigajoule International Group R'000	Edwin Construction (Pty) Ltd R'000	BPG Caulfield Village Pty Ltd R'000	The Glen Re-development Project	Catchu Trading (Pty) Ltd R'000
2021						
Non-current assets	2 876	2 404 578	64 482	14 003	2 002	470
Current assets	254 654	1 589 306	229 520	22 255	3 902 371	130 813
Total assets	257 530	3 993 884	294 002	36 258	3 904 373	131 283
Shareholders' equity	65 034	1 199 910	163 095	35 758	321 718	80 961
Non-controlling interest	–	979 938	–	–	–	–
Non-current liabilities	152 179	1 147 372	15 920	–	–	–
Current liabilities	40 317	666 664	114 987	500	3 582 655	50 322
Total equity and liabilities	257 530	3 993 884	294 002	36 258	3 904 373	131 283
Revenue	316 098	1 102 460	281 906	723 259	3 107 001	34 457
Profit for the year	21 082	373 076	17 873	12 500	163 696	–
Other comprehensive loss	–	(181 297)	–	–	–	–
Total comprehensive income for the year	21 082	191 779	17 873	12 500	163 696	–

5. EQUITY-ACCOUNTED INVESTEES (continued)

	Russell Homes Limited R'000	Gigajoule International Group R'000	Edwin Construction (Pty) Ltd R'000	BPG Caulfield Village Pty Ltd R'000	The Glen Re-development Project	Catchu Trading (Pty) Ltd R'000
2020						
Non-current assets	1 455	3 086 986	53 636	90 434	1 844	4 109
Current assets	316 563	1 928 269	265 790	121 442	560 849	143 299
Total assets	318 018	5 015 255	319 426	211 876	562 693	147 408
Shareholders' equity	47 980	1 362 280	153 113	206 346	429 329	94 540
Non-controlling interest	–	1 467 406	–	–	–	–
Non-current liabilities	225 142	1 602 745	25 436	–	103 521	–
Current liabilities	44 896	582 824	140 877	5 530	29 843	52 868
Total equity and liabilities	318 018	5 015 255	319 426	211 876	562 693	147 408
Revenue	352 442	2 253 637	200 481	1 909 724	–	636 971
Profit for the year	587	249 997	8 012	331 473	–	27 503
Other comprehensive income	–	208 477	–	–	–	–
Total comprehensive income for the year	587	458 474	8 012	331 473	–	27 503

The aggregate summary financial information for individually immaterial equity-accounted investees is as follows:

	2021 R'000	2020 R'000
Net asset value	**60 563**	7 042
Profit/(loss) for the year	**21 682**	(624)
Total comprehensive income/(loss) for the year	**21 682**	(624)
Distributions received	**–**	–

6. LONG-TERM RECEIVABLES

	2021 R'000	2020 R'000
At amortised cost:		
Mezzanine financing arrangements[1]	**254 997**	301 345
Other long-term receivables	**573**	27 034
Loans to employees for shares[2]	**173 853**	192 157
Lease receivable[3]	**13 175**	17 471
Consideration receivable[4]	**8 755**	16 810
	451 353	554 817
Less: Loss allowance (note 25)	**(1 159)**	(1 803)
Less: Current portion (note 9)	**(185 171)**	(269 416)
	265 023	283 598

[1] *Mezzanine financing arrangements which are secured by third party guarantees, listed company shares or title to land and a personal suretyship. The loans bear interest at prime linked rates plus 1% and 2%. Repayments are variable, at terms agreed with each entity and range between May 2023 and May 2025. In the prior year, a balance which was due to be settled in the current reporting period was renegotiated to a revised final settlement date of May 2023.*

[2] *Loans to employees for shares are full recourse loans and are secured by the shares issued, bear interest at variable rates and are repayable between five and ten years (note 27).*

[3] *The lease receivable relates to a property which has been sub-let in Australia by Probuild Constructions (Aust) Pty Ltd. The corresponding lease liability relating to the head lease has been disclosed in note 3.*

[4] *Consideration receivable in respect of a share buy-back by Edwin Construction (Pty) Ltd in 2017. The consideration has been discounted at 8,35%, bears no interest and is payable in five equal annual instalments, of which one remains.*

The fair value of long-term receivables is disclosed in note 25.

	2021 R'000	2020 R'000
7. INVENTORIES		
Raw materials	**178 822**	109 618
Consumable stores and finished goods	**56 187**	78 526
Properties under development	**32 486**	41 294
Developed properties (note 11)	**138 105**	135 554
	405 600	364 992
8. CONTRACT ASSETS AND CONTRACT LIABILITIES		
Contract assets		
Carrying amount at 1 July	**864 638**	1 423 218
Amounts transferred to contract receivables	**(832 025)**	(1 279 811)
Uncertified amounts recognised from the measure of progress	**1 023 751**	728 528
Acquisition through business combinations	**847**	–
Less: Loss allowance (note 25)	**(2 665)**	(7 297)
Carrying amount at 30 June	**1 054 546**	864 638
Contract liabilities		
Carrying amount at 1 July	**2 998 037**	2 206 511
Amounts recognised as construction revenue	**(2 434 561)**	(1 973 536)
Advances from customers recognised as construction revenue	**(509 836)**	(197 062)
Excess billings arising from the measure of progress	**2 073 204**	2 481 770
Advances from customers received during the year	**363 182**	480 354
Carrying amount at 30 June	**2 490 026**	2 998 037
9. TRADE AND OTHER RECEIVABLES		
Contract receivables	**4 457 836**	4 720 686
Contract retentions	**750 232**	577 008
Trade receivables	**246 560**	297 656
Receivables due from joint operators	**277 513**	243 863
Loans advanced to joint operators	**110 044**	–
Current portion of long-term receivables (note 6)	**185 171**	269 416
	6 027 356	6 108 629
Less: Specific loss allowance (note 25)	**(61 535)**	(141 056)
Less: General loss allowance (note 25)	**(31 691)**	(26 266)
	5 934 130	5 941 307
Deposits	**37 041**	31 536
Prepayments	**95 500**	164 150
Value-added tax receivable	**96 254**	75 478
	6 162 925	6 212 471

10. NON-CURRENT ASSET HELD FOR SALE

In January 2021, the directors of the Group's Australian subsidiary, WBHO Infrastructure Pty Ltd, decided to sell the property held in the Geraldton region. On the 23rd of May 2021, a binding contract of sale was signed with an expected settlement date of September 2021. The fair value measurement was categorised as level 3 and was determined to be equal to the carrying amount of the asset (note 2). The sale is considered highly probable and the property has been disclosed in current assets as a non-current asset held for sale.

11. LONG-TERM LIABILITIES

	2021 R'000	2020 R'000
At amortised cost:		
Secured		
Instalment sale agreements *(effective interest rates between 5,0% and 10,25%)*	98 972	162 135
Bank loans *(effective interest rates between 3% and 7,5%)*	111 906	112 349
Other long-term borrowings	2 091	2 091
Unsecured		
Settlement agreement liability	116 846	128 115
	329 815	404 690
Less: Current portion (note 14)	(77 700)	(98 706)
	252 115	305 984

INSTALMENT SALE AGREEMENTS

Instalment sale agreements are for periods up to 48 months and are secured by certain plant, vehicles and equipment (note 2).

BANK LOANS

A loan agreement was entered into with Absa Bank Limited for an amount of R110 million to finance the development of a student accommodation building disclosed in note 7. The loan bears interest linked to the prime lending rate in South Africa. Security provided on the loan includes:

1. The registration of a continuing covering mortgage bond by the Group over its 50% undivided share in Erf 827, Hatfield amounting to R110 million, and an additional amount to secure interest and costs, charges and disbursements due to Absa Bank Limited should it exercise any right under the mortgage bond;
2. A cession of security by the Group of right, title and interest in and to its 50% undivided share in and to:
   - Leases and rentals in respect of the property;
   - Proceeds in respect of the sale or transfer of the property including, without limitation, any sale proceeds and expropriation proceeds; and
   - Insurance policies and proceeds in respect of the insurance claims relating to the property.

SETTLEMENT AGREEMENT LIABILITY

In 2017, the Group signed a settlement agreement with the Government of South Africa in terms of which annual amounts of R22 million are payable to the Tirisano Trust over a period of 12 years. A discount rate of 8,7% has been applied in determining the present value.

The contractual maturity of long-term liabilities is disclosed in note 25.

12. DEFERRED TAX

	2021 R'000	2020 R'000
Deferred tax assets		
The deferred tax asset balance is reconciled as follows:		
At 1 July	733 583	903 657
Recognised in profit or loss (note 19)	79 353	(331 328)
Tax effects of other comprehensive income	22 504	(49 994)
Transfer (to)/from deferred tax liability	(373)	173 868
Exchange rate effects	(37 973)	37 380
At 30 June	797 094	733 583
Comprising of:		
Construction allowances		
Future expenditure allowance	(335 829)	(254 865)
Prepayments	(4 588)	(26 884)
Advances from customers and excess billings	387 514	344 611
Construction temporary differences	(51 022)	(7 285)
Capital allowances	(154 887)	(137 843)
Provisions	621 728	603 803
Tax losses	334 178	212 046
Carrying amount at 30 June	797 094	733 583
Deferred tax liabilities		
The deferred tax liability balance is reconciled as follows:		
At 1 July	(27 979)	(174 131)
Recognised in profit or loss (note 19)	(5 666)	302 560
Transfer from/(to) deferred tax asset	373	(173 868)
Exchange rate effects	3 825	17 460
At 30 June	(29 447)	(27 979)
Comprising:		
Construction allowances		
Construction temporary differences	(7 418)	(6 026)
Prepayments	(448)	(638)
Capital allowances	(34 641)	(31 985)
Provisions	8 012	7 443
Tax losses	5 048	3 227
Carrying amount at 30 June	(29 447)	(27 979)

Deferred tax assets have been recognised in respect of tax losses and temporary differences where, having reviewed the Group's financial projections, the directors are of the opinion that it is probable that these assets will be recovered. In determining the future taxable income against which tax losses may be utilised, the Group considers the following:
– current order book levels;
– the number and availability of projects in the forward-looking pipeline;
– the 12 month budget for the following reporting period; and
– the existing and future expected cost base of the CGU.

Deferred tax assets have not been recognised in respect of tax losses in subsidiaries amounting to R1,7 billion (2020: R1,3 billion). R1,6 billion of tax losses do not have a regulatory expiry period. R40 million has an expiry period of two to five years.

13. NON-CONTROLLING INTERESTS (NCI)

		2021 R'000	2020 R'000
Carrying amount of NCI			
Subsidiary:	Principle place of business:		
Probuild Constructions (Aust) Pty Ltd	Australia	32 037	68 056
WBHO Infrastructure Pty Ltd	Australia	(79 838)	(54 423)
Byrne Group Limited	United Kingdom	100 069	85 452
Russell-WBHO	United Kingdom	37 202	90 952
Individually immaterial subsidiaries	South Africa	6 986	15 136
		96 456	205 173

13. NON-CONTROLLING INTERESTS (NCI) (continued)

The table below summarises the information relating to each of the Group's subsidiaries that has a material NCI before any intra-group eliminations.

	Probuild Constructions (Aust) Pty Ltd R'000	WBHO Infrastructure Pty Ltd R'000	Byrne Group Limited R'000	Russell-WBHO R'000
2021				
Ownership interest held by NCI (%)	10,5	3,1	20,0	10,0
Summarised statement of financial position				
Non-current assets	941 026	440 394	355 336	341 355
Current assets	4 159 320	873 171	1 324 667	1 203 657
Total assets	5 100 346	1 313 565	1 680 003	1 545 012
Non-current liabilities	(413 009)	(570 263)	(194 914)	(18 077)
Current liabilities	(3 713 014)	(617 844)	(949 722)	(823 021)
Total liabilities	(4 126 023)	(1 188 107)	(1 144 636)	(841 098)
Summarised statement of financial performance and other comprehensive income				
Revenue	15 703 333	3 164 491	2 958 475	2 550 139
Profit/(loss) for the year	35 081	(401 372)	84 546	136 016
Total comprehensive income/(loss)	35 081	(401 372)	84 546	136 016
Profit/(loss) for the year attributable to NCI	3 743	(12 531)	16 909	19 130
Dividends paid to NCI	14 674	–	–	2 603
Summarised statement of cash flows				
Cash flows (used in)/from operating activities	(982 508)	(1 700 309)	94 175	85 537
Cash flows from/(used in) investing activities	21 865	(5 445)	20 122	5 025
Cash flows (used in)/from financing activities	(38 850)	1 146 751	(37 677)	(43 873)
Net (decrease)/increase in cash and cash equivalents	(999 493)	(559 003)	76 620	46 689
2020				
Ownership interest held by NCI (%)	12,1	5,2	20,0	20,0
Summarised statement of financial position				
Non-current assets	1 452 150	381 296	464 536	267 002
Current assets	5 080 010	2 257 857	1 265 351	1 353 188
Total assets	6 532 160	2 639 153	1 729 887	1 620 190
Non-current liabilities	(375 763)	(125 350)	(248 105)	(16 924)
Current liabilities	(5 115 477)	(2 163 479)	(995 598)	(961 642)
Total liabilities	(5 491 240)	(2 288 829)	(1 243 703)	(978 566)
Summarised statement of financial performance and other comprehensive income				
Revenue	17 659 827	6 996 778	3 672 197	2 779 939
(Loss)/profit for the year	(45 181)	(1 062 229)	78 577	180 895
Total comprehensive (loss)/income	(45 181)	(1 062 229)	78 577	180 895
(Loss)/profit for the year attributable to NCI	(5 476)	(55 263)	15 715	28 885
Dividends paid to NCI	–	–	–	7 875
Summarised statement of cash flows				
Cash flows from operating activities	383 229	(719 591)	112 025	277 603
Cash flows from/(used in) investing activities	40 111	(60 580)	2 606	8 955
Cash flows (used in)/from financing activities	(30 108)	770 278	(33 367)	(27 406)
Net increase/(decrease) in cash and cash equivalents	393 232	(9 893)	81 264	259 152

The table below details the acquisition of NCI during the reporting period:

	Date acquired	Transaction	Percentage acquired %	Effective interest held after transaction %	Purchase consideration paid R'000
2021					
iKusasa Rail SA (Pty) Ltd	1 July 2020	Acquisition	15,00	100	–
WBHO Infrastructure Pty Ltd	12 August 2020	Share buy-back	1,69	96,88	8 456
Russell-WBHO	14 January 2021	Put option	10,00	90,00	135 579
Probuild Constructions (Aust) Pty Ltd	12 May 2021	Acquisition	1,66	89,55	34 106
Net cash outflow					178 141
Russell-WBHO An additional amount of £337 thousand was paid in respect of the second put option previously exercised in January 2020					6 876
Aggregate amount recognised in equity					96 790

14. TRADE AND OTHER PAYABLES

	2021 R'000	2020 R'000
Trade payables	723 363	679 503
Subcontractor creditors	3 514 948	4 989 610
Subcontractor retentions	1 123 188	1 143 190
Contract accruals	1 298 770	1 159 555
Payroll accruals	578 618	532 895
Dividend payable	–	7 497
Amounts owing to joint operators	31 522	13 681
Current portion of lease liabilities (note 3)	70 979	78 338
Current portion of long-term liabilities (note 11)	77 700	98 706
	7 419 088	8 702 975
Value-added tax payable	86 603	209 942
	7 505 691	8 912 917

15. PROVISIONS

	Contracting provision R'000	Short-term incentive provision R'000	Insurance and retrenchment provision R'000	Total R'000
Carrying amount at 1 July 2019	1 979 050	404 790	30 842	2 414 682
Recognised	1 252 860	318 821	7 520	1 579 201
Utilised	(1 193 628)	(353 923)	(76)	(1 547 627)
Unutilised amounts reversed	(237 675)	(16 016)	(248)	(253 939)
Exchange rate effects	165 183	11 103	(40)	176 246
Carrying amount at 30 June 2020	1 965 790	364 775	37 998	2 368 563
Recognised	**1 454 458**	**325 309**	**5 492**	**1 785 259**
Utilised	**(1 194 326)**	**(294 682)**	**(8 169)**	**(1 497 177)**
Unutilised amounts reversed	**(272 166)**	**(13 220)**	**(5 435)**	**(290 821)**
Exchange rate effects	**(78 968)**	**(5 716)**	**52**	**(84 632)**
Carrying amount at 30 June 2021	**1 874 788**	**376 466**	**29 938**	**2 281 192**

CONTRACTING PROVISION

Contracting provisions represent estimated amounts arising from obligations to third parties at the reporting date. The provisions will be utilised as and when the claims are finalised and settled within a period of 12 months. Included in contracting provisions are onerous contract provisions amounting to R165 million (2020: R199 million) relating to the 443 Queens Street project. There is no remaining provision (2020: R364 million) relating to the Western Roads Upgrade project. Both projects are in Australia.

SHORT-TERM INCENTIVES PROVISION

This provision arises from a constructive obligation to staff members, where an annual short-term incentive based on the performance of the Group is calculated. The actual short-term incentive is not guaranteed and must be approved by the Board of directors prior to payment. The short-term incentives are finalised and settled within a period of 12 months.

INSURANCE AND RETRENCHMENT PROVISION

The balance represents provisions for potential insurance premiums payable based on past claims history. The provisions are utilised within 12 months, once the claims for the current year are finalised. In the previous reporting period, the Group raised provisions for retrenchment costs in respect of identified employees. The retrenchment provision was utilised in the current reporting period.

16. REVENUE

	2021 R'000	2020 R'000
Recognised over time:		
Construction revenue	**37 369 412**	42 274 325
Recognised at a point in time:		
Sale of construction materials	**960 510**	803 433
Sale of properties	**1 491**	2 537
	38 331 413	43 080 295

DISAGGREGATION OF REVENUE

Information in respect of the geographies and sectors from which revenue is recognised is as follows:

	South Africa R'000	Rest of Africa R'000	Australia R'000	United Kingdom R'000	Total R'000
2021					
Construction revenue:					
Building and civil engineering	**7 367 911**	**532 288**	**15 703 332**	**5 508 614**	**29 112 145**
Roads, earthworks and infrastructure	**2 672 291**	**2 420 485**	**3 164 491**	**–**	**8 257 267**
Sale of construction materials	**858 542**	**101 968**	**–**	**–**	**960 510**
Sale of properties	**1 491**	**–**	**–**	**–**	**1 491**
	10 900 235	**3 054 741**	**18 867 823**	**5 508 614**	**38 331 413**
2020					
Construction revenue:					
Building and civil engineering	6 029 157	466 331	17 659 827	6 452 136	30 607 451
Roads, earthworks and infrastructure	2 743 422	1 926 675	6 996 777	–	11 666 874
Sale of construction materials	768 912	34 521	–	–	803 433
Sale of properties	2 537	–	–	–	2 537
	9 544 028	2 427 527	24 656 604	6 452 136	43 080 295

REMAINING TRANSACTION PRICE ALLOCATED TO UNSATISFIED PERFORMANCE OBLIGATIONS

The following table presents construction revenue expected to be recognised in the future which relates to performance obligations that are unsatisfied or partially unsatisfied at the reporting date.

2021	**2022 R'000**	**2023 R'000**	**2024 R'000**	**Total R'000**
Africa				
Building and civil engineering	**6 116 621**	**2 441 426**	**–**	**8 558 047**
Roads and earthworks	**3 110 773**	**769 041**	**431 942**	**4 311 756**
Australia				
Building	**9 118 115**	**1 554 107**	**13 585**	**10 685 807**
Infrastructure	**1 616 823**	**15 602**	**–**	**1 632 424**
United Kingdom				
Building and civil engineering	**2 628 186**	**70 896**	**–**	**2 699 082**
	22 590 518	**4 851 072**	**445 527**	**27 887 117**

2020	2021 R'000	2022 R'000	2023 R'000	Total R'000
Africa				
Building and civil engineering	5 295 704	431 713	130 193	5 857 610
Roads and earthworks	3 063 891	1 088 578	370 468	4 522 937
Australia				
Building	14 707 807	2 088 101	523 744	17 319 652
Infrastructure	2 108 362	145 119	–	2 253 481
United Kingdom				
Building and civil engineering	4 660 057	747 021	–	5 407 078
	29 835 821	4 500 532	1 024 405	35 360 758

	2021 R'000	2020 R'000
17. OPERATING PROFIT/(LOSS)		
Operating profit/(loss) includes the following:		
Depreciation – property, plant and equipment (note 2)	223 354	250 388
Depreciation – right-of-use assets (note 3)	81 512	75 865
Expenses relating to short-term leases	7 651	25 526
Expenses relating to low-value assets	9 631	3 734
Profit on disposal of property, plant and equipment	25 145	4 510
Impairment of goodwill (in operating costs) (note 30)	20 635	–
Share-based payments expense (in administrative costs)	40 192	43 986
Auditors' remuneration		
Audit fees	23 096	21 588
Other services	121	182
	23 217	21 770
Net foreign exchange losses/(gains)		
Realised	98 857	(22 825)
Unrealised	(13 939)	(72 726)
	84 918	(95 551)
Short-term employee benefits		
Salaries and wages	4 866 784	4 893 003
Defined contribution expenses	319 175	340 353
Medical aid contributions	19 042	21 690
Other contributions	87 994	62 894
	5 292 995	5 317 940
Other income		
Rental income from property developments	16 564	9 896
Rental income from sub-lease	6 358	4 371
Income from developments	5 076	–
Rebates and insurance claims	12 398	20 200
	40 396	34 467
18. FINANCE INCOME AND FINANCE COSTS		
Finance income		
Cash and cash equivalents	62 331	149 065
Loans to equity-accounted investees	7 133	7 462
Loans to mezzanine financing arrangements	34 067	41 619
Employee loans and revenue tax authorities	6 647	1 975
Lease receivables	696	743
	110 874	200 864
Finance costs		
Bank loans	7 527	878
Lease liabilities	14 472	15 898
Instalment sale agreements	5 265	6 740
Settlement agreement liability	9 981	10 631
Revenue tax authorities	102	866
	37 347	35 013

	Africa R'000	Australia R'000	United Kingdom R'000	2021 R'000
19. TAXATION				
Normal tax				
Current tax				
Current year	225 621	–	–	225 621
Prior year under provision	18 505	–	–	18 505
Deferred taxation				
Current year (note 12)	(73 655)	–	–	(73 655)
Prior year over provision	(18 124)	–	–	(18 124)
	152 347	–	–	152 347
Foreign tax (including withholding tax)				
Current taxation				
Current year	21 428	1 087	48 247	70 762
Prior year under/(over) provision	10 282	2 801	(650)	12 433
Deferred taxation				
Current year (note 12)	22 177	(3 941)	2 353	20 589
Prior year over provision	(2 497)	–	–	(2 497)
	51 390	(53)	49 950	101 287
Dividend tax	19 696	–	–	19 696
Total tax charge	223 433	(53)	49 950	273 330
Profit/(loss) before tax:	728 897	(373 391)	268 374	623 880

Reconciliation of tax rate:

	Africa %	Australia %	United Kingdom %	2021 %
Normal tax rate	28,0	(30,0)	19,0	28,0
Adjusted for:				
Capital and non-taxable items				
Non taxable capital gains	(1,3)	(5,1)	(1,6)	(5,3)
Non taxable share of profits from equity-accounted investees	(2,4)	(3,7)	(0,5)	(5,2)
Non-deductible expenses				
Capital expenditure	1,7	2,1	1,6	4,0
Share-based payment expense	1,5	–	–	1,8
Unrealised losses on translation of loans	1,6	–	–	1,9
Translation of net investment in foreign investment	(0,2)	–	–	(5,3)
Tax losses utilised	(3,2)	(0,1)	(0,3)	(4,0)
Prior year (over)/under provision	1,1	0,8	(0,2)	1,7
Foreign withholding taxes	2,9	–	–	3,3
Deferred tax assets not recognised in respect of losses	0,9	35,9	0,6	22,9
Effective tax rate	30,6	0,0	18,6	43,8

19. TAXATION (continued)

	Africa R'000	Australia R'000	United Kingdom R'000	2020 R'000
Normal tax				
Current tax				
Current year	40 218	–	–	40 218
Prior year over provision	(29 446)	–	–	(29 446)
Deferred taxation				
Current year (note 12)	70 744	–	–	70 744
Prior year over provision	(3 630)	–	–	(3 630)
	77 886	–	–	77 886
Foreign tax (including withholding tax)				
Current taxation				
Current year	97 626	(11 902)	57 341	143 065
Prior year under provision	8 271	6 424	622	15 317
Deferred taxation				
Current year (note 12)	(9 455)	(35 475)	5 290	(39 640)
Prior year under provision	81	–	1 212	1 293
	96 523	(40 953)	64 465	120 035
Total tax charge	174 409	(40 953)	64 465	197 921
Profit/(loss) before tax:	512 438	(1 142 078)	319 449	(310 191)

Reconciliation of tax rate:

	Africa %	Australia %	United Kingdom %	2020 %
Normal tax rate	28,0	(30,0)	19,0	(28,0)
Adjusted for:				
Capital and non-taxable items				
Non taxable capital gains	(0,7)	–	(0,5)	(3,7)
Non taxable share of profits from equity-accounted investees	(3,4)	(3,0)	–	(14,2)
Unrealised gains on translation of loans	(1,7)	–	–	(3,2)
Non-deductible expenses				
Capital expenditure	3,3	2,5	0,6	15,2
Share-based payment expense	2,4	–	–	4,0
Penalties	1,0	–	–	1,6
Translation of net investment in foreign investment	(2,3)	–	–	(20,5)
Tax losses utilised	(1,1)	(1,5)	–	(7,4)
Prior year (over)/under provision	(4,8)	0,6	0,6	(5,3)
Foreign withholding taxes	5,3	–	–	8,7
Deferred tax assets not recognised in respect of losses	8,2	27,8	0,5	116,5
Effective tax rate	34,0	(3,6)	20,2	63,7

	2021 R'000	2020 R'000
Estimated tax losses available for utilisation against future taxable income	1 140 507	730 560
Potential tax relief at current taxation rates	339 226	215 273

20. DIVIDEND PAID

	2021 R'000	2020 R'000
Final dividend paid in respect of the period ended 30 June 2020: nil (30 June 2019: 190 cents)	–	109 072
There was no interim dividend paid in either reporting period.		

21. EARNINGS PER SHARE AND HEADLINE EARNINGS PER SHARE

	2021	2020
Profit/(loss) attributable to equity shareholders	315 996	(497 827)
Weighted average number of shares ('000)		
Shares in issue at 1 July	53 181	53 171
Options vested	–	8
Treasury shares acquired	(65)	(92)
Performance shares vested	65	64
Weighted average ordinary shares in issue at 30 June	53 181	53 151
Dilutive effect of allocated Akani shares	16	11
Diluted weighted average number of shares	53 197	53 162
Earnings/(loss) per share (cents)		
Basic	594,2	(936,6)
Diluted	594,0	(936,4)
Headline earnings/(loss) per share (cents)		
Basic	619,5	(923,3)
Diluted	619,3	(923,2)

Headline earnings/(loss)	2021 Gross R'000	2021 Net R'000	2020 Gross R'000	2020 Net R'000
Headline earnings/(loss) (R'000)				
Profit/(loss) attributable to equity shareholders		315 996		(497 827)
Adjusted for:				
Translation of foreign operation reclassified to profit or loss on derecognition	–	–	14 250	10 260
Goodwill impairment	20 635	20 635	–	–
Loss on deemed disposal of equity-accounted investee	8 350	8 350	–	–
(Profit)/loss on disposal of property, plant and equipment				
Subsidiaries	(25 145)	(16 219)	(4 510)	(3 156)
Equity-accounted investees	954	687	(64)	(46)
		329 449		(490 769)

22. GUARANTEES AND CONTINGENT LIABILITIES

	2021 R'000	2020 R'000
Guarantees issued to third parties by:		
Subsidiaries	6 936 135	8 714 851
Equity-accounted investees and joint arrangements	1 517 447	1 366 569
	8 453 582	10 081 420

It is the opinion of the directors that the possibility of any loss is improbable and it is not anticipated that any material liabilities will arise.

CONTINGENT LIABILITIES

Subsidiaries and other entities within the Group are required to provide guarantees to clients as security for the performance of all contractual obligations, retention monies not deducted and advance payments received.

The City of Cape Town has claimed civil damages to the value of R143 million, relating to the Cape Town Stadium, arising from the investigation by the Competition Commission. The arbitration hearing is expected to start in September 2021 but due to the complexity of the case, it is unlikely that the proceedings will be completed in the current allocated time.

A separate matter from the investigation by the Competition Commission has been referred to the Competition Tribunal and may result in future civil claims.

Exposures may arise from the normal course of business including potential contractual penalties associated with ongoing construction projects. There is significant uncertainty as to whether a future liability will arise in respect of these items. The amount of liability, if any, that may arise cannot be measured reliably at this time. The directors are of the opinion that all known liabilities have been recognised and that adequate provisions have been recognised.

	2021 R'000	2020 R'000
23. CAPITAL COMMITMENTS		
Capital commitments include expenditure relating to property, plant and equipment for which specific Board approval has been obtained.		
Authorised and contracted for	18 371	17 955
Authorised but not yet contracted for	270 216	240 132
	288 587	258 087

Expenditure on estimated commitments will occur within the next reporting period. Capital commitments will be funded from internal cash resources and existing facilities.

24. RELATED PARTIES

24.1 IDENTIFICATION OF RELATED PARTIES

The Group identified its related parties as subsidiaries (annexure 1), equity-accounted investees (note 5), joint operations (annexure 2) and directors and prescribed officers.

24.2 RELATED PARTY TRANSACTIONS AND BALANCES

During the reporting period, group companies entered into various inter-group sales and purchase transactions in the ordinary course of business. These transactions are on terms no more favourable than those with third parties. Transactions and balances between group companies have, where appropriate, been eliminated on consolidation and are not disclosed.

Details of transactions and balances with related parties are as follows:

	2021 R'000	2020 R'000
Amounts owing by related parties		
Amounts owing by equity-accounted investees (note 5)	407 245	595 485
Consideration receivable from related parties (note 6)	8 755	16 810
Amounts owing by joint operators (note 9)	387 557	243 863
Amounts owing to related parties		
Amounts owing to joint operators (note 14)	31 522	13 681
The amounts owing to/by joint operators are unsecured, interest-free and have no fixed terms of repayment.		
Transactions with related parties		
Revenue from contracts with equity-accounted investees	1 007 809	1 576 010
Dividends received from equity-accounted investees (note 5)	132 303	64 543
Finance income received from equity-accounted investees (note 18)	7 133	7 462

24.3 DIRECTORS' EMOLUMENTS

	Directors' fees R'000	Salaries R'000	Short-term benefits R'000	Short-term incentives R'000	Post-employment benefits R'000	Total emoluments R'000
2021						
Executive						
EL Nel	–	1 920	438	6 015	593	8 966
WP Neff	–	2 320	451	7 050	622	10 443
CV Henwood	–	2 261	529	6 910	617	10 317
	–	6 501	1 418	19 975	1 832	29 726
Non-executive						
SN Maziya	684	–	–	–	–	684
AJ Bester	631	–	–	–	–	631
RW Gardiner	937	–	–	–	–	937
KM Forbay	499	–	–	–	–	499
H Ntene	585	–	–	–	–	585
	3 336	–	–	–	–	3 336
Total	3 336	6 501	1 418	19 975	1 832	33 062

24. RELATED PARTIES (continued)

24.3 DIRECTORS' EMOLUMENTS (continued)

	Directors' fees R'000	Salaries R'000	Short-term benefits R'000	Short-term incentives R'000	Post-employment benefits R'000	Total emoluments R'000
2020						
Executive						
MS Wylie	–	479	179	–	162	820
EL Nel	–	2 113	449	3 918	593	7 073
WP Neff	–	1 269	239	4 746	341	6 595
CV Henwood	–	2 135	497	3 940	584	7 156
	–	5 996	1 364	12 604	1 680	21 644
Non-executive						
SN Maziya	557	–	–	–	–	557
AJ Bester	598	–	–	–	–	598
RW Gardiner	840	–	–	–	–	840
KM Forbay	455	–	–	–	–	455
H Ntene	505	–	–	–	–	505
	2 955	–	–	–	–	2 955
Total	2 955	5 996	1 364	12 604	1 680	24 599

24.4 DIRECTORS' SHAREHOLDING

The interests of directors and those of their families in the share capital of the Company are as follows:

	2021			2020		
Number of ordinary shares ('000)	**Direct**	**Indirect**	**Total**	Direct	Indirect	Total
EL Nel^	321	1	322	348	1	349
WP Neff	34	–	34	34	–	34
CV Henwood	106	–	106	106	–	106
SN Maziya^	–	242	242	–	242	242
	461	243	704	488	243	731

^ *Indirect shares disclosed in the above table represent allocated shares in respect of the empowerment initiative of the Group and do not represent the number of shares likely to vest upon fulfilment of the vesting conditions. The number of Company shares that will ultimately vest is dependent on the market value of the shares on the vesting date, based on a pre-determined threshold. Using the share price at 30 June 2021, the directors would receive no shares in terms of the formula.*

	2021			2020		
Long-term incentive scheme ('000)	**Share appreciation rights**	**Performance shares**	**Total**	Share appreciation rights	Performance shares	Total
EL Nel	75	58	133	87	54	141
WP Neff	58	65	123	65	44	109
CV Henwood	73	65	138	84	53	137
	206	188	394	236	151	387

24. RELATED PARTIES (continued)

24.5 PRESCRIBED OFFICERS

	Salaries R'000	Short-term benefits R'000	Short-term incentives R'000	Post-employment benefits R'000	Total emoluments R'000
2021					
PJ Foley	**6 783**	**1 771**	**5 600**	**567**	**14 721**
EA Mashishi#	**1 781**	**358**	**2 000**	**480**	**4 619**
SN Gumede	**1 915**	**303**	**3 000**	**365**	**5 583**
AF de Necker	**2 080**	**396**	**5 800**	**559**	**8 835**
CA Jessop	**2 228**	**397**	**6 000**	**381**	**9 006**
	14 787	**3 225**	**22 400**	**2 352**	**42 764**
2020					
PJ Foley	6 397	863	3 600	535	11 395
EA Mashishi#	1 689	358	1 600	455	4 103
SN Gumede	1 821	306	2 000	337	4 464
AF de Necker	1 133	226	4 125	305	5 788
CA Jessop	1 339	243	3 700	229	5 510
	12 379	1 995	15 025	1 861	31 260

#EA Mashishi has a 33% (2019: 33%) interest in Edwin Construction (Pty) Ltd and resigned from the Board of WBHO Construction (Pty) Ltd on 15 July 2021.

24.6 PRESCRIBED OFFICERS' SHAREHOLDING

The interests of prescribed officers and those of their families in the share capital of the Company are as follows:

Number of ordinary shares ('000)	2021 Direct	2021 Indirect	2021 Total	2020 Direct	2020 Indirect	2020 Total
PJ Foley	**102**	**–**	**102**	102	–	102
EA Mashishi	**13**	**–**	**13**	18	–	18
AF de Necker	**69**	**–**	**69**	48	–	48
CA Jessop	**41**	**16**	**57**	32	16	48
	225	**16**	**241**	200	16	216

Long-term incentive scheme ('000)	2021 Share appreciation rights	2021 Performance shares	2021 Total	2020 Share appreciation rights	2020 Performance shares	2020 Total
PJ Foley	**73**	**64**	**137**	84	53	137
EA Mashishi	**49**	**40**	**89**	56	36	92
SN Gumede	**13**	**28**	**41**	13	13	26
AF De Necker	**55**	**60**	**115**	62	42	104
CA Jessop	**55**	**60**	**115**	62	42	104
	245	**252**	**497**	277	186	463

The long-term incentives are part of the WBHO Share Plan, details of which are disclosed in note 27.

There were no other transactions with directors or prescribed officers or entities in which directors or prescribed officers have a material interest. There have been no changes to directors' shareholdings between the reporting date and the date of this report.

25. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

25.1 OVERVIEW

The risk management programme of the Group focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on financial performance.

The Group has exposure to the following risks arising from its use of financial instruments:

- credit risk
- market risk
- liquidity risk

Information is presented on the Group's exposure to each of the above risks, the objectives, policies and processes for measuring and managing risk and the management of capital. Further quantitative disclosures are included throughout these financial statements.

The Board has overall responsibility for the establishment and oversight of the risk management framework. Risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor adherence to limits. Risk management policies and systems are regularly reviewed to reflect changes in market conditions and the Group's activities. Through its training and management standards and procedures, the Group aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Risk committee meets on a regular basis to review the management and implementation of risk strategies. The internal audit department undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee. The treasury function monitors and manages liquidity risk on a day-to-day basis.

The Group's strategy with regards to the management of the risk remains the same as in prior reporting periods and there have been no significant changes to the risk profile of the Group.

A summary of financial instruments by category is as follows:

	Note	Carrying amount R'000	Financial liabilities at amortised cost R'000	Financial assets at amortised cost R'000
2021				
Non-current portion lease liabilities	3	**273 797**	**–**	**273 797**
Loans to equity-accounted investees	5	**205 179**	**–**	**205 179**
Long-term receivables	6	**265 023**	**–**	**265 023**
Trade and other receivables	9	**5 934 130**	**–**	**5 934 130**
Long-term liabilities	11	**(252 115)**	**(252 115)**	**–**
Trade and other payables	14	**(7 419 088)**	**(7 419 088)**	**–**
Cash and cash equivalents		**5 680 717**	**–**	**5 680 717**
		4 687 643	**(7 671 203)**	**12 358 846**
2020				
Non-current portion lease liabilities	3	352 336	–	352 336
Loans to equity-accounted investees	5	281 978	–	281 978
Long-term receivables	6	283 598	–	283 598
Trade and other receivables	9	5 941 307	–	5 941 307
Long-term liabilities	11	(305 984)	(305 984)	–
Trade and other payables	14	(8 702 975)	(8 702 975)	–
Cash and cash equivalents		7 599 344	–	7 599 344
		5 449 604	(9 008 959)	14 458 563

The carrying amount of long-term receivables and loans to equity-accounted investees recognised at amortised cost approximate the fair value thereof as these loans attract market-related interest rates.

25.2 CREDIT RISK

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's exposure to long-term receivables, contract assets and trade and other receivables.

25. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (continued)

25.2 CREDIT RISK (continued)

TRADE RECEIVABLES AND CONTRACT ASSETS

The Group's exposure to credit risk is influenced by the individual characteristics of each customer and the inherent risk within the industry and country in which customers operate.

The Group either negotiates for, or tenders upon, the construction contracts to which it becomes a contractual party. As a result, the Group is able to evaluate the credit worthiness of prospective clients prior to the commencement of any project. Additionally, for all contracts other than those concluded with entities from within the public sector, the Group insists on receipt of a payment guarantee equal to a proportion of the contract price. Any relaxation of this policy must be approved by the Credit committee.

Where no guarantee has been obtained, the Group generally has a lien over the work performed.

ECL assessment

Trade receivables and contract assets exhibiting similar credit risks and behaviour are grouped together by geography and into the public and private sectors.

The Group retrospectively analyses the aging of its contract and other receivables and contract assets as well as the rate of default and actual losses incurred over a 36-month period. This period represents the average lifespan of a contract including the defects liability period.

From this analysis, the Group determines a historical PD and LGD. Macro-economic forecasts incorporating sovereign credit ratings, gross domestic product (GDP) growth, inflation rates, interest rates, commodity prices where appropriate, any relevant exchange rate effects and debt-to-GDP ratios in respect of public sector entities, if applicable, are then evaluated for each geography to establish a forward-looking ECL. Judgement is required when assessing the future impact of these forecasts on the customer base of the Group.

The nature of construction projects undertaken by the Group usually constitutes large capital expenditure by customers for which the necessary funding has either been obtained, or provided for, as part of the investment decision. For this reason, PDs and LGDs are historically low and in some cases zero. In Africa, the highest PDs and LGDs are usually experienced within the public and mining sectors. These are also the sectors from which the Group is least likely to obtain any collateral, however, the risk of non-payment remains low. This approach is consistent with the previous reporting period.

Impact of COVID-19

Despite the global lockdown restrictions imposed as a result of COVID-19, the Group did not experience any noticeable deterioration in the collection of receivables over the reporting period. The long-term impact on the liquidity and creditworthiness of the Group's customer base is, however, more uncertain. No reassessment of the segmentation of receivables has been necessary due to the impact of Covid-19.

CONTRACT RECEIVABLES AND CONTRACT ASSETS

The following table provides information about the exposure to credit risk and ECLs for contract receivables and contract assets at 30 June:

	Contract receivables and retentions R'000	Contract assets R'000	Total R'000	Specific allowance on contract receivables and retentions R'000	Loss allowance on contract receivables and retentions R'000	Loss allowance on contract assets R'000	Total loss allowance R'000	Net carrying amount R'000
2021								
South Africa	1 844 771	217 143	2 061 914	47 377	16 862	1 274	65 513	1 996 401
Rest of Africa	428 657	99 441	528 098	9 374	3 275	221	12 870	515 228
Australia	1 892 095	671 774	2 563 869	–	2 836	1 008	3 844	2 560 025
United Kingdom	1 042 546	68 854	1 111 400	–	1 758	162	1 920	1 109 480
Total	**5 208 069**	**1 057 212**	**6 265 281**	**56 751**	**24 731**	**2 665**	**84 148**	**6 181 134**
2020								
South Africa	1 106 424	326 875	1 433 299	66 031	12 926	6 069	85 026	1 348 273
Rest of Africa	594 145	186 618	780 763	58 452	3 197	672	62 321	718 442
Australia	2 436 871	315 773	2 752 644	–	3 920	474	4 394	2 748 250
United Kingdom	1 160 254	42 669	1 202 923	–	2 180	82	2 262	1 200 661
Total	5 297 694	871 935	6 169 629	124 483	22 223	7 297	154 003	6 015 626

TRADE RECEIVABLES

The following table provides information about the exposure to credit risk and ECLs for trade receivables at 30 June:

	Trade receivables R'000	Specific loss allowance R'000	Loss allowance R'000	Total loss allowance R'000	Net carrying amount R'000
2021					
Africa					
South Africa	57 363	4 746	5 003	9 749	47 614
Rest of Africa	112 210	38	1 578	1 616	110 594
Australia	252 006	–	378	378	251 628
	421 579	**4 784**	**6 959**	**11 743**	**409 836**
2020					
Africa					
South Africa	91 458	16 539	3 720	20 259	71 199
Rest of Africa	111 962	34	93	127	111 835
Australia	153 582	–	230	230	153 352
	357 002	16 573	4 043	20 616	336 386

The following table illustrates the ranges of the metrics utilised to determine the ECL for contract receivables, contract assets and trade receivables by country:

	PD %	LGD %	Historic ECL %	Conversion to forward-looking ECL %	Final ECL % 2021	Final ECL % 2020
South Africa	2,78–53,63	1,5–15	0,04-8,04	1,54–4,0	0,06–16,1	0,62–23,48
Australia	0,90	–	–	0,15	0,15	0,15
United Kingdom	2,14	–	–	0,15	0,15	0,19
Namibia	17,68	5,00	0,88	1,50	1,33	0,88
Mozambique	2,28–11,11	1,5–5,0	0,11–0,26	1,5–6,0	0,39–1,0	0,31–2,5
Ghana	5,4–16,42	5,00	0,27–0,82	1–2,0	0,27–1,64	0,02–0,49
Zambia	8,95–33,61	5,00	0,40–1,68	4,00	1,79–6,72	1,27–2,51
Guinea	–	–	–	–	–	2,96
Madagascar	5,24	5,00	0,26	2,00	0,52	–
Zimbabwe	–	–	–	–	–	0,70
Burkina Faso	–	–	–	–	–	0,14
Lesotho	0,98	1,50	0,01	2,00	0,03	0,07
Botswana	0,68	5,00	0,03	1,50	0,05	0,12

25. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (continued)

25.2 CREDIT RISK (continued)

LOANS TO EQUITY-ACCOUNTED INVESTEES

The Group is exposed to credit risk through loans advanced to certain entities in which it has a strategic interest. The Group mitigates these risks by conducting credit assessments of entities to whom advances are made. Loans of this nature are approved by the Credit committee. The Group also owns an equity interest in these entities and is able to influence the decision-making.

Where loans to equity-accounted investees that are recognised at amortised cost form part of the net investment in the investee, the Group has applied the amendment to IAS 28. ECLs on such loans are determined prior to applying impairment testing in respect of non-financial assets.

In determining the PDs and LGDs in respect of loans to equity-accounted investees, the Group considers past payment history, historical financial information and any collateral held (including the liquidity thereof). The Group considers geographic and market conditions specific to the counterparty as well as macro-economic forecasts, including GDP growth rates, interest and inflation rates as well as debt-to-GDP ratios where appropriate when determining forward-looking ECLs. Judgement is applied when assessing the potential impact of macro-economic forecasts on each individual credit risk profile.

The table below provides information about the exposure to credit risk and ECLs for loans to equity-accounted investees at 30 June:

	Gross carrying amount R'000	Historic ECL %	Forward-looking adjustment	Forward-looking ECL %	Loss allowance R'000	Net carrying amount R'000
2021						
Property developments/developer	**152 148**	–	**–**	**0,18**	**542**	**151 606**
Investments in concessions	**53 904**	**0,63**	**1,00**	**0,63**	**332**	**53 572**
Total	**206 052**				**874**	**205 178**
2020						
Property developments/developer	225 142	–	–	0,25	563	224 579
Investments in concessions	57 760	0,63	1,00	0,63	361	57 399
Total	282 902				924	281 978

LONG-TERM RECEIVABLES

The Group and Company is exposed to additional credit risk through loans advanced to third parties and employees. The Group and Company mitigates this risk firstly through careful deliberation by the Credit committee as to which entities loans are made available, and secondly by obtaining sufficient security to be able to extinguish the debt in the event of default. Loans to employees are predominantly for shares sold or issued in terms of various share schemes and the shares are held as security over the loans advanced.

In determining the PDs and LGDs in respect of long-term receivables, the Group and Company considers past payment history, historical financial information and any collateral held (including the liquidity thereof). The Group considers geographic and market conditions specific to the counterparty as well as macro-economic forecasts, including GDP growth rates, interest and inflation rates as well as debt-to-GDP ratios where appropriate when determining forward-looking ECLs. Judgement is applied when assessing the potential impact of macro-economic forecasts on each individual credit risk profile..

The following table provides information about the exposure to credit risk and ECLs for long-term receivables at 30 June:

	Gross carrying amount R'000	Historic ECL %	Forward-looking adjustment	Forward-looking ECL %	Loss allowance R'000	Net carrying amount R'000
2021						
Mezzanine financing arrangements						
Private	**151 110**	**1,00**	**0,50**	**0,50**	**756**	**150 354**
Public	**61 339**	**0,06**	**2,00**	**0,13**	**130**	**61 209**
Consideration receivable	**8 755**	**2,5**	**1,25**	**3,13**	**274**	**8 481**
Total	**221 204**				**1 159**	**220 044**
2020						
Mezzanine financing arrangements						
Private	151 140	1,00	0,50	0,50	750	150 390
Public	51 826	0,06	2,00	0,13	117	51 709
Loan to third party	23 048	1,25	1,00	1,25	288	22 760
Consideration receivable	16 810	2,5	1.54	3.85	648	16 162
Total	242 824				1 803	241 021

RECONCILIATION OF THE LOSS ALLOWANCE RECOGNISED

The movement in the loss allowance in respect of financial assets during the reporting period was as follows:

	Credit-impaired contract and trade receivables and retention R'000	Non-credit-impaired contract and trade receivables and retention R'000	Contract assets R'000	Cash and cash equivalents R'000	Long-term receivables R'000	Loans to equity-accounted investees R'000	Total R'000
Balance at 1 July 2019	164 668	39 718	10 434	14 165	2 002	5 040	236 027
Decrease in loss allowance	–	(13 452)	(3 137)	(14 165)	(199)	(4 116)	(35 069)
Specific credit losses recognised	23 977	–	–	–	–	–	23 977
Specific credit losses recovered	(25 987)	–	–	–	–	–	(25 987)
Uncollectable amounts written off	(16 972)	–	–	–	–	–	(16 972)
Exchange rate effects and value-added tax	(4 631)	–	–	–	–	–	(4 631)
Balance at 30 June 2020	141 056	26 266	7 297	–	1 803	924	177 345
Increase/(decrease) in loss allowance	**–**	**6 686**	**(4 398)**	**–**	**(643)**	**(13)**	**1 632**
Specific credit losses recognised	**14 333**	**–**	**–**	**–**	**–**	**–**	**14 333**
Specific credit losses recovered	**(59 173)**	**–**	**–**	**–**	**–**	**–**	**(59 173)**
Uncollectable amounts written off	**(23 787)**	**–**	**–**	**–**	**–**	**–**	**(23 787)**
Exchange rate effects and value-added tax	**(10 894)**	**(1 261)**	**(234)**	**–**	**–**	**(37)**	**(12 426)**
Balance at 30 June 2021	**61 535**	**31 691**	**2 665**	**–**	**1 159**	**874**	**97 924**

25.3 MARKET RISK (CURRENCY RISK)

TRANSACTIONS IN A FOREIGN CURRENCY SETTLED IN THAT FOREIGN CURRENCY

Transactions with certain of the Group's operations occur in various foreign currencies and consequently the Group is exposed to exchange rate fluctuations that have an impact on cash flows and financing activities. These transactions are entered into in the respective functional currencies of the individual operations and the Group mitigates this risk by settling the transactions with cash balances maintained in the various currencies utilised.

The Groups' exposure to significant foreign denominated monetary assets and liabilities is as follows:

	US Dollar '000	Australian Dollar '000	Botswana Pula '000	Pound Sterling '000	Mozambique Metical '000	Ghana Cedi '000
2021						
Trade and other receivables	**13 187**	**202 244**	**69 213**	**52 418**	**116 526**	**92 437**
Cash and cash equivalents	**83 038**	**166 597**	**104 431**	**68 158**	**204 242**	**3 856**
Trade and other payables	**(22 427)**	**(365 458)**	**(53 872)**	**(70 181)**	**(547 439)**	**(18 514)**
	73 798	**3 383**	**119 772**	**50 395**	**(226 671)**	**77 779**
Closing rate(%)	**14,35**	**10,78**	**1,32**	**19,86**	**4,41**	**2,45**
Average rate (%)	**15,45**	**11,50**	**1,39**	**20,73**	**4,54**	**2,66**
2020						
Trade and other receivables	19 303	235 634	90 143	43 319	120 509	165 760
Cash and cash equivalents	40 372	301 969	91 917	62 110	165 276	14 049
Trade and other payables	(25 372)	(473 205)	(54 416)	(92 144)	(189 600)	(9 280)
	34 303	64 398	127 644	13 285	96 184	170 528
Closing rate (%)	17,26	11,86	1,46	21,25	4,05	2,98
Average rate (%)	15,63	10,46	1,40	19,68	4,13	2,79

Total cash and cash equivalents held by foreign subsidiaries amounts to R4,1 billion (2020: R6,0 billion) excluding cash balances of R474,3 million (2020: R141,6 million) relating to subcontractor retentions held in trust in Australia.

25. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (continued)

25.3 MARKET RISK (CURRENCY RISK) (continued)

SENSITIVITY ANALYSIS

A 10% (2020: 10%) weakening of the Rand against the following currencies at 30 June would affect profit or loss in respect of the translation of the balances of the following monetary items by the amounts shown below. The analysis assumes that all other variables, in particular interest rates, remain constant and is applied to the gross exposure at the reporting date.

	US Dollar '000	Australian Dollar '000	Botswana Pula '000	UK Pound Sterling '000	Mozambique Metical '000	Ghana Cedi '000
2021						
Trade and other receivables	**1 319**	**20 224**	**6 921**	**5 242**	**11 653**	**9 244**
Cash and cash equivalents	**8 304**	**16 660**	**10 443**	**6 816**	**20 424**	**386**
Trade and other payables	**(2 243)**	**(36 546)**	**(5 387)**	**(7 018)**	**(54 744)**	**(1 851)**
	7 380	**338**	**11 977**	**5 040**	**(22 667)**	**7 779**
2020						
Trade and other receivables	1 930	23 563	9 014	4 332	12 051	16 576
Cash and cash equivalents	4 037	30 197	9 192	6 211	16 528	1 405
Trade and other payables	(2 537)	(47 321)	(5 442)	(9 214)	(18 960)	(928)
	3 430	6 439	12 764	1 329	9 619	17 053

A 10% (2020: 10%) strengthening of the Rand against the above currencies at 30 June would have had the equal but opposite effect to the amount shown above, on the basis that all other variables remain constant.

25.4 MARKET RISK (INTEREST RATE RISK)

The Group has adopted a policy where exposure to interest rate risk is on a floating rate basis linked to market rates on interest-bearing bank deposits, borrowings and loans advanced.

At the reporting date, the interest rate profile of the Group's financial instruments was as follows:

	Carrying amount R'000	Interest-bearing: Variable rate R'000	Interest-bearing: Fixed rate R'000	Interest-free R'000
2021				
Loans to equity-accounted investees	**205 179**	**–**	**205 179**	**–**
Long-term receivables	**265 023**	**263 481**	**–**	**1 542**
Trade and other receivables	**5 934 130**	**176 416**	**8 755**	**5 748 958**
Long-term liabilities	**(252 115)**	**(154 428)**	**(95 596)**	**(2 091)**
Trade and other payables	**(7 419 088)**	**(56 450)**	**(21 250)**	**(7 341 388)**
Cash and cash equivalents	**5 680 717**	**5 680 717**	**–**	**–**
	4 413 846	**5 909 736**	**97 088**	**(1 592 979)**
2020				
Loans to equity-accounted investees	281 978	–	281 978	–
Long-term receivables	283 598	271 297	7 996	4 305
Trade and other receivables	5 941 307	229 066	8 815	5 703 426
Long-term liabilities	(305 984)	(199 119)	(106 865)	–
Trade and other payables	(8 702 975)	(155 794)	(21 250)	(8 525 931)
Cash and cash equivalents	7 599 344	7 599 344	–	–
	5 097 268	7 744 794	170 674	(2 818 200)

SENSITIVITY ANALYSIS

An increase of 100 (2020: 50) basis points in interest rates at the reporting date would have increased or decreased profit for the reporting period by the amounts shown below. This analysis assumes that all other variables remain constant and is based on closing balances compounded monthly.

	2021 R'000	2020 R'000
Long-term receivables	**2 635**	1 356
Trade and other receivables	**1 764**	1 145
Cash and cash equivalents	**56 807**	37 997
Long-term liabilities	**(1 544)**	(996)
Trade and other payables	**(564)**	(779)
	59 098	38 123

A 100 (2020: 50) basis points decrease in interest rates at 30 June would have had the equal but opposite effect to the amount shown above, on the basis that all other variables remain constant.

25.5 LIQUIDITY RISK

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due.

The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Cash flow forecasting within the Group typically ensures that it has sufficient cash available, as well as lines of credit, to meet expected operational expenses including the servicing of financial obligations. The potential impacts of extreme circumstances that cannot reasonably be predicted such as major catastrophes like property damage, business interruption, public liability and political riot are covered by local and group short-term insurance.

The following are the remaining contractual maturities of the Group's financial liabilities. The amounts are gross and undiscounted, and include contractual interest payments:

	<1 year R'000	2 – 5 years R'000	>5 years R'000	Total R'000
Liabilities measured at amortised cost				
2021				
Trade and other payables	**7 270 356**	**–**	**–**	**7 270 356**
Instalment sale agreements	**54 130**	**49 677**	**–**	**103 807**
Bank loans	**13 190**	**125 305**	**–**	**138 495**
Settlement agreement liability	**21 250**	**85 000**	**42 500**	**148 750**
Other long-term borrowings	**–**	**–**	**2 091**	**2 091**
	7 358 926	**259 982**	**44 591**	**7 663 499**
2020				
Trade and other payables	8 525 931	–	–	8 525 931
Instalment sale agreements	81 613	90 710	–	172 323
Bank loans	1 636	125 305	–	126 941
Settlement agreement liability	21 250	85 000	63 750	170 000
Other long-term borrowings	–	–	2 091	2 091
	8 630 430	301 015	65 841	8 997 286

The present value of the above liabilities is R337 million (2020: R239 million).

The contractual maturities of lease liabilities are disclosed in note 3 for leases relating to right-of-use assets.

The Group expects to meet its other obligations from operating cash flows and proceeds of maturing financial assets, as well as from current cash reserves (note 29.3) currently held at various financial institutions.

The Group does not, at this point, require or have any other structured financing facilities in place, apart from asset specific instalment sale agreements (note 10).

26. CAPITAL MANAGEMENT

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital, as well as the level of dividends paid to ordinary shareholders.

Capital comprises shareholders' equity, including capital and reserves. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The amount of dividends paid by the Group is determined with reference to the liquidity and solvency of the Group giving consideration to budgets and forecasts.

The Group adopts a conservative approach when managing its financial position, assuming low levels of debt and maintaining substantial cash balances. Given the cyclical and often unpredictable nature of the construction environment, this approach is appropriate in providing flexibility during challenging environments and in protecting shareholder value.

	2021	2020
Debt/equity ratio (%)	**9,9**	12,0

This measure has been adjusted to represent the total capitalised interest-bearing liabilities as a percentage of average shareholders' interest.

27. EMPLOYEE BENEFITS

27.1 EQUITY-SETTLED SHARE-BASED PAYMENT

THE WBHO SHARE PLAN

Share Appreciation Rights (SARs)

The Group has the right to determine how the vesting will be settled and it is its practice to settle vested allocations by issue of shares.

Annual allocations determined by the Remuneration Committee are made to participants based on the fair market value of the shares on the allocation date. Rights are available for settlement subject to the achievement of the performance criteria at the vesting date (i.e. in equal thirds on the 3rd, 4th and 5th anniversaries, but need not be exercised until the 7th anniversary).

On settlement, the value accruing to the participants is the full appreciation of the share price over the vesting period.

The performance target threshold comprises the average growth in headline earnings per share (HEPS) compared to the average CPI plus 3%, calculated annually in three-year cycles.

Performance Shares (PS)

Performance shares are awarded annually to participants for no consideration. Vesting commences on the 3rd anniversary of the award to the extent that the Group has met the specified performance criteria. Being a full value share element without a strike price, the number of shares that vest depend on the performance of the Group over the three year period.

Performance criteria	Weight	Threshold	Target vesting	Stretch
Return on capital employed (ROCE)	50%	14%	16%	20%
Adjusted ROCE (greater than and equal to 2016 to 2018 issues)	50%	14%	19%	23%
Adjusted ROCE (greater than and equal to 2019 issue)	50%	14%	16%	20%
Relative total shareholder return (TSR)	50%	7th position	5th position	2nd position

Actual performance against the criteria at 30 June 2020 (Offer 2017) and 30 June 2021 (remaining offers):

	Offer 2017 PS	Offer 2018 PS	Offer 2019 PS	Offer 2020 PS
Return on capital employed	9,3%	6,6%	3,7%	11,8%
Relative total shareholder return	2nd	4th	5th	10th

In March 2021, a delay of approximately three months because the group was in a closed period, 195 000 shares vested in respect of Offer 2017 (130 000 performance shares awarded). The award achieved stretch for TSR and did not meet the threshold for ROCE. 150% of the allocation vested.

	Number of conditional awards '000	Issue date	Issue price (cents)	Exercise price (cents)	Vesting period	Share-based payment expense	Future expense to be recognised
Performance shares							
2017	130	7/12/2017	14 676	–	3 years	2 094	–
2018	147	12/12/2018	14 485	–	3 years	3 936	1 804
2019	197	18/11/2019	14 328	–	3 years	4 445	6 298
2020	357	18/11/2020	9 933	–	3 years	3 224	18 502
Share appreciation rights							
2014	137	16/03/2015	10 795	11 540	3 – 5 years	–	–
2016	120	7/12/2016	14 747	14 747	3 – 5 years	–	–
2017	154	7/12/2017	14 676	14 676	3 – 5 years	–	–
2018	147	13/12/2018	14 485	14 485	4 – 5 years	1 330	884
2019	205	18/11/2019	14 328	14 258	3 – 5 years	–	–
Total						15 029	27 488

In calculating the share-based payment expense, valuations were performed using the Binomial model. The probability of achieving the TSR performance condition has been measured using a Monte Carlo simulation.

The following assumptions were made in determining the share-based payment expense:

	PS	SARs
Volatility (%)		
(Volatility has been calculated using the historical WBHO share prices over the vesting periods)	n/a	22,1 – 34,6
Risk-free rate (%)	n/a	6,9 – 7,4
Dividend yield (%)	1,8 – 2,5	1,8 – 2,5
Attrition rate (%)	0,0 – 5,0	5,0

27.2 THE WBHO MANAGEMENT TRUST

The trust is a structured entity through which shares are sold to employees with the aim of retaining existing talent within the Group. The trust issues these shares as options to qualifying employees. The share options are equity-settled and are valued using the Binomial model. The following estimates and assumptions were used in the calculation of the share-based payment expense:

	Share options 2014	Share options 2016	Share options 2020
Grant date share price	115,0	145,0	114,0
Exercise price	83,1	110,4	109,5
Volatility (%)			
(Volatility has been calculated using the historical WBHO share prices over the vesting periods)	23,4	25,0	33,9
Risk-free rate (%)	7,5	8,5	7,5
Dividend yield (%)	2,5	2,5	2,5
Attrition rate (%)	5,0	5,0	7,5

27.3 AKANI INVESTMENT HOLDINGS (PTY) LTD AND THE BROAD-BASED EMPLOYEE SHARE INCENTIVE TRUST (BBE TRUST)

The Company and BBE Trust are structured entities created to give effect to the Group's Black Economic Empowerment initiative, aimed at sourcing strategic black partners and rewarding employees who have been in the service of the Group for more than five years.

The Akani scheme has a share price growth hurdle in addition to ten and five-year lock-in periods for black partners and employees respectively.

The hurdle rate is defined as being the nominal annual growth rate compounded annually. For the partners the rate is 8,33% and for the employees it is as agreed to by the Board at the time of each allocation of shares.

Over the lock-in periods the shares attract dividends. In respect of black partners, one third of the dividend is paid out in cash and two-thirds is utilised to purchase WBHO shares. In respect of employees, the full dividend is utilised to purchase WBHO shares.

In calculating the share-based payment expense applicable to the black partners and the BBE Trust it is necessary to estimate the number of shares that may vest at the end of the lock-in and allocation periods respectively. The following assumptions and judgements were used in arriving at the share-based payment expense:

27. EMPLOYEE BENEFITS (continued)

27.3 AKANI INVESTMENT HOLDINGS (PTY) LTD AND THE BROAD-BASED EMPLOYEE SHARE INCENTIVE TRUST (BBE TRUST) (continued)

	BBE Trust	Black partners
Hurdle rate (%)	Variable	8,3
Weighted average expected volatility (%)	24–26,2	24,0
Weighted average dividend yield (%)	2,7	2,7
Weighted average risk-free interest rate (%)	7,5	8,8
Vesting period (years)	5,0	10,0

The table below provides details of the long-term incentives awarded to employees other than directors and prescribed officers:

	WBHO Management Trust	Black Partners	Employees
Total shares/options allocated ('000)	1 517	725	1 059
Allocations/issues in the current period ('000)	–	–	201
Dividend shares purchased ('000)	n/a	–	–
Vested in the current year ('000)	–	–	(20)
Shares purchased (000)	–	–	–
Shares to be bought back (000)	–	–	(1 370)
Dividends shares transferred ('000)	–	–	–
Shares available for future allocations ('000)	1 764	–	235
Share-based payment expense recognised in profit or loss (R'000)	15 335	–	9 828
Future share-based payment expense (R'000)	23 325	–	21 403
Liability recognised to date	n/a	n/a	n/a

27.4 PROBUILD CONSTRUCTIONS (AUST) PTY LTD AND WBHO INFRASTRUCTURE PTY LTD SHARE INCENTIVE SCHEMES

Shares are acquired by management at full market value at the time of issue and as a result, no share-based payment expense is recognised. The loans to employees are full recourse loans where the employee is responsible for any shortfall between the proceeds from the sale of shares and the amount owing except where the employee is made redundant and the directors elect that the shares be sold. In these instances, if the value of the loan is not fully settled by the share sale proceeds, the employee will not be required to settle the remaining balance. Employee loans are recognised for any consideration outstanding (note 6).

28. SEGMENT ANALYSIS

Reportable segments reflect the operating management structure of the Group and are identified both geographically and by the key markets which they serve. The segments are regularly reviewed by the Group's chief operating decision maker, defined as the Executive Committee, in order to allocate resources and assess the performance of the segments. None of the operating segments are aggregated and there are no additional segments to report separately. Non-current assets by geographic segment are disclosed net of deferred tax.

The Group has six reportable segments. The activities of each segment are noted below:

BUILDING AND CIVIL ENGINEERING
Construction of retail shopping centres, commercial buildings, hotels, hospitals and residential apartments, mostly for the private sector, as well as civil engineering related infrastructure for the mining, industrial, energy and oil and gas sectors.

ROADS AND EARTHWORKS
Activities include infrastructure and water and gas pipelines and other large infrastructure projects.

AUSTRALIA
Construction of retail, residential and commercial buildings for the private building sector as well as various engineering disciplines, servicing the road and mining sectors and telecommunications.

UNITED KINGDOM
Construction of retail, residential and commercial buildings for the private building sector and building refurbishments and fit-out projects.

PROPERTY DEVELOPMENTS
Acquisition of land or the rights to land and the development of schemes with a view to build or sell.

CONSTRUCTION MATERIALS
Sales and manufacture of long-steel products.

Reportable segments	**Building and civil engineering R'000**	**Roads and earthworks R'000**	**Australia R'000**	**United Kingdom R'000**	**Property developments R'000**	**Construction materials R'000**	**Total R'000**
2021							
Revenue	**7 900 198**	**5 348 287**	**18 867 823**	**5 508 614**	**1 491**	**1 058 243**	**38 684 656**
Inter-segment revenue	**–**	**(90 664)**	**–**	**–**	**–**	**(262 579)**	**(353 243)**
Revenue – external customers	**7 900 198**	**5 257 623**	**18 867 823**	**5 508 614**	**1 491**	**795 664**	**38 331 413**
Operating profit/(loss) by segment	**319 763**	**300 043**	**(411 687)**	**262 414**	**22 338**	**25 087**	**517 958**
Share-based payments expense	**–**	**–**	**–**	**–**	**–**	**–**	**(40 192)**
Goodwill impairment	**–**	**–**	**–**	**–**	**–**	**–**	**(20 635)**
Operating profit/(loss)	**319 763**	**300 043**	**(411 687)**	**262 414**	**22 338**	**25 087**	**457 131**
Items regularly reported to the Executive committee:							
Depreciation	**19 511**	**83 285**	**96 399**	**88 548**	**–**	**15 878**	**303 621**
Right-of-use assets capitalised	**–**	**398**	**10 286**	**7 996**	**–**	**3 307**	**21 987**
Capital expenditure	**8 456**	**77 351**	**22 209**	**8 584**	**–**	**483**	**117 083**
2020							
Revenue	6 495 486	4 979 575	24 656 604	6 452 136	2 537	713 000	43 299 338
Inter-segment revenue	–	–	–	–	–	(219 043)	(219 043)
Revenue – external customers	6 495 486	4 979 575	24 656 604	6 452 136	2 537	493 957	43 080 295
Operating profit/(loss) by segment	142 397	236 859	(1 198 855)	301 991	510	(24 243)	(541 341)
Share-based payments expense	–	–	–	–	–	–	(43 986)
Operating profit/(loss)	142 397	236 859	(1 198 855)	301 991	510	(24 243)	(585 327)
Items regularly reported to the Executive committee:							
Depreciation	26 408	115 152	83 134	86 144	–	15 415	326 253
Right-of-use assets capitalised	–	6 075	82 766	291 660	–	39 374	419 875
Capital expenditure	26 866	116 156	88 788	5 342	–	16 032	253 184

28. SEGMENT ANALYSIS (continued)

Geographic segments	2021 R'000	2020 R'000
Revenue		
South Africa	10 900 235	9 544 028
Rest of Africa	3 054 741	2 427 527
Australia	18 867 823	24 656 604
United Kingdom	5 508 614	6 452 136
	38 331 413	43 080 295
Operating profit/(loss)		
South Africa	466 510	201 736
Rest of Africa	200 719	153 787
Australia	(411 687)	(1 198 855)
United Kingdom	262 414	301 991
Operating profit/(loss) by segment	517 958	(541 341)
Share-based payments expense	(40 192)	(43 986)
Goodwill impairment	(20 635)	–
	457 131	(585 327)
Non-current assets		
South Africa	1 690 062	1 639 377
Rest of Africa	444 613	617 885
Australia	1 041 827	1 404 427
United Kingdom	1 063 689	1 273 906
	4 240 191	4 935 595

29. CASH FLOW INFORMATION

		2021 R'000	2020 R'000
29.1	CASH (UTILISED IN)/GENERATED FROM OPERATIONS		
	Operating profit/(loss)	457 131	(585 327)
	Less: Settlement agreement expense	(21 250)	(21 250)
	Adjusted for non-cash items:		
	Share-based payments expense	40 192	43 986
	Impairment of goodwill	20 635	–
	Depreciation (note 2 and 3)	304 866	326 253
	Decrease in loss allowance (note 25)	(1 594)	(42 170)
	Profit from disposal of property, plant and equipment (note 17)	(25 145)	(4 510)
	Operating income before working capital changes	774 835	(283 018)
	Working capital changes:		
	Increase in inventories	(34 397)	(29 543)
	(Increase)/decrease in contract assets	(155 711)	298 894
	(Decrease)/increase in contract liabilities	(430 833)	423 542
	(Increase)/decrease in trade and other receivables	(31 784)	342 733
	Increase/(decrease) in provisions	(75 929)	(46 119)
	(Decrease)/increase in trade and other payables	(1 204 984)	83 911
	Cash (utilised in)/generated from operations	(1 158 803)	790 400
29.2	INCOME TAX		
	Net tax receivable at 1 July	136 813	152 053
	Current tax expense	(347 017)	(169 153)
	Penalties reversed/(accrued)	14 325	(17 525)
	Net tax receivable at 30 June	(85 180)	(136 813)
	Income tax paid	(281 059)	(171 438)
29.3	LEASE LIABILITIES		
	Liabilities outstanding at 1 July	430 674	–
	Additions	21 987	431 548
	Derecognised	(2 778)	–
	Finance costs	14 472	18 486
	Exchange rate effects	(22 615)	65 426
	Liabilities outstanding at 30 June	(344 776)	(430 674)
	Lease liabilities paid	96 964	84 786
29.4	INSTALMENT SALE AGREEMENTS		
	Liabilities outstanding at 1 July	162 876	155 819
	Additions	22 160	116 140
	Finance costs	1 357	541
	Exchange rate effects	(12 267)	(5 030)
	Liabilities outstanding at 30 June	(98 636)	(162 876)
	Instalments paid	75 490	104 594
29.5	BANK LOANS		
	Liabilities outstanding at 1 July	111 286	–
	Additions	–	103 357
	Finance costs	(23)	7 929
	Liabilities outstanding at 30 June	(110 913)	(111 286)
	Bank loans paid	350	–

Cash balances of R474,3 million (2020: R141,6 million) relate to subcontractor retentions held in trust in Australia.

30. BUSINESS COMBINATION

The principle activities performed by iKusasa Rail SA (Pty) Ltd include the construction and maintenance of railway lines, overhead track equipment, track related civil works and the supply of related concrete products. In 2017, the Group sold a 51% interest in iKusasa Rail SA (Pty) Ltd to an empowerment partner via a vendor financing arrangement. A number of prominent rail opportunities in South Africa were on the horizon and these were to be pursued by the business. Regrettably, none of these opportunities materialised and the rail market in South Africa has been exceptionally quiet resulting in the business incurring losses over the previous two reporting periods. At the date of acquisition, the forward-looking pipeline for the business remained viable with a number of competitive bids having been submitted. Consequently, on 1 July 2020, the Group re-acquired the 51% interest from the empowerment partner. The acquisition price for the 51% interest in the business was determined using a value-in-use method based on both secured and unsecured rail projects.

The consideration payable was applied against the vendor financing loan. The outstanding balance of the loan was subsequently settled in cash within the current financial year.

The investment has been accounted for as an equity-accounted investment up until the date of the change in shareholding. In terms of IFRS 3: *Business combinations*, where control is achieved in stages, a deemed disposal of the Group's investment in the equity-accounted investee is recognised as follows:

	R'000
Fair value of the group's interest in the business at the date of deemed disposal	7 215
Less: Carrying amount at 1 July 2020	(15 565)
Loss on deemed disposal	(8 350)

The carrying value of the Group's interest iKusasa Rail SA (Pty) Ltd at 1 July 2021, amounting to R15,5 million, consists of the original cost of the investment, a loan to the business (accounted for as part of the net investment in terms of IAS28) less the Group's share of post-acquisition losses and movements in equity. At 30 June 2020, the loan to iKusasa Rail SA (Pty) Ltd was considered recoverable in terms of the present value of the expected future cash flows and the conditions contained within the loan agreement.

The fair value of the Group's 49% interest in iKusasa Rail SA (Pty) Ltd, calculated for the purposes of the deemed disposal, represents the Group's share of the business value determined using the value-in-use discounted cash flow method.

The controlling interest of the Group in the fair value of the identifiable assets and liabilities of the subsidiary is subsequently recognised in terms of the provisions of IFRS 3.

The fair value of the identifiable assets acquired and liabilities assumed at the acquisition date were as follows:

	R'000
ASSETS	
Non-current assets	
Property, plant and equipment	6
Trade and other receivables	4 120
Contract debtors	3 582
Contract assets	847
Other current assets	1 785
Cash and cash equivalents	3 723
	14 063
LIABILITIES	
Loans payable	1 175
Trade and other payables	10 472
Contract accruals	867
Payroll accruals	1 578
Provisions	2 267
	16 359

	R'000
Business value applied against the vendor loan	7 510
Portion of the loan receivable given up	3 614
Consideration paid to obtain control	11 124
Fair value of previously held interest	7 215
	18 339
Fair value of identifiable net liabilities	2 296
Goodwill recognised on acquisition (note 4)	20 635

At the date of acquisition, the long-term forward-looking prospects of the local rail market and hence the business remained viable.

The goodwill recognised as part of the transaction consisted of the following qualitative factors:

- potential future profits;
- expected synergies derived from the Group obtaining full control over the entity and combining the operations with other rail businesses under the Group's control; and
- as a wholly-owned subsidiary, the entity would benefit from the Group's Level 1 scorecard when bidding on public sector projects.

Revenue of R32 million and a net loss of R62 thousand have been included in the consolidated financial statements since the date of acquisition.

IMPAIRMENT OF GOODWILL

In the six month period subsequent to the acquisition date, a project on which iKusasa Rail SA (Pty) Ltd had been considered the preferred contractor did not reach financial close and was terminated. In addition, the tender on another major project on which the business had submitted a competitive bid was withdrawn. Based on these events, the ongoing uncertainty surrounding the timing of awards of future rail projects and further losses incurred by the business over the course of period and the potential impact of the emergence of a second wave of Covid-19 on the South African economy, a number of impairment indicators existed at 31 December 2021. Consequently, goodwill amounting to R20,6 million was impaired in full. iKusasa Rail SA (Pty) Ltd forms part of the roads and earthworks segment in Africa.

31. STATEMENT OF FINANCIAL PERFORMANCE AND OTHER COMPREHENSIVE INCOME

The Group has reclassified certain line items in the Statement of Financial Performance and Other Comprehensive Income's comparative figures have also been adjusted. There is no impact on the Statement of Financial Position or the Statement of Cashflows. The changes are disclosed in the table below:

R'000	Previously disclosed	Reclassified amount	Adjusted
Operating expenses	(42 266 264)	–	(42 266 264)
Administrative expenses	(1 389 839)	(43 986)	(1 433 825)
Operating loss	(541 341)	(43 986)	(585 327)
Share-based payments expense	(43 986)	43 986	–

32. FINANCIAL IMPACT OF COVID-19

In the previous reporting period, the Group incurred significant non-recoverable costs and expenses directly attributable to the Covid-19 pandemic amounting to R397 million. These included payroll expenditure during lock down periods, standing time in respect of plant and equipment, retrenchment costs and direct project costs related to the implementation of Covid-19 protocols.

While overall productivity was impacted in the current reporting period through supply chain disruptions, quarantine periods for infected employees and employees who have had close contact with infected persons, as well as remote working conditions for office-based employees, construction activity continued mostly uninterrupted through the lock down periods implemented across all regions. As such, no significant holding costs or further retrenchment costs have been incurred. Direct project costs relating to the implementation of Covid-19 protocols are either recovered in full or shared with clients and in a small number of instances not recoverable at all. These costs are no longer considered material.

33. GOING CONCERN

Although the lingering impact of Covid-19 on global economies can still be felt within certain market sectors, for the most part economies have stabilised and are beginning to show growth. A combination of public sector spending, the private sector's ability to adapt to the current conditions and rising vaccination rates have supported this recovery. From the Group's perspective this recovery is evident in the replenished order books of certain of the Group's operations together with a far stronger forward-looking pipeline of imminent projects upon which to bid other than in Australia.
In assessing going concern the directors have considered the following information:

- The sufficiency of provisions raised on onerous contracts and associated future cash outflows;
- The budgets and the forecast cash flows for the period up to September 2022;
- Current order book levels of secured work to be executed;
- New order intake between the end of the current reporting period and the authorisation date of these financial statements;
- Imminent project awards expected within three months of the date of these financial statements;
- The number and availability of short- and mid-term projects in the forward-looking pipeline;
- The existing cost base of the Group;
- External debt;
- Available financial facilities and existing cash reserves; and
- The rolling cash flow forecasts taking into account the expected funding of the Australian operations.

33. GOING CONCERN (continued)

Despite the cash utilised in operations amounting to R1,2 billion in FY2021 arising largely from the cash settlement of provisions raised in respect of the Western Road Upgrade project in Australia and further cash out flows associated with changes in working capital within both the building and infrastructure businesses in Australia, overall cash balances of R5,7 billion were maintained.

Due to its strong financial position, low levels of external debt and healthy cash reserves, the Group has maintained its strong relationships and ongoing support from guarantee providers. The Group continues to operate within its facility limits and has access to the necessary facilities to fund capital expenditure where necessary.

As vaccination drives gain traction in South Africa, the rest of Africa and Australia and with the UK already highly vaccinated, the disruptions caused by Covid-19 should continue to diminish. The current rebound in private fixed investment that is now taking place alongside increased public sector spending, has seen a resurgence in the forward-looking project pipelines in South Africa, certain regions in the rest of Africa and the UK. This has prompted a far more positive outlook over the short-to medium-term for construction opportunities within the Group's traditional markets. The softer short-term outlook in Australia due to rising Covid-19 infection rates and ongoing lock downs has allowed the Group space to implement its future consolidation strategy and reduce capacity.

Having given due consideration to the above information, the directors are satisfied that the Group has access to adequate resources to continue in operational existence for the foreseeable future. As such, the going concern basis has been applied in preparing the financial statements.

34. EVENTS AFTER THE REPORTING DATE

In July 2021, widespread looting and community unrest was experienced across South Africa. The impact on the Group's South African operations was minimal. In the interest of employee safety, all projects and the regional office were closed for two weeks in Kwa-Zulu Natal (KZN) while in Gauteng, the Group's Head office was closed for one week. Only one project in KZN sustained minor damage.

The Board is not aware of any other matter or circumstance arising since the reporting date not otherwise dealt with in the consolidated financial statements, which significantly affects the financial position of the Group as at 30 June 2021 or the results of its operations or cash flows for the year then ended.

ANNEXURE 1: INVESTMENTS IN SUBSIDIARIES
for the year ended 30 June 2021

	Country of Incorporation	Issued capital	Effective holding 2021 %	Effective holding 2020 %
Held directly				
WBHO Construction (Pty) Ltd	South Africa	R900 000	**100**	100
WBHO Industrial Holdings (Pty) Ltd	South Africa	R1	**100**	100
Structured entities				
WBHO Management Trust	South Africa		**–**	–
WBHO Share Trust	South Africa		**–**	–
WBHO Broad-based Employee Share Incentive Trust	South Africa		**–**	–
Akani Investment Holdings (Pty) Ltd	South Africa	R34 936	**31**	31
Held indirectly				
Roadspan Surfaces (Pty) Ltd	South Africa	R10 000	**100**	100
St Francis Links (Pty) Ltd	South Africa	R100	**80**	80
Capital Africa Steel (Pty) Ltd	South Africa	R235 861	**100**	100
Tekfalt Binders (Pty) Ltd	South Africa	R100	**100**	100
Balmoral Crushers (Pty) Ltd	South Africa	R120	**100**	100
iKusasa Rail (Pty) Ltd	South Africa	R70 015 457	**100**	85
WBHO Guinea (SA) Limited	Guinea	Fr100 000 000	**100**	100
WBHO Mozambique Projectos Limitada	Mozambique	MZN10 000 000	**100**	100
WBHO Namibia (Pty) Ltd	Namibia	N$1	**100**	100
WBHO Construction Zambia Limited	Zambia	ZMW10 000	**100**	100
Kalcon (Pty) Ltd	Botswana	P2	**100**	100
WBHO Ghana (Pty) Ltd	Ghana	$500 000	**100**	100
WBHO Madagascar (Pty) Ltd	Madagascar	MGA117 596 609	**100**	–
WBHO Australia Pty Ltd	Australia	AU$217 348 943	**100**	100
WBHO Infrastructure Pty Ltd	Australia	AU$155 912 503	**96,9**	94,8
Monaco Hickey Pty Ltd	Australia	AU$5 850 000	**71,6**	70,3
Probuild Constructions (Aust) Pty Ltd	Australia	AU$34 666 871	**89,6**	87,9
WBHO UK Limited	England	GBP100	**100**	100
Byrne Group Limited	England	GBP2 137 400	**80**	80
WBHO-Russell	England	GBP750	**90**	80

Investments in insignificant subsidiaries are not disclosed.

ANNEXURE 2: INTERESTS IN JOINT OPERATIONS

for the year ended 30 June 2021

Investments in significant non-statutory entities	Country of operation	2021 %	2020 %
Kusile Civils Joint Venture	South Africa	**50,0**	50,0
WBHO/Tiber 144 Oxford Street Joint Venture	South Africa	**50,0**	50,0
Umhlanga Arch Joint Venture	South Africa	**90,0**	90,0
WBHO/Thekwane Joint Venture	South Africa	**70,0**	70,0
Oceans Joint Venture	South Africa	**70,0**	70,0
Masibuyisane Joint Venture	South Africa	**75,0**	75,0
WBHO/Motheo Joint Venture	South Africa	**62,0**	62,0
Sisonke Joint Venture	South Africa	**70,0**	70,0
Mdubane Joint Venture	South Africa	**60,0**	60,0
WBHO ATM Development Joint Venture	South Africa	**50,0**	50,0
WBHO/Pro-Khaya Joint Venture	South Africa	**80,0**	80,0
Jewel City Joint Venture	South Africa	**50,0**	50,0
WBHO LKT Joint Venture	South Africa	**92,5**	–
WBHO Vlakfontein Civils Joint Venture	South Africa	**70,0**	50,0
WBHO AMC Joint Venture	South Africa	**80,0**	80,0
WBHO/Thlabane Square Joint Venture	South Africa	**30,0**	30,0
WBHO-SS LNG EBL Joint Venture	South Africa	**50,0**	–
DRDLR D&C Joint Venture	South Africa	**85,0**	–
WBHO Pandev Joint Venture	South Africa	**85,0**	–
WBHO/LSP Joint Venture	Lesotho	**60,0**	60,0
WBHO/AGT Joint Venture	Swaziland	**50,0**	50,0

All joint operations listed above are engaged in construction activities.

ANNEXURE 3: SHAREHOLDERS' ANALYSIS

for the year ended 30 June 2021

Shareholder spread	Number of shareholdings	%	Number of shares	%
1 – 1 000 shares	2 933	77,61	642 833	1,07
1 001 – 10 000 shares	565	14,95	1 846 925	3,08
10 001 – 100 000 shares	205	5,43	7 049 027	11,77
100 001 – 1 000 000 shares	66	1,75	20 435 015	34,13
1 000 001 shares and over	10	0,26	29 916 714	49,95
Total	3 779	100,00	59 890 514	100,00
Distribution of shareholders				
Banks/brokers	61	1,60	5 604 186	9,36
Close corporations	21	0,56	11 725	0,02
Empowerment	3	0,08	3 447 308	5,76
Endowment funds	14	0,37	39 357	0,07
Individuals	2 818	74,57	3 569 931	5,96
Insurance companies	35	0,93	4 475 694	7,47
Investment companies	4	0,10	286 901	0,48
Medical schemes	22	0,58	225 891	0,38
Mutual funds	199	5,27	17 770 581	29,67
Other corporations	17	0,45	7 943	0,01
Private companies	66	1,74	360 834	0,60
Public companies	4	0,11	1 383	0,00
Retirement funds	214	5,66	18 963 421	31,66
Share trusts	2	0,05	3 323 021	5,55
Treasury stock	1	0,03	2	0,00
Trusts	298	7,89	1 802 336	3,01
Total	3 779	100,00	59 890 514	100,00
Public/non-public shareholders				
Non-public shareholders	19	0,50	22 416 719	37,43
Executive directors	6	0,16	461 746	0,77
Prescribed officers	6	0,16	241 033	0,40
Strategic holders holding more than 10%	1	0,03	14 943 609	24,95
Empowerment	3	0,08	3 447 308	5,76
Treasury stock	1	0,03	2	0,00
WBHO Share and Management Trusts	2	0,05	3 323 021	5,55
Public shareholders	3 761	99,50	37 473 795	62,57
Total	3 779	100,00	59 890 514	100,00
Beneficial shareholders holding 3% or more				
Government Employees Pension Fund			14 949 409	24,96
Old Mutual			10 649 814	17,78
PSG Konsult			2 047 424	3,42
Akani Investment Holdings (Pty) Ltd			3 447 308	5,76
WBHO Management Trust			3 280 646	5,48
Total			34 374 601	57,40
Geographical Breakdown				
South Africa	3 600	95,26	51 196 002	85,48
United States of America and Canada	17	0,45	5 627 538	9,41
Rest of the World	116	3,08	1 253 497	2,09
United Kingdom	13	0,34	690 829	1,15
Rest of Europe	33	0,87	1 122 648	1,87
Total	3 779	100,00	59 890 514	100,00

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