Calgro M3 Developments Limited and its Subsidiaries

(Registration number 1996/017246/06)

Consolidated Financial Statements for the year ended 28 February 2015

General information

Calgro M3 Developments Limited

Incorporated in the Republic of South Africa

Registration number 1996/017246/06

Registered Office

Cedarwood House

Ballywoods Office Park

33 Ballyclare Drive

Bryanston

2196

Business Address

Cedarwood House

Ballywoods Office Park

33 Ballyclare Drive

Bryanston

2196

Postal Address

Private Bag X33

Craighall

2024

Published

8 May 2015

Preparer

The financial statements were internally compiled by WA Joubert CA (SA) under the supervision of WJ Lategan CA (SA).

Level of assurance

These financial statements have been audited by our external auditors PricewaterhouseCoopers Inc. in compliance with the applicable requirements of the Companies Act 71 of 2008.

Bankers

First National Bank

Auditors

PricewaterhouseCoopers Inc.

Secretary

W Williams

Directors

BP Malherbe	Executive
WJ Lategan	Executive
FJ Steyn	Executive
DN Steyn	Executive
BG Blieden	Executive

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

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Directors' Responsibilities and Approval

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

The consolidated and separate financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates.

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

The Code of Corporate Practices and Conduct has been integrated into the group and company's strategies and operations.

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

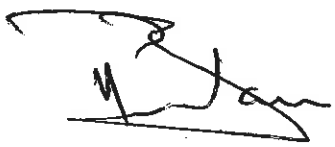
The directors have reviewed the group and company`s cash flow forecast for the year to 29 February 2016 and, in the light of this review and the current financial position, they are satisfied that the group and company has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the company's annual financial statements.
The consolidated and separate financial statements have been examined by the group and company`s external auditors and their report is presented on page 7.

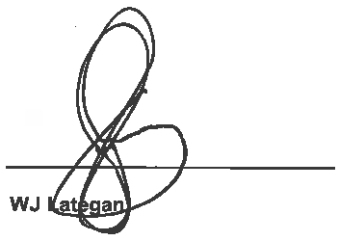
The external auditors were given unrestricted access to all financial records and related data, including minutes of all meetings of shareholders, the board and the board of directors. The board of directors believe that all representations made to the independent auditors during their audit are valid and appropriate.

The company`s ultimate holding company has appointed an audit committee which performs the functions required under Section 94(7) of the Companies Act 71 of 2008 on behalf of Calgro M3 Developments Limited. The audit committee of the ultimate holding company has confirmed to the directors of the company that these functions have been performed without any exceptions noted in relation to the financial statements and that they are satisfied that the auditors were independent of the company.

The consolidated and separate financial statements set out on pages 4 to 45, which have been prepared on the going concern basis, were approved by the board of directors on of directors on 8 May 2015 and were signed on its behalf by:



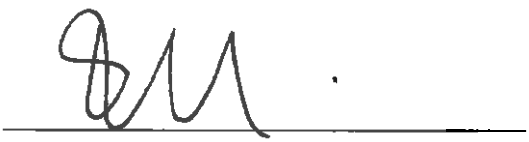
BP Malherbe



WJ Kategan

Certification of the company secretary

I , Wayne Williams, hereby confirm, in my capacity as company secretary of Calgro M3 Developments Limited that for the year ended 28 February 2015, the company has filed all required returns and notices in terms of the Companies Act, 2008 and that all such returns and notices are to the best of my knowledge and



Wayne Williams

Company secretary

8 May 2015

Directors' report

The directors submit their report for the year ended 28 February 2015

1. Nature of business

Main business and operations:

The company is engaged in construction and land development. The operating results and state of affairs of the company are fully set out in the financial statement and do not in our opinion require any further comment.

The operating cycle for inventory and construction contracts is considered to be longer than 12 months. Accordingly the associated assets and liabilities are classified as current as they are expected to be settled within the same operating cycle as inventory and construction contracts.

Registered Office

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Private Bag X33
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2. Financial position

The financial statements on pages 4 - 45 set out fully the financial position, results of operations and cash flows of the group and company for the year ended 28 February 2015 and do not in our opinion require any further comment.

For segmental reporting, please refer to note 38 of the consolidated financial statements.

3. Events after reporting period

There were no events after the year ended 28 February 2015 that warrant disclosure in this report.

4. Type of company

Calgro M3 Developments Limited is registered as a public company in terms of the Companies Act No. 71 of 2008.

5. Subsidiary Companies

All direct and indirect subsidiaries are South African-based.

The attributable interest of the holding company in the aggregate income earned and losses incurred after taxation by its subsidiaries, are as follows:

	2015	2014
R'000		
Profit	8 253	18 876
Losses	(417)	(5 215)

6. Share Appreciation Rights

The share appreciation rights (SAR's) which are granted to directors and selected employees are divided into two main categories with various SAR issues within each category. Total number of SAR's outstanding is 10 378 172 (2014 FY - 9 050 000) and is divided into two categories:
Category 1 - 4 973 172 SAR's (2014 FY - 4 850 000) and Category 2 - 5 400 000 SAR's (2014 FY - 4 200 000).

1 744 839 Category 1 SAR's were granted (2014 FY - Nil) and 1 616 667 Category 1 SAR's were exercised (2014 FY - Nil) by directors and selected employees during the 2015 financial year. 1 200 000 Category 2 SAR's were granted (2014 FY - Nil) and nil Category 2 SAR's were exercised (2014 FY - Nil) by employees during the 2015 financial year.

The rights will vest if the share price at each vesting date exceeds the hurdle price.

The hurdle price is the strike (allocation) price grown by CPI plus 2% per year over the vesting period. In the situation that the hurdle price is not achieved at the vesting date, 25% of the possible vested SAR's will roll over to the next vesting date.

Refer to note 31 for details on the share appreciation rights scheme.

7. Accounting policies

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS).

8. Authorised and issued share capital

There were no changes to authorised or issued share capital of the company during the year under review.

Directors' report

9. Capital expenditure

Details on capital expenditure are set out in note 6 and 7 of the financial statements.

10. Dividends

No dividends were declared or paid to the shareholder during the year .

11. Going concern

The directors believe that the group has adequate financial resources to continue in operation for the foreseeable future and accordingly the financial statements have been prepared on a going concern basis.

The board are not aware of any new material changes that may adversely impact the group. The board are not aware of any material non-compliance with statutory or regulatory requirements. The board is not aware of any pending changes in litigation that may affect the group.

12. Directors

The directors of the company during the year and to the date of this report are as follows:

Name	Nationality	Contract expiry
BP Malherbe	South African	3 month notice
WJ Lategan	South African	3 month notice
FJ Steyn	South African	3 month notice
DN Steyn	South African	3 month notice
BG Blieden	South African	3 month notice

13. Secretary

W Williams will continue in office in accordance with section 86 of the Companies Act, subject to the approval of the shareholders at the next general meeting.

Business address
Cedarwood House
Ballywoods Office Park
33 Ballyclare Drive
Bryanston
2196

Postal address
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2024

14. Auditors

PricewaterhouseCoopers Inc will continue in office in accordance with section 90 of the Companies Act, subject to the approval of the shareholders at the next general meeting. J-P van Staden will be the individual registered auditor who will undertake the audit.

15. Preparer

The financial statements were internally compiled by WA Joubert CA (SA) under the supervision of WJ Lategan CA (SA).

16. Liquidity and solvency

The directors have performed the required liquidity and solvency tests required by the Companies Act No. 71 of 2008.

17. Level of assurance

These financial statements have been audited in compliance with the applicable requirements of the Companies Act No. 71 of 2008.

18. Special Resolution

No special resolutions relating to the capital structure, borrowing powers or any other material matter that affects the understanding of the group were passed by subsidiary companies during the year under review.

pwc

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF CALGRO M3 DEVELOPMENTS LIMITED

We have audited the consolidated and separate financial statements of Calgro M3 Developments Limited set out on pages 8 to 45, which comprise the statements of financial position as at 28 February 2015, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

Directors' Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated and separate financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated and separate financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Calgro M3 Developments Limited as at 28 February 2015, and it's consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

Other reports required by the Companies Act

As part of our audit of the consolidated and separate financial statements for the year ended 28 February 2015, we have read the Directors' Report and the Company Secretary's Certificate for the purpose of identifying whether there are material inconsistencies between these reports and the audited consolidated and separate financial statements. These reports are the responsibility of the respective preparers. Based on reading these reports we have not identified material inconsistencies between these reports and the audited consolidated and separate financial statements. However, we have not audited these reports and accordingly do not express an opinion on these reports.

PricewaterhouseCoopers Inc

PricewaterhouseCoopers Inc
Director: J-P van Staden
Registered Auditor
Sunninghill
8 May 2015

Consolidated statement of financial position		Group		Company	
	Notes	2015	2014	2015	2014
Assets					
Non-Current Assets					
Investment property	5	**4 239 303**	4 239 303	**4 239 303**	4 239 303
Property, plant and equipment	6	**1 713 893**	2 570 925	**1 679 344**	2 511 449
Intangible assets	7	**28 678 730**	28 708 828	**163 933**	194 031
Investment in subsidiaries	8	**-**	-	**300**	300
Investment in associates	9	**246 249**	-	**35**	-
Deferred income tax asset	10	**854 211**	3 163 998	**-**	-
		35 732 386	38 683 054	**6 082 915**	6 945 083
Current Assets					
Loans receivable	11	**5 756 677**	5 756 677	**5 756 677**	5 756 677
Loans to group companies	12	**499 502 654**	424 623 397	**530 386 665**	451 598 501
Inventories	13	**22 221 886**	20 585 389	**21 476 977**	19 840 480
Current tax receivable		**2 037 730**	251 695	**1 936 857**	213 740
Construction contracts	14	**169 484 314**	157 623 275	**168 029 885**	158 062 488
Trade and other receivables	15	**153 800 585**	195 919 630	**150 840 007**	192 623 656
Cash and cash equivalents	16	**111 783 694**	49 906 974	**111 763 281**	49 906 439
		964 587 540	854 667 037	**990 190 349**	878 001 981
Total Assets		**1 000 319 926**	893 350 091	**996 273 264**	884 947 064
Equity and Liabilities					
Equity					
Equity attributable to owners of the parent					
Stated capital	17	**88 561 467**	88 561 467	**88 561 467**	88 561 467
Retained income		**186 244 269**	164 341 196	**126 530 288**	114 633 915
		274 805 736	252 902 663	**215 091 755**	203 195 382
Liabilities					
Non-current Liabilities					
Deferred income tax liability	10	**20 791 638**	31 207 629	**20 218 214**	31 773 593
		20 791 638	31 207 629	**20 218 214**	31 773 593
Current Liabilities					
Loans from group companies	12	**2 038 227**	2 320 983	**61 335 785**	45 207 925
Current income tax liabilities		**-**	344	**-**	-
Finance lease obligations	18	**-**	215 446	**-**	215 446
Borrowings	19	**492 131 944**	470 929 440	**492 131 944**	470 929 440
Trade and other payables	20	**210 552 381**	135 773 586	**207 495 566**	133 625 278
		704 722 552	609 239 799	**760 963 295**	649 978 089
Total Liabilities		**725 514 190**	640 447 428	**781 181 509**	681 751 682
Total Equity and Liabilities		**1 000 319 926**	893 350 091	**996 273 264**	884 947 064

Consolidated statement of comprehensive income		Group		Company	
	Notes	2015	2014	2015	2014
Revenue	21	797 106 993	771 554 422	795 223 126	732 753 414
Cost of sales	22/24	(651 324 039)	(677 249 798)	(651 454 221)	(628 423 290)
Gross profit		145 782 954	94 304 624	143 768 905	104 330 124
Other income	23	6 434 924	5 244 349	11 679 490	10 322 709
Administrative expenses	24	(136 906 637)	(85 621 714)	(151 751 488)	(99 482 524)
Other expenses	24	-	(5 763 253)	-	(38 096)
Operating profit		15 311 241	8 164 006	3 696 907	15 132 213
Finance income	25	64 902 957	48 363 769	68 424 090	51 292 149
Finance costs	26	(52 059 831)	(39 319 908)	(57 266 894)	(43 889 109)
Share of profit of associates - Net of tax	9	246 214	-	-	-
Profit before tax		28 400 581	17 207 867	14 854 103	22 535 253
Taxation	27	(6 497 508)	(4 221 430)	(2 957 730)	(5 706 367)
Profit after taxation		21 903 073	12 986 437	11 896 373	16 828 886
Other comprehensive income		-	-	-	-
Total comprehensive income		21 903 073	12 986 437	11 896 373	16 828 886
Profit after taxation and other comprehensive income attributable to:					
Owners of the parent		21 903 073	12 986 437		

Consolidated statement of changes in equity

	Stated capital	Retained income	Total equity
Group			
Balance at 1 March 2013	**88 561 467**	**151 354 759**	**239 916 226**
Comprehensive income			
Other comprehensive income	-	-	-
Total comprehensive income	-	12 986 437	12 986 437
Balance at 28 February 2014	**88 561 467**	**164 341 196**	**252 902 663**
Comprehensive income			
Other comprehensive income	-	-	-
Total comprehensive income	-	21 903 073	21 903 073
Balance at 28 February 2015	**88 561 467**	**186 244 269**	**274 805 736**
Note	17		
Company			
Balance at 1 March 2013	**88 561 467**	**97 805 029**	**186 366 496**
Comprehensive income			
Other comprehensive income	-	-	-
Total comprehensive income	-	16 828 886	16 828 886
Balance at 28 February 2014	**88 561 467**	**114 633 915**	**203 195 382**
Comprehensive income			
Other comprehensive income	-	-	-
Total comprehensive income	-	11 896 373	11 896 373
Balance at 28 February 2015	**88 561 467**	**126 530 288**	**215 091 755**
Note	17		

Consolidated statement of cash flows		Group		Company	
	Notes	2015	2014	2015	2014
Cash generated from/(utilised in) operations					
Cash generated from/(utilised in) operations	28	75 130 363	(237 896 656)	87 779 969	(219 144 916)
Interest received		2 344 127	1 055 831	2 344 055	1 054 119
Interest paid		(52 044 291)	(35 031 067)	(52 044 467)	(36 555 713)
Tax paid	29	(16 390 091)	(2 339 209)	(16 236 226)	(1 261 048)
Net cash generated from/(utilised in) operating activities		**9 040 108**	(274 211 101)	**21 843 331**	(255 907 558)
Cash flows invested in/(utilised in) investing activities					
Purchase of property plant and equipment		(553 482)	(496 326)	(553 482)	(496 326)
Purchase of intangible assets		(174 794)	(266 281)	(174 794)	(266 281)
Proceeds from the sale of property plant and equipment		113 924	-	113 903	-
Repayment of loans		-	4 872 145	-	4 872 145
Advances to group companies		(968 771 561)	(969 487 538)	(968 771 561)	(969 487 538)
Repayments of loans to group companies		996 877 013	922 896 391	996 874 311	922 896 391
Net cash invested in/(utilised in) investing activities		**27 491 100**	(42 481 609)	**27 488 377**	(42 481 609)
Cash flows from financing activities					
Proceeds from borrowings		113 000 000	252 000 000	113 000 000	252 000 000
Repayment of borrowings		(93 043 220)	(511 025)	(93 043 220)	(511 025)
Advances from group companies		5 796 455	6 572 296	9 631 582	62 541 654
Repayment of loans from group companies		(407 723)	(52 441)	(17 063 528)	(74 241 651)
Net cash from financing activities		**25 345 512**	258 008 830	**12 525 134**	239 788 978
Net increase/(decrease) in cash and cash equivalents		**61 876 720**	(58 683 880)	**61 856 842**	(58 600 189)
Cash and cash equivalents at the beginning of the year		49 906 974	108 590 854	49 906 439	108 506 628
Cash and cash equivalents at end of the year	16	**111 783 694**	49 906 974	**111 763 281**	49 906 439

Notes to the consolidated financial statements

1. General Information

Calgro M3 Developments Limited (the "company") and its subsidiaries and associate (together "the group") is a construction company with trading subsidiaries and an associate engaged in investment holding, residential land development and construction.

The company has listed instruments on the South African Bond Exchange and is a public company incorporated and domiciled in South Africa. The address of its registered office is Cedarwood House, Ballywoods Office Park, 33 Ballyclare Drive, Bryanston, 2196.

2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), the SAICA Financial Reporting Guides, and the Companies Act 71 of 2008. The financial statements have been prepared on the historical cost basis and incorporate the principal accounting policies set out below. They are presented in South African Rands. These accounting policies are consistent with the previous period.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 4.

The operating cycle for inventory and construction contracts is considered to be longer than 12 months. Accordingly the associated assets and liabilities are classified as current as they are expected to be settled within the same operating cycle as inventory and construction contracts.

Any reference to group companies, includes Calgro M3 Holdings Limited, the company's holding company, and fellow subsidiaries and joint ventures of the holding company.

(a) New standards and interpretations

There were a number of new standards and interpretations effective and adopted in the current year none of which have a significant impact on the group and company.

(b) Standards and interpretations issued not yet effective

There are a number of new standards and amendments to new standards and interpretations which will only be effective after the 2015 year end. None of these are expected to have a significant impact on the group and company, except for the standards and amendments listed below.

Topic	Key Requirements	Effective Date
IFRS 9: Financial Instruments	• In November 2009 the IASB issued IFRS 9 (2009), the first milestone in the project to replace IAS 39. This standard required the classification and measurement of financial assets into only two categories: amortised cost, and fair value through profit or loss ('FVPL'). • In October 2010 the IASB published the updated IFRS 9 (2010), Financial instruments, to include guidance on financial liabilities and derecognition of financial instruments, and in particular the requirement to present changes in own credit risk on liabilities at fair value in other comprehensive income ('OCI'). • In March 2013, the IASB issued an exposure draft (ED) on limited amendments to IFRS 9 (2010), to address specific application questions raised by interested parties as well as to try and reduce differences with the FASB. However, the FASB tentatively decided that it would not continue to pursue a classification and measurement model similar to the IASB. As a consequence, the FASB's classification and measurement project is expected to result in few changes to current US GAAP. • In November 2013, the IASB published the final hedging requirements excluding macro hedging. • In July 2014, the IASB published the new and complete version of IFRS 9 (hereafter 'IFRS 9' or 'the new standard'), which includes the new hedge accounting, impairment and classification and measurement requirements.	01 January 2018
IFRS 15: Revenue from contracts with customers	The core principle of the new revenue recognition standard is that revenue must be recognised when the goods or services are transferred to the customer, at the transaction price. The most significant changes that flow from that principle are: • any bundled goods or services that are distinct must be separately recognised, and any discounts or rebates on the contract price must generally be allocated to the separate elements. • revenue may be recognised earlier than under current standards if the consideration varies for any reasons (such as for incentives, rebates, performance fees, royalties, success of an outcome etc.) – minimum amounts must be recognised if they are not at significant risk of reversal. • the point at which revenue is able to be recognised may shift: some revenue which is currently recognised at a point in time at the end of a contract may now be recognised over the contract term and vice versa.	01 January 2017

Notes to the consolidated financial statements

2.1 Basis of preparation (continued)

(b) Standards and interpretations issued not yet effective (continued)

Topic	Key Requirements	Effective Date
Amendment to IFRS 11: Accounting for acquisitions of interests in joint operations	IFRS 11 addresses the accounting for interests in joint ventures and joint operations. The amendment adds new guidance on how to account for the acquisition of an interest in a joint operation that constitutes a business. The amendments specify the appropriate accounting treatment for such acquisitions.	01 January 2016
Amendment to IAS 16 and IAS 38: Clarification of acceptable methods of depreciation and amortisation	IAS 16 and IAS 38 both establish the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset. The IASB has clarified that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. The IASB also clarified that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. This presumption, however, can be rebutted in certain limited circumstances.	01 January 2016
Amendment to IAS 27: Equity method in separate financial statements	The IASB has amended IAS 27, 'Separate financial statements', to restore the option to use the equity method to account for investments in subsidiaries, joint ventures and associates in an entity's separate financial statements. An entity can now account for investments in subsidiaries, joint ventures and associates in its separate financial statements: • at cost; or • in accordance with IFRS 9; or • using the equity method as described in IAS 28.	01 January 2016
Amendment to IAS 1: Disclosure initiative	The transition provisions state that the disclosures in paragraphs 28-30 of IAS 8, that is, those regarding adoption of a new standard/policy are not required. This amendment aims to clarify guidance in IAS 1 on materiality and aggregation, the presentation of subtotals, the structure of financial statements and the disclosure of accounting policies. The amendments form a part of the IASB's Disclosure Initiative, which explores how financial statement disclosures can be improved.	01 January 2016
Amendments to IFRS 10 IFRS 12 and IAS 28: Investment Entities-Applying the consolidation exception	These amendments clarify the application of the consolidation exception for investment entities and their subsidiaries.	01 January 2016
Annual improvements to IFRS 2010 to 2012 cycle	Each of the amendments are summarised below: *IFRS 2, 'Share-based payment'* The amendment clarifies the definition of a 'vesting condition' and separately defines 'performance condition' and 'service condition'. The amendment is effective for share-based payment transactions for which the grant date is on or after 1 July 2014. *IFRS 3, 'Business combinations'* The standard is amended to clarify that an obligation to pay contingent consideration which meets the definition of a financial instrument is classified as a financial liability or as equity, on the basis of the definitions in IAS 32, 'Financial instruments: Presentation'. The standard is further amended to clarify that all non-equity contingent consideration, both financial and non-financial, is measured at fair value at each reporting date, with changes in fair value recognised in profit and loss. Consequential changes are also made to IFRS 9, IAS 37 and IAS 39. The amendment is effective for business combinations where the acquisition date is on or after 1 July 2014. *IFRS 8, 'Operating segments'* The standard is amended to require disclosure of the judgements made by management in aggregating operating segments. This includes a description of the segments which have been aggregated and the economic indicators which have been assessed in determining that the aggregated segments share similar economic characteristics. The standard is further amended to require a reconciliation of segment assets to the entity's assets when segment assets are reported. An entity shall apply this amendment for annual period beginning on/after 1 July 2014. *IFRS 13, 'Fair value measurement'* When IFRS 13 was published, paragraphs B5.4.12 of IFRS 9 and AG79 of IAS 39 were deleted as consequential amendments. This led to a concern that entities no longer had the ability to measure short-term receivables and payables at invoice amounts where the impact of not discounting is immaterial. The IASB has amended the basis for conclusions of IFRS 13 to clarify that it did not intend to remove the ability to measure short-term receivables and payables at invoice amounts in such cases.	01 July 2014

Notes to the consolidated financial statements

2.1 Basis of preparation (continued)

(b) Standards and interpretations issued not yet effective (continued)

Topic	Key Requirements	Effective Date
Annual improvements to IFRS 2010 to 2012 cycle (continued)	*IAS 16, 'Property, plant and equipment', and IAS 38, 'Intangible assets'* Both standards are amended to clarify how the gross carrying amount and the accumulated depreciation are treated where an entity uses the revaluation model. The carrying amount of the asset is restated to the revalued amount. The split between gross carrying amount and accumulated depreciation is treated in one of the following ways: • either the gross carrying amount is restated in a manner consistent with the revaluation of the carrying amount, and the accumulated depreciation is adjusted to equal the difference between the gross carrying amount and the carrying amount after taking into account accumulated impairment losses; or • the accumulated depreciation is eliminated against the gross carrying amount of the asset. An entity shall apply this amendment for annual period beginning on/after 1 July 2014. *IAS 24, 'Related party disclosures'* The standard is amended to include, as a related party, an entity that provides key management personnel services to the reporting entity or to the parent of the reporting entity ('the management entity'). The reporting entity is not required to disclose the compensation paid by the management entity to the management entity's employees or directors, but it is required to disclose the amounts charged to the reporting entity by the management entity for services provided. An entity shall apply this amendment for annual period beginning on/after 1 July 2014.	01 July 2014
Annual improvements for IFRS 2011 to 2013 cycle	Each of the amendments are summarised below: *IFRS 1, 'First-time adoption of International Financial Reporting Standards'* The basis for conclusions on IFRS 1 is amended to clarify that, where a new version of a standard is not yet mandatory but is available for early adoption; a first-time adopter can use either the old or the new version, provided the same standard is applied in all periods presented. *IFRS 3, 'Business combinations'* The standard is amended to clarify that IFRS 3 does not apply to the accounting for the formation of any joint arrangement under IFRS 11. The amendment also clarifies that the scope exemption only applies in the financial statements of the joint arrangement itself. An entity shall apply this amendment for annual period beginning on/after 1 July 2014. *IFRS 13, 'Fair value measurement'* The amendment clarifies that the portfolio exception in IFRS 13, which allows an entity to measure the fair value of a group of financial assets and financial liabilities on a net basis, applies to all contracts (including non-financial contracts) within the scope of IAS 39 or IFRS 9. The amendment is effective for annual periods beginning on or after 1 July 2014. An entity shall apply the amendment prospectively from the beginning of the first annual period in which IFRS 13 is applied. An entity shall apply this amendment for annual period beginning on/after 1 July 2014. *IAS 40, 'Investment property'* The standard is amended to clarify that IAS 40 and IFRS 3 are not mutually exclusive. The guidance in IAS 40 assists preparers to distinguish between investment property and owner-occupied property. Preparers also need to refer to the guidance in IFRS 3 to determine whether the acquisition of an investment property is a business combination. The amendment is effective for annual periods beginning on or after 1 July 2014, but can be applied to individual acquisitions of investment property before that date if, and only if, the information necessary to apply the amendment is available.	01 July 2014
Annual improvements for IFRS 2012 to 2014 cycle	Each of the amendments are summarised below: *IFRS 5, 'Non-current assets held for sale and discontinued operations'* The amendment clarifies that, when an asset (or disposal group) is reclassified from 'held for sale' to 'held for distribution', or vice versa, this does not constitute a change to a plan of sale or distribution, and does not have to be accounted for as such. This means that the asset (or disposal group) does not need to be reinstated in the financial statements as if it had never been classified as 'held for sale' or 'held for distribution' simply because the manner of disposal has changed. The amendment also rectifies an omission in the standard by explaining that the guidance on changes in a plan of sale should be applied to an asset (or disposal group) which ceases to be held for distribution but is not reclassified as 'held for sale'.	01 January 2016

Notes to the consolidated financial statements

2.1 Basis of preparation (continued)

(b) Standards and interpretations issued not yet effective (continued)

Topic	Key Requirements	Effective Date
Annual improvements for IFRS 2012 to 2014 cycle (continued)	*IFRS 7, 'Financial instruments: Disclosures'* There are two amendments to IFRS 7. • Servicing contracts If an entity transfers a financial asset to a third party under conditions which allow the transferor to derecognise the asset, IFRS 7 requires disclosure of all types of continuing involvement that the entity might still have in the transferred assets. IFRS 7 provides guidance on what is meant by continuing involvement in this context. The amendment adds specific guidance to help management determine whether the terms of an arrangement to service a financial asset which has been transferred constitute continuing involvement. The amendment is prospective with an option to apply retrospectively. A consequential amendment to IFRS 1 is included to give the same relief to first-time adopters. • Interim financial statements The amendment clarifies that the additional disclosure required by the amendments to IFRS 7, 'Disclosure – Offsetting financial assets and financial liabilities' is not specifically required for all interim periods, unless required by IAS 34. The amendment is retrospective. *IAS 19, 'Employee benefits'* The amendment clarifies that, when determining the discount rate for post-employment benefit obligations, it is the currency that the liabilities are denominated in that is important, and not the country where they arise. The assessment of whether there is a deep market in high-quality corporate bonds is based on corporate bonds in that currency, not corporate bonds in a particular country. Similarly, where there is no deep market in high-quality corporate bonds in that currency, government bonds in the relevant currency should be used. The amendment is retrospective but limited to the beginning of the earliest period presented. *IAS 34, 'Interim financial reporting'* The amendment clarifies what is meant by the reference in the standard to 'information disclosed elsewhere in the interim financial report'. The amendment further amends IAS 34 to require a cross-reference from the interim financial statements to the location of that information. The amendment is retrospective.	01 January 2016

2.2 Consolidation

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the group and all entities, including special purpose entities, which are controlled by the group.

The group applies the acquisition method to account for business combinations.

The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

(a) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

Notes to the consolidated financial statements

2.2 Consolidation (continued)

(b) Associates

Associates are all entities over which the group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The group's investment in associates includes goodwill identified on acquisition.

The group's share of post-acquisition profit or loss is recognised in the income statement, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

The group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to 'share of profit/(loss) of associates in the income statement.

2.3 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive committee that makes strategic decisions.

2.4 Property, plant and equipment

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits associated with the item will flow to the group; and
- the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost. Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

Property, plant and equipment is depreciated on a straight line basis over their expected useful lives to their estimated residual value.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Average useful life
- Plant and machinery	5 years
- Furniture and fixtures	6 years
- Motor vehicles	5 years
- Office equipment	6 years
- IT Equipment	3 years
- Leasehold Improvements	5 years

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

The depreciation charge for each period is recognised in profit or loss unless it is included in the carrying amount of another asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in profit or loss when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

2.5 Investment property

The group owns property that is held to earn long-term rental income and for capital appreciation. This property is not occupied by the group.

Investment property is recognised as an asset when, and only when, it is probable that the future economic benefits that are associated with the investment property will flow to the enterprise, and the cost of the investment property can be measured reliably.

Investment property is initially recognised at cost. Transaction costs are included in the initial measurement. Costs include costs incurred initially and costs incurred subsequently to add to, or to replace a part of a property.

Investment property is carried at cost less depreciation and less any accumulated impairment losses. Depreciation is provided to write down the cost, less estimated residual value over the useful life of the property, which is as follows:

Item	Useful life
- Land	Unlimited
- Buildings	20 years

Notes to the consolidated financial statements

2.6 Intangible assets

(a) *Goodwill*

Goodwill represents the excess of the cost of an acquisition over the fair value of the company's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in 'intangible assets'. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

(b) *Computer software*

Computer software is initially recorded at cost. Computer software is carried at cost less accumulated amortisation and any impairment losses.

Computer software is capitalised on the basis of the costs incurred to acquire and bring to use the specific software. The amortisation period and amortisation method for computer software is reviewed every year.

Amortisation on computer software is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

Item	Average useful life
- Computer software	2 years

2.7 Impairment of non-financial assets

The group assesses at each end of the reporting period whether there is any indication that an asset may be impaired.

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

- tests goodwill acquired in a business combination for impairment annually.

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

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

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss.

Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination.

An impairment loss is recognised for cash-generating units if the recoverable amount of the unit is less than the carrying amount of the units. The impairment loss is allocated to reduce the carrying amount of the assets of the unit in the following order:

- first, to reduce the carrying amount of any goodwill allocated to the cash-generating unit and
- then, to the other assets of the unit, pro rata on the basis of the carrying amount of each asset in the unit.

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

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

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation other than goodwill is recognised immediately in profit or loss.

2.8 Financial instruments

2.8.1 Classification

The group classifies financial assets and financial liabilities into the following categories:

- Loans and receivables
- Financial liabilities measured at amortised cost

Classification depends on the purpose for which the financial instruments were obtained / incurred and takes place at initial recognition.

Notes to the consolidated financial statements

2.8 Financial instruments (continued)

2.8.2 Initial recognition and measurement

The group initially records both financial assets and liabilities ar fair value.

Financial instruments are recognised initially when the group becomes a party to the contractual provisions of the instruments. The group classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Transaction costs are recognised as part of the financial instrument on initial recognition, unless the financial instrument are classified as at fair value through profit and loss.

2.8.3 Subsequent measurement

Loans and receivables are subsequently measured at amortised cost, using the effective interest method, less accumulated impairment losses.

Financial liabilities at amortised cost are subsequently measured at amortised cost, using the effective interest rate method.

2.8.4 Impairment of financial assets

At each reporting date the group assesses all financial assets to determine whether there is objective evidence that a financial asset or group of financial assets has been impaired.

For amounts due to the group, significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default of payments are all considered indicators of impairment.

Impairment losses are recognised in profit or loss.

Impairment losses are reversed when an increase in the financial asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the financial asset at the date that the impairment is reversed shall not exceed what the carrying amount would have been had the impairment not been recognised.

Reversals of impairment losses are recognised in profit or loss.

Where financial assets are impaired through use of an allowance account, the amount of the loss is recognised in profit or loss within administrative expenses. When such assets are written off, the write off is made against the relevant allowance account. Subsequent recoveries of amounts previously written off are credited against administrative expenses.

2.8.5 Investment in subsidiaries

Investments in subsidiaries in the unconsolidated financial statements are carried at cost less any accumulated impairment.

The cost of an investment in a subsidiary is the aggregate of:

- the fair value, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the company; plus
- any costs directly attributable to the purchase of the subsidiary.

2.8.6 Investment In associates

In the unconsolidated financial statements, Investments in associates are carried at cost less any accumulated impairment.

The cost of an investment in an associate is the aggregate of:

- the fair value, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the company; plus
- any costs directly attributable to the purchase of the associate.

2.8.7 Trade and other receivables

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method.

Trade and other receivables are assessed monthly by management and evaluated on a case by case basis to determine whether the receivable has significant financial difficulty and should be impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

Trade and other receivables are classified as loans and receivables.

Notes to the consolidated financial statements

2.8.8 Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less.

2.8.9 Loans to/(from) group companies and associates

These include loans to and (from) fellow subsidiaries and associates part of the Calgro M3 Holdings Limited Group and are recognised initially at fair value plus direct transaction costs.

Loans to group companies and associates are classified as loans and receivables.

Loans from group companies and associates are classified as financial liabilities measured at amortised cost.

Loans to/from group companies and associates are assessed annually for impairment. Please refer to note 4(a) for significant judgements applied with regards to impairement.

2.8.10 Trade payables

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

2.8.11 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost, any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of comprehensive income over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities based on the operating cycle of the group.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs.

2.9 Construction contracts

A construction contract is defined by IAS 11 as a contract specifically negotiated for the construction of an asset.

Contract costs are recognised as expenses in the period in which they are incurred.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred are likely to be recoverable.

When the outcome of a construction contract can be estimated reliably and it is probable that the contract will be profitable, contract revenue is recognised over the period of the contract by reference to the stage of completion. Contract costs are recognised as expenses by reference to the stage of completion of the contract activity at the end of the reporting period. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Variations in contract work, claims and incentive payments are included in contract revenue to the extent that may have been agreed with the customer and are capable of being reliably measured.

The group uses the 'percentage-of-completion method' to determine the appropriate amount to recognise in a given period. The stage of completion is measured by reference to the contract costs incurred up to the end of the reporting period as a percentage of total estimated costs for each contract. Costs incurred in the year in connection with future activity on a contract are excluded from contract costs in determining the stage of completion. They are presented as inventories, depending on their nature.

The group presents as an asset the gross amount due from customers for contract work for all contracts in progress for which costs incurred plus recognised profits (less recognised losses) exceed progress billings. Progress billings not yet paid by customers and retention are included within 'trade and other receivables'.

The group presents as a liability the gross amount due to customers for contract work for all contracts in progress for which progress billings exceed costs incurred plus recognised profits (less recognised losses).

2.10 Inventories

Inventories are stated at the lower of cost or net realisable value. The cost of land under development held for sale comprises design costs, building materials, direct labour and other direct costs. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses. The land under development held for sale, is expected to be realised in the normal operating cycle which is longer than 12 months, due to external factors, for example delay of title deed transfers.

When inventories are sold, the carrying amount of those inventories are recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an other expense in the period which the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, is recognised as a reduction in the amount of inventories recognised as an other expense in the period in which the reversal occurs.

2.11 Share capital and equity

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

Notes to the consolidated financial statements

2.12 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset until such time as the asset is ready for its intended use. The amount of borrowing costs eligible for capitalisation is determined as follows:

- Actual borrowing costs on funds specifically borrowed for the purpose of obtaining a qualifying asset less any temporary investment of those borrowings.
- Weighted average of the borrowing costs applicable to the entity on funds generally borrowed for the purpose of obtaining a qualifying asset. The borrowing costs capitalised do not exceed the total borrowing cost incurred.

Qualifying assets consist of land under development which has been classified as inventories.

The capitalisation of borrowing costs commences when:

- expenditures for the asset have occurred;
- borrowing costs have been incurred, and
- activities that are necessary to prepare the asset for its intended use or sale are in progress.

Capitalisation is suspended during extended periods in which active development is interrupted.

Capitalisation ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

Borrowing costs that are directly attributable to the construction of an asset are treated as contract costs.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

2.13 Income tax

Current income tax assets and liabilities

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

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from:

- the initial recognition of goodwill; or
- the initial recognition of an asset or liability in a transaction which:
  - is not a business combination; and
  - at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax liability is recognised for all taxable temporary differences associated with investments in subsidiaries, branches and associates, except to the extent that both of the following conditions are satisfied:

- the parent, investor or venturer is able to control the timing of the reversal of the temporary difference; and
- it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised, unless the deferred tax asset arises from the initial recognition of an asset or liability in a transaction that:

- is not a business combination; and
- at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for all deductible temporary differences arising from investments in subsidiaries and interests in associates, to the extent that it is probable that:

- the temporary difference will reverse in the foreseeable future; and
- taxable profit will be available against which the temporary difference can be utilised.

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

Income tax expenses

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

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

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

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

Notes to the consolidated financial statements

2.13 Income tax (continued)

Dividend Tax

The new dividends tax became effective on 1 April 2012. This tax is levied on the shareholders (provided they are not exempt) rather than on the company itself. The company is responsible for the collection of the dividends tax and payment of the amounts collected to the South African Revenue Service (SARS). As the tax is levied on the shareholders and not the company, the dividends tax does not form part of the tax expense recognised in profit or loss or in other comprehensive income; instead the liability to shareholders on the declaration of a dividend is reduced and a liability for the amount payable to the SARS is recognised.

2.14 Employee benefits

(a) Defined contribution plans

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

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due. The group has no further payment obligations once the contributions have been paid.

Payments made to industry-managed (or state plans) retirement benefit schemes are dealt with as defined contribution plans where the group's obligation under the schemes is equivalent to those arising in a defined contribution retirement benefit plan.

(b) *Short-term benefits*

The costs of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, and bonuses), are recognised in the period in which the service is rendered and are not discounted.

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

The expected cost of profit sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

(c) *Bonus plans*

The group recognises a liability and an expense for bonuses, based on a formula that takes into consideration the profit attributable to the group's shareholders after certain adjustments. The group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation. The group expects these liabilities to be settled within 12 months.

2.15 Share-based payments

Goods or services settled in cash

Goods or services, including employee services received in exchange for cash-settled share based payments, are recognised at the fair value of the liability incurred and are expensed when consumed or capitalised as assets, which are depreciated or amortised. The liability is remeasured at each balance sheet date to its fair value, with all changes recognised immediately in profit or loss.

2.16 Provisions and contingencies

Provisions are recognised when:

- the group has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation. Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation.

Provisions are not recognised for future operating losses.

If the group has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision.

Contingent assets and contingent liabilities are not recognised.

2.17 Foreign currency translation

(a) Functional and presentation currency
Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in South African Rands, which is the Group's presentation currency.

(b) Group companies
The results and financial position of all the Group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
(ii) income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
(iii) all resulting exchange differences are recognised in other comprehensive income.

Notes to the consolidated financial statements

2.18 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and the rendering services in the ordinary course of the group's activities. Revenue is shown net of value-added tax, returns, rebates and discounts and after eliminating sales within the group.

The group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the group's activities as described below. The group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

(a) *Sale of developed land*

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- the group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the group retains neither continuing managerial involvement to the degree usually associated with ownership or effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the group; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

(b) *Rendering of services*

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the end of the reporting period. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the group;
- the stage of completion of the transaction at the end of the reporting period can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue shall be recognised only to the extent of the expenses recognised that are recoverable.

(c) *Construction contracts*

Contract revenue comprises:

- the amount of revenue agreed in the contract; and
- variations in contract work, claims and incentive payments:
  - to the extent that it is probable that they will result in revenue; and
  - they are capable of being reliably measured.

Revenue is recognised over the period of the contract on the 'percentage-of-completion' basis by reference to the contracts costs incurred up to the end of the reporting period as a percentage of total estimated costs for each contract.
In applying the recognition criteria in IAS 18 'Revenue Recognition' judgement is required in determining whether:

- a single transaction includes separately identifiable components; or
- two or more transactions together, when they are linked in such a way that the commercial effect cannot be understood without reference to the series of transactions as a whole, should be grouped.

The group applies judgement in determining whether contracts for the sale of land and the construction of residential housing include separately identifiable components or whether these should be grouped together.

2.19 Other income

(a) *Finance income*

Finance income is recognised on a time-proportion basis using the effective interest method.

Finance income on impaired loans is recognised using the original effective interest rate.

(b) *Dividend income*

Dividend income is recognised when the right to receive payment is established.

(c) *Rental income*

Rental income from operating leases is recognised on a straight-line basis over the lease term.

(d) *Management fees*

Management fees are recognised on the date the services are performed.

2.20 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Finance leases – lessee

Finance leases are recognised as assets in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

Notes to the consolidated financial statements

2.20 Leases (continued)

The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease.

The lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of on the remaining balance of the liability.

Operating leases - lessor

Operating lease income is recognised as an income on a straight-line basis over the lease term. The difference between the amounts recognised as an income and the contractual receipts are recognised as an operating lease liability. This liability is not discounted.

Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease income.

Income for leases is disclosed under other income in profit or loss.

Operating leases – lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability. This asset or liability is not discounted.

Any contingent rents are expensed in the period they are incurred.

3 Risk management

3.1 Financial risk management

The Group and Company's activities expose it to a variety of financial risks: market risk (including cash flow interest rate risk), credit risk and liquidity risk.

Risk management is carried out by the executive committee and identifies and evaluates financial risks in close-co-operation with the Group and Company's operating units. The board of directors are responsible for overall risk management, as well as guidance covering specific areas, such as interest rate risk and credit risk, and investment of excess liquidity.

(a) *Market risk (cash flow interest rate risk)*

The Group and Company's interest rate risk arises mainly from borrowings, loans from group companies and finance lease obligations. (refer to note 12, 18 and 19).

The interest rate exposure is monitored and managed by the executive committee and will not be hedged to limit interest rate risk. The executive committee monitors the cash flows relating to borrowings and loans from group companies i.e. interest paid, more so than the changes in the interest rate. Refer to the statement of cash flows for more information on finance costs paid.

The impact on post-tax profit of a 1% shift would be a maximum increase/decrease of:

	Group		Company	
	2015	2014	**2015**	2014
1 % increase/(decrease) on interest bearing borrowings	(3 164 675)	(3 408 954)	(3 984 968)	(3 717 740)
1 % increase/(decrease) on interest bearing assets	3 756 079	3 057 288	3 978 444	2 967 092

A 1% shift is considered appropriate by management taking into account the current economic environment that Group and Company operates in.

(b) *Credit risk*

Credit risk consists mainly of loans to group companies and associates of the holding company, cash deposits and cash equivalents and trade and other receivables (including retention debtors). The Group and Company only deposits cash with major banks with a minimum rating of 'BBB' which limits the exposure to any one counter party. Trade and other receivables comprise a widespread customer base. Management evaluates credit risk relating to trade debtors (excluding trade receivables owing by joint ventures of the holding company and associates) on an ongoing basis taking into account their financial position, past experience and other factors. Credit risk is limited due to the nature of trade debtors which consist of outstanding draw downs from banks and municipal institutions. In cases where management deems the risk level to be unacceptable, payment guarantees are insisted upon.

The Group and Company considers its credit risk relating to trade receivables owing by joint ventures to the holding company and associates on a case by case basis. Any credit risk related to loans to the associate is mitigated by the fact that management has insight into the financial position of the associate as a result of the associate relationship.

For loans to group companies, loan receivables, trade and other receivables (including retention debtors), and cash and cash equivalents, the maximum exposure to credit risk is limited to what is disclosed in the statement of financial position.

(c) *Liquidity risk*

Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities.

Due to the dynamic nature of the underlying businesses, the executive committee maintains flexibility in funding by maintaining availability under committed credit lines.

The Group and Company manages liquidity risk by monitoring forecasted cash flows.

The Group and Company strives to match the maturity profile of borrowings with expected cash flows from the development projects.

A specific liquidity risk associated with the Group and Company is the raising of loans at specified dates of repayment, against construction projects.

Notes to the consolidated financial statements

3 Risk management (continued)

3.1 Financial risk management (continued)

(c) *Liquidity risk (continued)*

The related cash inflows from these construction projects are however uncertain and dependant on factors not under the control of the Group and Company.

The financial liabilities to be settled within 1 year will be funded by cash and cash equivalents as well as the realisation of trade and other receivables and construction contracts.

The table below analyses the Group and Company's financial liabilities into relevant maturity groupings based on the remaining period at the reporting period date to the contractual maturity date.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within twelve months equal their carrying balances as the impact of discounting is not significant.

Group

2015	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
Borrowings	66 254 785	364 086 691	160 293 504	-	**590 634 980**
Loans from group companies	2 038 227	-	-	-	**2 038 227**
Trade and other payables	141 502 978	-	-	-	**141 502 978**
	209 795 990	**364 086 691**	**160 293 504**	**-**	**734 176 185**

2014	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
Borrowings	139 292 595	61 359 770	383 946 967	-	**584 599 332**
Loans from group companies	2 320 983	-	-	-	**2 320 983**
Finance lease obligations	297 504	74 376	-	-	**371 880**
Trade and other payables	113 533 736	-	-	-	**113 533 736**
	255 444 818	**61 434 146**	**383 946 967**	**-**	**700 825 931**

Company

2015	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
Borrowings	66 254 785	364 086 691	160 293 504	-	**590 634 980**
Loans from group companies	61 335 785	-	-	-	**61 335 785**
Trade and other payables	140 817 713	-	-	-	**140 817 713**
	268 408 283	**364 086 691**	**160 293 504**	**-**	**792 788 478**

2014	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
Borrowings	139 292 595	61 359 770	383 946 967	-	**584 599 332**
Loans from group companies	45 207 925	-	-	-	**45 207 925**
Finance lease obligations	297 504	74 376	-	-	**371 880**
Trade and other payables	111 851 774	-	-	-	**111 851 774**
	296 649 798	**61 434 146**	**383 946 967**	**-**	**742 030 911**

The above amounts will be repaid by utilising cash generated from operations, available cash, working capital facilities and the refinancing of borrowings.

The Group and Company has overdraft facilities with major banks to the value of R40,000,000 (2014 - Rnil)

3.2 Capital risk management

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

The capital structure of the group consists of debt, which includes the borrowings disclosed in note 19, cash and cash equivalents disclosed in note 16, and equity as disclosed in the statement of financial position.

Consistent with others in the industry, the company monitors capital on the basis of the gearing ratio.

This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the statement of financial position) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the statement of financial position plus net debt.

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.

There have been no changes to what the entity manages as capital, the strategy for capital maintenance or externally imposed capital requirements from the previous year. The maximum allowed Debt/Equity ratio for the group is 1.5 : 1

Notes to the consolidated financial statements

3.3 Fair value estimation

The group and company is not exposed to any fair value estimation risk. No assets or liabilities are recognised at fair value at year end.

4 Significant judgements and sources of estimation uncertainty

In preparing the financial statements, management is required to make estimates and assumptions that affect the amounts represented in the financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the financial statements. Significant judgements include:

(a) Impairment testing

The recoverable amounts of cash-generating units and individual assets have been determined based on the higher of value-in-use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions. It is reasonably possible that the assumption may change which may then impact our estimations and may then require a material adjustment to the carrying value of goodwill and tangible assets.

The group reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. In addition, goodwill is tested on an annual basis for impairment.

Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the value in use of goodwill and tangible assets are inherently uncertain and could materially change over time. They are significantly affected by a number of factors including, cost of production, expected volume, expected selling price and discount rates, together with economic factors.

(b) Share based payments

Management used the Bi-Nomial Tree Valuation method to determine the value of the options at issue date. Additional details regarding the estimates are included in the note 31 Share based payments.

(c) Construction contracts revenue recognition and profit taking

The Group uses the 'percentage-of-completion' method in accounting for its construction contracts. Use of the 'percentage-of-completion' method requires the Group to estimate the construction services and activities performed to date as a proportion of the total services and activities to be performed. In addition, judgements are required when recognising and measuring any variations or claims on each contract.

Estimates are made by management to calculate the forecasted cost of a project. The estimates used are in terms of an approved feasibility study. Management forecasts are approved by the board of directors and if third parties are involved, their approval is also obtained. Management performs monthly reviews of the work in progress schedule to update the forecasts costs and profits.

The Group applies judgement in determining whether contracts for the sale of land and the construction of residential housing include separately identifiable components or whether they should be grouped together.

(d) Trade receivables and Loans and receivables

The Group's trade receivables are impaired through use of an allowance account. The amount of the loss is recognised in profit or loss within administrative expenses. When the trade receivable is written off, it is written-off against the relevant allowance account. Subsequent recoveries of amounts previously written off are credited against administrative expenses.

(e) Land under development held for sale

In assessing the net realisable value of land under development held for sale, valuators consider title deed information, town planning conditions, locality and improvements made to the property. Property vacancy rates in surrounding areas, realised yields on comparative sales as well as micro- and macro-economic conditions require judgement.

(f) Fair value estimation

Financial instruments
All of the Group's financial instruments are measured at amortised cost. To determine the fair value of the financial instruments future contractual cash flows are discounted using current market interest rates available to the Company for similar financial instruments.
With the exception of the Group's borrowings, the financial instruments carrying values equals their fair values, due to the short term nature of the instruments.

Non-financial instruments
In assessing the fair value of investment property, valuations consider title deed information, town planning conditions, locality and improvements made to the property. Property vacancy rates in surrounding areas, realised yields on comparative sales as well as micro- and macro-economic conditions pertaining to residential properties are considered.

Fair value table
The table below analyses the valuation levels used to determine the fair values of the applicable line items in the statement of financial position.

Level no	Level definition
1	Quoted prices (unadjusted) in active markets for identical assets or liabilities
2	Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices)
3	Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs)

Notes to the consolidated financial statements

5 Investment Property

Group	2015			2014		
	Cost	Accumulated depreciation	Carrying amount	Cost	Accumulated depreciation	Carrying amount
Investment property	4 239 303	-	4 239 303	4 239 303	-	4 239 303

Reconciliation of investment property - Group - 2015

	Opening balance	Additions	Depreciation	Carrying amount
Investment Property	4 239 303	-	-	4 239 303

Reconciliation of investment property - Group - 2014

	Opening balance	Additions	Depreciation	Carrying amount
Investment Property	4 239 303	-	-	4 239 303

Company	2015			2014		
	Cost	Accumulated depreciation	Carrying amount	Cost	Accumulated depreciation	Carrying amount
Investment property	4 239 303	-	4 239 303	4 239 303	-	4 239 303

Reconciliation of investment property - Company - 2015

	Opening balance	Additions	Depreciation	Carrying amount
Investment Property	4 239 303	-	-	4 239 303

Reconciliation of investment property - Company - 2014

	Opening balance	Additions	Depreciation	Carrying amount
Investment Property	4 239 303	-	-	4 239 303

	Group		Company	
	2015	2014	2015	2014
Details of properties				
Land and building situated on stand 2334 Northriding Ext 82				
Land - At cost	307 017	307 017	307 017	307 017
Building	1 769 869	1 769 869	1 769 869	1 769 869
	2 076 886	**2 076 886**	**2 076 886**	**2 076 886**
Land and building situated on stand 2336 Northriding Ext 82				
Land - At cost	307 017	307 017	307 017	307 017
Building	1 855 400	1 855 400	1 855 400	1 855 400
	2 162 417	**2 162 417**	**2 162 417**	**2 162 417**
	4 239 303	**4 239 303**	**4 239 303**	**4 239 303**

Land and buildings under investment property have a fair value of R 4,650,000 (2014 - R4,470,000). The fair value is based on a valuation by an independent valuer who holds a recognised and relevant professional qualification and has recent experience in the location and category of the investment property being valued.

The residual value of land and buildings under investment property exceeds the carrying amount, as a result, no depreciation has been provided.

In assessing the fair value of investment property, valuations consider title deed information, town planning conditions, locality and improvements made to the property. Property vacancy rates in surrounding areas, realised yields on comparative sales as well as micro- and macro-economic conditions pertaining to residential properties are considered. The fair value is classified as level 3 in the fair value hierarchy.

No expenses have been incurred for repairs and maintenance on investment property.

Rental income received in respect of investment property amounts to R252,000 (2014 - R288,000). Refer to note 23.

A register containing the information required by Regulation 25(3) of the Companies Regulations, 2011 is available for inspection at the registered office of the company.

Notes to the consolidated financial statements

6 Property, plant and equipment

Group	2015			2014		
	Cost	Accumulated depreciation	Carrying amount	Cost	Accumulated depreciation	Carrying amount
Plant and machinery	3 111 292	(2 419 981)	691 311	4 187 173	(2 918 087)	1 269 086
Furniture and fixtures	273 026	(96 376)	176 650	2 103 484	(1 969 855)	133 629
Motor vehicles	327 098	(244 047)	83 051	1 143 830	(915 850)	227 980
Office equipment	375 977	(117 177)	258 800	1 055 855	(675 014)	380 841
IT equipment	937 115	(462 317)	474 798	1 158 117	(598 741)	559 376
Leasehold Improvements	31 945	(2 662)	29 283	1 056 841	(1 056 828)	13
Total	**5 056 453**	**(3 342 560)**	**1 713 893**	10 705 301	(8 134 376)	2 570 925

Reconciliation of property, plant and equipment - Group - 2015

	Opening Balance	Additions	Disposals	Depreciation	Closing carrying
Plant and machinery	1 269 086	-	(34)	(577 741)	691 311
Furniture and fixtures	133 629	86 180	(30)	(43 129)	176 650
Motor vehicles	227 980	-	(12)	(144 917)	83 051
Office equipment	380 841	150 432	(4)	(272 469)	258 800
IT equipment	559 376	284 925	(28 925)	(340 578)	474 798
Leasehold Improvements	13	31 945	(13)	(2 662)	29 283
	2 570 925	553 482	(29 018)	(1 381 496)	1 713 893

Reconciliation of property, plant and equipment - Group - 2014

	Opening Balance	Additions	Disposals	Depreciation	Closing carrying
Office equipment	688 753	-	(1)	(307 911)	380 841
IT equipment	381 834	461 948	(66)	(284 340)	559 376
Leasehold Improvements	16 754	-	(5)	(16 736)	13
	4 188 071	496 326	(117)	(2 113 355)	2 570 925

Company	2015			2014		
	Cost	Accumulated depreciation	Carrying amount	Cost	Accumulated depreciation	Closing Carrying
Plant and machinery	3 111 291	(2 419 980)	691 311	4 126 962	(2 865 402)	1 261 560
Furniture and fixtures	256 826	(87 602)	169 224	1 815 670	(1 697 552)	118 118
Motor vehicles	327 099	(244 046)	83 053	1 143 830	(915 849)	227 981
Office equipment	329 477	(97 802)	231 675	988 532	(644 116)	344 416
IT equipment	937 116	(462 318)	474 798	998 672	(439 304)	559 368
Leasehold Improvements	31 945	(2 662)	29 283	836 600	(836 594)	6
Total	**4 993 754**	**(3 314 410)**	**1 679 344**	9 910 267	(7 398 818)	2 511 449

Reconciliation of property, plant and equipment - Company - 2015

	Opening Balance	Additions	Disposals	Depreciation	Closing Carrying
Plant and machinery	1 261 560	-	(33)	(570 216)	691 311
Furniture and fixtures	118 118	86 180	(24)	(35 050)	169 224
Motor vehicles	227 981	-	(12)	(144 916)	83 053
Office equipment	344 416	150 432	(5)	(263 168)	231 675
IT equipment	559 368	284 925	(28 917)	(340 578)	474 798
Leasehold Improvements	6	31 945	(6)	(2 662)	29 283
	2 511 449	553 482	(28 997)	(1 356 590)	1 679 344

Reconciliation of property, plant and equipment - Company - 2014

	Opening Balance	Additions	Disposals	Depreciation	Closing Carrying
Plant and machinery	2 016 085	-	(20)	(754 505)	1 261 560
Furniture and fixtures	454 851	34 378	(21)	(371 090)	118 118
Motor vehicles	537 553	-	(4)	(309 568)	227 981
Office equipment	643 027	-	(1)	(298 610)	344 416
IT equipment	375 942	461 948	(66)	(278 456)	559 368
Leasehold Improvements	12 908	-	(5)	(12 897)	6
	4 040 366	496 326	(117)	(2 025 126)	2 511 449

Property, plant and equipment subject to finance lease

	Group		Company	
	2015	2014	**2015**	2014
Carrying value of assets pledged as security under finance lease obligations				
Office equipment	-	175 814	-	175 814
	-	**175 814**	-	**175 814**

Refer to note 18 for details of finance lease obligations.

Notes to the consolidated financial statements

6 Property, plant and equipment (continued)

Group

Depreciation expense of R1,381,496 (2014 - R2,113,355) has been charged in 'administrative expenses' in the statement of comprehensive income.

Property, plant and equipment with a carrying amount of R29,018 (Cost - R6,190,547, Accumulated depreciation - R6,161,529) (2014 - R117 (Cost - R5,493,447, Accumulated depreciation - R5,493,330)) has been disposed of in the current year.

Company

Depreciation expense of R1,356,590 (2014 - R2,025,126) has been charged in 'administrative expenses' in the statement of comprehensive income.

Property, plant and equipment with a carrying amount of R28,997 (Cost - R5,458,214, Accumulated depreciation - R5,429,217) (2014 - R117 (Cost - R5,493,447, Accumulated depreciation - R5,493,330)) has been disposed of in the current year.

A register containing the information required by Regulation 25(3) of the Companies Regulations, 2011 is available for inspection at the registered office of the company.

7 Intangible assets

Group	2015			2014		
	Cost	Accumulated Amortisation/ Impairment	Closing Carrying amount	Cost	Accumulated Amortisation/ Impairment	Closing Carrying amount
Goodwill	43 228 775	(14 713 978)	28 514 797	43 228 775	(14 713 978)	28 514 797
Computer software	416 663	(252 730)	163 933	370 281	(176 250)	194 031
	43 645 438	**(14 966 708)**	**28 678 730**	43 599 056	(14 890 228)	28 708 828

Reconciliation of intangible assets - Group - 2015

	Opening Balance	Additions	Disposals	Amortisation	Carrying amount
Goodwill	28 514 797	-	-	-	28 514 797
Computer software	194 031	174 794	(1 533)	(203 359)	163 933
	28 708 828	174 794	(1 533)	(203 359)	28 678 730

Reconciliation of intangible assets - Group - 2014

	Opening Balance	Additions	Disposals	Amortisation	Carrying amount
Goodwill	28 514 797	-	-	-	28 514 797
Computer software	116 815	266 281	(22)	(189 043)	194 031
	28 631 612	266 281	(22)	(189 043)	28 708 828

Company	2015			2014		
	Cost	Accumulated Amortisation/ Impairment	Closing Carrying amount	Cost	Accumulated Amortisation/ Impairment	Closing Carrying amount
Computer software	416 663	(252 730)	163 933	370 281	(176 250)	194 031
	416 663	**(252 730)**	**163 933**	370 281	(176 250)	194 031

Reconciliation of intangible assets - Company - 2015

	Opening Balance	Additions	Disposals	Amortisation	Closing Carrying
Computer software	194 031	174 794	(1 533)	(203 359)	163 933
	194 031	174 794	(1 533)	(203 359)	163 933

Reconciliation of intangible assets - Company - 2014

	Opening Balance	Additions	Disposals	Amortisation	Closing Carrying
Computer software	116 815	266 281	(22)	(189 043)	194 031
	116 815	266 281	(22)	(189 043)	194 031

	Group	
Group	**2015**	2014

Amortisation expenses of R203,359 (2014 - R189,043) has been included in 'administration expenses' in the statement of comprehensive income.

Computer software with a carrying amount of R1,533 (Cost - R128,412, Accumulated depreciation - R126,879) (2014 - R22 (Cost - R507,207, Accumulated depreciation - R507,185)) has been disposed of in the current year.

Company

Amortisation expenses of R203,359 (2014 - R189,043) has been included in 'administration expenses' in the statement of comprehensive income.

Computer software with a carrying amount of R1,533 (Cost - R128,412, Accumulated depreciation - R126,879) (2014 - R22 (Cost - R507,207, Accumulated depreciation - R507,185)) has been disposed of in the current year.

Impairment tests for goodwill

Goodwill is monitored at the operating segment level. The following is a summary of goodwill allocation for each operating segment:

Construction contracts and land development	28 514 797	28 514 797
	28 514 797	**28 514 797**

Notes to the consolidated financial statements

7 Intangible assets (continued)

The recoverable amounts of the construction contracts and land development Cash Generating Unit (CGU) has been determined based on value-in-use calculations.

These calculations use real pre-tax cash flow projections based on financial budgets approved by management covering a five year period.

The key assumptions used for value-in-use calculations are as follows:	Construction and land development CGU	
	2015	2014
Gross margin	17.67%	17.67%
Pre-tax Discount rate (real)	24.97%	24.97%

Real cash flows were discounted at a real discount rate. No cash flows beyond the initial forecast periods of five years were included in the value-in-use calculations.

The discount rates used are pre-tax and reflect specific risks relating to the relevant operating segments. Management determined budgeted gross margin based on past performance and its expectations of market development and availability of cash for the end user.

If the budgeted gross margin used in the value-in-use calculations had been lower by 5% than the management estimates, the group would still not recognise an impairment of goodwill.

If the estimated pre tax discount rate applied to the discounted cashflows had been 5% higher than the management estimates, the group would still not recognise an impairment of goodwill.

Impairment tests for goodwill are performed annually.

8 Investment in subsidiaries	**% Voting power 2015**	% Voting power 2014	**% Holding 2015**	% Holding 2014	**Carrying amount 2015**	Carrying amount 2014
Company						
Direct						
MS5 Pennyville Proprietary Limited	**100%**	100%	**100.00%**	100.00%	**100**	100
MS5 Projects Proprietary Limited	**100%**	100%	**100.00%**	100.00%	**100**	100
CM3 Randpark Ridge Ext 120 Proprietary Limited	**100%**	100%	**100.00%**	100.00%	**100**	100
Calgro M3 Rectification Company Proprietary Limited	**100%**	100%	**100.00%**	100.00%	**-**	-
					300	300
In-direct						
PZR Pennyville Zamamphilo Relocation Proprietary Limited	**100%**	100%	**100.00%**	100.00%		

All subsidiaries are incorporated in South Africa. The year ends of all the direct and in-direct subsidiaries are consistent with those of the group.

Calgro M3 Rectification Company Proprietary Limited has been incorporated under the new Companies Act 71 of 2008. The value of the shares are stated at no par valu

The carrying amounts of subsidiaries are shown net of impairment losses.

9 Investment in associates	**% Voting power 2015**	% Voting power 2014	**% Holding 2015**	% Holding 2014	**Carrying amount 2015**	Carrying amount 2014
Group						
Name of company						
Calgro Kuumba Planning & Design Proprietary Limited	**35.00%**	0.00%	35.00%	0.00%	246 249	-
					246 249	**-**

The functional currency of Calgro Kuumba Planning and Design (Pty) Ltd is Namibian Dollars. The place of business for Calgro Kuumba Planning and Design Proprietary Limited is in Namibia.

The year end of the associate is consistent with those of the group.

The associate is accounted for by applying the equity method.

The associate is strategic and operational to the group and is engaged in residential land development.

The associate is a private companies and there is no quoted market price available for its shares.

The carrying amount of the associate is shown net of impairment losses.

Notes to the consolidated financial statements

	Group		Company	
	2015	2014	**2015**	2014

9 Investment in associates (continued)

The detailed financial information of its associate, which is unlisted, is as follows:

Calgro Kuumba Planning & Design Proprietary Limited

Detailed statement of financial position

Assets				
Current Assets				
Trade and other receivables	**7 080 412**	100	-	-
Construction contracts	**599 926**	-	-	-
Cash and cash equivalents	**1 930 568**	-	-	-
	9 610 906	-	-	-
Total Assets	**9 610 906**	-	-	-
Equity and Liabilities				
Equity				
Share capital	**100**	100	-	-
Retained income	**703 468**	-	-	-
	703 568	100	-	-
Liabilities				
Non-Current Liabilities				
Deferred income tax liability	**361 180**	-	-	-
	361 180	-	-	-
Current Liabilities				
Loans from shareholders	**1 500 000**	-	-	-
Trade and other payables	**7 046 158**	-	-	-
	8 546 158	-	-	-
Total Liabilities	**8 907 338**	-	-	-
Total Equity and Liabilities	**9 610 906**	-	-	-

Detailed statement of comprehensive income

Revenue	**19 691 678**	-	-	-
Cost of sales	**(17 728 498)**	-	-	-
Gross profit	**1 963 180**	-	-	-
Administrative expenses	**(881 661)**	-	-	-
Operating profit	**1 081 519**	-	-	-
Finance income	**740**	-	-	-
Profit before tax	**1 082 259**	-	-	-
Taxation	**(378 791)**	-	-	-
Profit after taxation	**703 468**	-	-	-
Other comprehensive income	**-**	-	-	-
Total comprehensive income	**703 468**	-	-	-

Reconciliation of detailed financial information

Reconciliation of the detailed information presented to the carrying amount of its interest in the associate.

Summarised financial information				
Opening net assets at 1 March 2014	**-**	-	-	-
Profit after tax	**703 468**	-	-	-
Closing net assets	**703 468**	-	-	-
Interest in associate at 35%	**246 214**	-	-	-
Carrying value	**246 214**	-	-	-
Net carrying value	**246 214**	-	-	-

Reconciliation of investment in associate

At 1 March 2014	**-**	-	-	-
Shareholding	**35**	-	35	-
Share of profit in associate	**246 214**	-	-	-
Net carrying value	**246 249**	-	**35**	-

Notes to the consolidated financial statements

	Group		Company	
	2015	2014	**2015**	2014

9 Investment in associate (continued)

The impact of the cash flows on the Group from Calgro Kuumba Planning & Design Proprietary Limited consists of the following:

Cash inflow from construction activities (net of movement in trade debtors)	1 731 335	-	-	-
Net cash flows on the Group from Calgro Kuumba Planning & Design Proprietary	**1 731 335**	-	-	-

The group has minority shareholding in Calgro Kuumba Planning & Design Proprietary Limited. It does not have control as the board comprises an equal number of representatives from both the group as well as the minority shareholders. All parties have equal voting rights, irrespective of the percentage shareholding or representation on the board of directors. Calgro M3 Developments does not have sole or joint control over the relevant activities of Calgro Kuumba Planning & Desigr Proprietary Limited.

Other than trade and other receivables (Note 15) and related party transactions (Note 33) which arose in the ordinary course of business,the Calgro M3 Developments group has no further financial risks associated with this associate. The effect of the associate on the financial performance, financial position and cash flows of Calgro M3 Developments is detailed in the notes above and should provide additional clarity on the impact that the associate has on the Calgro M3 Developments group.

10 Deferred income tax (liability)/asset

Reconciliation of deferred tax (liability)/asset				
At beginning of the year	(28 043 631)	(25 349 127)	(31 773 593)	(26 703 547)
Tax losses available for set off against future taxable income	(1 895 088)	2 028 142	-	-
Construction contracts	(10 599 234)	(4 722 646)	(8 960 984)	(5 070 046)
Capital allowances	131 896	-	132 725	-
Provisions	63 333	-	63 333	-
Operating leases	101 303	-	128 311	-
Inventory	-	-	-	-
Bonus accrual	3 488 800	-	3 376 800	-
Share appreciation scheme	16 815 194	-	16 815 194	-
	(19 937 427)	**(28 043 631)**	**(20 218 214)**	**(31 773 593)**
Deferred tax liability				
Tax losses available for set off against future taxable income	(192 470)	-	-	-
Construction contracts	(41 149 365)	(31 241 464)	(40 768 411)	(31 807 428)
Accelerated capital allowances for tax purposes	(50 487)	(183 211)	(50 487)	(183 211)
Provisions	198 913	135 580	198 913	135 580
Operating leases	209 777	81 466	209 777	81 466
Bonus accrual	3 376 800	-	3 376 800	-
Share appreciation scheme	16 815 194	-	16 815 194	-
Deferred tax liability	**(20 791 638)**	**(31 207 629)**	**(20 218 214)**	**(31 773 593)**
Deferred tax asset				
Tax losses available for set off against future taxable income	742 217	2 444 835	-	-
Construction contracts	(6)	691 326	-	-
Capital allowances	-	829	-	-
Bonus accrual	112 000	-	-	-
Provisions	-	27 008	-	-
Deferred tax asset	**854 211**	**3 163 998**	-	-
	(19 937 427)	**(28 043 631)**	**(20 218 214)**	**(31 773 593)**
Deferred tax liability				
Deferred tax liability to be recovered within 12 months	(37 556 345)	(31 024 418)	(36 982 921)	(31 590 382)
Deferred tax liability to be recovered after more than 12 months	16 764 707	(183 211)	16 764 707	(183 211)
	(20 791 638)	**(31 207 629)**	**(20 218 214)**	**(31 773 593)**
Deferred tax asset				
Deferred tax asset to be recovered within 12 months	854 211	3 163 169	-	-
Deferred tax asset to be recovered after more than 12 months	-	829	-	-
	854 211	**3 163 998**	-	-

Deferred income tax assets are recognised for tax loss carry-forwards to the extent that the realisation of the related tax benefit through future taxable profits is probable.

Notes to the consolidated financial statements

	Group		Company	
	2015	2014	**2015**	2014
11 Loans receivable				
Autumn Star Trading 910 Proprietary Limited The loan is unsecured and is interest free.	5 756 677	5 756 677	5 756 677	5 756 677
	5 756 677	**5 756 677**	**5 756 677**	**5 756 677**

The Autumn Star Trading 910 (Pty) Ltd loan has a carrying amount of R5 756 677 (2014: R5 756 677) as at 28 February 2015, and is unsecured and interest free. The loan is subject to litigation.

Management estimates that this claim will be settled prior to or by the courts in July 2015 and have therefore classified it as current. Judgement has been granted in Calgro's favour, but the defendant has appealed the decision. The appeal process is expected to be finalised by the end of July 2015.

The carrying value of the loans receivable approximates its fair values, due to the short term nature of this financial instruments.

12 Loans to/(from) group companies				
Holding Company				
Calgro M3 Holdings Limited The loan is unsecured, bears interest at prime plus 3% and is repayable on demand.	499 502 654	424 620 695	499 502 654	424 620 695
Fellow Subsidiary				
CTE Consulting Proprietary Limited The loan is unsecured, bears interest at prime plus 3% and is repayable on demand.	-	2 702	-	-
CTE Consulting Proprietary Limited The loan is unsecured, bears interest at prime plus 3% and is repayable on demand.	(2 038 227)	(2 320 983)	(2 038 227)	(2 320 983)
Subsidiaries				
MS5 Pennyville Proprietary Limited The loan is unsecured, bears interest at prime plus 3% and is repayable on demand.	-	-	30 884 011	26 977 806
CM3 Randpark Ridge Ext 120 Proprietary Limited The loan is unsecured, bears interest at prime plus 3% and is repayable on demand.	-	-	(5 007 480)	(4 437 305)
MS5 Projects Proprietary Limited The loan is unsecured, bears interest at prime plus 3% and is repayable on demand.	-	-	(15 123 163)	(14 872 719)
PZR Pennyville Zamimphilo Relocation Proprietary Limited The loan is unsecured, bears interest at prime plus 3% and is repayable on demand.	-	-	(39 166 915)	(23 576 918)
Loans to group companies	499 502 654	424 623 397	530 386 665	451 598 501
Loans from group companies	(2 038 227)	(2 320 983)	(61 335 785)	(45 207 925)
	497 464 427	**422 302 414**	**469 050 880**	**406 390 576**

The carrying value of loans to/(from) group companies approximates their fair values, due to the short term nature of these financial instruments.

All loans to group companies will be recovered within the next 12 months.

Notes to the consolidated financial statements

	Group		Company	
	2015	2014	**2015**	2014
13 Inventories				
Land under development held for sale	22 221 886	20 585 389	21 476 977	19 840 480
	22 221 886	**20 585 389**	**21 476 977**	**19 840 480**
Inventories to be sold within 12 months	6 026 904	6 026 904	6 026 904	6 026 904
Inventories to be sold after more than 12 months	16 194 982	14 558 485	15 450 073	13 813 576
	22 221 886	**20 585 389**	**21 476 977**	**19 840 480**

Group

Borrowing costs to the value of R1,632,962 (2014 - R996,684) have been capitalised. (Note 2.12 and 26)

Please refer to note 24 for inventories written down.

Inventories to the value of R6,026,904 (2014 - R6,026,904) are stated at net realisable value.

Company

Borrowing costs to the value of R1,632,962 (2013 - R1,143,545) have been capitalised. (Note 2.12 and 26)

Please refer to note 24 for inventories written down.

Inventories to the value of R6,026,904 (2014 - R6,026,904) are stated at net realisable value.

14 Construction contracts				
The aggregate costs incurred and recognised profits to date	2 494 412 955	1 509 852 383	1 944 631 285	1 509 369 248
Less: Progress billings	(2 325 209 888)	(1 352 229 107)	(1 776 882 646)	(1 351 306 760)
Net statement of financial position balance for ongoing contracts	**169 203 067**	**157 623 275**	**167 748 639**	**158 062 488**
Excess billings over work done classified under trade and other payables	281 247	-	281 246	-
Statement of financial position balance for ongoing contracts	**169 484 314**	**157 623 275**	**168 029 885**	**158 062 488**
Construction contracts to be realised within 12 months	155 631 900	139 690 892	154 177 471	140 130 105
Construction contracts to be realised after 12 months	13 852 414	17 932 383	13 852 414	17 932 383
	169 484 314	**157 623 275**	**168 029 885**	**158 062 488**
15 Trade and other receivables				
Trade receivable and retention debtors	150 675 542	192 608 340	150 257 479	192 309 616
Trade receivables	477 980	1 369 754	59 917	1 151 030
Trade receivables - Related parties	143 357 679	182 221 192	143 357 679	182 141 192
Retention debtors - Related parties	6 839 883	9 017 394	6 839 883	9 017 394
Prepayments	2 500 871	2 500 871	-	-
Other receivables	428 880	11 650	428 880	11 650
Securing deposits	195 292	124 206	153 648	82 563
Value Added Tax	-	674 563	-	219 827
	153 800 585	**195 919 630**	**150 840 007**	**192 623 656**
Financial Instruments	151 299 714	192 744 196	150 840 007	192 403 829
Non-financial Instruments	2 500 871	3 175 434	-	219 827
	153 800 585	**195 919 630**	**150 840 007**	**192 623 656**

Fair value of trade and other receivables

The carrying value of trade and other receivables approximates their fair values, due to the short term nature of these financial instruments.

Group

Trade receivables and retention debtors fully performing

At 28 February 2015, trade receivables and retention debtors of R106 927 385 (2014: R183 644 878) were fully performing.

Trade receivables past due but not impaired

At 28 February 2015, trade receivables and retention debtors of R43 748 157 (2014: R8 963 461) were past due but not impaired.

Aging of debtors	Related Parties		Other debtors		Total	
	2015	**2014**	**2015**	**2014**	**2015**	**2014**
Less than 30 days	106 744 050	182 568 590	183 335	1 076 288	106 927 385	183 644 878
30 days and older	43 453 512	8 669 996	294 645	293 466	43 748 157	8 963 462
Total	**150 197 562**	**191 238 586**	**477 980**	**1 369 754**	**150 675 542**	**192 608 340**

Notes to the consolidated financial statements

	Group		Company	
	2015	2014	**2015**	2014

15 Trade and other receivables (continued)

Group (continued)

Significant receivables from related parties

	Less than 30 days		30 days and older		Total	
	2015	**2014**	**2015**	**2014**	**2015**	**2014**
Fleurhof Ext 2 Proprietary Limited	69 596 675	159 331 054	-	-	69 596 675	159 331 054
Aquarella Investments 265 Proprietary Limited	1 056 183	15 949 955	2 071 839	1 165 035	3 128 022	17 114 990
Sabre Homes Projects Proprietary Limited	-	943 200	-	-	-	943 200
South Hills Development Company Proprietary Limited	19 047 021	-	-	-	19 047 021	-
Calgro KuumBA Planning and Design Proprietary Limited	768 901	-	-	-	768 901	-
Clidet No 1014 Proprietary Limited	-	279 742	-	-	-	279 742
Witpoortjie Calgro M3 Development Company Proprietary Limited	3 102 330	6 064 639	41 381 673	7 504 961	44 484 003	13 569 600
Belhar Calgro M3 Development Company Proprietary Limited	13 172 940	-	-	-	13 172 940	-
Total	**106 744 050**	**182 568 590**	**43 453 512**	**8 669 996**	**150 197 562**	**191 238 586**

Company

Trade receivables and retention debtors fully performing

At 28 February 2015, trade receivables and retention debtors of R106 803 967 (2014: R183 639 620) were fully performing.

Trade receivables past due but not impaired

At 28 February 2015, trade receivables and retention debtors of R43 523 512 (2014: R8 669 996) were past due but not impaired.

Aging of debtors

	Related Parties		Other debtors		Total	
	2015	**2014**	**2015**	**2014**	**2015**	**2014**
Less than 30 days	106 744 050	182 488 590	59 917	1 151 030	106 803 967	183 639 620
30 days and older	43 453 512	8 669 996	-	-	43 453 512	8 669 996
Total	**150 197 562**	**191 158 586**	**59 917**	**1 151 030**	**150 257 479**	**192 309 616**

Significant receivables from related parties

	Less than 30 days		30 days and older		Total	
	2015	**2014**	**2015**	**2014**	**2015**	**2014**
Fleurhof Ext 2 Proprietary Limited	69 596 676	159 331 054	-	-	69 596 676	159 331 054
Aquarella Investments 265 Proprietary Limited	1 056 183	15 949 955	2 071 839	1 165 035	3 128 022	17 114 990
Sabre Homes Projects Proprietary Limited	-	863 200	-	-	-	863 200
South Hills Development Company Proprietary Limited	19 047 021	-	-	-	19 047 021	-
Calgro KuumBA Planning and Design Proprietary Limited	768 900	-	-	-	768 900	-
Clidet No 1014 Proprietary Limited	-	279 742	-	-	-	279 742
Witpoortjie Calgro M3 Development Company Proprietary Limited	3 102 330	6 064 639	41 381 673	7 504 961	44 484 003	13 569 600
Belhar Calgro M3 Development Company Proprietary Limited	13 172 940	-	-	-	13 172 940	-
Total	**106 744 050**	**182 488 590**	**43 453 512**	**8 669 996**	**150 197 562**	**191 158 586**

Trade receivables impairment

At 28 February 2015, trade receivables of Rnil (2014 - R606 075) were written off as bad debt.

No allowance for doubtful debts was raised at 28 February 2015 as the majority of the receivables outstanding consisted of amounts owing from related parties. The other classes within trade and other receivables do not contain impaired assets. Management has insight into the financial position of all joint ventures and associates of the holding company as at 28 February 2015 and do not believe that there are indicators that trade and other receivables and retention debtors are impaired at year end. Please refer to Note 9 for summarised financial information as well as detailed analysis of the associate relationships.

The maximum exposure to credit risk for these instruments at the reporting date is the carrying value of each class of receivable mentioned above. The Group and Company does not hold any collateral as security. Refer to note 4 for details of financial instruments. All trade and other receivables will be recovered in the next 12 months.

Notes to the consolidated financial statements

	Group		Company	
	2015	2014	**2015**	2014

16 Cash and cash equivalents

Cash and cash equivalents include the following for the purposes of the statement of cashflows

Cash on hand	1 223	2 258	1 188	2 223
Bank balances	111 782 471	49 904 716	111 762 093	49 904 216
	111 783 694	**49 906 974**	**111 763 281**	**49 906 439**

Guarantees and suretyships

The bank has provided guarantees for a deposit on the lease of 33 Ballyclare Drive, Bryanston to the value of R740,167 (2014 - R704,809).

17 Stated capital

Authorised				
1,000 Ordinary no par value shares	-	-	-	-
Issued				
101 Ordinary no par value shares	88 561 467	88 561 467	88 561 467	88 561 467
	88 561 467	88 561 467	88 561 467	88 561 467

All issued shares are fully paid.

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

18 Finance lease obligations

Minimum lease payments due				
- within one year	-	223 129	-	223 129
- in second to fifth year inclusive	-	-	-	-
	-	223 129	-	223 129
Less: future finance charges	-	(7 683)	-	(7 683)
Present value of minimum lease payments	**-**	**215 446**	**-**	**215 446**
Present value of minimum lease payments due				
- within one year	-	215 446	-	215 446
- in second to fifth year inclusive	-	-	-	-
	-	**215 446**	-	215 446
Non-current liabilities	-	-	-	-
Current liabilities	-	215 446	-	215 446
	-	**215 446**	**-**	215 446

It is group and company policy to lease certain plant and machinery, IT equipment and motor vehicles under finance leases.

The average lease term is 3 -5 years and the average effective borrowing rate is prime. Refer to note 6 for the carrying value of assets under finance lease.

The group and company's obligations under finance leases are secured by the lessor's charge over the leased assets.

19 Borrowings

	Interest Rate	Expiration date				
Floating rate note - CGR 7	JIBAR plus 8%	22 July 2014	-	22 500 000	-	22 500 000
Floating rate note - CGR 8	JIBAR plus 10%	22 July 2015	22 500 000	22 500 000	22 500 000	22 500 000
Floating rate note - CGR 10	JIBAR plus 5.3%	08 December 2016	50 000 000	50 000 000	50 000 000	50 000 000
Fixed rate note - CGR 11	12.05% per annum	28 March 2016	56 000 000	56 000 000	56 000 000	56 000 000
Floating rate note - CGR 12	JIBAR plus 3.2%	14 November 2014	-	70 000 000	-	70 000 000
Floating rate note - CGR 13	JIBAR plus 4.5%	27 June 2016	222 000 000	222 000 000	222 000 000	222 000 000
Floating rate note - CGR 14	JIBAR plus 4.75%	13 February 2018	30 000 000	30 000 000	30 000 000	30 000 000
Floating rate note - CGR 15	JIBAR plus 4%	21 July 2017	24 000 000	-	24 000 000	-
Floating rate note - CGR 16	JIBAR plus 3.4%	22 September 2017	49 000 000	-	49 000 000	-
Floating rate note - CGR 17	JIBAR plus 3.7%	24 October 2017	40 000 000	-	40 000 000	-
Transaction cost amortisation			(1 368 057)	(2 070 560)	(1 368 057)	(2 070 560)
Bond exchange			**492 131 944**	**470 929 440**	**492 131 944**	**470 929 440**

All borrowings are unsecured.

*The transaction costs are amortised over the life of the facilities. It is expected that these costs will be fully amortised when the facilities are settled.

The table below provides information regarding the present value of the borrowings to be settled within 12 months and after 12 months. For the undiscounted cash flows related to borrowings, refer to note 3.

Borrowings to be settled within 12 months	22 500 000	92 500 000	22 500 000	92 500 000
Borrowings to be settled after more than 12 months	469 631 944	378 429 440	469 631 944	378 429 440
	492 131 944	**470 929 440**	**492 131 944**	**470 929 440**

Notes to the consolidated financial statements

	Group		Company	
	2015	2014	**2015**	2014

19 Borrowings (continued)

General

The directors have not breached the requirements of the company's Memorandum and Articles of Association in terms of their borrowing powers.

All borrowings are denominated in South African Rands.

The fair value of the bond exchange borrowings at the end of the period under review is R508 697 726 (2014 - R481 710 185).

The fair value is classified as level 2 in the fair value hierarchy.

20 Trade and other payables

Trade payables	98 025 886	82 088 147	98 018 209	81 883 531
Retention creditors	15 849 417	12 187 538	15 849 417	12 187 538
Accrued expenses	27 605 675	19 236 051	26 928 087	17 758 705
Value Added Tax	7 303 387	2 173 087	4 931 938	1 788 087
Accrual for leave pay	610 503	515 424	610 403	515 424
Share appreciation rights liabilities	60 054 266	18 669 993	60 054 266	18 669 993
Deposits received	22 000	22 000	22 000	22 000
Income received in advance	800 000	881 346	800 000	800 000
Excess billings over work done	281 247	-	281 246	-
	210 552 381	**135 773 586**	**207 495 566**	**133 625 278**
Non-financial instruments	69 049 403	22 239 850	66 677 853	21 773 504
	210 552 381	**135 773 586**	**207 495 566**	**133 625 278**

Trade and other payables are unsecured, and are repayable within a period of twelve months. The carrying amounts of trade and other payables approximate their fair value, due to the short term nature of these financial instruments

All trade and other payables are denominated in South African Rands.

21 Revenue

Rendering of services	495 225	3 080 334	495 225	2 302 374
Construction contracts	796 611 768	768 474 088	794 727 901	730 451 040
	797 106 993	**771 554 422**	**795 223 126**	**732 753 414**

22 Cost of sales

Commissions	6 854 486	8 024 666	-	14 230
Construction costs	644 469 553	669 225 132	651 454 221	628 409 061
	651 324 039	**677 249 798**	**651 454 221**	**628 423 290**

23 Other income

Bond commissions	840 798	671 335	30 337	130 888
Insurance refunds	229 512	175 120	229 512	175 120
Management fees	4 586 105	3 708 409	10 663 369	9 358 843
Rental income	252 000	288 000	252 000	288 000
SETA refunds and other income	526 509	401 485	504 272	369 858
	6 434 924	**5 244 349**	**11 679 490**	**10 322 709**

Rental income received relates to investment properties as stated in note 5.

Notes to the consolidated financial statements

	Group		Company	
	2015	2014	**2015**	2014
24 Expense by nature				
Administration and management fees	37 310 967	27 918 212	53 810 967	27 918 212
Advertising	2 127 217	2 063 856	2 127 217	1 977 746
Auditors remuneration	1 289 575	1 416 770	1 075 962	1 272 770
Bad debts recovered	(3 765)	-	(3 765)	-
Computer expenses	1 763 165	1 712 682	1 763 165	1 712 682
Net Construction costs	644 469 553	669 225 132	651 454 221	628 409 061
Construction costs	656 330 592	687 935 674	661 421 715	660 862 644
Movement in construction contracts	(11 861 039)	(18 710 542)	(9 967 494)	(32 453 583)
(Profit)/loss on disposal of property, plant and equipment	(83 408)	139	(83 431)	139
Depreciation on property, plant and equipment and amortisation on computer software	1 584 855	2 302 398	1 559 950	2 214 170
Donations	4 200	22 751	4 200	22 751
Fines, penalties and interest	43	24 040	43	-
Insurance	805 572	536 160	805 572	536 160
Commission	6 854 486	8 024 666	-	14 230
Net Land development costs	-	-	-	-
Land development costs	1 636 497	979 042	1 636 497	979 042
Movement in inventory	(1 636 497)	(979 042)	(1 636 497)	(979 042)
Lease rentals on operating leases	4 632 600	4 347 384	4 377 794	4 127 031
Legal fees	900 063	1 538 904	900 063	1 538 904
Motor vehicle expenses	1 343 631	1 253 138	941 354	804 771
Printing and stationery	366 309	578 192	366 309	519 281
Professional fees	1 438 003	(563 968)	1 438 003	(563 968)
Salaries and wages	32 072 692	26 240 425	31 400 574	41 400 453
Share Appreciation Rights Expense	45 231 939	12 525 770	45 231 939	12 525 770
Sponsorships	796 347	-	796 347	-
Sundry expenses	4 363 007	2 750 099	4 312 303	2 686 074
Telephone and fax	963 625	954 764	926 923	789 579
Write-down of construction contracts	-	5 725 156	-	-
Write-down of inventory	-	38 095	-	38 095
Total cost of sales, administration expenses and other expenses	**788 230 676**	**768 634 765**	**803 205 709**	**727 943 909**
25 Finance income				
Interest revenue				
Bank	2 313 684	1 054 181	2 313 612	1 054 118
Other	-	1 649	-	-
Related parties	62 589 273	47 307 939	66 110 478	50 238 031
	64 902 957	**48 363 769**	**68 424 090**	**51 292 149**
26 Finance cost				
Bank	356 316	-	356 316	-
Finance leases	8 178	33 825	8 178	33 825
Related parties	93 382	69 417	5 300 528	4 638 685
Trade payables	522	106	439	50
Interest bearing borrowings	53 234 395	40 213 244	53 234 395	40 213 233
Finance cost	**53 692 793**	**40 316 592**	**58 899 856**	**44 885 793**
Less: amounts capitalised on qualifying assets (inventory)	(1 632 962)	(996 684)	(1 632 962)	(996 684)
	52 059 831	**39 319 908**	**57 266 894**	**43 889 109**
27 Taxation				
Major components of the income tax expense				
Current tax				
Local income tax - current period	14 640 208	890 607	14 513 109	-
Local income tax - recognised in current tax for prior periods	(36 497)	636 320	-	636 320
	14 603 711	**1 526 927**	**14 513 109**	**636 320**
Deferred				
Current year	(6 173 036)	5 041 780	(13 275 900)	7 417 323
Prior year over provision	(1 933 167)	(2 347 277)	1 720 521	(2 347 277)
	(8 106 203)	**2 694 503**	**(11 555 379)**	**5 070 046**
	6 497 508	**4 221 430**	**2 957 730**	**5 706 367**
Reconciliation of income tax expense				
Applicable tax rate	28.00%	28.00%	28.00%	28.00%
Disallowable charges	1.83%	6.47%	3.49%	4.91%
Over provision for deferred tax prior years	(6.08%)	-%	(11.58%)	-%
Share of profit/(loss) of associates - Nett of tax	(0.87%)	-%	-%	-%
Effective tax rate	**22.88%**	**24.53%**	**19.91%**	**25.32%**

The estimated tax loss for the group available for set off against future taxable income is R2,647,817 (2014: R8,728,594).

Notes to the consolidated financial statements

	Group		Company	
	2015	2014	**2015**	2014
28 Cash generated from/ (utilised in) operations				
Profit before taxation	28 400 581	17 207 867	14 854 103	22 535 253
Adjustments for:				
Bad debts	-	-	-	-
Depreciation	1 381 496	2 113 355	1 356 590	2 025 126
(Profit)/loss on disposal of property, plant and equipment	(83 408)	-	(83 408)	-
Disposal of property, plant equipment and computer software	-	139	-	139
Finance income	(64 902 957)	(48 363 769)	(68 424 090)	(51 292 149)
Finance cost	52 059 831	39 319 908	57 266 894	43 889 109
Write-down of construction contracts	-	5 725 156	-	-
Write down of inventory	-	38 095	-	38 095
Amortisation of intangible assets	203 359	189 043	203 359	189 043
Share of profit of associate - Net of tax	(246 214)	-	-	-
Changes in working capital:				
Inventories	-	(20 453)	-	(20 453)
Trade and other receivables	(4 041 517)	(150 752 503)	(4 761 913)	(207 354 796)
Construction contracts	(11 861 039)	(24 435 698)	(9 967 397)	(32 453 583)
Trade and other payables	74 220 231	(78 917 796)	97 335 831	3 299 300
	75 130 363	**(237 896 656)**	**87 779 969**	**(219 144 916)**
29 Tax paid				
Balance at beginning of the year	251 350	(560 932)	213 740	(410 988)
Current tax for the year	(14 603 711)	(1 526 927)	(14 513 109)	(636 320)
Balance at end of the year	(2 037 730)	(251 350)	(1 936 857)	(213 740)
	(16 390 091)	**(2 339 209)**	**(16 236 226)**	**(1 261 048)**
30 Commitments				
Operating leases – as lessor (income)				
Minimum lease payments due				
- within one year	-	228 000	-	228 000
- in second to fifth year inclusive	-	72 000	-	72 000
	-	**300 000**	-	300 000
Operating leases – as lessee (expense)				
Minimum lease payments due				
- within one year	4 096 263	2 976 643	3 877 087	2 773 424
- in second to fifth year inclusive	6 991 603	11 058 428	6 991 603	10 897 048
	11 087 866	**14 035 071**	10 868 690	13 670 472

Operating lease payments represent rentals payable by the group for all of its office properties. Leases are negotiated for an average term of five years and rentals are fixed for an average of one year. No contingent rent is payable.

31 Share-based payments

The share appreciation rights (SAR's) which are granted to directors and selected employees are divided into two main categories with various SAR issues within each category. The rights will vest if the share price at each vesting date exceeds the hurdle price. The hurdle price is the strike (allocation) price grown by CPI plus 2% per year over the vesting period. In the situation that the hurdle price is not achieved at the vesting date, 25% of the possible vested SAR's will roll over to the next vesting date.

The details of the arrangement is described below:

	Category 1		Category 2			
	Issue 1	**Issue 2**	**Issue 1**	**Issue 2**	**Issue 3**	**Issue 4**
Date of grant	1 Mar 12	1 Mar 14	1 Mar 12	1 Sep 12	1 Sep 14	30 Sep 14
Number of options granted	4 850 000	1 744 839	4 200 000	600 000	600 000	600 000
Number of options exercised	(1 616 667)	-	-	-	-	-
Number of options forfeited	-	-	(600 000)	-	-	-
Strike price at grant date	R 4.08	R 6.46	R 4.08	R 4.08	R 7.74	R 7.78
Contractual life (Option life)	48 months	36 months	72 months	72 months	54 months	53 months
Settlement	Cash	Cash	Cash	Cash	Cash	Cash

Vesting conditions: If the price at each vesting date exceeds the hurdle price and service conditions are met.

Share appreciation rights reconciliation

	Category 1		Category 2			
	Issue 1	**Issue 2**	**Issue 1**	**Issue 2**	**Issue 3**	**Issue 4**
SAR's not vested at 1/3/2014	3 233 333	-	3 600 000	600 000	-	-
New SAR's granted	-	1 744 839	-	-	600 000	600 000
SAR's not vested at 28/2/2015	3 233 333	1 744 839	3 600 000	600 000	600 000	600 000

SAR's outstanding at the end of the period have the following vesting dates and amortised values thereof

Notes to the consolidated financial statements

		Group		Company	
		2015	2014	**2015**	2014

31 Share-based payments (continued)

Category 1	Issue 1	33.3% of the SARS will vest annually from 1 March 2014 until 1 March 2016
	Issue 2	All the SARS will fully vest on 1 March 2017
Category 2	Issue 1	25% of the SARS will vest annually from 1 March 2015 until 1 March 2018
	Issue 2	25% of the SARS will vest annually from 1 September 2015 until 1 September 2018
	Issue 3	25% of the SARS will vest annually from 1 March 2016 until 1 March 2019
	Issue 4	25% of the SARS will vest annually from 1 March 2016 until 1 March 2019

The spot price on 28 February 2015 was R13.29. The strike price or allocation price is the price at which the SAR scheme is granted to the employee and is used to calculate the benefit payable to the employee. A 30 day average spot price, measured 30 days prior to the vesting date was applied to calculate the strike price. The volatility used in the valuation was 38.97%. The ZAR zero coupon swap curve as at the valuation date was used as the risk free rate.

The amounts recognised in the financial statements (before taxes) for the share-based payment transaction with employees is as below:

Expense				
Share appreciation rights expense	45 231 939	12 525 770	45 231 939	12 525 770
Liability				
Share appreciation rights liabilities	60 054 266	18 669 993	60 054 266	18 669 993

32 Employee costs

Salary and wages	89 588 759	71 568 075	79 072 051	62 646 712
Less: amounts allocated to qualifying assets (construction contracts)	(57 516 067)	(45 327 650)	(47 671 477)	(21 246 259)
Total employee costs	**32 072 692**	**26 240 425**	**31 400 574**	**41 400 453**

33 Related parties

The following entities are related parties of the company:

Holding company:

- Calgro M3 Holdings Limited

Direct subsidiaries:

- MS5 Projects Proprietary Limited
- MS5 Pennyville Proprietary Limited
- CM3 Randpark Ridge Ext 120 Proprietary Limited
- Calgro M3 Rectification Company Proprietary Limited

Indirect subsidiaries:

- PZR Pennyville Zamimphilo Relocations Proprietary Limited

Fellow subsidiaries:

- Calgro M3 Land Proprietary Limited
- CTE Consulting Proprietary Limited
- Belhar Calgro M3 Development Company Proprietary Limited
- Calgro M3 Private Memorial Parks Proprietary Limited

Associate:

- Calgro KuumBA Planning and Design Proprietary Limited

Directors of the Calgro M3 Developments Limited:

- BP Malherbe - Executive*
- WJ Lategan - Executive*
- FJ Steyn - Executive*
- DN Steyn - Executive*
- BG Blieden - Executive

** Directors of holding company*

Directors and senior management of subsidiaries:

- HB Malherbe
- WP Steenkamp (resigned)
- CC Cornelissen
- W Williams
- M Nkuhlu

The directors as stated above exercise control over all of the subsidiaries of the group.

Joint ventures of holding company:

- Fleurhof Ext 2 Proprietary Limited
- Aquarella Investments 265 Proprietary Limited
- Clidet No 1014 Proprietary Limited
- Sabre Homes Projects Proprietary Limited
- Witpoortjie Calgro M3 Development Company Proprietary Limited
- South Hills Development Company Proprietary Limited

Related party balances

Loans to group companies				
Calgro M3 Holdings Limited	499 502 654	424 620 695	499 502 654	424 620 695
CTE Consulting Proprietary Limited	-	2 702	-	-
MS5 Pennyville Proprietary Limited	-	-	30 884 011	26 977 806
	499 502 654	**424 623 397**	**530 386 665**	**451 598 501**
Loans (from) group companies				
CTE Consulting Proprietary Limited	(2 038 227)	(2 320 983)	(2 038 227)	(2 320 983)
CM3 Randpark Ridge Ext 120 Proprietary Limited	-	-	(5 007 480)	(4 437 305)
MS5 Projects Proprietary Limited	-	-	(15 123 163)	(14 872 719)
PZR Pennyville Zamimphilo Relocation Proprietary Limited	-	-	(39 166 915)	(23 576 918)
	(2 038 227)	**(2 320 983)**	**(61 335 785)**	**(45 207 925)**

Notes to the consolidated financial statements

	Group		Company	
	2015	2014	**2015**	2014
33 Related parties (continued)				
Related party balances (continued)				
Receivables from related parties				
Fleurhof Ext 2 Proprietary Limited	69 596 675	151 612 544	69 596 675	151 612 544
Aquarella Investments 265 Proprietary Limited	3 128 021	16 648 280	3 128 021	16 648 280
Sabre Homes Projects Proprietary Limited	-	943 200	-	863 200
Clidet No 1014 Proprietary Limited	-	279 742	-	279 742
Witpoortjie Calgro M3 Development Company Proprietary Limited	44 484 004	12 737 426	44 484 004	12 737 426
Calgro Kuumba Planning & Design Proprietary Limited	768 901	-	768 901	-
Belhar Calgro M3 Development Company Proprietary Limited	13 172 940	-	13 172 940	-
South Hills Development Company Proprietary Limited	19 047 021	-	19 047 021	-
	150 197 562	**182 221 192**	**150 197 562**	**182 141 192**
Related party transactions				
Interest received from related parties				
MS5 Pennyville Proprietary Limited	-	-	(3 521 205)	(2 941 251)
CTE Consulting Proprietary Limited	(123 884)	(40 852)	(123 884)	(29 693)
Calgro M3 Holdings Limited	(57 933 753)	(42 474 314)	(57 933 753)	(42 474 314)
Aquarella Investments 265 Proprietary Limited	(1 295 473)	(3 580 114)	(1 295 473)	(3 580 114)
Clidet No 1014 Proprietary Limited	-	(348 382)	-	(348 382)
Witpoortjie Calgro M3 Development Company Proprietary Limited	(3 096 055)	(864 277)	(3 096 055)	(864 277)
South Hills Development Company Proprietary Limited	(140 108)	-	(140 108)	-
	(62 589 273)	**(47 307 939)**	**(66 110 478)**	**(50 238 031)**
Interest paid to related parties				
CTE Consulting Proprietary Limited	93 382	69 417	93 638	58 551
PZR Pennyville Zamimphilo Relocation Proprietary Limited	-	-	3 183 612	2 572 410
MS5 Projects Proprietary Limited	-	-	1 452 296	1 524 714
CM3 Randpark Ridge Ext 120 Proprietary Limited	-	-	570 982	483 010
	93 382	**69 417**	**5 300 528**	**4 638 685**
Rendering of services from related parties				
Fleurhof Ext 2 Proprietary Limited	-	(800 920)	-	(800 920)
Sabre Homes Projects Proprietary Limited	-	(1 933 337)	-	(1 933 337)
Aquarella Investments Proprietary Limited	-	(700 537)	-	(700 537)
	-	**(3 434 794)**	**-**	**(3 434 794)**
Construction fees received from related parties				
PZR Pennyville Zamimphilo Relocation Proprietary Limited	-	-	(548 094)	(316 001)
Fleurhof Ext 2 Proprietary Limited	(417 232 111)	(349 776 915)	(417 232 111)	(349 776 915)
Aquarella Investments Proprietary Limited	(13 203 809)	(63 110 605)	(13 203 809)	(63 074 885)
Clidet No 1014 Proprietary Limited	(1 568 189)	(2 628 380)	(1 568 189)	(2 628 380)
Sabre Homes Projects Proprietary Limited	(87 217)	(43 545 075)	-	(7 555 427)
Witpoortjie Calgro M3 Development Company Proprietary Limited	(48 463 402)	(12 246 858)	(48 463 402)	(12 246 858)
Calgro Kuumba Planning & Design Proprietary Limited	(2 500 236)	-	(2 500 236)	-
Calgro M3 Private Memorial Parks Proprietary Limited	(4 553 797)	-	(4 553 797)	-
Belhar Calgro M3 Development Company Proprietary Limited	(11 555 211)	-	(11 555 211)	-
South Hills Development Company Proprietary Limited	(18 138 368)	-	(18 138 368)	-
	(517 302 339)	**(471 307 833)**	**(517 763 216)**	**(435 598 466)**
Management fees received from related parties				
MS5 Projects Proprietary Limited	-	-	(5 773 718)	(5 334 432)
PZR Pennyville Zamimphilo Relocation Proprietary Limited	-	-	(303 546)	(316 001)
CTE Consulting Proprietary Limited	(4 586 105)	(3 708 409)	(4 586 105)	(3 708 409)
	(4 586 105)	**(3 708 409)**	**(10 663 369)**	**(9 358 842)**
Commission fees paid to related parties				
MS5 Projects Proprietary Limited	-	-	6 750 359	12 189 315
	-	**-**	**6 750 359**	**12 189 315**
Management fees paid to related parties				
Calgro M3 Land Proprietary Limited	32 610 967	25 018 212	32 610 967	25 018 212
PZR Pennyville Zamimphilo Relocation Proprietary Limited	-	-	11 000 000	-
MS5 Projects Proprietary Limited	-	-	5 500 000	-
	32 610 967	**25 018 212**	**49 110 967**	**25 018 212**
Marketing fees paid to related parties				
MS5 Projects Proprietary Limited	-	-	2 913 564	3 070 945
	-	**-**	**2 913 564**	**3 070 945**
Compensation paid to key employees and personnel				
Short term employee benefits	30 615 808	20 642 542	30 615 808	20 642 542
	30 615 808	20 642 542	**30 615 808**	20 642 542

Notes to the consolidated financial statements

34 Contingent assets and liabilities

There are no contingent assets or liabilities in the current year.

35 Directors' emoluments

Executive directors

The remuneration noted below is for services rendered in connection with the carrying on of affairs of the business within the same group of companies and associates.

	Remuneration and other benefits				Pension	
Group - 2015	**Value of SAR's exercised**	**Salary as a director**	**Expense allowance**	**Performance bonus**	**On behalf of the director to a pension scheme**	**Total**
BP Malherbe	595 000	2 397 552	144 000	2 944 118	3 000	**6 083 670**
WJ Lategan	1 586 666	1 893 441	144 000	2 355 294	94 672	**6 074 073**
FJ Steyn	595 000	1 944 735	144 000	2 355 294	97 237	**5 136 266**
DN Steyn	595 000	1 919 319	144 000	2 355 294	3 000	**5 016 613**
BG Blieden	-	1 217 765	120 000	394 309	60 888	**1 792 962**
	3 371 666	**9 372 811**	**696 000**	**10 404 309**	**258 797**	**24 103 583**

	Remuneration and other benefits				Pension	
Group - 2014	**Value of SAR's exercised**	**Salary as a director**	**Expense allowance**	**Performance bonus**	**On behalf of the director to a pension scheme**	**Total**
BP Malherbe	-	2 161 555	144 000	1 632 060	3 000	**3 940 615**
WJ Lategan	-	1 740 273	144 000	1 305 648	87 014	**3 276 935**
FJ Steyn	-	1 793 924	144 000	1 305 648	89 696	**3 333 268**
DN Steyn	-	1 769 707	144 000	1 305 648	3 000	**3 222 355**
BG Blieden	-	837 458	90 740	247 752	41 873	**1 217 823**
	-	**8 302 917**	**666 740**	**5 796 756**	**224 583**	**14 990 996**

	Remuneration and other benefits				Pension	
Company - 2015	**Value of SAR's exercised**	**Salary as a director**	**Expense allowance**	**Performance bonus**	**On behalf of the director to a pension scheme**	**Total**
BP Malherbe	595 000	2 397 552	144 000	2 944 118	3 000	**6 083 670**
WJ Lategan	1 586 666	1 893 441	144 000	2 355 294	94 672	**6 074 073**
FJ Steyn	595 000	1 944 735	144 000	2 355 294	97 237	**5 136 266**
DN Steyn	595 000	1 919 319	144 000	2 355 294	3 000	**5 016 613**
BG Blieden	-	1 217 765	120 000	394 309	60 888	**1 792 962**
	3 371 666	**9 372 811**	**696 000**	**10 404 309**	**258 797**	**24 103 583**

	Remuneration and other benefits				Pension	
Company - 2014	**Value of SAR's exercised**	**Salary as a director**	**Expense allowance**	**Performance bonus**	**On behalf of the director to a pension scheme**	**Total**
BP Malherbe	-	2 161 555	144 000	1 632 060	3 000	**3 940 615**
WJ Lategan	-	1 740 273	144 000	1 305 648	87 014	**3 276 935**
FJ Steyn	-	1 793 924	144 000	1 305 648	89 696	**3 333 268**
DN Steyn	-	1 769 707	144 000	1 305 648	3 000	**3 222 355**
BG Blieden	-	837 458	90 740	247 752	41 873	**1 217 823**
	-	**8 302 917**	**666 740**	**5 796 756**	**224 583**	**14 990 996**

Summary	Group		Company	
	2015	2014	**2015**	2014
Executive directors	**24 103 583**	14 990 996	**24 103 583**	14 990 996
	24 103 583	14 990 996	**24 103 583**	14 990 996

Notes to the consolidated financial statements

35 Directors' emoluments (continued)

The prescribed officers' appointment, terms of contract and remuneration for the year under review is as follows:

	Date appointed	Contract expiry
Prescribed officer 1	05/08/2005	Promoted to executive director - 2014 FY
Prescribed officer 2	26/11/2007	Resigned - 2014 FY
Prescribed officer 3	01/03/2012	1 month notice
Prescribed officer 4	05/08/2005	1 month notice
Prescribed officer 5	01/03/2014	1 month notice
Prescribed officer 6	01/09/2014	1 month notice

The remuneration noted below is for services rendered in connection with the carrying on of affairs of other companies in the same Group.

	Short term employee benefits		
2015 - Group	**Remuneration and benefits received**	**On behalf of the prescribed officer to a pension scheme**	**Total remuneration/ benefits**
Prescribed officer 1	-	-	-
Prescribed officer 2	-	-	-
Prescribed officer 3	1 427 851	83 239	**1 511 090**
Prescribed officer 4	2 368 610	91 230	**2 459 840**
Prescribed officer 5	1 844 978	3 000	**1 847 978**
Prescribed officer 6	679 186	14 130	**693 316**
	6 320 625	**191 599**	**6 512 224**

	Short term employee benefits		
2014 - Group	**Remuneration and benefits received**	**On behalf of the prescribed officer to a pension scheme**	**Total remuneration/ benefits**
Prescribed officer 1	379 201	13 502	**392 704**
Prescribed officer 2	1 320 976	58 849	**1 379 825**
Prescribed officer 3	1 127 883	40 905	**1 168 788**
Prescribed officer 4	2 625 775	84 453	**2 710 228**
Prescribed officer 5	-	-	-
Prescribed officer 6	-	-	-
	5 453 836	**197 709**	**5 651 546**

	Short term employee benefits		
2015 - Company	**Remuneration and benefits received**	**On behalf of the prescribed officer to a pension scheme**	**Total remuneration/ benefits**
Prescribed officer 1	-	-	-
Prescribed officer 2	-	-	-
Prescribed officer 3	1 427 851	83 239	**1 511 090**
Prescribed officer 4	-	-	-
Prescribed officer 5	1 844 978	3 000	**1 847 978**
Prescribed officer 6	679 186	14 130	**693 316**
	3 952 015	**100 369**	**4 052 384**

	Short term employee benefits		
2014 - Company	**Remuneration and benefits received**	**On behalf of the prescribed officer to a pension scheme**	**Total remuneration/ benefits**
Prescribed officer 1	379 201	13 502	**392 704**
Prescribed officer 2	1 320 976	58 849	**1 379 825**
Prescribed officer 3	1 127 883	40 905	**1 168 788**
Prescribed officer 4	-	-	-
Prescribed officer 5	-	-	-
Prescribed officer 6	-	-	-
	2 828 061	**113 256**	**2 941 317**

Notes to the consolidated financial statements

35 Directors' emoluments (continued)

Share Appreciation Right Scheme (SAR) issued to directors and prescribed officers:

	Number of SAR's				Value of SAR's granted	
	2015			2014	2015	2014
Directors	Total	Exercised	Granted	Total		
BP Malherbe	947 394	(250 000)	447 394	750 000	5 219 710	1 827 149
WJ Lategan	1 691 249	(666 667)	357 916	2 000 000	11 781 728	4 872 396
FJ Steyn	857 916	(250 000)	357 916	750 000	4 990 694	1 827 149
DN Steyn	857 916	(250 000)	357 916	750 000	4 990 694	1 827 149
BG Blieden	600 000	-	-	600 000	4 056 908	1 010 542
	4 954 475	**(1 416 667)**	**1 521 142**	4 850 000	**31 039 734**	11 364 385
Prescribed Officers						
Prescribed officer 1*	-	-	-	-	-	-
Prescribed officer 2**	-	-	-	-	-	-
Prescribed officer 3	600 000	-	-	600 000	4 056 908	1 010 542
Prescribed officer 4	623 697	(200 000)	223 697	600 000	3 832 241	1 461 719
Prescribed officer 5	600 000	-	-	600 000	3 417 834	791 179
Prescribed officer 6	600 000	-	600 000	-	792 806	-
	2 423 697	**(200 000)**	**823 697**	1 800 000	**12 099 789**	3 263 440

*Prescribed officer 1 was promoted to executive director in the 2014 FY

**Prescribed officer 2 resigned in the 2014 financial year, resulting in the associated share appreciation rights being forfeited.

Refer to note 31 for further details on the share appreciation rights scheme.

36 Financial assets by category

The accounting policies for financial instruments have been applied to the line items below:

Group - 2015

	Loans and receivables	Total
Loans to group companies	499 502 654	499 502 654
Trade and other receivables	151 299 714	151 299 714
Cash and cash equivalents	111 783 694	111 783 694
Loans and receivables	5 756 677	5 756 677
	768 342 739	**768 342 739**

Group - 2014

	Loans and receivables	Total
Loans to group companies	424 623 397	424 623 397
Trade and other receivables	192 744 196	192 744 196
Cash and cash equivalents	49 906 974	49 906 974
Loans and receivables	5 756 677	5 756 677
	673 031 244	**673 031 244**

Company - 2015

	Loans and receivables	Total
Loans to group companies	530 386 665	530 386 665
Trade and other receivables	150 840 007	150 840 007
Cash and cash equivalents	111 763 281	111 763 281
Loans receivable	5 756 677	5 756 677
	798 746 630	**798 746 630**

Company - 2014

	Loans and receivables	Total
Loans to group companies	451 598 501	451 598 501
Trade and other receivables	192 403 829	192 403 829
Cash and cash equivalents	49 906 439	49 906 439
Loans receivable	5 756 677	5 756 677
	699 665 446	**699 665 446**

Notes to the consolidated financial statements

37 Financial liabilities by category

The accounting policies for financial instruments have been applied to the line items below:

Group - 2015

	Financial liabilities at amortised cost	Total
Borrowings	492 131 944	492 131 944
Loans from group companies	2 038 227	2 038 227
Trade and other payables	141 502 978	141 502 978
	635 673 149	**635 673 149**

Group - 2014

	Financial liabilities at amortised cost	Total
Borrowings	470 929 440	470 929 440
Finance Lease obligations	215 446	215 446
Loans from group companies	2 320 983	2 320 983
Trade and other payables	113 533 736	113 533 736
	586 999 605	**586 999 605**

Company - 2015

	Financial liabilities at amortised cost	Total
Borrowings	492 131 944	492 131 944
Loans from group companies	61 335 785	61 335 785
Trade and other payables	140 817 713	140 817 713
	694 285 442	**694 285 442**

Company - 2014

	Financial liabilities at amortised cost	Total
Borrowings	470 929 440	470 929 440
Finance Lease obligations	215 446	215 446
Loans from group companies	45 207 925	45 207 925
Trade and other payables	111 851 774	111 851 774
	628 204 585	**628 204 585**

38 Segment reporting

The appointed Chief Operating Decision Maker (CODM) within the Group is the Group Executive Committee (Exco). This is because it is Exco's responsibility to meet on a frequent basis to review budgets, allocate resources and assess the performance of its operating segments. At each Exco meeting, the progress towards strategic objectives, approving of budgets and comparing actual versus budgets for the period under review is discussed in detail.

The information provided to Exco summarises financial data and information into two tiers, these being:

- By type of activity - Construction and Infrastructure
- A detailed breakdown of each project currently and potentially being undertaken by the Group.

At each Exco meeting, there are discussions held with other managers who are tasked with managing each designated operating segment. Information that is provided to Exco does not analyse project detail, but rather focuses on the overall results of the business activities, as a project may use activities from one or more of the operating segments.

The feedback provided by these individuals is per activity stream but may include project related matters where relevant to gain an understanding of performance during the period under review.

Exco then makes strategic and operational decisions based on the information provided by managers of the various operating segments as well as data and information provided by internal and external parties.

Exco assesses the performance of the operating segments based on a measure of adjusted profit before tax. This measurement basis excludes the effects of non-recurring expenditure from the operating segment such as legal expenses and goodwill impairments when the impairment is the result of an isolated, non-recurring event. The measure also excludes the effects of net finance income and the share of profits from associates as this information is not reviewed by Exco.

At 28 February 2015, the Group is organised on a national basis into 1 main operating segment:

The Group's products consist of mid to high income housing as well as integrated developments. Integrated developments comprise affordable housing, social/Grassroots affordable Peoples' housing as well as Reconstruction and Development Project/Breaking New Ground housing. The customer base includes financial institutions and the general public.

Please refer to note 9 for detailed analysis of the associate relationships as well as note 33 for related party transactions and balances that have an impact on the financial performance, financial position and cash flows for the Calgro M3 Development Group.

Notes to the consolidated financial statements

39 Segment reporting (continued)

As the group consist of only one segment namely Construction and Infrastructure development, the information in the statement of comprehensive income and statement of financial position as listed below are provided to the CODM:

Statement of comprehensive income
Revenue
Operating profit/(loss)
Finance Cost

Statement of financial position
Goodwill
Inventories
Construction contracts
Borrowings

39 Going concern

The directors believe that the group has adequate financial resources to continue in operation for the foreseeable future and accordingly the financial statements have been prepared on a going concern basis.

The directors are not aware of any new material changes that may adversely impact the group. The directors are not aware of any material non-compliance with statutory or regulatory requirements. The board is not aware of any pending changes in litigation that may affect the group.

40 Events after the reporting period

The directors are not aware of any matter or circumstances arising since the end of the financial year that warrants disclosure.