Murray & Roberts Holdings Limited
(Registration number 1948/029826/06)
Annual Financial Statements
for the year ended 30 June 2023

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CONTENTS

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

Responsibilities of directors for annual financial statements

The directors of Murray & Roberts Holdings Limited ("Company" or "Murray & Roberts") are responsible for the preparation of the annual financial statements that fairly present the state of affairs of Murray & Roberts Holdings Limited and its subsidiaries (together the "Group") at the end of the financial year and of the profit or loss and cash flows for that year in accordance with International Financial Reporting Standards ("IFRS") and per the requirements of the Companies Act No. 71 of 2008 ("Companies Act"). The directors of the Company are responsible for the maintenance of adequate accounting records and the preparation and integrity of the annual financial statements and related information.

To enable directors to meet these responsibilities:

a) The Murray & Roberts Board of directors ("Board") and management set standards and management implement systems of internal controls, accounting and information systems; and

b) The Audit Committee recommends Group accounting policies and monitors these accounting policies.

The directors are responsible for the systems of internal control. These systems are designed to provide reasonable, but not absolute assurance as to the reliability of the annual financial statements and to prevent and detect material misstatements and loss. The systems (including controls over the security over the Group and Company website and electronic distribution of annual reports and other financial information) are implemented and monitored by suitably trained personnel with appropriate segregation of authority and duties.

The directors believe, based on information and explanations from management, that the system of internal control is adequate for ensuring the:
- Reliability and integrity of financial and operating information
- Adequate safeguarding, verification and accountability of assets against unauthorised use or disposition
- Compliance of established systems with policies, procedures, laws and regulations

The internal audit function is led by the Group chief audit executive and comprises both internal employees and external resources when required. It serves management and the Board by performing an independent evaluation of the adequacy and effectiveness of risk management, internal controls, financial reporting mechanisms and records, information systems and operations, safeguarding of assets and adherence to laws and regulations.

The Group continues to address any control weaknesses which are identified, however, the Group's system of internal controls continues to provide a basis for the preparation of reliable annual financial statements in all material aspects.

The annual financial statements have been prepared in accordance with IFRS, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council and the requirements of the Companies Act and are based on appropriate accounting policies, supported by reasonable judgements. These accounting policies have been applied consistently compared to the prior year except for the adoption of new or revised accounting standards as set out in note 44. The annual financial statements have been compiled under the supervision of DF Grobler CA(SA), (Group financial director) and the financial statements as set out on pages 19 to 93 have been audited in terms of Section 30(2) of the Companies Act of South Africa.

The directors are of the opinion that the Company and the Group have adequate resources to continue in operation for the foreseeable future based on forecasts and available cash resources and accordingly the annual financial statements have been prepared on a going concern basis.

It is the responsibility of the external auditors to express an opinion on the Group and Company financial statements. For their unmodified opinion to the shareholders of the Company and Group refer to page 11 to 18.

APPROVAL OF ANNUAL FINANCIAL STATEMENTS

The annual financial statements of the Company and the Group for the year ended 30 June 2023 as set out on pages 2 to 94 were approved by the Board of directors on 30 August 2023 and are signed on its behalf by:

.....
SP Kana
Group chairman

.....
HJ Laas
Group chief executive

.....
DF Grobler
Group financial director

Group chief executive and Group financial director responsibility statement on internal financial controls

Each of the directors, whose names are stated below, hereby confirm that:

(a) the annual financial statements set out on pages 19 to 94, fairly present in all material respects the financial position, financial performance and cash flows of the issuer in terms of IFRS;

(b) to the best of our knowledge and belief, no facts have been omitted or untrue statements made that would make the annual financial statements false or misleading;

(c) internal financial controls have been put in place to ensure that material information relating to the issuer and its consolidated subsidiaries have been provided to effectively prepare the financial statements of the issuer;

(d) the internal financial controls are adequate and effective and can be relied upon in compiling the annual financial statements, having fulfilled our role and function as executive directors with primary responsibility for implementation and execution of controls;

(e) where we are not satisfied, we have disclosed to the audit committee and the auditors any deficiencies in design and operational effectiveness of the internal financial controls, and have taken steps to remedy the deficiencies; and

(f) We are not aware of any fraud involving directors.

.....
HJ Laas
Group chief executive

.....
DF Grobler
Group financial director

Certification by Company secretary

In terms of section 88(2)(e) of the Companies Act No. 71 of 2008, as amended ("Companies Act"), I, L Kok, in my capacity as Group company secretary, confirm that, to the best of my knowledge and belief, for the year ended 30 June 2023, Murray & Roberts Holdings Limited has filed with the Companies and Intellectual Property Commission all such returns and notices as are required of a public company in terms of the Companies Act and that all such returns and notices appear to be true, correct and up to date.

.....

L Kok
Group company secretary
30 August 2023

Audit & Risk Committee Report

The audit & risk committee ("Committee") assists the Board to fulfil its supervisory role to ensure the integrity of financial reporting in terms of accounting standards and the Listings Requirements of the Johannesburg Stock Exchange Limited ("JSE"). It does so by evaluating the findings of the internal and external auditors, remedial actions taken and the adequacy and effectiveness of the system of internal financial controls required to form the basis for the preparation of reliable financial statements.

The Committee chairman reports on Committee deliberations and decisions at the Board meeting immediately following each Committee meeting. The internal and external auditors have unrestricted access to the Committee chairman. The independence of the external auditor is regularly reviewed and non-audit related services are pre-approved and notified.

GOVERNANCE OF RISK

The committee fulfils a dual function – as an audit committee and as a risk committee. The committee assists the Board in executing its responsibility for risk governance. The committee regularly assesses the operation of the risk management system, ensuring its effectiveness. A report on risk is shared with the board on a quarterly basis. Internal audit conducts regular and full assessments of the risk management function and framework, on which it reports to the committee. The committee is satisfied with the effectiveness of its oversight of risk governance in the group. A detailed report on risk and its management, as recommended in King IV, is contained in our integrated annual report in the Risk Management Report section.

MEMBERSHIP

The Group chairman, Group chief executive, Group financial director, group risk executive, chief audit executive and the external auditors all attend meetings by invitation.

TERMS OF REFERENCE

The Committee's responsibilities include:

- Reviewing annually the Risk Management Standard, encompassing the Group's risk principles, objectives, framework, organisational structures, functional disciplines and processes, as it applies to the strategic, corporate, business operational, project, prospect, and governance risk environments;
- Making recommendations to the Board concerning acceptable levels of risk tolerance and appetite;
- Ensuring that risk assessments are performed of the risks identified through effective business risk systems and findings, and that Executive Management engages in robust debate, to understand and effectively mitigate significant risk, with a clear assignment of ownership and accountability;
- Monitoring that risks are engaged and managed within the levels of tolerance and appetite approved by the Board;
- Identifying ESG risks and opportunities related to the Group, assessing the impact of such risks on the Company and advising the board of directors on strategies to manage risks and prudently pursue opportunities;
- Reviewing disclosure in the annual integrated report on the effectiveness of risk management and any material undue, unexpected, or unusual risk exposures;
- Assisting the Board to fulfil its responsibility with regard to financial and auditing oversight including internal financial controls;
- Monitoring and reviewing the Group's accounting policies, disclosures and financial information issued to stakeholders;
- Making recommendations to the Board to ensure compliance with International Financial Reporting Standards ("IFRS");
- Discussing and agreeing the scope, nature and priority of the external and internal audits including the reviewing of the quality and effectiveness of the external audit process;
- Nominating an independent auditor for shareholder approval, terms of audit engagement, determining external auditor fees, the nature and extent of non-audit related services and pre-approving contracts for non-audit related services;
- Reviewing fraud and information technology risk as they relate to financial reporting;
- Assist the Board to oversee the development and implementation of an IT governance charter, strategy and policies that are integrated with the business strategy process, and which sustain and enhance the Company's strategic objectives, thereby improving the Company's performance and sustainability;
- Oversee the implementation of IT processes and governance mechanisms, IT frameworks, policies, procedures and standards, ensuring IT governance alignment with corporate governance;
- Oversee the information security strategy (including information security, information management and information privacy) and Management's implementation of the strategy;
- Ensure that there are processes in place to enable complete, timely, relevant, accurate and accessible IT reporting, firstly from Management to the Board, and secondly by the Board in the integrated report;
- Receiving and dealing appropriately with any complaints relating to either accounting practices and internal audit or to the content or auditing of entities in the Group's annual financial statements or related matters;
- Reviewing the annual integrated report and recommending approval to the Board;
- Reviewing price sensitive information such as trading statements; and
- Performing functions required of an audit & risk committee on behalf of subsidiaries in the Group.

STATUTORY DUTIES

In addition to the duties set out in the terms of reference, the Committee performed the required statutory functions in terms of Section 94(7) of the Companies Act of South Africa.

EFFECTIVENESS OF THE EXTERNAL AUDIT PROCESS

The Committee reviews the quality and effectiveness of the external audit process. In particular, the Committee considers the independence of the external auditor. In this regard, the Committee has established an approvals framework for the pre-approval of non-audit services to be rendered by the external auditor and reviews these fees on an ongoing basis.

PricewaterhouseCoopers Inc. ("PwC") served as external auditor for the financial year ended 30 June 2023. The designated auditor is JFM Kotzé. The Committee considers his tenure and that of other key audit partners within the Group in order to reduce familiarity threats to independence.

The Committee is satisfied that the external auditor is independent and has nominated PwC for re-election at the forthcoming annual general meeting of shareholders, with JFM Kotzé as the individual registered auditor. PwC and JFM Kotzé are properly accredited.

Audit & Risk Committee Report (continued)

FINANCIAL DIRECTOR AND FINANCE FUNCTION

The Committee considered and satisfied itself of the appropriateness of the expertise, experience and performance of the Group financial director during the year. The Committee also considered and satisfied itself of the appropriateness of the expertise and adequacy of resources in the finance function as well as the experience of senior members of management responsible for the finance function.

INTERNAL AUDIT

The Group internal audit function was established to assist the Board and executive management with the achievement of their objectives and has remained a vital part of the Group's governance and combined assurance structures. Internal audit is an independent assurance provider on the adequacy and effectiveness of the Group's governance, risk management and control structures, systems and processes.

The centralised function operates in terms of a formal mandate, in conformance with the International Professional Practices Framework for Internal Audit. Internal audit assurance can only be reasonable and not absolute and does not supersede the Board's and management's responsibility for the ownership, design, implementation, monitoring and reporting of governance, risk management and internal controls.

The chief audit executive leads the internal audit function which covers the global operations and is resourced with both internal employees and external resources. It assists the Board and management in maintaining an effective internal control environment by evaluating those controls continuously, using a risk-based approach, to determine whether they are adequately designed, operating efficiently and effectively, and to recommend improvements. The internal audit assurance consists of independent evaluations of the adequacy and effectiveness of risk management, internal controls, financial reporting mechanisms and records, information systems and operations, safeguarding of assets (including fraud prevention) and adherence to laws and regulations. It includes a review of strategic risk mitigations, a risk-based review of major projects, key business processes and systems, the Group's sustainability information, IT governance and IT general controls. A combined assurance model was applied to ensure a coordinated approach to all assurance activities, appropriate to address the significant risks facing the Group.

The annual plan is based on an assessment of risk areas that internal audit and management identify, as well as focus areas highlighted by the Committee and management. The plan also considers work performed by other assurance providers in the Group. The annual audit plan is updated as appropriate to ensure it remains responsive to emerging risks and changes in the business. A comprehensive report on internal audit findings is presented to the Committee quarterly. Follow-up audits are conducted in areas where major internal control weaknesses are found. The internal audit activity has a quality assurance and improvement programme, and is subject to an independent external quality assurance review every five years.

The independence, organisational positioning, scope and nature of work of the internal audit function were evaluated by the Committee in June 2023 and determined to be appropriate and consistent with the internal audit strategy and mandate. The Committee approved internal audit's risk-based audit plan for financial year 2024, having discussed the scope of work and its relationship to the Group's risks. The Committee met quarterly with the chief audit executive, in the absence of management. Furthermore, the chair of the Committee held regular one-to-one meetings with chief audit executive. This enables further evaluation of the work performed.

The internal audit function reports directly to the Committee and their mandate in relation to the internal audit function is to:

- Approve the appointment and dismissal of the chief audit executive;
- Review and recommend to the Board for final approval, the internal audit charter including, inter alia, the purpose, authority and responsibility of the internal audit activity;
- Receive a summary report of the major findings of all assurance and special investigation internal audits and management's responses. Review and track management's action plans to address results of internal audit assignments;
- Review the expertise, resources and experience of the Group's internal audit function, and disclose the results of the review in the integrated report;
- Review and provide input on the internal audit function's strategic plan, objectives, performance measures and outcomes;
- Review and approve the risk-based internal audit plan and make recommendations concerning internal audit projects. Review the internal audit function's performance relative to its audit plan. Review the coordination between the internal and external auditors and the resourcing and standing within the Group of the internal audit function;
- Monitor and evaluate the performance of the chief audit executive and the internal audit function in terms of agreed goals and objectives in order to provide input to management related to evaluating and recording of the performance in the Group's performance management system;
- Ensure that the internal audit activity has a quality assurance and improvement programme and that the results of these periodic assessments are presented to the Committee on an exception basis;
- Ensure that the internal audit activity has an external quality assurance review every five years;
- Review the results of the independent external quality assurance review and monitor the implementation of the internal audit activity's action plans to address any recommendations;
- Advise the Board about any recommendations for the continuous improvement of the internal audit activity; and
- Ensure that the chief audit executive has unrestricted access to the chairman of the Committee.

An internal audit charter, reviewed by the Committee and approved by the Board, formally defines the purpose, authority and responsibility of the internal audit function. The charter provides the chief audit executive direct access to the Group chief executive, Group financial director, chairman of the Committee and chairman of the Board.

INTERNAL FINANCIAL CONTROLS

With regard to the Responsibility Statement in terms of paragraph 3.84(K) of the Listings Requirements, the Committee noted:

- The Responsibility Statement submitted by the Group chief executive and the Group financial director. The Group chief executive, the Group financial director and the internal auditors, based on the audit scope, reviewed the controls with regards to internal financial reporting and presented the findings to the Committee. The evaluation of controls by the Group chief executive and the Group financial director included:
  - The identification and classification of risks, including the determination of materiality;
  - Testing the design and determining the implementation of controls to address high risk areas;
  - Utilising internal audit to test the operating effectiveness of controls to address the high-risk areas on an annual basis, and other risk areas on a rotational basis; and
  - Obtaining control declarations from divisional and subsidiary management on the operating effectiveness of all key controls at year end.

Based on the above and the Group's system of internal control and risk management in FY2023, which included the design implementation and effectiveness of internal financial controls, a reasonable basis is provided for the preparation of reliable annual financial statements in all material aspects.

Audit & Risk Committee Report (continued)

AUDIT AND ADMINISTRATION

Financial leadership in Murray & Roberts caters for growth in the business, including ongoing employment and redeployment of senior financial executives. The Group financial director and lead external audit partner attend selected contract and subsidiary reviews throughout the year. Audit close-out meetings are held between external auditors and operational management at year end. A detailed audit summary memorandum is prepared for all Group operating entities and a consolidated report is presented to the Committee. There are agreed procedures for the Committee to seek professional independent advice at the Group's expense, if necessary.

INTEGRATED REPORTING

The Committee recommended the Group's annual financial statements for Board approval and will recommend the annual integrated report for approval. It is satisfied that they comply with IFRS on a going concern basis following an assessment of solvency and liquidity requirements. During the year under review, external service providers were appointed to provide assurance on selected sustainability information.

In preparation of the annual financial statements the Group has taken into consideration the feedback included in the Report Back on Proactive Monitoring of Financial Statements provided by the JSE.

ASSURANCE

Group assurance activities are embedded, sound and are continuously reviewed and where required redirected to ensure appropriate and effective coverage of the Group's operations, implementation of King IV™ principles and recommendations, and sustainability assurance. The Group's commitment to continuous improvement in achieving acceptable levels of assurance is underscored by various policy frameworks that were developed and implemented, including a stakeholder management framework, regulatory compliance and information management frameworks. The Opportunity Management System was developed in-house and continues to be enhanced to highlight project risks entering the Group's environment.

The multi-year rolling internal audit plan is designed to provide assurance that the major risks and key processes are effectively mitigated and managed, to recommend improvements and track the implementation of audit recommendations.

The Group Integrated Assurance Framework governs and coordinates the overall approach to Group risk management. This entails understanding, identifying, reporting, managing and mitigating Group risk, and includes the process of independently auditing Group policies, plans, procedures, practices, systems, controls and activities to ensure that the Group achieves the level of operational efficiency and compliance required by the Board.

The efforts of the various internal and external assurance providers are coordinated to ensure coverage of agreed risk areas and to minimise duplication and eliminate gaps.

A formal combined assurance model is in place and is being reviewed annually by the Committee. Notwithstanding the output of the combined assurance model, board members form their own opinion on the integrity of the information and reports, and the degree to which an effective control environment has been achieved.

The Committee is satisfied that the group has optimised the assurance coverage obtained from management and internal and external assurance providers. The Committee is also satisfied that the various external assurances that are obtained and related systems and procedures are effective in achieving the following objectives:

- Enabling an effective internal control environment
- Supporting the integrity of information used for internal decision-making by management, the board and its committees
- Supporting the integrity of external reports
- Minimising assurance fatigue

KEY AUDIT MATTERS

Key audit matters are those that PwC, in their professional judgement, were of most significance in their audit of the consolidated financial statements of the current period:

- Estimation uncertainty involved in accounting for revenue from contracts with customers
- Recognition and recoverability of uncertified revenue balances
- Middle East accounting treatment

The audit report contains an emphasis of matter in respect of material uncertainty related to going concern.

SIGNIFICANT AREAS OF JUDGEMENT

The Committee assists the Board by performing an oversight role over financial reporting, which includes assessing the appropriateness of significant estimates and judgements specifically covered by the key audit matters and those disclosed in note 43 and note 45.

Audit & Risk Committee Report (continued)

GROUP AND COMPANY FINANCIAL STATEMENTS

It is our view that the Group and Company financial statements present fairly, in all material respects the Group and Company financial position of the Company and its subsidiaries as at 30 June 2023 and its Group and Company financial performance and its Group and Company cash flows for the year then ended in accordance with IFRS and the requirements of the Companies Act. In preparation of the annual financial statements the Group and the Committee has taken into consideration the feedback included in the most recent Report Back on Proactive Monitoring of Financial Statements provided by the JSE. The Committee recommended the Group's and Company's annual financial statements to the Board for approval. It is satisfied that they comply with IFRS and that the financial statements have been prepared on a going concern basis following an assessment of solvency and liquidity requirements.

On behalf of the Committee:

……..

A Muller
Audit & Risk committee chair
30 August 2023

Report of directors

NATURE OF BUSINESS

Murray & Roberts Holdings Limited is an investment holding company with interests in the mining and power, industrial & water markets.

The Company does not trade and its activities are undertaken through subsidiaries and joint operations. Information regarding the Group's major operating subsidiaries appears in Annexure 1 of the consolidated financial statements.

GROUP FINANCIAL RESULTS

Revenue from continuing operations increased to R12,5 billion (FY2022: R8,8 billion) post restatement of discontinued operations (refer to note 31 and note 32 for further details). The Group reported a profit before interest and tax from continuing operations of R90,6 million (FY2022: R81,9 million restated) and recorded an attributable loss of R3,2 billion (FY2022: R134,8 million earnings), representing a diluted loss per share of 789 cents (FY2022: 33 cents earnings). A diluted headline loss per share of 473 cents was recorded (FY2022: 31 cents earnings).

Full details of the financial position and results of the Group are set out in these Group and Company financial statements. The Group and Company financial statements have been prepared in accordance with IFRS. The accounting policies have been applied consistently compared to the prior year.

GOING CONCERN

The loss of the Energy, Resources & Infrastructure platform ("ERI"), the Mining Australia Group (RUC Cementation Mining Limited ("RUC") and Insig Technologies Pty Ltd ("Insig")) and the disposal of our investment in the Bombela Concession Company ("BCC") has resulted in a downsized Group and has created uncertainty with stakeholders as to the sustainability of the Group considering our current, albeit lower debt levels.
Globally, a number of engineering and construction companies have been taken over or liquidated due to the impact of the pandemic. As a core group, Murray & Roberts has been able to withstand the material impact of the pandemic and believes that it will trade through what remains of this challenging period.

As a mature business and working in a sector which contracts under less onerous commercial terms, the Mining platform does not experience the same levels of demand on working capital. It is also operating in a strong performing sector with growth potential.

During the current financial year, the Power, Industrial & Water platform ("PIW") experienced more favourable market conditions and its healthy order book is reflective of opportunities in the renewable energy and transmission market sectors.

The group is dependent on the utilisation of the overdraft facility to meet its liquidity requirements. Cash flow forecasts for each of the two remaining platforms to the end of the 2024 financial year have been prepared and subsequently stress-tested for key judgements and assumptions relating to forecast revenue and project margins, the secured and unsecured order book and the timing of cash flows. Based on these cash flow forecasts, the Group has considered the following in assessing its liquidity needs and ongoing working capital requirements, its ability to repay the term debt as it falls due, and its ability to continue as a going concern:

- Term Debt Repayment: To settle the term debt, the Group requires dividend payments from its international mining subsidiaries, to Murray & Roberts Limited in South Africa. Based on forecasts, these international mining subsidiaries are performing well, and it is expected that they will generate enough cash inflows to be able to declare sufficient dividends going forward, thereby assisting in the repayment of the South African term debt. The group is currently renegotiating covenants with the banks of these international mining subsidiaries to enable such dividend payments to be made.
- Banking Facilities: As at 30 June 2023, the Group had the following facilities in place (disclosed in note 38.7):
  - Direct banking facilities in South Africa in place of R1,5 billion, with R0,3 billion of unutilised facilities available.
  - Direct foreign banking facilities in place were R1,3 billion with R1,0 billion of unutilised facilities available.
  - Indirect local banking facilities in place were R1,9 billion with R0,0 billion of unutilised facilities available. Currently, the four South African lending banks are permitting drawdowns against the overdraft facilities. However, the remaining facilities which are currently fully drawn are not available for utilisation as they reduce, and the Group is exploring alternative facility providers.
  - Indirect foreign banking facilities in place were R1,2 billion with R0,5 billion of unutilised facilities available.

  Some of these facilities have limited availability for Group-wide use due to dividend distribution and intra-group limitations.
- Order Book: The Group has a healthy secured order book which includes high-profile, multi-year projects.
- Outstanding Claims: There are several unresolved and long outstanding claims, some of which are expected to be settled within the next 12
- Working Capital Management: The Group is constantly reviewing working capital utilisation on projects and seeking ways to improve working capital management, which include the conversion of certain contracts to new, less onerous commercial arrangements.
- Deleveraging Requirements: The Group is working closely with the four South African lenders to meet their deleveraging expectations and is assisted by Deloitte as advisors in this regard together with the development if a sustainable capital structure. The implementation of the deleveraging plan is expected to be complete within a 12 to 18 month time period following South African lender approval.

The Group is confident that it would be able to implement the actions outlined above, and any potential financial restructuring that may be required, for it to realise its assets and discharge its liabilities in the normal course of business. The Board is therefore satisfied that the Group and Company financial statements comply with IFRS on a going concern basis. Should, however, these actions not achieve the desired outcome, especially dividends from the international mining companies to repay the term debt, or the South African banks rejecting the deleveraging plan, it will give rise to uncertainty regarding the potential of any further financial restructuring, which may cast significant doubt on the Group and the company's ability to continue as a going concern and its ability to realise its assets and discharge its liabilities in the normal course of business.

Report of directors (continued)

UNCERTIFIED REVENUE

The Group's uncertified revenue decreased to R445 million (FY2022: R1,2 billion), due mainly to the exclusion of previously recognised uncertified revenue through the deconsolidation of Clough.

The recognition of uncertified revenue is common practice for engineering and contracting companies and the Group is confident that revenue recognised as uncertified, will be certified and paid once attendant commercial matters have been resolved.

SEGMENTAL DISCLOSURE

The Group operated under two strategic platforms as at 30 June 2023. An analysis of the Group's results reflects the financial position and performance of each platform (refer to Annexure 3 of the consolidated financial statements).

1. AUTHORISED AND ISSUED SHARE CAPITAL

Full details of the authorised and issued capital of the Company at 30 June 2023 are contained in note 11 of the consolidated financial statements.

The total number of ordinary shares that may be utilised for purposes of the Murray & Roberts Holdings Limited Employee Share Incentive Scheme ("Scheme") is limited to 5,0% (FY2022: 5,0%) of the total issued ordinary shares of the Company, currently 22 236 806 (FY2022: 22 236 806) ordinary shares. As no shares have been issued to date in connection with the Scheme, this limit remains unutilised.

In terms of the Forfeitable Share Plan ("FSP"), employees were allocated shares during the year by the remuneration committee totalling 7 236 487 shares (FY2022: 450 954). The shares held in escrow by the FSP on behalf of the beneficiaries were purchased on the market and have not been issued by the Company.

2. DIVIDEND

The board of directors of the Company ("Board") considers a dividend on an annual basis, post year end. Considering the Group's current liquidity position, the Board resolved not to declare a dividend this year.

3. DISCONTINUED OPERATIONS

Discontinued operations comprise Murray & Roberts Pty Ltd ("MRPL"), ERI, RUC, together the "MRPL Group", Insig, Middle East Operations, businesses included within the previous Southern Africa Infrastructure & Buildings Platform and the Genrec operations. Refer to note 32 for further details.

Middle East Operations
The Middle East Operations were classified as a discontinued operation in the 2020 financial year as a result of being abandoned, as defined in terms of IFRS 5. By 30 June 2021, the discussions to dispose of the Middle East Operations had progressed to an advanced stage of negotiations and as a result thereof these companies met the criteria, in terms of IFRS 5, to be classified as a disposal group held for sale. At 30 June 2023, the sale and purchase agreement is still pending regulatory approval and the long stop date has therefore been extended to 15 September 2023. The Middle East Operations continue to meet the criteria to be classified as a disposal group held for sale in terms of IFRS 5, even though the one-year period has been exceeded as the delay in sale is due to circumstances beyond the Group's control.

4. SPECIAL RESOLUTION

During the year under review the following special resolutions were passed by shareholders:

1. Fees payable to Non-Executive Directors
2. Financial assistance to related or inter-related companies
3. Amendment to the Memorandum of Incorporation

5. EVENTS AFTER THE REPORTING PERIOD

In relation to the Al Mafraq Hospital project in Abu Dhabi, delivered by a joint operation in which Murray & Roberts Contractors (Abu Dhabi) LLC (MRCAD) is a member, the Review Application lodged with the Court of Cassation, the highest court in the Emirate, against its previously issued ruling in favour of the client's claim, was unsuccessful. Based on further evidence of misrepresentation that has recently come to light from a related case before the courts, the legal advisors representing MRCAD have recommended that a new application be lodged with the Court of Cassation for it to reconsider its Review Application decision, considering this new evidence. This application is in the process of being prepared.

In the intervening period, a claim has been lodged by a UAE-based bank ("the bank"), and a summons has been issued in South Africa against Murray & Roberts Limited, in relation to the Parent Company Guarantee it issued in favour of the bank for a bond that was issued to the bank on the Al Mafraq Hospital project, which was called by the client. The claim is in relation to a circa AED150 million fully drawn facility (R770 million at year end) and is tied to the legal dispute in Abu Dhabi. In response, a notice of intention to defend has been lodged on behalf of Murray & Roberts Limited. Legal advice is that strong and compelling defences are available and will be formulated in the weeks ahead. The legal process in South Africa is expected to be protracted and will take several years to conclude. The occurrences post year end were not considered to be adjusting events. No liability has been recognised with respect to the Parent Company Guarantee. The drawdown on the bank overdraft continues to be recognised as short term borrowings in liabilities held for sale.

Report of directors (continued)

5. EVENTS AFTER THE REPORTING PERIOD (continued)

Subsequent to year end, the Group, through its wholly owned subsidiary Murray & Roberts Ltd ("MRL"), entered into a Sale of Business Agreement with Main Road Centurion 30311 (Pty) Ltd ("the Acquirer"), in terms of which MRL will dispose of its 80% interest in Aarden Solar, a joint operation. Aarden Solar requires further investment to support its growth trajectory, which the acquirer will provide. As a wholesale business, Aarden Solar is not strategic to Murray & Roberts. The transaction consideration is R73 million and will be applied to MRL's working capital requirements. The above occurrence is not considered to be an adjusting event.

The directors are not aware of any other matter or circumstance, other than noted above, arising since the end of the financial year not otherwise dealt with in the Group and Company annual financial statements which significantly affects the financial position at 30 June 2023 or the results of its operations or cash flows for the year then ended. Events that occurred after the reporting period were indicative of conditions that arose after the reporting period in the normal course of business and did not have a material impact on the current financial year results.

6. INTEREST OF DIRECTORS

The directors of the Company held direct beneficial interests in 2 388 608 ordinary shares of the Company's issued ordinary shares (FY2022: 2 342 338). Details of the ordinary shares held per individual director are listed below and also set out in note 39.3.

BENEFICIAL	Direct	Indirect
30 June 2023		
DF Grobler	**375 456**	**1 970 939**
HJ Laas	**2 013 152**	**193 194**
30 June 2022		
DF Grobler	375 456	1 764 834
HJ Laas	1 816 882	1 471 675
DC Radley	150 000	-

At the date of this report, these interests remain unchanged.

7. DIRECTORS

At the date of this report, the directors of the Company were:

INDEPENDENT NON-EXECUTIVE

SP Kana (Chairman); JA Boggenpoel; R Havenstein; AK Maditsi; A Muller*; CD Raphiri.
*Appointed 1 July 2022

EXECUTIVE

HJ Laas (Group chief executive) and DF Grobler (Group financial director).

8. COMPANY SECRETARY

L Kok

The company secretary's business and postal addresses are:

Postal address
PO Box 1000, Bedfordview, 2008

Business address
Douglas Roberts Centre, 22 Skeen Boulevard
Bedfordview, 2007

9. AUDITORS

PricewaterhouseCoopers Inc. served as external auditor for the financial year ended 30 June 2023. The designated auditor is JFM Kotzé.

Independent auditor's report

To the Shareholders of Murray & Roberts Holdings Limited

Report on the audit of the consolidated and separate financial statements

Our opinion

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Murray & Roberts Holdings Limited (the Company) and its subsidiaries (together the Group) as at 30 June 2023, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and the requirements of the Companies Act of South Africa.

What we have audited

Murray & Roberts Holdings Limited's consolidated and separate financial statements set out on pages 19 to 93 comprise:

- the consolidated and company statements of financial position as at 30 June 2023;
- the consolidated and company statements of financial performance for the year then ended;
- the consolidated and company statements of comprehensive income for the year then ended;
- the consolidated and company statements of changes in equity for the year then ended;
- the consolidated and company statements of cash flows for the year then ended; and
- the notes to the annual financial statements, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated and separate financial statements* section of our report.

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

Independence

We are independent of the Group in accordance with the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors* (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)*.

Material uncertainty related to going concern

We draw attention to Note 45 to the consolidated and separate financial statements, which details a number of factors affecting the Group's liquidity position, and which have resulted in project delays and the deferral of milestone payments. These factors include a disruption in supply chains, cross-border restrictions, the need to implement alternative funding mechanisms, and the repatriation of cash resources from group companies. As stated in Note 45, these matters along with others indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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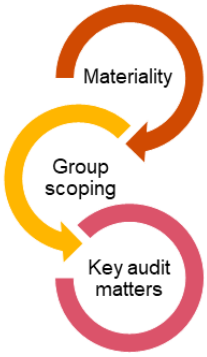
Our audit approach

Overview



Overall group materiality

- Overall group materiality: R112.14 million, which represents 0.9% of consolidated revenue from continuing operations.

Group audit scope

The Group comprises 215 reporting components. Full scope audits were performed in respect of 10 financially significant components, and specified audit procedures were performed on a further 12 components. Analytical review procedures were performed over the remaining components as they were deemed to be financially inconsequential for group scoping purposes.

Key audit matters

- Material uncertainty related to going concern;
- Estimation uncertainty involved in accounting for revenue from contracts with customers;
- Recognition and recoverability of uncertified revenue balances; and
- Middle East accounting treatment.

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated and separate financial statements. In particular, we considered where the directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement.

Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Overall group materiality	*R 112.14 million*
How we determined it	*0.9% of consolidated revenue from continuing operations*
Rationale for the materiality benchmark applied	*We selected revenue from continuing operations as the benchmark because, in our view, it is a benchmark against which the performance of the Group can be consistently measured in circumstances of volatile year-on-year earnings. This benchmark has remained a key driver of the Group's business.* *We chose 0.9% based on our professional judgement, after consideration of the range of quantitative materiality thresholds that we would typically apply to entities operating within this industry.*

How we tailored our group audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

The Group consists of 215 reporting components. Our scoping assessment included consideration of financially significant components, based on indicators such as the component's contribution to consolidated assets, consolidated revenue and consolidated profit before taxation as well as risks associated with the component. Based on this assessment we identified 10 financially significant components, for which full scope audits were performed. Specified audit procedures were performed on significant account balances and transactions for a further 12 components as a result of significant account balances and transactions within those components. In order to obtain sufficient and appropriate audit evidence in respect of those components that were considered to be financially inconsequential, the group engagement team performed analytical review procedures in respect of the financial information of these components.

In establishing the overall approach to the Group audit, we determined the type of work that needed to be performed by us, as the group engagement team and component auditors from other PwC network firms. When the work was performed by component auditors, we determined the level of involvement we needed to have at those components to enable us to conclude on whether sufficient appropriate audit evidence had been obtained as a basis for our opinion on the consolidated financial statements as a whole.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

We have determined that there are no key audit matters to communicate in our report in respect of the separate financial statements.

Key audit matter	***How our audit addressed the key audit matter***
Estimation uncertainty involved in accounting for revenue from contracts with customers Refer to the following accounting policies and notes to the consolidated financial statements for the disclosures as it relates to this key audit matter: • Accounting Policy 1.10 Amounts due from/to contract customers, • Accounting Policy 1.17 Provisions and contingencies,	We assessed the appropriateness of the use of the input and output method of accounting for revenue recognition for the different types of contracts entered into by the Group in accordance with IFRS 15 by performing the following procedures for a sample of contracts entered into by the Group: • We assessed the reasonableness of significant assumptions and estimates relating to the estimated total contract cost, estimated total revenue, claims recognised and penalties

- Accounting Policy 1.22 Revenue,
- Note 8 Amounts due from/to contract customers,
- Note 26 Revenue, and
- Note 43 Critical accounting estimates and judgements.

Revenue generated in the Group, relates mainly to revenue from construction contracts with customers. The Group applies the principles of IFRS 15 - *Revenue from contracts with customers* (IFRS 15) to account for its revenue from contracts with customers.

Revenue from these construction contracts with customers is recognised over time as performance obligations are satisfied, and measured with reference to the transaction price. The transaction price is the consideration to which the entity is expected to be entitled to, in exchange for transferring goods or services to the customer. Variations in contract work, claims and incentive payments are included in the transaction price to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved. Similarly, where contracts contain penalties which could reduce revenue, penalties are deducted from total estimated revenue except to the extent that it is highly probable that penalties won't be levied.

The progress towards complete satisfaction of a performance obligation is measured based on applying either of the following methods:

i. Output method: Recognise revenue on the basis of direct measurement, i.e. performance or milestone completed.
ii. Input method: the group estimates the cost of construction and engineering services provided to date as a proportion of the total estimated cost of these services to be performed.

The inputs and assumptions applied using these methods, represent the basis for the calculation of contract revenue, contracts in progress and amounts due to contract customers. These inputs and assumptions are also used in determining onerous contract provisions in accordance with *IAS 37 - Provisions,* to be recognised in the consolidated financial statements.

We considered the estimation uncertainty involved in accounting for revenue from contracts with customers to be a matter of most significance to our current year audit due to the following:

- significant judgements and estimation applied in establishing profit margins and costs to completion; and
- the magnitude of the contract revenue recognised, the contracts in progress, uncertified claims and variations, over-certified revenue balances and provision for onerous contracts balances in relation to the consolidated financial statements.

recognised, through inspection of relevant contract documentation (such as bill of quantities, tender budgets and forecasts and correspondence between the contractor and client). We concluded that management's assumptions and estimates were reasonable;

- Through inspection of signed contracts, enforceable contract penalties, management's costing per contract and approved variation order documentation we evaluated the accuracy of the total contract revenue. No material exceptions were noted;
- We agreed the life to date costs incurred to relevant underlying documentation including supplier invoices, subcontractor agreements and invoices, payroll information for labour costs and inventory issue notes etc. No material exceptions were noted;
- We compared the estimated progress towards the satisfaction of the performance obligations on each contract to work certified to date by management's contract engineering experts and quantity surveyors. No material exceptions were noted;
- We assessed the competence, capabilities and objectivity of management's legal experts, contract engineering experts and quantity surveyors through inspection of their qualifications, professional memberships and obtaining an understanding of their work. No aspects requiring further consideration were noted;
- We recomputed profit margins from year to year on projects running over multiple years. Deviations in margins were identified and evaluated against explanations from management and relevant documentation including correspondence between clients and the Group, subcontractors and the Group, progress certificates and notices in terms of contracts etc. Based on our work performed we accepted the profit margins as reasonable; and
- We recalculated the revenue per contract based on the input or output method, where applicable. Based on our recalculation, we agreed the adjustments between certified progress revenue and revenue recognised to the work-in-progress, provision for onerous contracts and retentions recognised in the financial statements. No material exceptions were noted.

Recognition and recoverability of uncertified revenue balances Refer to the following accounting policies and notes to the consolidated financial statements for the disclosures as it relates to this key audit matter: • Accounting Policy 1.10 Amounts due from/to contract customers, • Accounting Policy 1.17 Provisions and contingencies, • Accounting Policy 1.22 Revenue, • Note 8 Amounts due from/to contract customers, • Note 26 Revenue, and • Note 43 Critical accounting estimates and judgements. As at 30 June 2023, amounts due from contract customers included uncertified claims and variations receivable amounting to R 388.6 million and contracts in progress of R 1 billion. Variation in contract work, claims and incentive payments are recognised as revenue to the extent that collection is highly probable, and the amounts can be reliably measured. The Group applies significant judgement in assessing whether the extent of collection of variation orders and claims is highly probable. Each variation order or claim is assessed individually to establish entitlement and to conclude on the strength of the claim. The Group utilises legal experts, engineers and quantity surveyors to assess probabilities in determining the amount to be recognised relating to uncertified revenue and in addition considers the customers credit risk in assessing the recoverability of amounts recognised are considered highly probable. We considered the recognition and recoverability of uncertified revenue balances to be a matter of most significance to our current year audit due to the following: • Significant estimates and judgements applied relating to the merits and quantum in determining the probability of recovery of these balances; and • The magnitude of uncertified revenue balances recognised in relation to the consolidated financial statements.	Our work on the recognition and recoverability of uncertified revenue balances entailed the following: • With the assistance of our quantity surveying expertise and inspection of correspondence relating to claims and variation orders, we assessed the reasonableness of the merits and quantum of variation orders and claims recognised in favour of and against the Group. We accepted the merits and quantum of variation orders and claims recognised in favour of and against the Group as reasonable; • We obtained and inspected legal experts' reports, confirmations and opinions and held discussions with the legal experts, to understand the current status and progress on claims and variation orders in the dispute resolution and arbitration process. In doing so, we assessed the legal experts' experience and objectivity by inspecting their qualifications. We did not identify any material exceptions; • We assessed the competence, capabilities and objectivity of management's legal experts, contract engineering experts and quantity surveyors through inspection of their qualifications, professional memberships and obtaining an understanding of their work. No aspects requiring further consideration were noted; • We assessed the reasonableness of judgements, estimates and assumptions made in relation to uncertified revenue balances, through discussion with the directors, engineering experts and quantity surveyors and inspection of relevant documentation such as correspondence between parties, contractual agreements, signed variation orders etc. We accepted the judgements, estimates and assumptions as reasonable; and • For a sample of uncertified revenue balances, we assessed the recoverability of uncertified revenue balances receivable, through testing of receipts subsequent to period end and where receipts remained outstanding, specific client circumstances such as force majeure notifications, industry specific circumstances and publicly available financial information and media reports were considered. Furthermore, we assessed the reasonableness of management's expected credit loss (ECL) allowance on uncertified revenue balances, by independently recomputing the ECL allowance. Our testing did not identify any material exceptions as it impacts on the recoverability of the uncertified revenue balances.
Middle East accounting treatment Refer to the following accounting policies and notes to the consolidated financial statements for the disclosures as it relates to this key audit matter: • Accounting Policy 1.14 Non-current assets held for sale and discontinued operations, • Note 32 Discontinued Operations, Assets and Liabilities Classified as Held for Sale, • Note 42 Events after reporting period, and • Note 43 Critical accounting estimates and judgements.	Our work performed in addressing this key audit matter entailed the following: • We evaluated the reasonableness of management's assessment, supporting the continued classification of the Middle East operations, as a disposal group held for sale, in terms of IFRS 5 through discussions with legal counsel, management, the purchaser's representative and inspection of the Sale and Purchase agreement and related long stop extensions. We found the assessment to be reasonable; • We assessed the reasonableness of estimates and judgements applied in determining the value of assets and liabilities included in the disposal

During the 2021 financial year, the Group classified assets and liabilities of its Middle East operations as held for sale, in terms of IFRS 5 – *Non Current Assets Held for Sale and Discontinued Operations* (IFRS 5). This continues to remain in effect due to extensions to the long stop date of the sale and purchase agreement. The Middle East disposal group consists mainly of amounts due from contract customers and short-term borrowings. This disposal group held for sale has been measured at the lower of its carrying amount and fair value less cost to sell in accordance with IFRS 5, at 30 June 2023. We considered the accounting treatment of the Middle East operations to be a matter of most significance to our current year audit due to the level of judgement involved: ● In the continuing classification of the Middle East operations as a disposal group held for sale in accordance with IFRS 5; and ● The assessment of the impact of the claim lodged against the Murray & Roberts Limited (subsidiary) parent company guarantee.	group through discussions with legal counsel and inspection of underlying contract documentation. We found the estimates and judgements to be reasonable; ● We evaluated management's assessment of the fair value less cost to sell and the resulting impairment, for accuracy through re-computation and for consistency with the terms of the draft Sale and Purchase agreement. No material exceptions were noted;

Other information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Murray & Roberts Holdings Limited Annual Financial Statements for the year ended 30 June 2023", which includes the Report of directors, the Audit committee report and the Certification by company secretary as required by the Companies Act of South Africa, which we obtained prior to the date of this auditor's report as required by the Companies Act of South Africa, which we obtained prior to the date of this auditor's report, and the other sections of the document titled "Murray & Roberts Annual Integrated Report 2023", which is expected to be made available to us after that date. The other information does not include the consolidated or the separate financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the consolidated and separate financial statements

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

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

Auditor's responsibilities for the audit of the consolidated and separate financial statements

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

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and / or Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Report on other legal and regulatory requirements

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that PricewaterhouseCoopers Inc. has been the auditor of Murray & Roberts Holdings Limited for 4 years.

PricewaterhouseCoopers Inc

PricewaterhouseCoopers Inc.
Director: JFM Kotzé
Registered Auditor
Johannesburg, South Africa
30 August 2023

The examination of controls over the maintenance and integrity of the Group's website is beyond the scope of the audit of the financial statements. Accordingly, we accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

Consolidated statement of financial position as at 30 June 2023

ALL AMOUNTS ARE EXPRESSED IN MILLIONS OF RANDS	Notes	2023	2022
ASSETS			
Non-current assets			
Property, plant and equipment	2	**1 571.8**	4 397.4
Goodwill	3	**441.8**	1 371.7
Other intangible assets	4	**311.1**	650.1
Investment in associate companies	5	**-**	1.7
Other investments	6	**1.7**	1 443.8
Deferred taxation assets	20	**92.6**	562.6
Net investment in lease		**-**	1.3
Receivables		**-**	2.1
Total non-current assets		**2 419.0**	8 430.7
Current assets			
Inventories	7	**240.2**	494.8
Amounts due from contract customers	8	**2 965.4**	6 292.4
Trade and other receivables	9	**398.4**	1 768.5
Net investment in lease		**-**	1.6
Taxation assets	35	**36.0**	47.0
Cash and cash equivalents	10	**1 263.5**	2 255.8
Total current assets		**4 903.5**	10 860.1
Assets classified as held for sale	32	**1 064.8**	1 011.9
Total assets		**8 387.3**	20 302.7
EQUITY AND LIABILITIES			
Stated capital	11	**2 693.9**	2 684.8
Reserves	13 & 14	**976.2**	1 658.8
Retained earnings		**(1 862.4)**	1 318.9
Equity attributable to owners of Murray & Roberts Holdings Limited		**1 807.7**	5 662.5
Non-controlling interests	15	**33.3**	50.8
Total equity		**1 841.0**	5 713.3
Non-current liabilities			
Long term loans	17	**706.2**	1 192.6
Retirement benefit obligations	18	**-**	-
Long term provisions	19	**7.9**	24.7
Deferred taxation liabilities	20	**147.2**	89.4
Long term payables	21	**218.9**	82.9
Total non-current liabilities		**1 080.2**	1 389.6
Current liabilities			
Amounts due to contract customers	8	**702.3**	2 514.2
Trade and other payables	23	**2 531.5**	5 891.8
Short term loans	24	**347.5**	623.1
Taxation liabilities	35	**25.4**	186.5
Provisions for obligations	25	**254.0**	214.3
Subcontractor liabilities	22	**145.2**	1 399.3
Bank overdrafts	10	**479.4**	1 525.8
Derivative financial instruments		**-**	-
Total current liabilities		**4 485.3**	12 355.0
Liabilities classified as held for sale	32	**980.8**	844.8
Total liabilities		**6 546.3**	14 589.4
Total equity and liabilities		**8 387.3**	20 302.7

Consolidated statement of financial performance for the year ended 30 June 2023

ALL AMOUNTS ARE EXPRESSED IN MILLIONS OF RANDS	Notes	2023	2022*
Continuing operations			
Revenue	26	**12 460.2**	8 754.5
Profit before interest, tax, depreciation and amortisation		**451.4**	482.9
Depreciation		**(337.8)**	(381.5)
Amortisation of intangible assets		**(23.0)**	(19.5)
Profit before interest and taxation	27	**90.6**	81.9
Interest expense	28	**(280.2)**	(196.5)
Interest income	29	**13.7**	10.6
Loss before taxation		**(175.9)**	(104.0)
Taxation expense	30	**(106.4)**	(73.3)
Loss after taxation		**(282.3)**	(177.3)
Loss from equity accounted investments		**(0.2)**	(0.3)
Loss for the year from continuing operations		**(282.5)**	(177.6)
(Loss)/profit from discontinued operations	32	**(2 896.9)**	310.7
(Loss)/profit for the year		**(3 179.4)**	133.1
Attributable to:			
Owners of Murray & Roberts Holdings Limited		**(3 181.3)**	134.8
Non-controlling interests	15	**1.9**	(1.7)
		(3 179.4)	133.1

Basic and diluted loss per share were 789 cents (FY2022: 34 cents per share) and 789 cents (FY2022: 33 cents per share) respectively.
Continuing basic and diluted loss per share were 71 cents (FY2022*: 44 cents loss per share) and 71 cents (FY2022*: 44 cents loss per share) respectively.
For further details refer to note 33.

**Restated for discontinued operations. Refer to note 31 and 32 for further details.*

Consolidated statement of comprehensive income for the year ended 30 June 2023

ALL AMOUNTS ARE EXPRESSED IN MILLIONS OF RANDS	Notes	2023	2022
(Loss)/profit for the year		**(3 179.4)**	133.1
OTHER COMPREHENSIVE INCOME/(LOSS):			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations	13 &15	**576.3**	483.1
Translation of foreign entities reclassified through profit or loss on derecognition	13	**(1 250.1)**	-
		(673.8)	483.1
Other comprehensive (loss)/income for the year net of taxation		**(673.8)**	483.1
Total comprehensive (loss)/income for the year		**(3 853.2)**	616.2
Total comprehensive (loss)/income attributable to:			
Owners of Murray & Roberts Holdings Limited		**(3 854.6)**	618.0
Non-controlling interests		**1.4**	(1.8)
		(3 853.2)	616.2

Consolidated statement of changes in equity for the year ended 30 June 2023

ALL AMOUNTS ARE EXPRESSED IN MILLIONS OF RANDS	Stated capital	Translation reserve	Other capital reserves	Retained earnings	Attributable to owners of Murray & Roberts Holdings Limited	Non-controlling interests	Total equity
Balance at 01 July 2021	2 559.5	1 117.2	71.1	1 212.8	4 960.6	23.9	4 984.5
Total comprehensive income/(loss) for the year	-	483.2	-	134.8	618.0	(1.8)	616.2
Treasury shares disposed	94.3	-	-	-	94.3	-	94.3
Treasury shares acquired	(5.6)	-	-	-	(5.6)	-	(5.6)
Utilisation of share-based payment reserve	36.6	-	(36.6)	-	-	-	-
Recognition of share-based payment	-	-	23.9	-	23.9	-	23.9
Increase in shareholding of subsidiaries	-	-	-	(28.7)	(28.7)	28.7	-
Balance at 01 July 2022	**2 684.8**	**1 600.4**	**58.4**	**1 318.9**	**5 662.5**	**50.8**	**5 713.3**
Total comprehensive (loss)/income for the year	**-**	**(673.3)**	**-**	**(3 181.3)**	**(3 854.6)**	**1.4**	**(3 853.2)**
Treasury shares disposed	**58.8**	**-**	**-**	**-**	**58.8**	**-**	**58.8**
Treasury shares acquired	**(66.9)**	**-**	**-**	**-**	**(66.9)**	**-**	**(66.9)**
Utilisation of share-based payment reserve	**17.2**	**-**	**(17.2)**	**-**	**-**	**-**	**-**
Recognition of share-based payment	**-**	**-**	**7.9**	**-**	**7.9**	**-**	**7.9**
Dividends declared and paid	**-**	**-**	**-**	**-**	**-**	**(18.9)**	**(18.9)**
Balance at 30 June 2023	**2 693.9**	**927.1**	**49.1**	**(1 862.4)**	**1 807.7**	**33.3**	**1 841.0**

Consolidated statement of cash flows for the year ended 30 June 2023

ALL AMOUNTS ARE EXPRESSED IN MILLIONS OF RANDS	Notes	2023	Restated* 2022
Cash flows from operating activities			
Receipts from customers		**25 738.2**	29 621.2
Payments to suppliers and employees		**(25 200.5)**	(29 366.7)
Cash generated by operations	34	**537.7**	254.5
Interest received		**19.1**	23.4
Interest paid		**(316.6)**	(223.4)
Taxation paid	35	**(186.3)**	(253.1)
Taxation refund	35	**58.2**	23.5
Dividend paid to non-controlling interest		**(18.9)**	-
Net cash inflow/(outflow) from operating activities		**93.2**	(175.1)
Cash flows from investing activities			
Payment for acquisition of subsidiaries, net of cash acquired		**(6.0)**	(288.3)
Purchase of intangible assets other than goodwill	4	**(5.8)**	(113.1)
Purchase of property, plant and equipment	2	**(651.6)**	(883.5)
- Replacements		**(136.1)**	(96.7)
- Additions		**(766.8)**	(1 703.1)
- Acquisition of assets by means of a lease (non-cash)		**251.3**	916.3
Proceeds on disposal of intangible assets		**16.8**	9.2
Proceeds on disposal of property, plant and equipment		**43.3**	81.5
Proceeds on disposal of assets held for sale		**127.0**	3.1
Proceeds on disposal of investment in BCC (net of transaction costs)	6	**1 216.8**	-
Dividends received from the Bombela Concession Company	6	**255.0**	185.0
Cash and cash equivalents in deconsolidated subsidiaries	31	**(1 298.4)**	-
Other		**(1.8)**	(3.0)
Net cash outflow from investing activities		**(304.7)**	(1 009.1)
Cash flows from financing activities			
Net (acquisition)/disposal of treasury shares		**(8.1)**	88.7
- Acquisition of treasury shares		**(66.9)**	(5.6)
- Disposal of treasury shares		**58.8**	94.3
Net movement in borrowings	34	**56.4**	(630.7)
- Loans raised		**1 981.0**	634.9
- Loans repaid		**(1 800.1)**	(844.8)
- Leases repaid		**(124.5)**	(420.8)
Net movement in bank overdraft*		**(904.1)**	67.6
- Overdraft drawdowns		**1 303.0**	1 415.4
- Overdraft repayments		**(2 207.1)**	(1 347.8)
Net cash outflow from financing activities		**(855.8)**	(474.4)
Total decrease in net cash and cash equivalents		**(1 067.3)**	(1 658.6)
Net cash and cash equivalents at beginning of year		**2 122.8**	3 603.9
Effect of exchange rates		**217.0**	177.5
Net cash and cash equivalents at end of year^	10	**1 272.5**	**2 122.8**
^ Cash and cash equivalents balance comprises of:			
- Cash		***1 263.5***	*2 255.8*
- Reclassification to held for sale		***12.4***	*12.7*
*- Overdraft**		***(3.4)***	*(145.7)*

** During the current year, the Group reassessed the classification of bank overdrafts as a component of cash and cash equivalents which resulted in the restatement of the Statement of Cash Flows for the prior year. Please refer to note 41 for further information.*

Accounting Policies

1. PRESENTATION OF FINANCIAL STATEMENTS

1.1. BASIS OF PREPARATION

These Group and Company financial statements (“financial statements”) have been prepared under the historical cost convention as modified by the revaluation of non-trading financial asset investments and financial assets at fair value through profit or loss. Non-current assets and disposal groups held for sale, where applicable, are stated at the lower of their carrying amount and fair value less cost to sell in accordance with IFRS 5.

The preparation of financial statements requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Although these estimates are based on management's best knowledge of current events and conditions, actual results may ultimately differ from those estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of International Financial Reporting Standards (“IFRS”) that have a significant effect on the financial statements, and significant estimates made in the preparation of these Group and Company financial statements are discussed in note 43.

Standards, Interpretations and Amendments to published standards that are not yet effective are discussed in note 44.

The consolidated financial statements have been prepared on a going concern basis. Refer to note 45 for further commentary on going concern.

1.2. STATEMENT OF COMPLIANCE

These Group and Company financial statements are prepared in accordance with IFRS and Interpretations adopted by the International Accounting Standards Board ("IASB"), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, financial reporting pronouncements issued by the Financial Reporting Standards Council, the requirements of the JSE Limited Listings Requirements and the Companies Act.

1.3. BASIS OF CONSOLIDATION

The Group consists of the consolidated financial position and the operating results and cash flow information of Murray & Roberts Holdings Limited ("Company"), its subsidiaries, its interest in joint operations and associates.

Subsidiaries are entities, including structured entities controlled by the Group. Control exists 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.

Income and expenses of subsidiaries acquired or disposed of during the year are included in the consolidated statement of financial performance from the effective date of acquisition and up to the effective date of disposal, as appropriate. Total comprehensive income of subsidiaries is attributed to owners of the Company and to the non-controlling interest even if this results in the non-controlling interest having a deficit balance.

If a subsidiary uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to its financial statements in preparing the consolidated financial statements.

Intercompany transactions and balances on transactions between group companies are eliminated.

NON-CONTROLLING INTEREST LOANS
Certain shareholders elect to contribute to shareholder loans as opposed to stated capital.

Loans from non-controlling shareholders are classified as equity instruments rather than financial liabilities if both conditions (a) and (b) below, as required by IAS 32: *Financial Instruments: Presentation* , paragraph 16, are met.

(a) Loans from non-controlling shareholders includes no contractual obligations:
- to deliver cash or another financial asset to another entity; or
- to exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the issuer or the Group.

(b) Loans from non-controlling shareholders will not or may not be settled in the issuer's or the Group's own equity instruments.

If the loans from non-controlling shareholders do not meet both conditions (a) and (b) they are classified as financial liabilities.

The raising or repayment of non-controlling interest loans that are classified as equity instruments has no impact on the effective shareholding of the non-controlling shareholder.

Accounting Policies (continued)

1.4. BUSINESS COMBINATIONS

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

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

Non-controlling interests that represent ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another IFRS.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill or gain on bargain purchase. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depend on how the contingent consideration is classified. Contingent consideration that is classified as equity is not measured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with IAS 37: Provisions, Contingent Liabilities and Contingent Assets, as appropriate, with the corresponding gain or loss being recognised in profit or loss.

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

GOODWILL
Goodwill is recognised as an asset at the acquisition date of a business. Goodwill on the acquisition of a subsidiary is included in intangible assets.

Goodwill is not amortised. Instead, an impairment test is performed annually or more frequently if circumstances indicated that it might be impaired. Any impairment is recognised immediately in profit or loss and is not subsequently reversed. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash generating units expected to benefit from the synergies of business combinations. Any impairment loss of the cash generating unit is first allocated against the goodwill and thereafter against the other assets of the cash generating unit on a pro-rata basis.

Whenever negative goodwill (a gain on bargain purchase) arises, the identification and measurement of acquired identifiable assets, liabilities and contingent liabilities are reassessed. If a gain on bargain purchase still remains, it is recognised in profit or loss immediately.

On disposal of a subsidiary the attributable goodwill is included in the determination of the profit or loss on disposal. The same principle is applicable for partial disposals where there is a change in ownership, in other words a portion of the goodwill is expensed as part of the cost of disposal. For partial disposals and acquisitions with no change in ownership, goodwill is recognised as a transaction with equity holders.

LOSS OF CONTROL OF SUBSIDIARY
When the Group loses control over a subsidiary the carrying amount of the subsidiary’s assets and liabilities are derecognised together with any associated non-controlling interests and other components of equity. Any resulting gain or loss is recognised in profit or loss.

1.5. JOINT ARRANGEMENTS

Joint arrangements are those entities in which the Group has joint control. Under IFRS 11: *Joint Arrangements*, joint arrangements are classified as either joint operations or joint ventures depending upon the contractual rights and obligations that each investor has in the joint arrangement. The Group's interest in joint arrangements, classified as joint ventures are accounted for using the equity method of accounting and are initially recognised at cost while those classified as joint operations are accounted for by recognising the joint operator's proportionate share of the assets, liabilities, revenue and expenses of the joint operation. The results of joint arrangements are included from the effective dates of acquisition and up to the effective dates of the disposal.

Intercompany transactions, balances and unrealised gains on transactions between the Group and its joint arrangements are eliminated on consolidation. Unrealised losses are eliminated and are also considered an impairment indicator of the asset transferred. Accounting policies of joint arrangements have been changed where necessary to ensure consistency with policies adopted by the Group.

Accounting Policies (continued)

1.6. INVESTMENTS IN ASSOCIATE COMPANIES

Associates are 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 and are initially recognised at cost, with the exception of service concession investments which are venture capital in nature and measured at fair value through profit or loss. The Group's investments in associates include goodwill identified on acquisition, net of any accumulated impairment loss.

The Group's share of its associates' post-acquisition profits or losses is recognised in the statement of financial performance, and its share of post-acquisition movements in reserves is recognised in reserves through other comprehensive income (where applicable). The cumulative post-acquisition movements are adjusted against 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 obligations or made payments on behalf of the associate. The total carrying value of associates is evaluated annually for impairment. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36: *Impairment of Assets* to the extent that the recoverable amount of the investment subsequently increases.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

1.7. SEPARATE COMPANY'S FINANCIAL STATEMENTS

In the separate financial statements of the Company, the investment in a subsidiary company is carried at cost less accumulated impairment losses, where applicable.

Financial assets such as investments in subsidiaries and amounts due from subsidiary companies, are assessed for impairment at each reporting date. Under IFRS 9, the Company calculates the allowance for credit losses by using the expected credit loss (ECL) model for financial assets.
These financial assets are deemed to be impaired when one or more detrimental events have occurred such as:

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

The Company monitors its credit exposure to loans advanced to the subsidiary on an ongoing basis by assessing the subsidiary's financial position at reporting date.

1.8. FOREIGN CURRENCIES

FOREIGN CURRENCY TRANSACTIONS
A foreign currency transaction is recorded, on initial recognition in functional currency, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At the end of the reporting period:

- foreign currency monetary items are translated using the closing rate;
- non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous audited financial statements are recognised in profit or loss in the period in which they arise.

When a gain or loss on a non-monetary item is recognised in other comprehensive income and accumulated in equity, any exchange component of that gain or loss is recognised in other comprehensive income and accumulated in equity. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

Cash flows arising from transactions in a foreign currency are recorded in functional currency by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the cash flow.

FOREIGN CURRENCY MONETARY ITEMS
Exchange differences arising on translation are recognised in profit or loss except for those arising on equity loans that are denominated in the functional currency of either party involved. In those instances, the exchange differences are taken directly to equity as part of the foreign currency translation reserve.

FOREIGN OPERATIONS
The results and financial position of a foreign operation are translated into the presentation currency using the following procedures:

- assets and liabilities for each consolidated statement of financial position presented are translated at the closing rate at the date of that consolidated statement of financial position;
- income and expenses for each item of profit or loss are translated at exchange rates at the dates of the transactions; and
- all resulting exchange differences are recognised in the statement of other comprehensive income and accumulated as a separate component of equity, being the foreign currency translation reserve.

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

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

On disposal of a foreign operation, the cumulative exchange differences recognised in the foreign exchange reserve relating to that operation up to the date of disposal are transferred to the consolidated statement of financial performance and other comprehensive income as part of the profit or loss on disposals.

Accounting Policies (continued)

1.8. FOREIGN CURRENCIES (continued)

Exchange differences arising on a monetary item that forms part of a net investment in a foreign operation are recognised initially in the statement of other comprehensive income and accumulated in the foreign currency translation reserve. On the disposal of a foreign operation, all of the accumulated exchange differences in respect of that operation attributable to the Group are reclassified to profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition of that foreign operation are treated as assets and liabilities of the foreign operation.

The cash flows of a foreign subsidiary are translated at the exchange rates between the functional currency and the foreign currency at the dates of the cash flows.

1.9. FINANCIAL INSTRUMENTS

CLASSIFICATION, INITIAL RECOGNITION AND SUBSEQUENT MEASUREMENT
Classification depends on the business model and contractual cash flow characteristics for which the financial instruments were obtained/incurred and takes place at initial recognition. Classification is reassessed on an annual basis, except for derivatives and financial assets measured at fair value through profit or loss, which shall not be classified out of the fair value through profit or loss category.

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

FINANCIAL ASSETS AT AMORTISED COST
Financial assets are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows. The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets are stated at amortised cost. Amortised cost represents the original amount less principle repayments received, the impact of discounting to net present value and a provision for impairment, where applicable.

Trade and other receivables are initially recognised at fair value, and are subsequently classified and measured at amortised cost using the effective interest rate method.

Contract receivables and retentions are initially recognised at fair value, and are subsequently classified and measured at amortised cost using the effective interest rate method.

Contract receivables and retentions comprise amounts due in respect of certified or approved amounts by the client or consultant at the reporting date for which payment has not been received and amounts held as retentions on certified amounts at the reporting date.

Cash and cash equivalents comprise cash on hand, demand deposits, and other short term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Bank overdrafts are not offset against positive bank balances unless a legally enforceable right of offset exists, and there is an intention to settle the overdraft and realise the net cash simultaneously, or to settle on a net basis. For the purpose of the statement of cash flows, cash and cash equivalents are offset against bank overdrafts.

All short term cash investments are invested with major financial institutions in order to manage credit risk.

FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS
Financial assets, other than those held for trade, are classified in this category if the financial assets are managed, and their performance evaluated, on a fair value basis in accordance with a documented investment strategy, and where information about these financial instruments are reported to management on a fair value basis. Under this basis the Group's concession equity investment is the main class of financial instruments so designated. The fair value designation once made is irrevocable.

Measurement is initially at fair value, with transaction costs and subsequent fair value adjustments recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on financial assets. Fair value is determined in a manner as described in note 6.

Service concession investments are classified and measured at fair value through profit or loss. All other investments are classified as financial assets at amortised cost and accounted for accordingly.

IMPAIRMENT OF FINANCIAL ASSETS
Financial assets, other than those at fair value through profit or loss, are assessed for impairment at each reporting date. Under IFRS 9, the Group calculates the allowance for credit losses by using the expected credit loss (ECL) model for financial assets. ECLs are measured at the present value of all cash shortfalls arising from a credit default event, discounted at the original effective interest rate.

Accounting Policies (continued)

1.9. FINANCIAL INSTRUMENTS (continued)

The Group has three types of financial assets that are subject to the expected credit loss model:
- trade and other receivables and amounts due from contract customers for the sale of goods and provision of services;
- debt instruments carried at amortised costs; and
- debt investments carried at fair value through other comprehensive income.

While cash and cash equivalents are also subject to impairment requirements of IFRS 9, no impairment loss was identified or recognised in the current period.

The IFRS 9 simplified approach was applied in determining the ECL for trade receivables and amounts due from contract customers which uses a lifetime expected loss allowance for all trade receivables and contract assets to be recognised from initial recognition of the receivable. A lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial asset.

Financial assets are considered to have low credit risk when they have a low risk of default and the counterparty has a strong capacity to meet its contractual cash flows in the near term. Impairment losses on trade receivables and contract receivables are presented as impairment losses within operating expenses. Subsequent recoveries of amounts previously written off are presented as a reversal of impairment losses previously recognised within other operating income.

The Group considers a trade receivable to be credit impaired when one or more detrimental events have occurred such as:
- Significant financial difficulty of the customer;
- Liquidation, business rescue proceedings or other forms of financial reorganisation are implemented; or
- Any other event where the likelihood of full settlement is remote.

In instances where the Group determines a receivable to be credit-impaired, the receivable is excluded from the portfolio for the purposes of calculating an ECL and a specific credit loss is raised based on an assessment of the individual circumstances relating to the default event.

For the other financial assets, the Group recognises ECLs that reflects changes to the individual credit risk profile of each financial asset at the reporting date.

Expected credit losses are recognised:
- For credit exposures for which there has not been a significant increase in credit risk since initial recognition, expected credit losses are provided for credit losses that could result from default events that are possible within the next 12 months;
- When the credit risk of financial assets significantly increased and the resultant credit quality is not low risk, then credit losses are provided for over the remaining life of the exposure;
- When financial assets have already become credit impaired (or default events have occurred), a lifetime approach is adopted on the net amount less allowance. These are individually assessed.

A financial asset is considered to be in default when contractual payments are 90 days past due.

Trade and other receivables and amounts due from contract customers, are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, among others, the failure of a debtor to engage in a repayment plan and a failure to make contractual payments for a period of greater than 120 days past due.

The carrying amount of a financial asset is reduced through the use of an allowance account and changes to this allowance account are recognised in profit or loss. Subsequent recoveries of amounts previously written off are credited against the allowance account.

Refer to note 38.6 (Financial risk management) for additional ECL disclosure.

DERECOGNITION OF FINANCIAL ASSETS
The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

EQUITY INSTRUMENTS AND FINANCIAL LIABILITIES
Financial liabilities and equity are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

EQUITY INSTRUMENTS
Equity instruments issued by the Company are recognised as the proceeds received, net of direct issue cost.

Accounting Policies (continued)

1.9. FINANCIAL INSTRUMENTS (continued)

TREASURY SHARES
The cost of an entity's own equity instruments that it has reacquired ("treasury shares") is deducted from equity. A gain or loss is not recognised on the purchase, sale, issue, or cancellation of treasury shares. Treasury shares may be acquired and held by the entity or by other members of the consolidated Group. Consideration paid or received is recognised directly in equity.

FINANCIAL LIABILITIES AT AMORTISED COST
Non-trading financial liabilities are recognised at amortised cost. Amortised cost represents the original debt less principle payments made, the impact of discounting to net present value and amortisation of related costs.

Trade and other payables are liabilities to pay for goods and services that have been received or supplied and have been invoiced or formally agreed with the supplier. Trade and other payables are initially recognised at fair value and are subsequently classified and measured at amortised cost using the effective interest rate method.

Subcontractor liabilities represent the actual unpaid liability owing to subcontractors for work performed including retention monies owed. Subcontractor liabilities are initially recognised at fair value and are subsequently classified and measured at amortised cost using the effective interest rate method.

LOANS TO/FROM GROUP COMPANIES
These include loans to and from holding companies, fellow subsidiaries, subsidiaries, joint operations and associates and are recognised initially at fair value plus direct transaction costs.

Loans to group companies are classified as financial assets measured at fair value initially and subsequently at amortised cost.

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

BANK OVERDRAFTS AND BORROWINGS
Bank overdrafts and borrowings are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the Group's accounting policy.

1.10. AMOUNTS DUE FROM/TO CONTRACT CUSTOMERS

Contract assets and contract liabilities are determined on a contract by contract basis and represent the group's progress towards the satisfaction of the performance obligations stipulated in the terms of each of its contracts. To determine the progress towards the satisfaction of performance obligations on each contract, the Group uses either the input or output method as described in accounting policy note 1.22 Revenue.

AMOUNTS DUE FROM CONTRACT CUSTOMERS
Amounts due from contract customers (a contract asset) comprises contracts in progress, uncertified claims and variations, amounts receivable on contracts (invoiced) and retentions receivable (invoiced).

Contracts in progress is recognised to the extent that the gross amounts of costs incurred on a contract plus recognised profit (less recognised losses) exceeds the amounts invoiced on the contract.

Uncertified claims and variations are recognised to the extent that it is highly probably that the related revenue will not reverse. The Group uses legal experts, engineers and quantity surveyors in determining the amounts to be recognised in respect of these uncertified balances.

Amounts receivable on contracts and retentions receivable relate to amounts which have been certified by the customer and have been invoiced. These amounts are recognised as financial assets and are accounted for in terms of IFRS 9. Refer to accounting policy note 1.9 Financial Instruments in this regard.

AMOUNTS DUE TO CONTRACT CUSTOMERS
Amounts due to contract customers (a contract liability) relates to amounts that are received in excess of the work completed. These amounts are comprised of advances payments received and over-certified balances on work performed.

Over-certified balances are recognised to the extent that the amounts invoiced on the contract exceed the gross amounts of costs incurred on a contract plus recognised profit (less recognised losses).

Advance payments received are assessed on initial recognition to determine whether it is probable that it will be repaid in cash or another financial asset. In this instance, the advance payment is classified as a non-trading financial liability that is carried at amortised cost. If it is probable that the advance payment will be repaid with goods or services, the liability is carried at historic cost. Refer to accounting policy note 1.9 Financial Instruments in this regard.

Accounting Policies (continued)

1.11. INTANGIBLE ASSETS OTHER THAN GOODWILL

An intangible asset is an identifiable, non-monetary asset that has no physical substance. An intangible asset is recognised when it is identifiable, the Group has control over the asset, it is probable that economic benefits will flow to the Group and the cost of the asset can be measured reliably.

COMPUTER SOFTWARE
Acquired computer software that is significant and unique to the business is capitalised as an intangible asset on the basis of the costs incurred to acquire and bring to use the specific software. Costs associated with maintaining computer software programs are capitalised as intangible assets only if it qualifies for recognition. In all other cases these costs are recognised as an expense incurred.

Costs that are directly associated with the development and production of identifiable and unique software products controlled by the Group and that will probably generate economic benefits exceeding one year, are recognised as intangible assets. Direct costs include the costs of software development employees and an appropriate portion of relevant overheads. Computer software is amortised on a systematic basis over its estimated useful life from the date it becomes available for use.

PATENTS AND OTHER RIGHTS, TRADEMARKS AND CUSTOMER RELATIONSHIPS
Separately acquired patents and other rights, trademarks and customer relationships are recognised at the purchase price and other costs that are directly associated with the acquisition including professional fees, costs of registration and employee benefits. When acquired as part of a business combination, these assets are recognised at fair value on the acquisition date.

With the exception of trademarks, these intangible assets have a finite life and are amortised over its estimated useful life from the date it becomes available for use.

Trademarks with an indefinite useful life are not amortised, but tested annually for impairment.

1.12. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are tangible assets that the Group holds for its own use or for rental to others and which the Group expects to be used for more than one period. Property, plant and equipment could be constructed or purchased by the Group. The consumption of property, plant and equipment is reflected through a depreciation charge designated to reduce the asset to its residual value over its useful life. The useful lives of property, plant and equipment are set out in note 2.

The residual value, useful life and depreciation method of each asset is reviewed 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.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. 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.

MEASUREMENT
All property, plant and equipment is stated at cost less accumulated depreciation and accumulated impairment losses, except for land, which is stated at cost less accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the item and includes transfers from equity of any gains or losses on qualifying cash flow hedges of currency purchases of property, plant and equipment.

SUBSEQUENT COSTS
Subsequent costs are included in an asset's carrying value only 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. Day-to-day servicing costs are recognised in profit or loss for the year incurred.

RIGHT-OF-USE ASSETS
Assets held under leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease.

COMPONENTS
The amount initially recognised in respect of an item of property, plant and equipment is allocated to its significant components and where they have different useful lives, are recorded and depreciated separately. The remainder of the cost, being the parts of the item that are individually not significant or have similar useful lives, are grouped together and depreciated as one component.

DEPRECIATION
Depreciation is calculated on the straight-line or units of production basis at rates considered appropriate to reduce the carrying value of each component of an asset to its residual value over its estimated useful life.

Depreciation commences when the asset is in the location and condition for its intended use by management and ceases when the asset is derecognised or classified as held for sale.

Accounting Policies (continued)

1.12. PROPERTY, PLANT AND EQUIPMENT (continued)

IMPAIRMENT
Where the carrying value of an asset is greater than its estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying value in line with its recoverable amount.

DISMANTLING AND DECOMMISSIONING COSTS
The cost of an item of property, plant and equipment includes the initial estimate of the costs of its dismantlement, removal, or restoration of the site on which it was located.

1.13. IMPAIRMENT OF ASSETS

At each reporting period the Group assesses whether there is an indication that an asset may be impaired. If any such indication exists, the asset is tested for impairment by estimating the recoverable value of the related asset. Irrespective of whether there is any indication of impairment, goodwill acquired in a business combination is tested for impairment on an annual basis.

When performing impairment testing, the recoverable amount is determined for the individual asset for which an objective indication of impairment exists. If the asset does not generate cash flows from continuing use that are largely independent from other assets or groups of assets, the recoverable amount is determined for the cash-generating unit ("CGU") to which the assets belong.

Recoverable amount is the higher of fair value less costs to sell and value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using the post-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset for which the estimates of future cash flows have not been adjusted.

1.14. NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and investment property that are carried at fair value and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell through profit or loss. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of derecognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the statement of financial position. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the statement of financial position.

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the statement of profit or loss.

1.15. INVENTORIES

Inventories comprise raw materials, consumable stores and in the case of manufacturing entities, work-in-progress and finished goods. Consumable stores include minor spare parts and servicing equipment that are either expected to be used over a period less than 12 months or for general servicing purposes. Consumable stores are recognised in profit or loss as consumed.

Inventories are valued at the lower of cost or net realisable value.

The cost of inventories is determined using the following cost formulas:

- Raw materials - First In, First Out ("FIFO") or Weighted Average Cost basis.
- Finished goods and work-in-progress - cost of direct materials and labour including a proportion of factory overheads based on normal operating capacity.

Net realisable value represents the estimated selling price in the ordinary course of the business less all estimated costs of completion and costs incurred in marketing, selling and distribution.

Accounting Policies (continued)

1.16. LEASES

At inception of a contract, the Group assesses whether the contract is, or contains a lease. A contract is, or contains, a lease if it conveys the right to control the use of the identified asset for a period of time and in exchange for consideration.
The following is assessed to determine if a contract conveys the right to control the use of an identified asset:

- Whether the contract involves the use of an identified asset, which may be specified explicitly or implicitly. The asset must be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the Group does not have the right to use the identified asset
- Whether the Group has the right to obtain substantially all of the economic benefits from the use of the identified asset throughout the period of use
- Whether the Group has the right to direct the use of the identified asset throughout the period of use only if:
    - The Group has the right to direct how and for what purpose the asset is used
    - The relevant decisions about how and for what purpose the asset is used is predetermined and the Group has the right to operate the asset without the supplier having the right to change those operating instructions or the Group has designed the asset in a way that predetermined how and for what purpose the asset will be used

THE GROUP AS A LESSEE
At the commencement of the lease term, a right-of-use asset and a lease liability is recognised on the statement of financial position.

The right-of-use asset is measured at cost comprising the amount of the initial measurement of the lease liability, any lease payments made at or before the commencement date less any lease incentives received, any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

The lease liability is measured at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the incremental borrowing rate is utilised.

Lease payments included in the measurement of the lease liability include:
- fixed payments, including in substance fixed payments, less any incentives receivable;
- variable lease payments that depend on an index or rate, initially measured at the index or rate as at the commencement date;
- amounts payable under residual value guarantees;
- the exercise price of an option if this is reasonably certain to be exercised; and
- payments of penalties for terminating the lease if this is accounted for in the lease term.

Right-of-use assets are accounted for as property, plant and equipment. They are depreciated using the straight-line or unit of production basis at rates considered appropriate to reduce the carrying value over the estimated useful lives to the estimated residual values. Where it is not certain that an asset will be taken over by the Group at the end of the lease, the asset is depreciated over the shorter of the lease period and the estimated useful life of the asset.

Lease payments are allocated between the lease finance cost and the capital repayment using the effective interest rate method. Lease finance costs are charged to the statement of financial performance as they become due. The carrying amount of the lease liability is remeasured to reflect any reassessment, lease modifications or revised in-substance fixed payments. The amount of the remeasurement is recognised as an adjustment to the right-of-use asset and any further reduction required is recognised in profit or loss.

SHORT-TERM AND LOW VALUE LEASES
Leases with a lease term of less than 12 months or leases of assets which are low value in nature are not recognised on the statement of financial position. The lease payments on these leases are recognised as an expense on a straight-line basis over the lease term.

THE GROUP AS A LESSOR

FINANCE LEASES
If a lease transfers substantially all the risks and rewards incidental to ownership of the underlying asset, the lease is classified as a finance lease by the Group.

As an intermediate lessor, the Group accounts for its interests in the head lease and the sublease separately. The Group assesses the lease classification of a sublease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset.

Amounts due from lessees are recognised as receivables at the amount of the Group's net investment in the lease. The net investment in the lease is measured at the interest rate implicit in the lease. If this rate cannot be readily determined, the Group as an intermediate lessor utilises the discount rate for the head lease, adjusted for any initial direct costs associated with the sublease, to measure the net investment in the lease.

Lease payments included in the measurement of the net investment in the lease include:
- fixed payments, including in substance fixed payments, less any incentives receivable;
- variable lease payments that depend on an index or rate, initially measured at the index or rate as at the commencement date;
- any residual guarantees provided to the Group as lessor by the lessee, a party related to the lessee or a third party unrelated to the Group that financially capable of discharging the obligations under the guarantee;

Accounting Policies (continued)

1.16. LEASES (continued)

- the exercise price of an option if this is reasonably certain to be exercised; and
- payments of penalties for terminating the lease if this is accounted for in the lease term.

Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

OPERATING LEASES
Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

1.17. PROVISIONS AND CONTINGENCIES

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 37.

RESTRUCTURING
A restructuring provision is recognised when the Group has developed a detailed formal plan for the restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it (a constructive obligation). The measurement of a restructuring provision includes only the direct expenditure arising from the restructuring, which are those amounts that are both necessarily entailed by the restructuring and not associated with the ongoing activities of the entity.

ONEROUS CONTRACTS
Present obligations arising under onerous contracts are recognised and measured as provisions.

An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.
When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately through profit or loss, to the extent that the remaining contract costs are deemed to be unavoidable in terms of IAS 37. Estimating the total contract costs involves a significant level of estimation and judgement. Refer to note 43 for further disclosure in this regard.

1.18. SHARE-BASED PAYMENTS

An expense is recognised where the Group received goods or services in exchange for shares or rights over shares ("equity-settled transactions") or in exchange for other assets equivalent in value to a given number of shares or rights over shares ("cash-settled transactions").

Employees, including directors, of the Group receive remuneration in the form of share-based transactions, whereby employees render services in exchange for shares or rights over shares ("equity-settled transactions").

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined independently by using the Binomial Lattice model. In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of the Group ("market conditions").

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity over the period in which the non-market performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (vesting date).

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which is treated as vesting irrespective of whether or not the market condition is satisfied, provided that all other performance conditions are satisfied.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately.

However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

For cash-settled transactions, a liability equal to the portion of the goods or services received is recognised at the current fair value determined at each reporting period.

Where there are any vested share options which have not been exercised by the employees and have expired, the cumulative expense recognised in the share-based payment reserve is reclassified to retained earnings.

Accounting Policies (continued)

1.19. EMPLOYEE BENEFITS

DEFINED CONTRIBUTION PLANS
Under defined contribution plans the Group's legal or constructive obligation is limited to the amount that it agrees to contribute to the fund. Consequently, the actuarial risk that benefits will be less than expected and the investment risk that assets invested will be insufficient to meet expected benefits, is borne by the employee. Such plans include multi-employer or state plans.

Employee and employer contributions to defined contribution plans are recognised as an expense in the year in which incurred.

DEFINED BENEFIT PLANS
Under defined benefit plans, the Group has an obligation to provide the agreed benefits to current and former employees. The actuarial and investment risks are borne by the Group. A multi-employer or state plan that is classified as a defined benefit plan, but for which sufficient information is not available to enable defined benefit accounting, is accounted for as a defined contribution plan.

For defined benefit plans, the cost of providing benefits is determined using the Projected Unit Credit Methods, with actuarial valuations being carried out at each reporting period date.

The current service cost as well as net interest expense in respect of defined benefit plans is recognised as an expense in the year to which it relates. Past service costs are recognised immediately in profit or loss. Experience adjustments, effects of changes in actuarial assumptions and plan amendments in respect of existing and retired employees are recognised in other comprehensive income as remeasurements in the period in which they arise. Deficits arising on these funds, if any, are recognised immediately in respect of retired employees and over the remaining service lives of current employees.

The defined benefit obligation in the statement of financial position, if any, represents the present value of the defined benefit obligation as adjusted for unrecognised actuarial gains and losses and unrecognised past service cost, and are reduced by the fair value of planned assets. Any asset resulting from this calculation is limited to unrecognised actuarial losses and past service cost, plus the present value of available refunds and reductions in future contribution to the plan.

1.20. TAXATION

Income taxation expense represents the sum of current and deferred taxation.

CURRENT TAXATION ASSETS AND LIABILITIES
The current taxation asset/liability is based on taxable profit/loss for the year. Taxable profit/loss differs from profit/loss as reported in the statement of financial performance because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's asset/liability for current taxation is calculated using taxation rates that have been enacted or substantively enacted by the reporting date.

DEFERRED TAXATION ASSETS AND LIABILITIES
Deferred taxation is based on differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax base used in the computation of the taxable profits, and is accounted for using the balance sheet liability method. Deferred taxation liabilities are generally recognised for all taxable temporary differences and deferred taxation assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences can be utilised.

Such assets and liabilities are not recognised if the temporary differences arise from goodwill or from the initial recognition, other than in business combinations, of other assets and liabilities in a transaction that affects neither the taxable profits nor the accounting profits.

Deferred taxation liabilities are recognised for the taxable temporary differences arising from investments in subsidiaries, and interests in joint arrangements, except where the Group is able to control the reversal of the temporary differences and it is probable that the temporary differences will not be reversed in the foreseeable future. Deferred taxation assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of a deferred taxation asset is revised at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the asset or part of the asset to be recovered.

Deferred taxation is calculated at the substantively enacted rates that are expected to apply in the period when the liability is settled or the asset realised. Deferred taxation is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity in which case the deferred taxation is also charged or credited directly to equity.

Deferred taxation assets and liabilities are offset when there is a legal enforceable right to offset deferred taxation assets against liabilities and when the deferred taxation relates to the same fiscal authority.

UNCERTAIN TAX POSITIONS
Where there is uncertainty over income tax treatments, the Group applies the requirements of IFRIC 23 when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates ('tax amounts').

Accounting Policies (continued)

1.20. TAXATION (continued)

UNCERTAIN TAX POSITIONS (continued)

The Group applies the requirements as follows:

- Judgement is applied to determine whether each tax treatment should be considered independently or whether some tax treatments should be considered together;
- The assumption is made that a taxation authority with the right to examine any amounts reported to it will examine those amounts and will have full knowledge of all relevant information when doing so;
- Tax amounts are determined on a basis that is consistent with the tax treatment included in the Group's income tax filings if the Group concludes that it is probable that a particular tax treatment will be accepted by the taxation authorities; and
- Tax amounts are determined using the most likely amount or expected value of the tax treatment (whichever provides better predictions of the resolution of the uncertainty) where the Group concludes that it is not probable that a particular tax treatment will be accepted by the taxation authorities.

1.21. RELATED PARTIES

Parties are considered to be related if one party has the ability to control or jointly control the other party or exercise significant influence over the party in making financial and operating decisions. The requirements of IAS 24*: Related Party Disclosures* are applied in identifying related parties and related party transactions.

Related party transactions are those where a transfer of resources or obligations between related parties occur, regardless of whether or not a price is charged.

1.22. REVENUE

The Group applies IFRS 15: *Revenue from Contracts with Customers*.

IFRS 15:56 states that variable consideration should only be included in the transaction price, when recognising revenue, to the extent that it is highly probable that a significant reversal will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

IFRS 5 defines “highly probable” as “significantly more likely than probable”, where “probable” means “more likely than not” (IFRS 5: Appendix A).

Due to the higher threshold required for recognition and measurement purposes, the application of IFRS 15 has resulted in the delayed recognition of variable consideration until such time that it is highly probable that the revenue will not be reversed when the uncertainty is resolved.

The Group principally recognises revenue from construction contracts and rendering of engineering services to the natural resource market sectors.

The Group applies the 5 step approach contained in IFRS 15 for determining when to recognise revenue, the amount that should be recognised and when revenue should be recognised.

a) Construction contracts

Step 1: Identify contracts with customers
The Group’s customer base, in terms of revenue contribution, consists mostly of construction contracts with large local and international firms.

Step 2: Identify separate performance obligations
Under IFRS 15, the Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation represents a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

If a construction contract has multiple sub-level performance obligations that are highly integrated with each other, the construction contract is considered a significant integrated service with one performance obligation. This requires judgement and each contract is assessed individually.

Step 3: Determine the transaction price
The transaction price is the amount of consideration to which an entity expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Variations in contract work, claims and incentive payments are included to the extent that collection is highly probable and the amounts can be reliably measured. IFRS 5 defines “highly probable” as “significantly more likely than probable”, where “probable” means “more likely than not” (IFRS 5: Appendix A). The assessment as to whether the recoverability of claims are highly probable requires significant judgement. Each claim is assessed individually to confirm entitlement and to conclude on the strength of the claim. The Group utilises legal experts, engineers and quantity surveyors to assess probabilities in determining the amount to be recognised relating to uncertified revenue and that the recoverability of amounts recognised are considered highly probable. The cumulative balance of uncertified revenue taken to book is disclosed as “Uncertified claims and variations less payments received on account” under note 8, and “Amounts due to contract customers” on the Statement of Financial Position.

Step 4: Allocate the transaction price to the performance obligation in the contract
Where the output method (refer to step 5) is used to recognise revenue over time, the transaction price of the contracts are that as per the agreed bill of quantities (“BOQ”) finalised during the tender stage. The quantities of the variable components included in the BOQ are updated (measured) during the implementation stage of the contracts.

Accounting Policies (continued)

1.22. REVENUE (continued)

Where the contract is considered to have one performance obligation and the transaction price as determined in step 3 is allocated to it, the input method (refer to step 5) is used to recognise revenue over time.

Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation
Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- the Group's performance creates and enhances an asset that the customer controls as the Group performs; or
- the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Revenue is measured based on the consideration to which the Group expects to be entitled in a contract with a customer. The Group recognises revenue when the performance obligation is satisfied.

Revenue on construction contracts is recognised over time as the delivery of the project enhances an asset controlled by the customer. During the execution of projects, the progress is measured on a monthly basis and reviewed by the client's engineer and approved by the client before invoices are issued.

The progress towards complete satisfaction of a performance obligation is measured based on applying either of the following methods:
(i) Output method: Recognise revenue on the basis of direct measurement, i.e. performance or milestone completed.
(ii) Input method: Recognise revenue on the basis of the total contract cost incurred to date bear to the estimated total contract cost.

For each performance obligation, management applies measurement methods that are consistent for similar performance obligations and circumstances.

The Mining platform mainly applies the output method in measuring revenue over time as the segment provides specialist engineering, construction and mining contracting services in the underground mining environment where the progress of the contract is based on work certified to date which the Group believes depicts the transfer of goods and services as it is based on completed work as agreed by our customers.

The Energy, Resources & Infrastructure ('ERI') platform mainly applies the input method where the progress of satisfying performance obligations is measured by using a percentage of completion assessment which is based on costs incurred to date compared to the total estimated costs at completion. This method best depicts the transfer of control of assets being created or enhanced to the customer, as these projects are evaluated and measured on the basis of how the contract progresses in relation to completion of the contract.

The Power, Industrial & Water ('PIW') platform applies the input method to the power and transmission & distribution segment where the progress of satisfying performance obligations is measured by using a percentage of completion assessment which is based on costs incurred to date compared to the total estimated costs at completion. This method best depicts the transfer of control of assets being created or enhanced to the customer, as these projects are evaluated and measured on the basis of how the contract progresses in relation to completion of the contract. The output method is applied on the other businesses where the progress of the contract is based on work certified to date which the Group believes depicts the transfer of goods and services as it is based on completed work as agreed by our customers.

The shortcoming of input methods is that there may not be a direct relationship between the group's inputs and the transfer of control in relation to contracts with customers in the ERI and PIW platforms. Therefore, the group shall exclude from an input method the effects of any inputs that, in accordance with the objective of measuring progress towards the complete satisfaction of the performance obligation, do not depict the group's performance in transferring control of goods or services to the customer. In certain instances, circumstances such as increases in costs due to inefficiencies, cost escalations, etc. arise in the Group. Such instances result in an adjustment to the measure of progress to address the shortcomings of input methods. On this basis, the input method is deemed to be representative of the relationship between the group's inputs and the transfer of control of goods or services to the customer.

Cost incurred for which the performance obligation has not been met, are recognised as prepaid costs or plant and equipment. These costs are not included in the total cost incurred to date until they are utilised, which occurs on a systematic basis over the life of the contract. If the costs incurred in fulfilling a contract with a customer is not within the scope of another standard, the group recognises an asset for these costs when all of the following criteria are met:

a) the costs relate directly to a contract or an anticipated contract that the entity can specifically identify;
b) the costs generate or enhance resources of the entity that will be used in satisfying or continuing to satisfy performance obligations in the future; and
c) the costs are expected to be recovered. These costs are not included in the total cost incurred to date until they are utilised, which occurs on a systematic basis over the life of the contract.

Where the outcome of construction contracts cannot be estimated reliably, contract revenue is recognised to the extent that the recoverability of incurred costs is highly probable.

Where contract costs incurred to date plus recognised profits less recognised losses exceed progress billings, the surplus is shown as contract assets. A contract asset represents the Group's right to consideration in exchange for services that the Group has transferred to a client that is not yet unconditional. Contract assets are disclosed as "Contracts-in-progress" and "Uncertified claims and variations less payments received on account" under note 8, and "Amounts due to contract customers" on the Statement of Financial Position.

Accounting Policies (continued)

1.22. REVENUE (continued)

Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation (continued)

For contracts where progress billings exceed contract costs incurred to date plus recognised profits less recognised losses, the surplus is shown as contract liabilities. Amounts received before the related work is performed are included in the consolidated statement of financial position, as a liability, as amounts received in excess of work completed. Contract liabilities are disclosed as “Amounts received in excess of work completed” under note 8, and “Amounts due to contract customers” on the Statement of Financial Position.

Amounts billed for work performed but not yet paid by the customer are included in the consolidated statement of financial position under amounts due to contract customers, as “Amounts receivable on contracts” and “Retentions receivable”.

In limited circumstances, contracts may be materially impacted by a client’s actions such that the Group is unable to complete the contracted works at all or in the manner originally forecast. This may include dispute resolution procedures under the relevant contract and/ or litigation. In these circumstances the assessment of the project outcome, whilst following the basic principles becomes more judgmental. Refer to note 43 (Critical accounting estimates and judgements) regarding revenue recognition and contract accounting.

b) Rendering of engineering services
Revenue from the rendering of services is recognised over time. The progress towards complete satisfaction of a performance obligation is measured based on the output method, which is to recognise revenue on the basis of direct measurements of the value of the goods or services transferred to the customer to date relative to the remaining goods or services promised under the contract, that best depict the Group's performance in transferring control of goods or services.

c) Sale of goods
The Group recognises revenue when the performance obligation is satisfied, i.e. when "control" of the goods underlying the particular performance obligation is transferred to the customer when the goods are delivered.

d) Other revenue
Other revenue includes the provision of labour, information technology and other services to joint operations.

Revenue is recognised over time as the services are provided as the customers simultaneously receive and consume the benefits provided by the Group’s performance as the Group performs.

The progress towards complete satisfaction of a performance obligation is measured based on the output method, which is to recognise revenue on the basis of direct measurements of the value of the goods or services transferred to the customer to date relative to the remaining goods or services promised under the contract, that best depict the Group's performance in transferring control of goods or services.

1.23. DIVIDENDS

Dividends are accounted for on the date of declaration and are not accrued as a liability in the financial statements until declared.

1.24. SEGMENTAL REPORTING

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision makers. The chief operating decision makers, who are responsible for allocating resources and assessing performance of the operating segments, have been identified as the Executive Committee who make strategic decisions. The basis of segmental reporting is set out in Annexure 3.

INTER-SEGMENT TRANSFERS
Segment revenue, segment expenses and segment results include transfers between operating segments and between geographical segments. Such transfers are accounted for at arm’s length prices. These transfers are eliminated on consolidation.

SEGMENTAL REVENUE AND EXPENSES
All segment revenue and expenses are directly attributable to the segments.

SEGMENTAL ASSETS
All operating assets used by a segment principally include property, plant and equipment, investments, inventories, contracts-in-progress and receivables, net of allowances. Cash balances and taxation are excluded.

SEGMENTAL LIABILITIES
All operating liabilities of a segment principally include accounts payable, subcontractor liabilities and external interest bearing borrowings. Bank overdrafts and taxation are excluded.

Notes to the annual financial statements

2. PROPERTY, PLANT AND EQUIPMENT

ALL AMOUNTS ARE EXPRESSED IN MILLIONS OF RANDS

PPE	2023			2022		
	Cost	**Accumulated depreciation and impairment**	**Carrying value**	Cost	Accumulated depreciation and impairment	Carrying value
Land and buildings	**251.4**	**(127.5)**	**123.9**	533.2	(275.9)	257.3
Plant and machinery	**3 996.8**	**(2 830.4)**	**1 166.4**	7 705.5	(4 689.1)	3 016.4
Other equipment	**387.0**	**(241.4)**	**145.6**	643.4	(205.3)	438.1
	4 635.2	**(3 199.3)**	**1 435.9**	8 882.1	(5 170.3)	3 711.8

RIGHT-OF-USE ASSET	2023			2022		
	Cost	**Accumulated depreciation and impairment**	**Carrying value**	Cost	Accumulated depreciation and impairment	Carrying value
Land and buildings	**211.9**	**(92.6)**	**119.3**	648.8	(188.5)	460.3
Plant and machinery	**120.0**	**(103.4)**	**16.6**	417.1	(195.1)	222.0
Other equipment	**5.9**	**(5.9)**	**-**	9.7	(6.4)	3.3
	337.8	**(201.9)**	**135.9**	1 075.6	(390.0)	685.6
Total	**4 973.0**	**(3 401.2)**	**1 571.8**	9 957.7	(5 560.3)	4 397.4

RECONCILIATION OF PROPERTY, PLANT AND EQUIPMENT	Land and buildings	Plant and machinery	Other equipment@	Total
At 30 June 2021	205.4	2 023.2	646.9	2 875.5
Additions	1.9	1 179.2	117.3	1 298.4
Acquisition of business	11.7	40.5	0.7	52.9
Disposals	(0.6)	(26.0)	(9.9)	(36.5)
Transfer to assets classified as held for sale	-	(88.0)	-	(88.0)
Transfer to right-of-use asset	-	225.5	-	225.5
Transfers from capital work in progress	38.8	272.9	(311.7)	-
Foreign exchange movements	20.8	116.9	13.5	151.2
Scrapping	-	(5.2)	-	(5.2)
Impairment loss reversed	-	0.9	-	0.9
Depreciation	(20.7)	(723.5)	(18.7)	(762.9)
At 30 June 2022	**257.3**	**3 016.4**	**438.1**	**3 711.8**
Additions	**1.1**	**627.0**	**176.9**	**805.0**
Disposals	**-**	**(24.8)**	**(0.1)**	**(24.9)**
Loss of control of subsidiaries*	**(139.6)**	**(2 064.5)**	**(429.6)**	**(2 633.7)**
Transfer (to)/from assets classified as held for sale	**-**	**(64.6)**	**6.0**	**(58.6)**
Transfer from right-of-use asset	**-**	**24.1**	**-**	**24.1**
Transfers from capital work in progress	**-**	**45.2**	**(45.2)**	**-**
Foreign exchange movements	**17.3**	**130.6**	**29.1**	**177.0**
Scrapping	**-**	**(0.2)**	**-**	**(0.2)**
Impairment loss	**-**	**-**	**(10.0)**	**(10.0)**
Depreciation	**(12.2)**	**(522.8)**	**(19.6)**	**(554.6)**
At 30 June 2023	**123.9**	**1 166.4**	**145.6**	**1 435.9**

RECONCILIATION OF RIGHT-OF-USE ASSET	Land and buildings	Plant and machinery	Other equipment	Total
At 30 June 2021	173.2	495.6	3.9	672.7
Additions	376.7	122.8	1.9	501.4
Disposals	(25.7)	(4.9)	-	(30.6)
Transfer to property, plant and equipment	-	(225.5)	-	(225.5)
Reclassified	-	0.4	(0.4)	-
Foreign exchange movements	19.3	24.3	-	43.6
Depreciation	(100.1)	(139.3)	(2.1)	(241.5)
Lease modification	24.4	(51.7)	-	(27.3)
Lease reassessment	(7.5)	0.3	-	(7.2)
At 30 June 2022	**460.3**	**222.0**	**3.3**	**685.6**
Additions	**13.8**	**82.5**	**1.6**	**97.9**
Disposals	**-**	**(1.4)**	**-**	**(1.4)**
Loss of control of subsidiaries*	**(381.6)**	**(230.4)**	**(1.6)**	**(613.6)**
Transfer to property, plant and equipment	**-**	**(24.1)**	**-**	**(24.1)**
Foreign exchange movements	**21.1**	**6.2**	**0.1**	**27.4**
Depreciation	**(83.9)**	**(39.4)**	**(3.4)**	**(126.7)**
Lease modification	**91.6**	**0.1**	**-**	**91.7**
Lease reassessment	**(2.0)**	**1.1**	**-**	**(0.9)**
At 30 June 2023	**119.3**	**16.6**	**-**	**135.9**

Notes to the annual financial statements

2. PROPERTY, PLANT AND EQUIPMENT (continued)

** The loss of control of subsidiaries relates to the Group placing Murray & Roberts Pty Ltd Group ("MRPL Group") into voluntary administration and the liquidation of Insig Technologies Pty Ltd ("Insig"). Refer to note 31 and note 32 for further details.*
@Included in other equipment (property, plant and equipment) are assets under construction with a carrying value of R 121 million (FY2022: R412,9 million) and other assets of R 24,6 million (FY2022: R25,2 million).

The Group considered the impact on property, plant and equipment mainly where project delays were experienced and operations were brought to a halt. Property, plant and equipment was assessed for deterioration as a result of idle time and reduced use. The annual reassessment of useful lives and residual values was performed with no significant amounts recognised. Impairment of property, plant and equipment in the current year reflected an amount of R10m.

The Group has pledged certain assets as security for certain interest bearing borrowings, refer to note 16.

The following average depreciation periods are used for the depreciation of property, plant and equipment:

- Land	Not depreciated	
- Buildings (including leasehold improvements)	3 to 40 years	on a straight-line basis
- Plant and machinery	3 to 30 years	on a straight-line basis and units of production
- Other equipment	3 to 10 years	on a straight-line basis

3. GOODWILL

ALL AMOUNTS ARE EXPRESSED IN MILLIONS OF RANDS

	2023	2022
Goodwill	**471.0**	1 435.9
Accumulated impairment losses	**(29.2)**	(64.2)
	441.8	1 371.7
At beginning of year	**1 371.7**	1 102.2
Acquisition of business^	**5.1**	110.2
Loss of control of subsidiaries*	**(868.3)**	-
Foreign exchange movements	**59.5**	159.3
Impairment loss	**(126.2)**	-
	441.8	1 371.7

^ Acquisition of business relates to the acquisition of Turan which was subsequently disposed of as part of the MRPL Group voluntary administration.
** The loss of control of subsidiaries relates to the Group placing MRPL into voluntary administration and the liquidation of Insig. Refer to note 31 and note 32 for further details.*

Goodwill is allocated to the Group's CGUs identified according to the operating platforms that are expected to benefit from that business combination. The carrying amount of goodwill has been allocated to the following CGU:

Power, Industrial & Water	**52.2**	52.2
- Wade Walker	**52.2**	52.2
Mining	**389.6**	414.0
- Cementation Africa	**32.8**	32.8
- Mining Australia	**-**	8.6
- Cementation USA Inc.	**309.5**	330.9
- Cementation Canada Inc.	**47.3**	41.7
Energy, Resources & Infrastructure	**-**	905.5
- Clough Limited	**-**	465.0
- e2o Pty Ltd	**-**	66.6
- Booth Welsh Pty Ltd	**-**	116.7
- Clough USA	**-**	134.2
- JJ White Inc.	**-**	123.0
	441.8	1 371.7

Notes to the annual financial statements

3. GOODWILL (continued)

Impairment testing

Summary of growth and post-tax discount rates per cash generating units for FY2023:

	Growth rate	Pre-tax discount rate	Post-tax discount rate
Power, Industrial & Water			
- Wade Walker	**3,5% - 4,5%**	**18,5% - 19,5%**	**15,5% - 16,5%**
Mining			
- Cementation Africa	**3,5% - 4,5%**	**18,5% - 19,5%**	**15% - 16%**
- Cementation USA Inc.	**1,5% - 2,5%**	**24,5% - 26,5%**	**19% - 21%**
- Cementation Canada Inc.	**2,5% - 3,5%**	**16,5% - 17,5%**	**13,5% - 14,5%**

Summary of growth and post-tax discount rates per cash generating units for FY2022:

	Growth rate	Pre-tax discount rate	Post-tax discount rate
Power, Industrial & Water			
- Wade Walker	3,5% - 4,5%	16,5% - 17,5%	14% - 15%
Mining			
- Cementation Africa	3,5% - 4,5%	16,5% - 17,5%	13,5% - 14,5%
- Mining Australia	1,5% - 2,5%	14% - 15%	10,5% - 12%
- Cementation USA Inc.	1,5% - 2,5%	25% - 27%	19% - 21%
- Cementation Canada Inc.	2,5% - 3,5%	16,5% - 17,5%	13,5% - 14,5%
Energy, Resources & Infrastructure			
- Clough Limited	2% - 3%	14% - 15%	10,5% - 12%
- e2o Pty Ltd	1,5% - 2,5%	14% - 15%	10,5% - 12%
- Booth Welsh Pty Ltd	1,5% - 2,5%	14% - 15%	10,5% - 12%
- Clough USA	1,5% - 2,5%	14% - 15%	10,5% - 12%
- JJ White Inc.	1,5% - 2,5%	14% - 15%	10,5% - 12%

The Group tests goodwill annually for impairment or more frequently if there are indicators that goodwill might be impaired.

The recoverable amount of the CGUs are determined based on value-in-use calculations. These calculations use cash flow projections based on financial budgets approved by management covering a three year period. The cash flow projections are based on multi-year project awards currently secured as well as incorporating a probability weighting with respect to near orders that management expects to be awarded going forward. Management has included potential delays in projects secured, downward adjusted probability weighting of near orders and category 1 opportunities to be secured, and revised commencement timelines for new projects to reflect the current expectations going forward where applicable.

Based on impairment tests performed in the current year, prior to deconsolidation of the MRPL Group (Murray & Roberts Pty Limited ("MRPL"), Clough Limited Group ("Clough") and RUC Cementation Mining Group ("RUC") businesses), an impairment of R126,2 million relating to the Clough USA CGU was recognised. Upon placing the MRPL group into voluntary administration, the Goodwill relating to the Mining Australia, Clough Limited, e2o Pty Ltd, Booth Welsh Pty Ltd and JJ White Inc., totalling R868,3 million) were de-recognised.

The growth rates used depend on management's assessment of the sector in which the CGU operates. Factors such as the industry, market conditions and geographical area are also considered when determining the growth rate. These growth rates do not exceed the long term average growth rate for the relevant market. Cash flows beyond the three year period are extrapolated using an estimated growth rate of between 1,5% and 4,5% (FY2022: 1,5% and 4,5%).

In line with market practice, the Group applied a post-tax discount rate of between 13% and 21% (FY2022: between 10% and 21%) to post-tax cash flows for impairment testing. The discount rate applied is dependent on factors such as the weighted average cost of capital, industry, market conditions and geographical area of the relevant CGU. Post-tax rates were applied as returns observable in the capital market on equity investments usually include tax effects.

Goodwill was tested for impairment using a sensitivity analysis by increasing the applicable post-tax discount rate of the CGU by 1%-3% (FY2022:1%-3%) and decreasing the growth rate by 1%-3% (FY2022: 1%-3%). Further sensitivity analysis was performed by varying the base assumptions which included removing synergies which relate to cross-selling opportunities and cost-savings through reallocation of resources. No changes in key assumptions for the CGUs above that would cause the carrying amount to exceed the recoverable amount were noted.

The only intangible asset with an indefinite useful life relates to a trade name acquired as part of the TNT acquisition (included in the Cementation USA Inc. CGU). The trade name was tested as part of the CGU and no impairment was deemed necessary based on tests performed.

Notes to the annual financial statements

4. OTHER INTANGIBLE ASSETS

ALL AMOUNTS ARE EXPRESSED IN MILLIONS OF RANDS

	2023			2022		
	Cost	**Accumulated amortisation**	**Carrying value**	Cost	Accumulated amortisation	Carrying value
Patents and other rights	**8.7**	**(8.7)**	**-**	8.7	(8.7)	-
Computer software	**203.6**	**(183.6)**	**20.0**	710.2	(500.7)	209.5
Trade name	**215.4**	**-**	**215.4**	209.6	-	209.6
Customer relationships	**143.8**	**(68.1)**	**75.7**	336.6	(105.6)	231.0
Total	**571.5**	**(260.4)**	**311.1**	1 265.1	(615.0)	650.1

RECONCILIATION FOR OTHER INTANGIBLE ASSETS

	Computer software	**Trade name**	**Customer relationships**	**Total**
At 30 June 2021	143.0	163.6	93.6	400.2
Additions	113.1	-	-	113.1
Acquisition of business	-	20.4	144.5	164.9
Disposals	(9.2)	-	-	(9.2)
Foreign exchange movements	25.6	25.6	26.8	78.0
Amortisation	(63.0)	-	(33.9)	(96.9)
At 30 June 2022	**209.5**	**209.6**	**231.0**	**650.1**
Additions	**5.8**	**-**	**-**	**5.8**
Loss of control of subsidiaries*	**(153.8)**	**(23.5)**	**(154.3)**	**(331.6)**
Disposals	**(16.8)**	**-**	**-**	**(16.8)**
Foreign exchange movements	**2.1**	**29.3**	**22.2**	**53.6**
Amortisation	**(26.8)**	**-**	**(23.2)**	**(50.0)**
At 30 June 2023	**20.0**	**215.4**	**75.7**	**311.1**

** The loss of control of subsidiaries relates to the Group placing the MRPL Group into voluntary administration and the liquidation of Insig. Refer to note 31 and note 32 for further details.*

With the exception of the trade name, the intangible assets included above have finite useful lives, over which the assets are amortised. Average amortisation periods are set out below.

The following amortisation periods are used for the amortisation of intangible assets:

- Patents and other rights	5 years	on a straight - line basis
- Computer software	2 to 10 years	on a straight - line basis
- Customer relationships	3 to 10 years	on a straight - line basis

The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. Refer to note 3 for details on impairment testing performed.

Intangible assets relating to computer software are still required for the day-to-day operations of entities as they are still functioning in the current environment. As a result of this, no impairment was recognised in the current financial year. Customer relationships were assessed for their ability to generate future economic benefits in the current environment and no impairment was recognised. The trade name recognised on the TNT acquisition was tested as part of the CGU and no impairment was deemed necessary.

5. INVESTMENT IN ASSOCIATE COMPANIES

ALL AMOUNTS ARE EXPRESSED IN MILLIONS OF RANDS

5.1. INVESTMENT IN ASSOCIATE COMPANIES

	2023	2022
At beginning of year	**1.7**	2.0
Share of post-acquisition loss	**(0.2)**	(0.3)
Impairment	**(1.5)**	-
	-	1.7

Investment in associate companies relates to the investment in Bombela TKC Proprietary Limited which was fully impaired as a result of the associate being loss-making.

Notes to the annual financial statements

5. INVESTMENT IN ASSOCIATE COMPANIES (continued)

5.2 DETAILS OF ASSOCIATE COMPANIES

NAME OF ASSOCIATES	Place of incorporation	% of Ownership and votes 2023	2022	Main activity
Bombela TKC Proprietary Limited	South Africa	**45.0**	45.0	Construction

6. OTHER INVESTMENTS

ALL AMOUNTS ARE EXPRESSED IN MILLIONS OF RANDS	2023	2022
6.1. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		
Investment in infrastructure service concession		
At beginning of year	**1 442.2**	1 433.7
Realisation of investment	**(255.0)**	(185.0)
Fair value adjustment recognised in the statement of financial performance	**29.6**	193.5
Disposal of investment^	**(1 216.8)**	-
	-	1 442.2

^ The Group completed the transaction relating to the disposal of its investment in the Bombela Concession Company ("BCC") on 03 April 2023.

The financial assets at fair value through profit or loss comprise the Group's interest in the following infrastructure service concession:

	% interest	2023	2022
Bombela Concession Company Proprietary Limited ("BCC")*	-	-	1 442.2

The fair value of the investment in BCC was previously determined using level 3 inputs per IFRS 13: Fair Value Measurement. In the current year, the Group entered into a sale agreement with Intertoll International Holdings B.V (Intertoll). Due to the sale agreement, the Group's investment in BCC has been classified as level 1 in the fair value hierarchy as per IFRS 13 (FY2022: level 3 in the fair value hierarchy) as a quoted market price was accessible to the Group through means of the sale agreement. The purchase price of the investment in BCC per the sale agreement amounted to R1,4 billion. The Group completed the transaction relating to the disposal of its Investment in the BCC on 03 April 2023. The proceeds received were R1,2 billion (net of dividend distribution of R130 million and transaction costs of R44 million). As a consequence of the transaction having been concluded at fair value, no profit or loss on disposal was recognised in the Consolidated Statement of Financial Performance, for the disposal of the shares.

6.2. FINANCIAL ASSETS AT AMORTISED COST

At beginning of year	**1.6**	1.6
Release of provision	**0.1**	-
	1.7	1.6
Total other investments	**1.7**	1 443.8

7. INVENTORIES

ALL AMOUNTS ARE EXPRESSED IN MILLIONS OF RANDS	2023	2022
Consumable stores	**137.7**	264.7
Work-in-progress	**-**	171.8
Finished goods	**102.5**	58.3
	240.2	494.8

Inventories are valued at the lower of cost or net realisable value.

The cost of inventories recognised as an expense includes R16,1 million (FY2022: R7 million) in respect of write-downs of inventory to net realisable value and has been reduced by Rnil million (FY2022: Rnil million) in respect of the reversal of such write-downs.

Notes to the annual financial statements

8. AMOUNTS DUE FROM / TO CONTRACT CUSTOMERS

ALL AMOUNTS ARE EXPRESSED IN MILLIONS OF RANDS

	2023	2022
Contracts-in-progress (cost incurred plus recognised profits,less recognised losses)	**988.6**	1 742.0
Uncertified claims and variations^	**445.1**	1 159.0
Amounts receivable on contracts (net of impairment provisions)	**1 338.4**	2 655.7
Retentions receivable (net of impairment provisions)	**193.3**	735.7
	2 965.4	6 292.4
Amounts received in excess of work completed (overclaims and advances)^	**(702.3)**	(2 514.2)
	2 263.1	3 778.2
Disclosed as:		
Amounts due from contract customers	**2 965.4**	6 292.4
Amounts due to contract customers	**(702.3)**	(2 514.2)
	2 263.1	3 778.2

The decrease in amounts due from/to contract customers relates to the Group placing the MRPL Group into voluntary administration. Refer to note 31 and note 32 for further details.

^The Group uses legal experts, engineers and quantity surveyors to assess and apply probabilities when necessary in determining the amounts to be recognised relating to underclaims, uncertified revenue and contract debtors. The recoverability of amounts recognised are considered highly probable and where amounts are not considered to be highly probable, such amounts are impaired. The assessment of recoverability and impairment of the amounts due from contract customers has been performed. The impairments recognised in the current year were not significant. The Group remains confident that revenue recognised as uncertified will be certified and paid once attendant commercial matters have been resolved.

Amounts due from contract customers and amounts due to contract customers are classified as current assets and current liabilities, respectively, as the Group expects to realise the assets and settle the liabilities in its normal operating cycle.

Included in amounts due from contract customers are uncertified claims and variations of R157 million which are expected to be realised in a period greater than 12 months. All other amounts included in amounts due from contract customers are expected to be realised within 12 months.Included in amounts due to contract customers are overclaims and advances of R152 million which are expected to be settled in a period greater than 12 months. All other amounts included in amounts due to contract customers are expected to be settled within 12 months.

9. TRADE AND OTHER RECEIVABLES

ALL AMOUNTS ARE EXPRESSED IN MILLIONS OF RANDS

	2023	2022
Trade receivables	**25.5**	22.7
Expected credit loss allowance	**(7.2)**	(4.4)
Amounts owing by joint operations and partners	**27.6**	1 050.0
Prepayments	**142.2**	296.5
Sundry loans	**81.3**	81.9
Deposits	**30.2**	26.0
Value Added and Withholding Taxation receivable	**48.4**	71.4
Insurance Claim receivable	**1.4**	67.7
Other receivables	**49.0**	156.7
	398.4	1 768.5

Trade and other receivables have been assessed in light of the ECL model. An expected credit loss allowance for trade receivables is reflected above. All other receivables reflected above have been deemed to be recoverable based on assessments performed. The recoverability of sundry loans are based on the assessment of the financial standing of the debtor. The expected credit losses on these loans were deemed to be insignificant.

Details in respect of the Group's credit risk management policies are set out in note 38.6.

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

10. CASH AND CASH EQUIVALENTS

ALL AMOUNTS ARE EXPRESSED IN MILLIONS OF RANDS

For purposes of the consolidated statement of financial position, cash and cash equivalents and bank overdraft consist of:

	2023	2022
Bank balances	**1 253.1**	2 005.9
Restricted cash	**10.4**	249.9
Cash and cash equivalents	**1 263.5**	2 255.8
Bank overdrafts	**(479.4)**	(1 525.8)

The decrease in cash and cash equivalents is mainly as a result of the Group placing MRPL into voluntary administration. Refer to note 31 and 32 for further details.

The reduction in the overdraft is due to the South African overdraft being refinanced and restructured. Refer to note 17 for further details.

For purposes of the consolidated statement of cash flows, cash and cash equivalents consist of:

Bank balances	**1 253.1**	2 005.9
Restricted cash	**10.4**	249.9
Cash and cash equivalents	**1 263.5**	2 255.8
Bank overdrafts^	**(3.4)**	(145.7)
Net cash and cash equivalents	**1 260.1**	2 110.1

^ Bank overdrafts have been restated in the prior year as it was deemed that the South African Bank Overdraft did not constitute cash and cash equivalents as it did not fluctuate from being negative to positive in the current and prior year. This amount has therefore been reclassified as part of financing activities in the consolidated statement of cash flows in the current and prior year. Refer to note 41 for further details.

Notes to the annual financial statements

10. NET CASH AND CASH EQUIVALENTS (continued)

ALL AMOUNTS ARE EXPRESSED IN MILLIONS OF RANDS

Restricted cash

Cash and cash equivalents relating to restricted cash are mainly as a result of cash held in joint operations.

	2023	2022
Restricted cash at the end of the financial year includes bank balances and cash as follows:		
Cash on deposit	-	116.1
Amounts held in foreign entities with restrictive exchange control regulations	-	100.4
Amounts held in joint operations	10.1	30.8
Amounts held in trust accounts	0.3	2.6
	10.4	249.9

11. STATED CAPITAL

ALL AMOUNTS ARE EXPRESSED IN MILLIONS OF RANDS

11.1 STATED CAPITAL

	2023	2022
Authorised		
750 000 000 no par value shares		
Issued and fully paid		
444 736 118 ordinary shares at no par value	3 582.8	3 582.8
Less: Treasury shares at no par value	(888.9)	(898.0)
Net stated capital	2 693.9	2 684.8

Unissued
At 30 June 2023, the number of unissued shares was 305 263 882 (FY2022: 305 263 882).

11.2 TREASURY SHARES

	2023	2022
Market value of treasury shares		
The Letsema BBBEE trusts and companies	23.9	289.9
Share incentive schemes	15.7	192.7

ALL AMOUNTS ARE EXPRESSED IN NUMBER OF SHARES

Reconciliation of issued shares:		2023	2022
Issued and fully paid		444 736 118	444 736 118
Less: Treasury shares held by the Letsema BBBEE trusts and companies*		(24 909 951)	(25 763 915)
Less: Treasury shares held by share incentive schemes	12	(16 379 174)	(17 132 174)
Less: Treasury shares held by the subsidiary companies forfeited, not yet sold		-	(2)
Net shares issued to public		403 446 993	401 840 027

**The movement in the shares held by the Letsema BBBEE trusts and companies reflects the sale of shares in the current year.*

Notes to the annual financial statements

12. SHARE INCENTIVE SCHEMES - FORFEITABLE SHARE PLAN

The Murray & Roberts Holdings Limited Forfeitable Share Plan ("FSP") was approved by the shareholders in November 2012. The share plan is an equity-settled scheme.

Plans implemented		Notes	Balance at 30 June 2022	Granted during the year	Surrendered during the year	Transfer to own broker^	Exercised during the year	Balance at 30 June 2023	Weighted average share price of options exercised (cents)	Estimated fair value of FSP (cents)
01 September 2019	FSP-STI	1	178 794	-	-	(69 662)	(109 132)	-	895	1 250
01 September 2019	FSP	2	6 329 500	-	(5 380 075)	(265 110)	(684 315)	-	895	1 250
01 October 2020	FSP-STI	1	384 426	-	-	(99 196)	(138 662)	146 568	895	540
01 October 2020	FSP	3	9 788 500	-	(363 529)	-	-	9 424 971	-	540
01 September 2021	FSP-STI	1	450 954	-	-	(87 318)	(116 390)	247 246	895	991
01 September 2022	FSP	4	-	7 006 000	(676 098)	-	-	6 329 902	-	890
01 September 2022	FSP-STI	1	-	230 487	-	-	-	230 487	-	890
			17 132 174	7 236 487	(6 419 702)	(521 286)	(1 048 499)	16 379 174		

^ *This relates to shares vested whereby the tax due is paid by the participant and the shares are transferred to the personal broker account of said participant.*

Notes:

1. A compulsory automatic deferral scheme of part of the STI into forfeitable share awards as a LTI was introduced in September 2013 for selected employees. The LTI allocation has a three year vesting period (1/3 each year) and is not subject to performance conditions, but is subject to continued employment.

2. For the September 2019 scheme, the forfeitable shares cliff vested after three years, in September 2022, subject to satisfying certain performance conditions.

3. For the October 2020 scheme, the forfeitable shares will cliff vest after three years, in October 2023, subject to satisfying certain performance conditions. The weighted average remaining contractual life is 3 months.

4. For the September 2022 scheme, the forfeitable shares will cliff vest after three years, in September 2025, subject to satisfying certain performance conditions. The weighted average remaining contractual life is 26 months.

The September 2021 award was not made under the forfeitable share plan due to the overall limit having been reached. Instead a cash settled conditional rights award was made. The weighted average remaining contractual life is 14 months.

The sub-optimal exercise assumption is not applicable to the FSP since the exercise is assumed to occur on vesting date.

The Group recognised total expenses of R7,9 million (FY2022: R26,7 million) relating to these share options during the year.

On 1 October 2020, 2 103 500 cash-settled conditional awards were granted to Mr. HJ Laas.
On 1 September 2021, 8 637 500 Group cash-settled conditional awards were granted. (including the award to Mr. HJ Laas of 1 477 500 awards).
The cash-settled liability balance as at 30 June 2023 is R3,2 million.

13. TRANSLATION RESERVE

ALL AMOUNTS ARE EXPRESSED IN MILLIONS OF RANDS

	2023	2022
Foreign currency translation reserve		
At beginning of year	**1 600.4**	1 117.2
Foreign currency translation movements	**576.8**	483.2
Translation of foreign entities reclassified through profit or loss on derecognition*	**(1 250.1)**	-
	927.1	1 600.4

**The translation of foreign entities reclassified through profit or loss on derecognition relates to the Group placing the MRPL Group into voluntary administration and the liquidation of Insig. Refer to note 31 and note 32 for further details.*

The foreign currency translation reserve is the result of exchange differences arising from the translation of the Group's foreign subsidiary companies to Rands, being the functional and reporting currency of the holding company.

Notes to the annual financial statements

14. OTHER CAPITAL RESERVES

ALL AMOUNTS ARE EXPRESSED IN MILLIONS OF RANDS

	2023	2022
Other reserves		
At the beginning of the year	**58.4**	71.1
Recognition of share-based payment	**7.9**	23.9
Utilisation of reserve	**(17.2)**	(36.6)
	49.1	58.4

Other reserves mainly comprise the share based payment reserve (R30,7m), statutory reserve (R28,9m), capital redemption reserve (R1,1m), Retirement benefit obligation reserve (R14,6m) and other non-distributable reserve (R3m).

The capital redemption reserve fund represents retained earnings transferred to a non-distributable reserve on the redemption of previously issued redeemable preference shares of group companies.

The statutory reserve represents retained earnings of foreign subsidiary companies that are not available for distribution to shareholders in accordance with local laws.

The other non-distributable reserve comprises the fair value of the estimated consideration for acquiring the non-controlling interests in Ocean Flow International LLC from the non-controlling shareholder at the date of acquisition.

The share-based payment reserve represents the total cost recognised for the Group's equity-settled share-based payments. The transfer to retained earnings in the current financial year reflects the value of the share-based payment reserve that was recognised in prior years relating to forfeitable shares that have vested in the current period.

The retirement benefit obligation reserve represents the remeasurement of the Group's retirement benefit obligation, recognised in terms of IAS 19: *Employee Benefits.*

15. NON-CONTROLLING INTERESTS

ALL AMOUNTS ARE EXPRESSED IN MILLIONS OF RANDS

The non-controlling interests comprise:

15.1. NON-CONTROLLING INTERESTS IN RESERVES

	2023	2022
At the beginning of the year	**50.8**	23.9
Share of attributable profit/(loss)	**1.9**	(1.7)
Dividends declared and paid	**(18.9)**	-
Foreign exchange movements	**(0.5)**	(0.1)
Increase in shareholding of subsidiary	**-**	28.7
	33.3	50.8

Notes to the annual financial statements

16. SECURED LIABILITIES

ALL AMOUNTS ARE EXPRESSED IN MILLIONS OF RANDS

	Notes	**2023**	2022
Liabilities of the Group are secured as follows:			
Term loan arose in FY2023 and is secured by:		**352.2**	-
- Investments in Murray & Roberts United Kingdom and Murray & Roberts Cementation Africa, with a carrying value of R1,4 billion in the financial records of Murray & Roberts Limited (a subsidiary within the group). These investments are intercompany in nature and eliminate in the consolidated financial statements of Murray & Roberts Holdings Limited.			
- Land and Buildings with a carrying value of R12,9 million			
- Cash and cash equivalents of R99,1 million			
- Amount due from contract customers with a carrying value of R693,4 million			
- Other assets with a carrying value of R142,6 million			
Loan A arose in FY2022 and is secured by:		**65.9**	80.2
- Murray & Roberts United Kingdom parent company guarantee			
Loan B is secured by:		**84.4**	169.8
- Property, plant and equipment with a carrying value of R309,5 million			
- Vehicles with a carrying value of R4,6 million			
Preference share liability was secured by:		**-**	191.9
17.3% investment in Bombela Concession Company			
The liability was settled in FY2023			
Installment sale loans are secured by:		**355.9**	538.9
- Property, plant and equipment with a carrying value of R350,6 million			
- Vehicles with a carrying value of R7,5 million			
Leases		**-**	136.2
		858.4	1 117.0
Reflected in the statement of financial position under:			
Long term loans	17	**575.8**	722.8
Leases	17	**-**	136.2
Short term loans	24	**282.6**	258.0
		858.4	1 117.0

Notes to the annual financial statements

17. LONG TERM LOANS

ALL AMOUNTS ARE EXPRESSED IN MILLIONS OF RANDS

		2023	2022
17.1. INTEREST BEARING SECURED LOANS			
Payable			
Within 1 year		**282.6**	258.0
Within the 2nd year		**435.5**	299.4
Within 3 to 5 years		**140.3**	423.4
Payable after the 5th year		**-**	-
		858.4	980.8
Less: Current portion	24	**(282.6)**	(258.0)
		575.8	722.8
17.2. INTEREST BEARING UNSECURED LOANS			
Payable			
Within 1 year		**39.2**	168.8
Within the 2nd year		**-**	-
Within 3 to 5 years		**-**	-
		39.2	168.8
Less: Current portion	24	**(39.2)**	(168.8)
		-	-
17.3. NON-INTEREST BEARING UNSECURED LOANS			
Payable			
Within 1 year		**-**	5.6
		-	5.6
Less: Current portion	24	**-**	(5.6)
		-	-
17.4. LEASES			
Minimum lease payments			
Within 1 year		**34.3**	199.2
Within the 2nd year		**40.6**	474.4
Within 3 to 5 years		**107.9**	100.2
Payable after the 5th year		**-**	-
		182.8	773.8
Less: Future finance charges		**(26.7)**	(113.3)
Present value of lease obligations		**156.1**	660.5
The present value of lease obligations can be analysed as follows:			
Within 1 year		**25.7**	190.7
Within 2nd year		**34.5**	424.2
Within 3 to 5 years		**95.9**	45.6
Payable after the 5th year		**-**	-
		156.1	660.5
Less: Current portion	24	**(25.7)**	(190.7)
		130.4	469.8
Total long-term loans		**706.2**	1 192.6

The Group previously had a short-term overdraft facility of R1,675 million in South Africa held at four South African Banks (Standard Bank, Nedbank, RMB and ABSA). Due to increasing liquidity pressure, the Group concluded a debt refinancing and restructuring process with the banks in November 2022. The restructuring of the facility resulted in an overdraft facility of R650 million, which was partially drawn, and a fully drawn term loan of R1,350 million.
In April 2023, R1 billion of the proceeds on the disposal of the investment in the Bombela Concession Company was used to partially settle the term loan. In terms of the agreement with the banks, a remaining R50 million settlement is required by September 2023 and R300 million by August 2024.

At 30 June 2023, the banks had granted a waiver of the covenant measurement at that date. The Group would have been in breach of covenants should measurement have been required. The banks have also requested Group to implement the following:
- Appointment of financial advisors by 31 July 2023
- Renegotiation of covenants by 28 September 2023
- Developing a deleveraging plan by 31 October 2023
- Completing a due diligence exercise by 31 July 2023 in assessing whether any parties have first ranking security interests over certain Canadian subsidiaries.

The Group's current interest bearing unsecured loans are payable on demand whilst the long term secured loans and leases are regulated by contractual repayment terms in excess of 365 days and are supported by cross guarantees per region.
With respect to the above loans, the fair value of these loans are considered to approximate their carrying amounts.
Details of the repayment terms of loans and the related interest rates are set out in Annexure 2. The assets encumbered to secure the loans are detailed in note 16. Details of the Group's interest rate risk management policies are set out in note 38. Details of loan movements are set out in note 34.

Notes to the annual financial statements

18. RETIREMENT BENEFITS

ALL AMOUNTS ARE EXPRESSED IN MILLIONS OF RANDS

The retirement funds operated by the Group in the Republic of South Africa are registered as provident or pension funds and are accordingly governed by the Pension Fund Act No. 24 of 1956 (as amended).

18.1. DEFINED CONTRIBUTION PLAN - PENSION FUND

The Group is a participating employer of the Sanlam Umbrella Pension Fund.

The total cost to the Group in respect of the above fund for the year ended 30 June 2023 was R29,8 million (FY2022: R28,8 million).

18.2 DEFINED BENEFIT PLAN - PENSION SCHEME

The Group is the principal employer for a defined benefit pension scheme in the United Kingdom, the Multi Construction (UK) Limited Pension Scheme. Membership comprises pensioners and deferred pensioners.

	2023	2022
Present value of funded liability	**57.4**	55.1
Fair value of plan assets	**(68.8)**	(63.8)
Present value of surplus*	**(11.4)**	(8.7)
Surplus asset not recognised	**11.4**	8.7
Present value of unfunded liability	**-**	-

Movements in the present value of the funded liability were as follows:

Opening defined benefit obligation	**55.1**	73.9
Interest costs	**2.1**	1.2
Experience loss/(gain) on defined benefit obligation	**3.5**	(2.3)
Gains from changes to demographics assumptions	**(1.1)**	(0.2)
Gains from changes to financial assumptions	**(8.6)**	(13.8)
Exchange differences on foreign plans	**10.5**	0.7
Benefits paid	**(4.1)**	(4.4)
	57.4	55.1

Movements in the fair value of plan assets were as follows:

Opening fair value of plan assets	**63.8**	71.7
Interest on assets	**2.5**	1.2
Losses on scheme assets	**(10.0)**	(9.3)
Contributions from the employer	**4.3**	4.0
Exchange differences on foreign plans	**12.3**	0.6
Benefits paid	**(4.1)**	(4.4)
	68.8	63.8

The major categories of plan assets at the end of the reporting period for each category were as follows:

Debt instruments	**58.9**	46.1
Cash	**9.9**	17.7
	68.8	63.8

The most recent actuarial valuations of the plan assets and the present value of the defined obligations were carried out at 30 June 2023 by Barnett Waddingham LLC. The present value of the defined benefit obligation and the related current service costs were measured using the Projected Unit Credit Method.

**The present value of the unfunded asset has not been recognised by the Group as this is considered to be a contingent asset.*

Amounts recognised in the statement of financial performance in respect of the defined benefit plan were as follows:

Net interest cost	**(0.4)**	-
Past service cost	**-**	-
	(0.4)	-

Amounts recognised in other comprehensive income in respect of the defined benefit plan were as follows:

Losses on scheme assets in excess of interest	**10.0**	9.3
Experience loss/(gain) on defined benefit obligation	**3.5**	(2.3)
Gains from changes to demographics assumptions	**(1.1)**	(0.2)
Gains from changes to financial assumptions	**(8.6)**	(13.8)
Other movements	**(15.2)**	(1.7)
Surplus asset not recognised	**11.4**	8.7
	-	-

Notes to the annual financial statements

18. RETIREMENT BENEFITS (continued)

ALL AMOUNTS ARE EXPRESSED IN MILLIONS OF RANDS

	2023	2022
The principal assumptions used for the purpose of the actuarial valuation were as follows:		
Discount rate	**5.5%**	3.7%
Rate of increase in pension payments	**3.8%**	3.7%
Rate of increase in pensions in deferment	**2.8%**	2.8%
Rate of inflation	**3.6%**	3.6%

The plan assets do not directly include any significant Group financial instruments, nor any property occupied by, or other assets used by the Group.

The Group expects to contribute R4,3 million to this defined benefit plan in 2024 (FY2023: R4,0 million).

Sensitivity analysis	**Approximate effect on liabilities**
Adjustment to assumptions	**R millions**
Discount rate - Plus 0.1% p.a.	**(0.4)**
Inflation - Less 0.1% p.a.	**(0.2)**
Mortality - Long term rate of mortality improvement of 0.25% p.a.	**0.2**

The Scheme exposes the Group to a number of risks:

Investment risk: The scheme holds investments in asset classes, such as corporate bonds, which have volatile market values and, while these assets are expected to provide the real returns over the long term, the short-term volatility can cause additional funding to be required if a deficit emerges.

Interest rate risk: The Scheme's liabilities are assessed using market yields on high quality corporate bonds to discount the liabilities. As the scheme does not wholly invest in high quality corporate bonds, the value of the assets and liabilities may not move in the same way.

Inflation risk: A significant proportion of the benefits under the scheme are linked to inflation. Although the Scheme's assets are expected to provide a good hedge against inflation over the long term, movements over the short term could lead to deficits emerging.

Mortality risk: In the event that members live longer than assumed, a deficit will emerge in the scheme.

Concentration risk: A significant proportion of the plan's liabilities are in respect of a single pensioner member. The development of the liabilities over time will therefore depend heavily on the actual experience in respect of this member.

19. LONG TERM PROVISIONS

ALL AMOUNTS ARE EXPRESSED IN MILLIONS OF RANDS

Long term provisions relate to payroll provisions relating to employee benefits mainly in Corporate, Africa and the Americas.

	2023	2022
At beginning of year	**24.7**	45.2
Loss of control of subsidiaries*	**(20.0)**	-
Additional raised	**11.8**	8.6
Utilised during the year	**(1.6)**	(31.0)
Released during the year	**(8.1)**	-
Foreign exchange movements	**1.1**	1.9
	7.9	24.7

The provisions have been determined based on assessments and estimates by management. Actual results could differ from estimates.

** The loss of control of subsidiaries relates to the Group placing MRPL into voluntary administration. Refer to note 31 and note 32 for further details.*

Notes to the annual financial statements

20. DEFERRED TAXATION

ALL AMOUNTS ARE EXPRESSED IN MILLIONS OF RANDS

20.1. DEFERRED TAXATION ASSETS

	2023	2022
Inventory	**5.1**	5.0
Uncertified work and other construction temporary differences	**(192.4)**	(130.2)
Plant	**(86.4)**	(304.3)
Taxation losses	**148.1**	567.9
Receivables	**8.4**	8.8
Provisions and accruals	**114.2**	251.4
Advance payments received net of taxation allowances	**95.9**	49.5
Leases	**5.7**	113.8
Prepayments	**(6.1)**	(10.9)
Other	**0.1**	11.6
	92.6	562.6

Deferred taxation liabilities are offset against deferred taxation assets when there is a legally enforceable right to set off current taxation assets and liabilities and the deferred taxation assets and liabilities relate to income taxes levied by the same taxation authority.

20.2. RECONCILIATION OF DEFERRED TAXATION ASSETS

At beginning of year	**562.6**	609.4
Credited to the statement of financial performance	**(105.5)**	(49.8)
Foreign exchange movements	**28.3**	4.6
Change in taxation rates	**-**	(1.6)
Loss of control of subsidiaries*	**(392.8)**	-
	92.6	562.6

** The loss of control of subsidiaries relates to the Group placing MRPL into voluntary administration. Refer to note 31 and note 32 for further details.*

20.3. DEFERRED TAXATION LIABILITIES

Uncertified work and other construction temporary differences	**35.5**	20.6
Plant	**169.7**	114.0
Taxation losses	**(0.4)**	(0.4)
Receivables	**(0.1)**	(0.1)
Provisions and accruals	**(39.2)**	(37.5)
Advanced payments received net of taxation allowances	**0.4**	0.4
Fair value adjustments	**(3.8)**	(3.4)
Leases	**(0.5)**	(0.5)
Other	**(14.4)**	(3.7)
	147.2	89.4

Deferred taxation assets are offset against deferred taxation liabilities when there is a legally enforceable right to set off current taxation assets and liabilities and the deferred taxation assets and liabilities relate to income taxes levied by the same taxation authority.

20.4. RECONCILIATION OF DEFERRED TAXATION LIABILITIES

At beginning of year	**89.4**	110.4
Charged to the statement of financial performance	**48.3**	(60.1)
Acquisition of business	**-**	39.1
Foreign exchange movements	**9.6**	-
Loss of control of subsidiaries*	**(0.1)**	-
Change in taxation rates	**-**	-
	147.2	89.4

** The loss of control of subsidiaries relates to the Group placing MRPL into voluntary administration. Refer to note 31 and note 32 for further details.*

Notes to the annual financial statements

20. DEFERRED TAXATION (continued)

ALL AMOUNTS ARE EXPRESSED IN MILLIONS OF RANDS

20.5. UNUSED TAXATION LOSSES

The Group's results include a number of legal statutory entities which fall under a range of taxation jurisdictions. The deferred taxation assets cannot be offset against the deferred taxation liabilities as the Group will not be able to settle on a net basis.

At 30 June 2023, the Group has estimated unused taxation losses of R3,086 million (FY2022: R4,250 million) available for offset against future profits. Deferred taxation assets have been recognised in respect of R550 million (FY2022: R1,945 million) of such losses. No deferred taxation assets have been recognised in respect of the remaining R2,536 million (FY2022: R2,305 million) due to the unpredictability of future profit streams.

The Group performed an assessment based on the current operations and developments including a three year forecast for the financial years 2024 to 2026 which supports the recognition of deferred taxation assets in the statutory entities. Tax losses in South Africa of R2,144 million (FY2022: R2,608 million) have no expiry date so long as the statutory entities continue to trade. In addition to the unused income tax losses, the Group has circa R6 billion capital losses available for future asset sales.

20.6. WITHHOLDING TAX ON DIVIDENDS

The Group has available retained earnings in foreign subsidiary companies. Should such earnings be distributed to holding companies within the Group, the Group shall be liable to foreign withholding tax levied on dividends at the rate of between 0% and 15%. Should the subsidiaries declare all their retained earnings as dividends, the withholding tax payable is estimated to be R185 million (FY2022: R191 million).

21. LONG TERM PAYABLES

ALL AMOUNTS ARE EXPRESSED IN MILLIONS OF RANDS

	2023	2022
Payables	**218.9**	82.9
	218.9	82.9

Long term payables relate to settlement agreements entered into on historic construction activities in South Africa. The increase in long-term payables is as result of a settlement entered into in the current financial year.

22. SUBCONTRACTOR LIABILITIES

ALL AMOUNTS ARE EXPRESSED IN MILLIONS OF RANDS

	2023	2022
Current subcontractor liabilities	**145.2**	1 399.3
	145.2	1 399.3

The decrease in subcontractor liabilities relates to the Group placing the MRPL Group into voluntary administration. Refer to note 31 and note 32 for further details.

23. TRADE AND OTHER PAYABLES

ALL AMOUNTS ARE EXPRESSED IN MILLIONS OF RANDS

	2023	2022
Trade payables	**903.6**	2 448.9
Amounts owing to joint operations and partners	**-**	656.0
Payroll accruals	**512.3**	1 162.9
Accruals	**840.7**	778.9
Value added taxation payable	**57.9**	141.4
Voluntary Rebuild Programme	**26.6**	63.8
Other payables	**190.4**	639.9
	2 531.5	5 891.8

The decrease in trade and other payable relates mainly to the Group placing the MRPL Group into voluntary administration. Refer to note 31 and note 32 for further
The accruals in the current year mainly reflect project accruals.
The carrying value of trade and other payables approximates their fair value due to the short term nature of these instruments.

Notes to the annual financial statements

24. SHORT TERM LOANS

ALL AMOUNTS ARE EXPRESSED IN MILLIONS OF RANDS

	Notes	2023	2022
Current portion of long term loans:			
- Interest bearing secured	17	**282.6**	258.0
- Interest bearing unsecured	17	**39.2**	168.8
- Non- interest bearing unsecured	17	**-**	5.6
Current portion of leases	17	**25.7**	190.7
		347.5	623.1

25. PROVISIONS FOR OBLIGATIONS

ALL AMOUNTS ARE EXPRESSED IN MILLIONS OF RANDS

	2023	2022
At beginning of year	**214.3**	311.4
Loss of control of subsidiaries	**(64.0)**	-
Additional raised	**292.5**	230.4
Released during the year	**(61.0)**	(80.5)
Utilised during the year	**(141.9)**	(261.0)
Foreign exchange movements	**14.1**	14.0
	254.0	214.3
Provisions for obligations comprise the following categories:		
Payroll provisions	**135.5**	194.6
Other provisions	**118.5**	19.7
	254.0	214.3

Payroll provisions
The payroll provision comprises amounts owed to employees relating to discretionary bonuses and severance pay or restructuring obligations.

Other provisions
Other provisions relates mainly to provisions raised on onerous contracts. The increase in other provisions relates mainly to a surety provided by a subsidiary in the continuing operations, to complete the works on a project entered into by a subsidiary in the discontinued operations, that was placed into liquidation as a result of the voluntary administration process of the MRPL Group and Insig.

26. REVENUE

ALL AMOUNTS ARE EXPRESSED IN MILLIONS OF RANDS

	2023	2022*
Construction contracts (over time)	**11 714.7**	8 335.0
Sale of goods (point in time)	**450.5**	169.4
Rendering of services (over time)	**292.3**	246.4
Properties (over time)	**2.7**	3.7
	12 460.2	8 754.5

**Restated for discontinued operations. Refer to note 31 and note 32 for further details.*

27. PROFIT BEFORE INTEREST AND TAXATION

ALL AMOUNTS ARE EXPRESSED IN MILLIONS OF RANDS

The items below comprise continuing operations only.
Profit before interest and taxation is arrived at after taking into account:

	Notes	2023	2022*
Items by nature			
Investment income other than interest:			
Fair value gain on investment at fair value through profit or loss	6	**29.6**	193.5
Income from subleasing land and buildings		**-**	2.5
Amortisation of intangible assets	4	**(23.0)**	(19.5)
Auditors' remuneration:			
Fees for audits		**(41.8)**	(33.7)
Other services		**(0.7)**	(1.1)
Compensation income from insurance		**2.1**	-

**Restated for discontinued operations. Refer to note 31 and note 32 for further details.*

Notes to the annual financial statements

27. PROFIT BEFORE INTEREST AND TAXATION (continued)

ALL AMOUNTS ARE EXPRESSED IN MILLIONS OF RANDS	Notes	2023	2022*
Depreciation:			
Land and buildings	2	**(49.6)**	(56.6)
Plant and machinery	2	**(269.4)**	(306.4)
Other equipment	2	**(18.8)**	(18.5)
Employee benefit expense:			
Salaries and wages		**(5 971.8)**	(4 645.0)
Share option expense	12	**-**	(0.4)
Forfeitable Share Plan expense - equity-settled	12	**(7.9)**	(23.5)
Forfeitable Share Plan expense - cash-settled		**4.1**	(3.2)
Pension and provident costs - defined contribution plans	18	**(29.8)**	(28.8)
Fees paid for:			
Managerial services		**(64.6)**	(12.1)
Technical services		**(63.3)**	(12.6)
Administrative services		**(2.4)**	(18.4)
Secretarial services		**(3.0)**	(1.0)
Other		**(4.7)**	(4.0)
Impairment charges/write downs:			
Property, plant and equipment	2	**(10.0)**	-
Inventory	7	**(16.1)**	(7.0)
Trade receivables	9	**(3.0)**	-
Other receivables	9	**(23.9)**	-
Contract receivables		**(17.0)**	(3.5)
Investment in associate	6	**(1.5)**	-
Reversal of impairment loss recognised on trade and contract receivables		**28.0**	27.2
Reversal of impairment loss recognised on property, plant and equipment		**-**	0.9
Profit or loss on disposals:			
Profit on disposal of property, plant and equipment		**12.4**	12.3
Loss on disposal of property, plant and equipment		**(0.2)**	(0.1)
Foreign exchange gains		**33.8**	29.0
Foreign exchange losses		**(42.7)**	(25.0)
Lease costs:			
Land and buildings		**(16.2)**	(9.1)
Other		**(13.2)**	(9.3)
Lease costs can be analysed as follows:			
Expense relating to short term leases		**(16.3)**	(8.0)
Expense relating to leases of low-value assets		**(7.2)**	(5.7)
Expense relating to variable lease payments not included in the measurement of lease liabilities		**(5.9)**	(4.7)
Computer expenses:			
Software costs		**(10.2)**	(11.2)
Consultation fees		**(35.9)**	(34.7)
Other		**(76.7)**	(68.1)
Direct costs:			
Materials		**(3 881.2)**	(2 193.9)
Subcontractor costs		**(492.2)**	(231.1)
Items by function			
Cost of sales **		**(11 163.3)**	(7 853.9)
Distribution and marketing costs		**(22.2)**	(20.0)
Administration costs		**(1 406.4)**	(1 124.9)
Other operating income		**222.3**	326.2

**Restated for discontinued operations. Refer to note 31 and note 32 for further details.*
*** Cost of sales includes R418,6 million (FY2022: R157 million) relating to the cost of inventories sold during the year.*
Depreciation of R267,4 million is included in cost of sales and R70,4 million in administration costs.
Amortisation of R14,6 million is included in cost of sales and R8,4 million in administration costs.

Notes to the annual financial statements

28. INTEREST EXPENSE

ALL AMOUNTS ARE EXPRESSED IN MILLIONS OF RANDS

	2023	2022*
Bank overdrafts	**99.9**	116.5
Present value expense	**8.0**	8.6
Leases	**12.7**	20.6
Loans and other liabilities	**159.6**	50.8
	280.2	196.5

**Restated for discontinued operations. Refer to note 31 and note 32 for further details.*

29. INTEREST INCOME

ALL AMOUNTS ARE EXPRESSED IN MILLIONS OF RANDS

	2023	2022*
Bank balances and cash	**10.8**	2.7
Leases	**-**	0.6
Unlisted loan investment and other receivables	**2.9**	7.3
	13.7	10.6

**Restated for discontinued operations. Refer to note 31 and note 32 for further details.*

30. TAXATION EXPENSE

ALL AMOUNTS ARE EXPRESSED IN MILLIONS OF RANDS

	2023	2022*
Major components of the taxation expense		
South African taxation		
Normal taxation - current year	**7.5**	2.8
Normal taxation - prior year	**-**	-
Deferred taxation - current year	**(17.3)**	28.9
Deferred taxation - prior year	**(0.1)**	1.0
Deferred taxation - change in tax rate	**-**	1.6
Foreign taxation		
Normal income taxation and withholding taxation - current year	**53.2**	117.2
Normal income taxation and withholding taxation - prior year	**(2.6)**	(0.3)
Deferred taxation - current year	**62.3**	(76.4)
Deferred taxation - prior year	**3.4**	(1.5)
	106.4	73.3

**Restated for discontinued operations. Refer to note 31 and note 32 for further details.*

South African income tax is calculated at 27% (FY2022: 28%) of the estimated assessable profit for the year. Taxation in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions. The tax rates excluding state and federal taxes currently applicable to USA, Canada and Australia are 24%, 28% and 30% respectively.

Notes to the annual financial statements

30. TAXATION EXPENSE (continued)

	2023	2022*
RECONCILIATION OF THE STANDARD RATE OF TAXATION TO THE EFFECTIVE RATE OF TAXATION		
	%	%
South African standard rate of taxation**	**27.0**	28.0
Increase in rate of taxation due to:		
Corporate activities	**(5.6)**	(2.3)
Share incentive scheme costs	**(4.0)**	(1.5)
Goodwill and capital losses	**(32.2)**	1.9
Donations	**(0.2)**	(0.5)
Non-deductible expenditure	**(0.3)**	(4.5)
Loss on sale of investment	**(10.0)**	-
Preference shares	**-**	(3.7)
Non-deductible accounting costs	**(1.2)**	(1.5)
Taxation rate differentials on foreign companies		
- Africa	**(0.1)**	-
- Oceania	**-**	(0.1)
Current year's losses not recognised	**(42.1)**	(131.9)
Foreign withholding taxation	**(6.1)**	(14.0)
Imputed foreign income	**(0.2)**	(3.4)
Change in tax rate	**-**	(2.3)
Prior year adjustments	**(10.3)**	0.6
	(85.3)	(135.2)
Reduction in rate of taxation due to:		
Dividends received	**-**	50.0
Fair value gains	**-**	2.7
Taxation rate differentials on foreign companies		
- Africa	**-**	2.9
- Americas	**6.4**	1.6
Capital profits and non-taxable items	**7.6**	2.6
Non-taxable accounting revenue	**0.7**	
Other taxation allowances and incentives	**3.9**	4.0
Taxation losses utilised	**6.2**	0.9
Effective rate of taxation	**(60.5)**	(70.5)

**Restated for discontinued operations. Refer to note 31 and note 32 for further details.*

***The South African taxation rate is used for the reconciliation as the Company is South African resident and the tax rates of its major operations outside South Africa, namely Canada has similar tax rates to that of South Africa.*

The prior year adjustments are mainly a result of further expenditure considered to be non-deductible or related to greater tax allowances claimable when finalising tax submissions.

Notes to the annual financial statements

31. LOSS OF CONTROL OF SUBSIDIARIES

As a result of delays in numerous milestone payments and slower than anticipated close out of disputes, cash flow pressures in the ERI business resulted in it needing a capital injection to realise its full potential value. As the Group was not able to provide the capital injection, it commenced a process to sell Clough. When the transaction terminated at a late stage, cash requirements that hinged on the sale did not materialise and Clough went into voluntary administration on 5 December 2022.

Clough held a loan receivable from MRPL, the Group's Australian holding company, which also held the shares in RUC. As the receivable could be called by Clough and MPRL could not settle the receivable on demand, MRPL also went into voluntary administration. The Group lost effective control over MRPL and its Australian subsidiaries through this development.

Subsequently, Insig which formed part of Mining Australia (RUC and Insig), went into liquidation on 16 June 2023 as it required further investment to support its growth trajectory, which the Group was not able to provide.

In the Group accounts, the MRPL Group (MRPL, Clough and RUC businesses) has been deconsolidated with effect from 5 December 2022 and Insig has been deconsoldated with effect from 16 June 2023. The financial results of these four companies, and the impact of the deconsolidation, are reported under discontinued operations as from the start of the comparative period for Statement of Financial Performance and the Statement of Cash Flows up to 5 December 2022 and 16 June 2023 respectively.

Included in the disposal group are the assets and liabilities of the MRPL Group and its subsidiaries, Clough and RUC as well as Insig. The carrying amounts of these assets and liabilities on deconsolidation were as follows:

R millions	**Mining Australia**	**Clough**	**Other**	**Total**
Non-current assets				
Property, plant and equipment	897.4	2 360.1	(10.2)	3 247.3
Goodwill	14.4	853.9	-	868.3
Other intangible assets	9.5	322.1	-	331.6
Deferred taxation asset	-	-	392.8	392.8
Non-current receivables	-	2.0	-	2.0
Total	**921.3**	**3 538.1**	**382.6**	**4 842.0**
Current Assets				
Inventories	160.6	178.1	-	338.7
Amounts due from contract customers	651.6	4 401.3	-	5 052.9
Trade and other receivables	483.0	1 226.8	(32.0)	1 677.8
Bank balances and cash	341.7	998.1	8.0	1 347.8
Total	**1 636.9**	**6 804.3**	**(24.0)**	**8 417.2**
Assets classified as held-for-sale	21.4	-	-	21.4
Total Assets	**2 579.6**	**10 342.4**	**358.6**	**13 280.6**
Non-current liabilities				
Long-term loans	286.8	382.3	(117.3)	551.8
Long-term provisions	-	20.0	-	20.0
Deferred taxation liability	0.1	-	-	0.1
Total	**286.9**	**402.3**	**(117.3)**	**571.9**
Current liabilities				
Amounts due to contract customers	158.2	2 097.5	-	2 255.7
Trade and other payables	671.8	5 860.8	59.0	6 591.6
Short-term loans	332.7	224.1	124.2	681.0
Subcontractor liabilities	-	593.7	-	593.7
Provisions for obligations	6.8	51.2	6.0	64.0
Current taxation liabilities	43.8	22.5	-	66.3
Bank overdrafts	-	49.4	-	49.4
Total	**1 213.3**	**8 899.2**	**189.2**	**10 301.7**
Liabilities directly associated with a disposal group held-for-sale	-	-	-	-
Total liabilities	**1 500.2**	**9 301.5**	**71.9**	**10 873.6**
Net assets	1 079.4	1 040.9	286.7	2 407.0
Consideration received	-	-	-	-
	1 079.4	1 040.9	286.7	2 407.0
Translation of foreign entities reclassified through profit or loss on derecognition				(1 250.1)
Loss on loss of control of subsidiaries	**1 079.4**	**1 040.9**	**286.7**	**1 156.9**

Notes to the annual financial statements

32. DISCONTINUED OPERATIONS, ASSETS AND LIABILITIES CLASSIFIED AS HELD FOR SALE

ALL AMOUNTS ARE EXPRESSED IN MILLIONS OF RANDS

32.1 (LOSS)/PROFIT FOR THE YEAR FROM DISCONTINUED OPERATIONS

The discontinued operations comprise Mining Australia (RUC Cementation Mining group ("RUC") and Insig Technologies ("Insig")), the Energy, Resources & Infrastructure Platform (Clough Limited group ("Clough")), Murray & Roberts Pty Limited ("MRPL"), together referred to as "MRPL Group and Insig", the Middle East operations, the Southern Africa Infrastructure & Buildings Platform and Genrec.

MRPL Group and Insig
On 5 December 2022 Clough Limited and MRPL were placed in voluntary administration. As a result of this, the Group lost control of MRPL and its subsidiaries, RUC and Clough, and the MRPL group was deconsolidated on 5 December 2022. Subsequent to this, on 16 June 2023, Insig, which predominantly serviced RUC, was placed in voluntary liquidation, as a result of the Group being unable to provide the necessary investment required to support Insig's growth trajectory.

Clough formed the entire Energy, Resources and Infrastructure platform within the group which was seen as a separate major line of business. RUC and Insig, formed the entire Mining Australia business and together was seen as a separate major line of business. The voluntary administration process of the MRPL Group has effectively resulted in the entire Australasian geographical area of operations being disposed of. As the MRPL Group and Insig formed separate major lines of businesses and a separate geographical area of operations that was disposed of in the year, these businesses met the criteria in terms of IFRS 5 – Non-current assets held for sale and discontinued operations (IFRS 5), to be classified as discontinued operations.

The financial results of the MRPL Group are reported under discontinued operations in the Statement of Financial Performance from the start of the financial period until 5 December 2022. The financial results of Insig are reported under discontinued operations in the Statement of Financial Performance from the start of the financial period until 16 June 2023.

The loss of control of the MRPL Group and Insig resulted in a loss of R2,4 billion on deconsolidation of the net asset value and a reclassification of foreign currency translation reserve ("FCTR") profit of R1,2 billion. This has been disclosed as a loss on loss of control of MRPL group and Insig of R1,2 billion below. Refer to note 31 for further detail. The operating losses, disclosed as "loss from discontinued operations" of R1,6 billion includes a Clough trading loss of R1,3 billion and a RUC and Insig trading profit of R45 million. Related costs as a result of the voluntary administration are a further expense attributable to discontinued operations of R155 million.

Middle East Operations
The Middle East Operations were classified as a discontinued operation in the 2020 financial year as a result of being abandoned, as defined in terms of IFRS 5. By 30 June 2021, the discussions to dispose of the Middle East Operations had progressed to an advanced stage of negotiations and as a result thereof these companies met the criteria, in terms of IFRS 5, to be classified as a disposal group held for sale. The sale and purchase agreement to dispose of the operations was subsequently executed on 30 August 2021. At 30 June 2023, the sale and purchase transaction had not concluded, as it is pending conclusion of ongoing litigation and regulatory approval. The long stop date has therefore been extended to 15 September 2023. The Middle East Operations continue to meet the criteria to be classified as a disposal group held for sale in terms of IFRS 5, even though the one-year period has been exceeded as the delay in sale is due to circumstances beyond the Group's control.

Subsequent to year-end, a claim has been lodged by a UAE-based bank ("the bank"), and a summons has been issued in South Africa against Murray & Roberts Limited (a subsidiary in the Group), in relation to the parent company guarantee it issued in favour of the bank. The bank had issued a bond on the Al Mafraq Hospital project, on behalf of the Middle East operations, which was called on by the client. As a result of the bank paying out on the call of the bond, the overdraft account of the Middle East operations was drawn down on. The claim lodged by the bank in relation to the parent company guarantee, is to recover the pay out on the call of the bond made by the client. Refer to note 42 for further details.

Included in the current year loss from discontinued operations are operating costs of R28 million incurred mainly on legal fees and an impairment of a joint operation partner receivable of R170 million relating to the Middle East Operations.

Southern Africa Infrastructure & Buildings Platform and Genrec
During the 2017 financial year, the Group disposed of its South African construction businesses held within the Southern Africa Infrastructure & Buildings Platform and Genrec. These businesses formed a separate major line of business that was disposed of and constituted a discontinued operation in terms of IFRS 5. As part of the disposal, certain assets and liabilities of the business, relating to ongoing litigation matters were retained in the group. These items continue to be reported under discontinued operations until the matters are closed out.

Notes to the annual financial statements

32. DISCONTINUED OPERATIONS, ASSETS AND LIABILITIES CLASSIFIED AS HELD FOR SALE (continued)

ALL AMOUNTS ARE EXPRESSED IN MILLIONS OF RANDS

32.1 (LOSS)/PROFIT FOR THE YEAR FROM DISCONTINUED OPERATIONS *(continued)*

The (loss)/profit from discontinued operations is analysed as follows:

	2023	2022*
Revenue		
Construction contracts	**11 321.4**	20 381.2
Rendering of services	**29.4**	3.0
Other revenue	**612.7**	729.9
	11 963.5	21 114.1
(Loss)/profit after taxation for the year is analysed as follows:		
(Loss)/profit before depreciation, amortisation, interest and taxation	**(1 104.3)**	1 210.5
Depreciation	**(343.5)**	(622.9)
Amortisation of intangible assets	**(27.0)**	(77.4)
(Loss)/profit before interest and taxation	**(1 474.8)**	510.2
Interest expense	**(37.3)**	(27.9)
Interest income	**10.0**	12.8
(Loss)/profit before taxation	**(1 502.1)**	495.1
Taxation expense	**(82.9)**	(184.4)
(Loss)/profit after taxation	**(1 585.0)**	310.7
Loss from equity accounted investments	**-**	-
(Loss)/profit from discontinued operations	**(1 585.0)**	310.7
Loss on loss of control of MRPL Group and Insig	**(1 156.9)**	-
Derecognition of net asset value	**(2 407.0)**	-
Translation of foreign entities reclassified through profit or loss on derecognition	**1 250.1**	-
Related costs of voluntary administration	**(155.0)**	-
(Loss)/profit from discontinued operations per the statement of financial performance	**(2 896.9)**	310.7
Attributable to:		
Owners of Murray & Roberts Holdings Limited	**(2 896.9)**	310.7
Non-controlling interests	**-**	-
	(2 896.9)	310.7
Cash flows from discontinued operations		
Cash flows from operating activities	**(359.0)**	(163.0)
Cash flows from investing activities	**(1 554.0)**	(1 096.0)
Cash flows from financing activities	**381.0**	(358.0)
Net decrease in cash and cash equivalents	**(1 532.0)**	(1 617.0)

**Restated for discontinued operations.*

(Loss)/profit before interest and taxation is arrived at after taking into account:

Items by nature

		2023	2022*
Investment income other than interest:			
Income from subleasing land and buildings		**3.2**	14.8
Amortisation of intangible assets	4	**(27.0)**	(77.4)
Auditors' remuneration:			
Fees for audits		**(4.4)**	(15.4)
Other services		**(2.4)**	(2.4)
Depreciation:			
Land and buildings	2	**(46.5)**	(64.2)
Plant and machinery	2	**(292.8)**	(556.4)
Other equipment	2	**(4.2)**	(2.3)
Employee benefit expense:			
Salaries and wages		**(6 184.7)**	(8 292.1)
Fees paid for:			
Administrative services		**-**	(0.1)
Other		**(30.6)**	(7.1)
Impairment charges:			
Goodwill	3	**(126.2)**	-
Other receivables		**(170.5)**	-

Notes to the annual financial statements

32. DISCONTINUED OPERATIONS, ASSETS AND LIABILITIES CLASSIFIED AS HELD FOR SALE (continued)

ALL AMOUNTS ARE EXPRESSED IN MILLIONS OF RANDS

32.1 (LOSS)/PROFIT FOR THE YEAR FROM DISCONTINUED OPERATIONS *(continued)*

Profit or loss on disposals:		
Profit on disposal of property, plant and equipment	**4.8**	2.7
Loss on disposal of property, plant and equipment	**-**	(0.5)
Foreign exchange gains	**13.4**	20.0
Foreign exchange losses	**(13.5)**	(19.6)
Lease costs:		
Land and buildings	**(13.0)**	(54.0)
Other	**(0.2)**	(0.2)
Lease costs can be analysed as follows:		
Expense relating to short term leases	**(2.0)**	(2.4)
Expense relating to variable lease payments not included in the measurement of lease liabilities	**(11.2)**	(51.8)
Computer expenses:		
Software costs	**(57.3)**	(136.6)
Other	**(3.0)**	(4.5)
Direct costs:		
Materials	**(5 963.6)**	(10 168.1)
Subcontractor costs	**(20.5)**	(19.2)
Items by function		
Cost of sales	**(12 457.4)**	(19 184.9)
Distribution and marketing costs	**(4.9)**	(15.7)
Administration costs	**(1 005.4)**	(1 518.6)
Other operating income	**29.4**	115.3

**Restated for discontinued operations.*
Depreciation of R287,1 million is included in cost of sales and R56,4 million in administration costs.
Amortisation of R0,6 million is included in cost of sales and R26,4 million in administration costs.

32.2. ASSETS AND LIABILITIES CLASSIFIED AS HELD FOR SALE

The assets and liabilities classified as held for sale below relate mainly to the Middle East Operation as per note 32.1 as well as Cementation Africa where property, plant and equipment has been classified as held for sale after meeting the requirements of IFRS 5.

Major classes of assets comprising the assets held for sale	**2023**	2022
Property, plant and equipment	**67.7**	114.3
Other receivables	**5.5**	3.4
Investment in joint ventures	**-**	32.5
Amounts due from contract customers	**979.2**	849.0
Cash and cash equivalents	**12.4**	12.7
	1 064.8	1 011.9
Major classes of liabilities comprising the liabilities held for sale		
Trade & other payables	**154.6**	143.4
Subcontractor liabilities	**7.8**	17.9
Short term borrowings	**818.4**	683.5
	980.8	844.8

Notes to the annual financial statements

33. EARNINGS/(LOSS) AND HEADLINE EARNINGS/(LOSS) PER SHARE

ALL AMOUNTS ARE EXPRESSED IN MILLIONS OF RANDS

33.1 WEIGHTED AVERAGE NUMBER OF SHARES

Number of shares ('000)	**2023**	2022
Weighted average number of shares in issue	**444 736**	444 736
Less: Weighted average number of shares held by the Letsema BBBEE trusts	**(25 055)**	(28 922)
Less: Weighted average number of shares held by share incentive schemes	**(16 566)**	(17 671)
Weighted average number of shares in issue used in the determination of basic per share figures	**403 115**	398 143
Add: Dilutive adjustment	**5 299**	7 416
Weighted average number of shares in issue used in the determination of diluted per share figures	**408 414**	405 559

33.2 EARNINGS/(LOSS) PER SHARE

Reconciliation of earnings/(loss)	**2023**	2022*
(Loss)/earnings attributable to owners of Murray & Roberts Holdings Limited	**(3 181.3)**	134.8
Adjustments for discontinued operations		
Loss/(earnings) from discontinued operations	**2 896.9**	(310.7)
Non-controlling interests	**-**	-
Loss for the purposes of basic and diluted earnings per share from continuing operations	**(284.4)**	(175.9)
(Loss)/earnings per share from continuing and discontinued operations (cents)		
- Diluted	**(789)**	33
- Basic	**(789)**	34
Loss per share from continuing operations (cents)		
- Diluted	**(71)**	(44)
- Basic	**(71)**	(44)
(Loss)/earnings per share from discontinued operations (cents)		
- Diluted	**(718)**	77
- Basic	**(718)**	78

**Restated for discontinued operations.*

Notes to the annual financial statements

33. EARNINGS/(LOSS) AND HEADLINE EARNINGS/ (LOSS) PER SHARE (continued)

ALL AMOUNTS ARE EXPRESSED IN MILLIONS OF RANDS

33.3 HEADLINE EARNINGS/(LOSS)

	2023		2022*	
Reconciliation of headline earnings/(loss)	***Gross pre-tax & non-controlling interests***	***Net***	*Gross pre-tax & non-controlling interests*	*Net*
(Loss)/profit attributable to owners of Murray & Roberts Holdings Limited	**(2 992.0)**	**(3 181.3)**	392.5	134.8
Profit on disposal of property, plant and equipment	**(17.2)**	**(13.5)**	(15.0)	(10.9)
Loss on disposal of property, plant and equipment	**0.2**	**0.2**	0.6	0.5
Impairment of associate	**1.5**	**1.5**	-	-
Impairment of Goodwill	**126.2**	**126.2**	-	-
Impairment/(impairment reversal) of property, plant and equipment	**10.0**	**7.2**	(0.9)	(0.7)
Compensation income from insurance	**(2.1)**	**(2.1)**	-	-
Loss on loss of control of subsidiaries	**2 407.0**	**2 407.0**	-	-
Translation of foreign entities reclassified through profit or loss on derecognition	**(1 250.1)**	**(1 250.1)**	-	-
Headline (loss)/earnings	**(1 716.5)**	**(1 904.9)**	377.2	123.7
Adjustments for discontinued operations:				
Loss/(profit) from discontinued operations	**1 502.1**	**2 896.9**	(495.1)	(310.7)
Profit on disposal of property, plant and equipment	**4.8**	**3.5**	2.7	1.9
Loss on disposal of property, plant and equipment	**-**	**-**	(0.5)	(0.4)
Impairment of Goodwill	**(126.2)**	**(126.2)**	-	-
Loss on loss of control of subsidiaries	**(2 407.0)**	**(2 407.0)**	-	-
Translation of foreign entities reclassified through profit or loss on derecognition	**1 250.1**	**1 250.1**	-	-
Headline loss from continuing operations	**(1 492.7)**	**(287.6)**	(115.7)	(185.5)

	2023	2022*
Headline (loss)/earnings per share from continuing and discontinued operations (cents):		
- Diluted	**(473)**	31
- Basic	**(473)**	31
Headline loss per share from continuing operations (cents):		
- Diluted	**(71)**	(47)
- Basic	**(71)**	(47)
Headline (loss)/earnings per share from discontinued operations (cents):		
- Diluted	**(402)**	78
- Basic	**(402)**	78

**Restated for discontinued operations. Refer to note 31 and note 32 for further details.*

Notes to the annual financial statements

34. CASH GENERATED FROM OPERATIONS

ALL AMOUNTS ARE EXPRESSED IN MILLIONS OF RANDS

	Notes	2023	2022
(Loss)/profit before interest and taxation (continuing and discontinued operations*)		**(2 696.1)**	592.1
Adjustments for non-cash items:			
Amortisation of intangible assets	4	**50.0**	96.9
Depreciation	2	**681.3**	1 004.4
Fair value gain on investments at fair value through profit or loss	6	**(29.6)**	(193.5)
Long term provisions raised and released	19	**3.7**	8.6
Provisions for obligations raised and released	25	**231.5**	149.9
Profit on disposal of property, plant and equipment		**(17.2)**	(15.0)
Loss on disposal of property, plant and equipment		**0.2**	0.6
Share-based payment expense		**3.8**	27.1
Impairment of assets		**240.5**	10.5
Impairment of goodwill		**126.2**	-
Impairment of associate		**1.5**	-
Reversal of impairments of assets		**(28.0)**	(28.1)
Lease reassessment		**(2.0)**	(22.0)
Loss of control of subsidiaries ^		**1 156.9**	-
Foreign exchange and other non-cash items		**116.0**	(24.0)
Changes in working capital:		**699.0**	(1 353.0)
Inventories		**(100.0)**	(94.0)
Contracts-in-progress, contract receivables and trade and other receivables		**(2 353.0)**	(91.0)
Trade and other payables		**5 499.0**	(103.0)
Subcontractor liabilities and amounts due to contract customers		**(2 347.0)**	(1 065.0)
		537.7	254.5

** The loss before interest and taxation from discontinued operations includes the loss on loss of control of MRPL Group and Insig and the related costs of voluntary administration.*

NET CASH/DEBT RECONCILIATION

	Net cash and cash equivalents*	Borrowings (including leases)*	Total
Net cash/(debt) at 30 June 2021	3 603.9	(2 894.5)	709.4
Total decrease in cash and cash equivalents	(1 658.6)	-	(1 658.6)
Loans raised	-	(634.9)	(634.9)
Loans repaid	-	844.8	844.8
Leases repaid	-	420.8	420.8
Leases raised (non-cash)	-	(501.4)	(501.4)
Asset based finance raised	-	(414.9)	(414.9)
Lease reassessment and modification	-	55.8	55.8
Overdraft drawdowns	-	(1 415.4)	(1 415.4)
Overdraft repayments	-	1 347.8	1 347.8
Foreign exchange movements	177.5	(72.0)	105.5
Other	-	68.1	68.1
Net cash/(debt) at 30 June 2022	**2 122.8**	**(3 195.8)**	**(1 073.0)**
Total increase in cash and cash equivalents	**231.1**	**-**	**231.1**
Loans raised	**-**	**(1 981.0)**	**(1 981.0)**
Loans repaid	**-**	**1 800.1**	**1 800.1**
Leases repaid	**-**	**124.5**	**124.5**
Leases raised (non-cash)	**-**	**(105.5)**	**(105.5)**
Asset based finance raised	**-**	**(145.8)**	**(145.8)**
Lease reassessment and modification	**-**	**(89.0)**	**(89.0)**
Overdraft drawdowns	**-**	**(1 303.0)**	**(1 303.0)**
Overdraft repayments	**-**	**2 207.1**	**2 207.1**
Loss of control of subsidiaries ^	**(1 298.4)**	**1 232.8**	**(65.6)**
Foreign exchange movements	**217.0**	**(79.8)**	**137.2**
Other	**-**	**5.7**	**5.7**
Net cash/(debt) at 30 June 2023	**1 272.5**	**(1 529.7)**	**(257.2)**

** During the current year, the Group reassessed the classification of bank overdrafts as a component of cash and cash equivalents and identified that the bank overdraft did not fluctuate in the current and prior financial year from being overdrawn to a positive balance. It has therefore been concluded that the bank overdraft no longer formed an integral part of the Group's cash management, and instead represents a form of financing and the related cash flow movements are now presented as cash flows from financing activities. The statement of cash flows is therefore restated for the prior year. Please refer to note 41 for further information.*

^Restated for discontinued operations. Refer to note 31 and 32 for further details.

Notes to the annual financial statements

35. TAXATION PAID

ALL AMOUNTS ARE EXPRESSED IN MILLIONS OF RANDS

	2023	2022
Taxation receivable at the beginning of year	**(139.5)**	(90.4)
Foreign exchange movements	**(5.3)**	(12.5)
Taxation charged to the statement of financial performance, excluding deferred taxation	**(40.1)**	(266.4)
Acquisition of business	**-**	0.2
Loss of control of subsidiaries *	**67.4**	-
Taxation unpaid at the end of the year	**(10.6)**	139.5
	(128.1)	(229.6)
Taxation unpaid at the end of the year comprises of:		
Current taxation assets	**(36.0)**	(47.0)
Current taxation liabilities	**25.4**	186.5
	(10.6)	139.5

**Restated for discontinued operations. Refer to note 31 and note 32 for further details.*

36. JOINT OPERATIONS

ALL AMOUNTS ARE EXPRESSED IN MILLIONS OF RANDS

These are joint arrangements where the joint operators have rights to the assets and obligations for the liabilities relating to the arrangement.

36.1 DETAILS OF SIGNIFICANT JOINT OPERATIONS

	Nature of Activities	**Principal place of business and country of incorporation**	**2023 % Shareholding**	2022 % Shareholding
The Group has the following significant joint operations:				
Mining				
Boipelo Mining Contractors	Coal Mining	South Africa	**49.0**	49.0
Consorcio TNT Vial y Vivies - DSD Chile Ltda	EPC - Spence SGO and SRR project	Chile	**50.0**	50.0
Constructora SK-TNT Ltda^	EPC - Centinela DMC project	Chile	**51.0**	51.0

The criteria used to determine significant joint operations include contribution to revenue or the Group's share of obligations. A monetary threshold of R100 million has been used to determine significant joint operations for the current year.

^ Threshold not met in current year but joint operation reflected as the entity's operations are expected to increase going forward.

37. CONTINGENT LIABILITIES

ALL AMOUNTS ARE EXPRESSED IN MILLIONS OF RANDS

As a contracting Group, Murray & Roberts is in the ordinary course of its business involved in various disputes, a number of which arise when operations and projects are closed out and finalised. Depending on the merits, disputes can translate into claims and legal proceedings, which Murray & Roberts always rigorously defends. Where Murray & Roberts, in consultation with its legal advisors and counsel, believes the claims are predicated on weak and/or spurious grounds, and Murray & Roberts has sound and strong defences, no provision is made for any such claim, and they are aggregated and disclosed as contingent liabilities. In relation to contingent liabilities, the reduction noted is due to a resolution of certain claims. The Board does not believe that adverse decisions in any pending proceeding or claims against the Group will have a material adverse effect on the financial condition or future of the Group. The Group does not account for any potential contingent liabilities where a back-to-back arrangement exists with the clients or subcontractors and there is a legal right to offset (R1,6 billion). The decrease in financial institution guarantees is mainly attributable to the Group placing the MRPL Group into voluntary administration as well as a reduction in local facilities.

	2023	2022
Contingent liabilities	**3 004.5**	5 334.1
Financial institution guarantees given to third parties	**2 522.1**	8 517.7
Contingent liabilities and guarantees given to third parties arising from interests in joint operations included above amounted to^:	**1 389.8**	2 916.1

^ Until the airport claim in the Middle East is resolved, which is now 15 years post delivery of the project, through existence of a parent company guarantee, the Group has a potential contingent liability for any adverse determination against the Group by a Tribunal. No such tribunal has been established and it is the Group's expectation that the matter should be resolved in its favour. No amount is included above due to the unlikelihood of any such claim and no tribunal being established to determine any such amount.

Notes to the annual financial statements

38. FINANCIAL RISK MANAGEMENT

ALL AMOUNTS ARE EXPRESSED IN MILLIONS OF RANDS

38.1 CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern (further detail provided in note 45) whilst maximising the return to stakeholders through optimisation of the debt and equity balances.

The capital structure of the Group consists of debt, which includes borrowings as disclosed in note 17 and note 24 and equity attributable to owners of Murray & Roberts Holdings Limited, comprising issued reserves and retained earnings as disclosed.

The Group has a target gearing ratio of 30%-45% determined on the proportion of debt to equity. The gearing ratio for the current financial year is 55% (excluding the impact of previously recognised operating leases and project specific asset-based finance) due to the reduction in equity as a result of the deconsolidation of the MRPL Group and Insig.

The deconsolidation of the MRPL Group had an impact on covenant triggers and cash flows for the period ended 30 June 2023. As a result, the South African Group would have been in breach of covenants in place for the term loan with the South African lender consortium as at 30 June 2023. A covenant measurement waiver was therefore obtained for the measurement period of 30 June 2023. It was also agreed that the covenants would be renegotiated, considering the current Group structure.

Covenants in Cementation Canada Inc. were met at 30 June 2023.

Details of all debt covenants in the Group have been reflected in the table below:

Facility	**Toronto Dominion Bank Facility - Cementation Canada Inc.**	**SA Lenders - SA Group**
Covenant Trigger and Proximity to being breached	1) Current Ratio: Requirement - equals or exceeds 1.25:1; Actual - 1.67:1 2) Debt Service Coverage Ratio: Requirement - equals or exceeds 1.25:1; Actual - 2.33:1 3) Total Funded Debt/EBITDA Ratio: Requirement - does not exceed 2.5:1; Actual - 0.98:1 4) Concentration of EBITDA and fixed assets in Obligors: Requirement - minimum of 100%; Actual - 102% 5) Capital Expenditures: Requirement - maximum of CAD40 million; Actual - CAD27,6 million 6) Investments: Requirement - maximum of CAD15 million; Actual - CAD13,3 million 7) Acquisitions: Requirement - maximum of CAD25 million; Actual - CADnil Sufficient headroom deemed available for all debt covenants reflected above.	1) Interest Cover: Requirement - equals or exceeds 1.65x; Actual - [-0.6x] 2) Debt to EBITDA: Requirement - does not exceed 7.5x; Actual - [-8.75x] 3) Overdraft Facility Headroom: Requirement - equals or exceeds R50 million on a six-month forward looking basis; Actual - Six month forecast indicate headroom equals or exceeds R50 million 4) Unprovided for capital expenditure: Requirement - does not exceed R10 million; Actual - Rnil million 5) Guarantor Threshold Test: (i) Requirement - Aggregate EBITDA and Revenue the Obligors (excl. MRUK) greater than 90% of the aggregated EBITDA and Revenue of SA Group; Actual - 99% (ii) Requirement - Gross assets of the Obligors (excl. MRUK) greater than 85% of aggregated gross assets of the SA Group; Actual - 99% A covenant measurement waiver was obtained for the measurement period of 30 June 2023.

The Board reviews the Group's debt usage and considers the risk thereof. The Group is subject to externally imposed capital requirements in the form of financial covenants which are actively managed by the Board.

38.2 FINANCIAL INSTRUMENTS

The Group does not trade in financial instruments but, in the normal course of operations, is exposed to currency, credit, interest and liquidity risk.

In order to manage these risks, the Group may enter into transactions that make use of financial instruments. The Group's financial instruments consist mainly of deposits with banks, short term investments, accounts receivable and payable and interest bearing borrowings.

Categories of financial instruments

	Note	**2023**	2022
Financial assets			
Financial assets at fair value through profit or loss (level 3)	6	**-**	1 442.2
Financial assets measured at amortised cost		**2 981.1**	7 035.9
Financial assets measured at amortised cost - held-for-sale	32	**991.6**	861.7
Financial liabilities			
Financial liabilities measured at amortised cost		**4 046.9**	9 427.4
Financial liabilities measured at amortised cost - held-for-sale	32	**980.8**	844.8

The fair value hierarchy introduces 3 levels of inputs based on the lowest level of input significant to the overall fair values:

Level 1 - quoted prices for similar instruments
Level 2 - directly observable market inputs other than Level 1 inputs
Level 3 - inputs not based on observable market data

Notes to the annual financial statements

38. FINANCIAL RISK MANAGEMENT (continued)

ALL AMOUNTS ARE EXPRESSED IN MILLIONS OF RANDS

38.3 MARKET RISK

The Group operates in various countries and is exposed to the market risk evident in each specific country. The primary market risks identified relate to foreign currency fluctuations and interest rate fluctuations. The sensitivities relating to these market risks are detailed in notes 38.4 and 38.5.

38.4 FOREIGN CURRENCY AND TRANSLATION RISK MANAGEMENT

The Group has major operating entities in Canada and America and hence has an exposure to fluctuations in exchange rates. The Group does not have operating entities in Australia as at 30 June 2023 due to the voluntary administration of MRPL and its subsidiaries and Insig. The Group may, from time-to-time, hedge its foreign currency exposure for either purchase or sale transactions through the use of foreign currency forward exchange contracts although no such significant transactions occurred in the current financial year.

Foreign currency and translation sensitivity

The Group is mainly exposed to the currencies of Canada and the United States of America. The following table details the Group's major foreign currencies and the sensitivity of a 1% decrease in the Rand against the relevant currencies. A 1% increase in the Rand would have an inverse, proportionate impact. The sensitivity includes only foreign currency denominated monetary items and adjusts their translation at the period end for a change in foreign currency rates. A positive number indicates an increase in profit and equity where the Rand weakens against the relevant currencies.

	Assets		**Liabilities**	
	2023	2022	**2023**	2022
Canadian Dollar	**12.5**	11.0	**(3.8)**	(2.7)
US Dollar	**9.4**	22.3	**(3.7)**	(10.4)

The carrying amount of the significant financial assets are denominated in the following currencies (amounts shown are in Rand equivalent):

	2023	2022
Cash and cash equivalents		
Australian Dollar	**3.7**	849.5
Botswana Pula	**8.6**	8.0
British Pound	**0.9**	8.2
Canadian Dollar	**753.0**	356.7
Mexican Peso	**-**	1.4
Chile Pesos	**24.0**	160.4
European Euro	**-**	31.0
Ghanaian New Cedi	**5.4**	3.7
Hong Kong Dollar	**-**	2.8
Indonesian Rupiah	**-**	96.4
Malawian Kwacha	**0.1**	0.5
Malaysian Ringgit	**1.8**	1.8
Mongolian Tugrik	**-**	19.3
Mozambican Metical	**0.3**	0.3
Namibian Dollar	**12.4**	12.7
Omani Rial	**0.3**	1.2
Papua New Guinea Kina	**-**	21.6
Singapore Dollar	**-**	5.3
South African Rand	**123.2**	49.6
South Korean Won	**-**	1.0
Swaziland Lilangeni	**-**	9.8
Tanzanian Shilling	**0.1**	3.9
Thai Baht	**-**	1.3
UAE Dirham	**4.5**	4.2
US Dollar	**301.4**	596.3
West African Franc	**23.2**	6.0
Zambian Kwacha	**0.5**	1.9
Other	**0.1**	1.0
	1 263.5	2 255.8

Notes to the annual financial statements

38. FINANCIAL RISK MANAGEMENT (continued)

ALL AMOUNTS ARE EXPRESSED IN MILLIONS OF RANDS

38.4. FOREIGN CURRENCY AND TRANSLATION RISK MANAGEMENT (continued)

	2023	2022
Trade and net contract receivables		
Australian Dollar	**5.3**	519.5
Botswana Pula	**5.6**	1.9
British Pound	**-**	86.2
Canadian Dollar	**494.7**	739.2
Chile Pesos	**42.7**	16.0
Ghanaian New Cedi	**3.1**	-
Indonesian Rupiah	**-**	16.9
Mongolian Tugrik	**-**	41.5
Namibian Dollar	**0.1**	2.7
Omani Rial	**43.0**	37.3
Papua New Guinea Kina	**-**	48.9
South African Rand	**383.1**	307.1
US Dollar	**638.1**	1 635.9
West African Franc	**6.7**	5.9
Zambian Kwacha	**8.5**	4.6
Other	**-**	6.4
Gross receivables	**1 630.9**	3 470.0
Contract receivables provisions	**(38.2)**	(55.9)
	1 592.7	3 414.1

The carrying amounts of the significant financial liabilities are denominated in the following currencies (amounts are shown in Rand equivalent):

Bank overdrafts		
South African Rand	**475.9**	1 516.7
UAE Dirham	**2.8**	-
Other	**0.7**	9.1
	479.4	1 525.8

	2023	2022
Trade payables and subcontractor liabilities		
Australian Dollar	**47.0**	1 794.3
Botswana Pula	**16.0**	14.3
British Pound	**-**	1.7
Canadian Dollar	**372.9**	271.4
Chile Pesos	**72.0**	61.9
European Euro	**-**	323.5
Indonesian Rupiah	**-**	0.4
Malawian Kwatcha	**0.5**	0.4
Malaysian Ringgit	**1.2**	1.3
Mongolian Tugrik	**-**	11.5
Namibian Dollar	**0.2**	5.3
Omani Rial	**96.2**	85.1
Papua New Guinea Kina	**-**	135.5
Singapore Dollar	**-**	-
South African Rand	**284.5**	268.4
Thai Baht	**-**	0.7
USA Dollar	**157.8**	870.6
Zambian Kwacha	**-**	0.4
Other	**0.5**	1.5
Gross liabilities	**1 048.8**	3 848.2

Notes to the annual financial statements

38. FINANCIAL RISK MANAGEMENT (continued)

ALL AMOUNTS ARE EXPRESSED IN MILLIONS OF RANDS

38.4. FOREIGN CURRENCY AND TRANSLATION RISK MANAGEMENT (continued)

	2023	2022
Interest bearing liabilities		
Australian Dollar	**66.0**	263.5
British Pound	**24.6**	82.5
Canadian Dollar	**8.9**	-
Mongolian Tugrik	**-**	6.0
Namibian Dollar	**11.4**	126.8
South African Rand	**578.9**	501.0
US Dollar	**207.8**	169.8
	897.6	1 149.6
Non-interest bearing liabilities		
Australian Dollar	**-**	5.6
	-	5.6

38.5. INTEREST RATE RISK MANAGEMENT

Interest rate sensitivity

The Group is exposed to interest rate risk through its global operations in different geographical regions whereby interest rates vary in response to prevailing market rates. Furthermore, the Group utilises various forms of financing including significant usage of variable interest rate debt which increases its exposure to interest rate risk. The Group manages the impact of adverse interest rate movements through the use of interest rate management hedges should the need arise. There has been no use of interest rate hedges in the previous five years, however, the group policy does make provision for this. Negotiation of borrowing facilities are managed through the Corporate Office in South Africa and through the platform financial executives for offshore entities. Interest rate management including debt servicing is optimised and reviewed continually.

The sensitivity analysis below has been determined based on the exposure to interest rates for both derivative and non-derivative instruments at reporting date as well as changes to interest rates in both local and foreign markets. It assumes the stipulated change takes place at the beginning of the financial year and is held constant throughout the reporting period in the case of instruments that have floating rates.

The table below illustrates the Group's sensitivity on profits had the interest rates been 100 basis points higher and all other variables were held constant. A positive number indicates an increase in profit and other equity (in Rands) as a consequence of change in interest rates which are based on the prime interest rates of the countries listed below.

	2023	2022
South Africa		
Basis points increase	**100.0**	100.0
Effect on profit and loss	**(9.4)**	(19.9)
Canada		
Basis points increase	**100.0**	100.0
Effect on profit and loss	**7.4**	3.6
United States of America		
Basis points increase	**100.0**	100.0
Effect on profit and loss	**0.9**	4.0

Notes to the annual financial statements

38. FINANCIAL RISK MANAGEMENT (continued)

38.6. CREDIT RISK MANAGEMENT

Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in financial loss to the Group. Potential areas of credit risk consist of cash and cash equivalents, trade and other receivables (net of provisions) and contract receivables (net of provisions).

Credit quality

Cash and cash equivalents :
The Group only deposits its money with large reputable financial institutions. Below are the credit ratings in relation to the financial institutions the Group holds cash and cash equivalents with:

Financial Institution	Rating Agency	Rating
Standard Bank	Fitch	BB-
ABSA	Fitch	BB-
Nedbank	Standard & Poors	BB-
Rand Merchant Bank	Standard & Poors	BB-
Toronto Dominium Bank	Standard & Poors	AA-
Bank of America	Fitch	AA-
Scotia Bank	Fitch	A+
Banco Itau	Fitch	AA-

Trade and other receivables:
Trade and other receivables subject to credit risk consist mostly of amounts owing by joint operations and partners and other receivables.

Amounts owing by joint arrangements and partners:
These receivables are governed by joint arrangement agreements that set out the rights and obligations of each partner. Joint arrangement partners are subject to financial reviews before a partnership is entered into and the risk relating to the partner is constantly monitored to assess any risks as they arise. The current financial year amount decreased significantly due to the loss of control of MRPL and its subsidiaries. The ECL assessment has been performed (evaluating all factors as outlined under contract receivables) resulting in an insignificant credit loss. All amounts have been evaluated on an entity specific basis and the credit risk has been deemed low based on the assessment performed.

Other receivables:
Relates mostly to the rendering of services to the same customer base as described under contract receivables. Other receivables is assessed with the contract receivables when assessing credit risk. The ECL allowance assessment performed in the current financial year resulted in an insignificant credit loss.

Amounts due from contract customers:
Over the last five financial years the impairment and/or write-off of contract and trade receivables from continuing operations has been below R35 million per year on an average revenue of R16,8 billion and contract and trade receivables balance of R2,8 billion.

The Group's client base across the Group are mainly entities with a large market capitalisation and US parastatals.

Each operating platform assesses the project risk (including credit risk) before a decision is made to tender. Higher risk projects are presented to the Group Audit & Risk Committee and the Group's Board to obtain approval to tender. Often approval will be granted subject to reducing the identified risk to an acceptable level. For clients where the credit risk is considered higher than normal, payment guarantees and/or property liens (Americas) would be obtained.

Certain projects (specifically in the mining sector) are lender financed and are indirectly controlled by such lenders. Lenders may, for example, include a requirement that a reputable contractor be used to execute the project or certain sections thereof. Lender financed projects reduce the overall credit risk on a project as the client would have been required to illustrate the financial viability of the project as well as the ability to repay the debt to the relevant financial institution, whilst being subject to debt covenants over the repayment period of the debt.

During the execution of projects, the work performed is certified and is therefore liquid and executable, which enables the Group to use the necessary commercial rights to its disposal to recover amounts receivable once they become due.

Receivables relating to uncertified claims and variations (i.e. uncertified revenue) are assessed in terms of IFRS 15. The Group utilises experts to assess probabilities (of revenue not reversing) in determining the amount to be recognised as uncertified revenue. An ECL allowance assessment was thereafter performed on uncertified claims and revenue balances and was noted to be insignificant. The factors outlined below (both macroeconomic and forward-looking information) were taken into account by adjusting the loss given default rate in arriving at this conclusion. The ECL allowance for uncertified claims and variations was performed on a customer specific basis for all customers (the client base mainly reflecting large listed customers with a large capitalisation and strong balance sheets). Factors outlined below indicated that there no significant increase in credit risk compared to the prior financial year.

ECLs are assessed on a customer specific basis, taking into account macroeconomic factors and forward-looking information impacting the customer.

Macroeconomic information considered for each customer, in assessing ECLs, includes the following:
- The industry and trading conditions in the relevant domestic markets in which the customer operates;
- Commodity prices impacting the customer's revenue;
- The political environment and geographical location impacting the customer's industry;
- Economic growth and inflationary outlook in the short term, relevant to the customer.

The following customer specific forward-looking information is considered in the ECL assessments:
- Macroeconomic forecasts relevant to the customer as mentioned above;
- External credit ratings for customers;
- Outlook information on customers published;
- Forecast financial information where available.

The above forward looking and macroeconomic information is evaluated and the loss given default rate applied to the balances are adjusted to take the above factors into account in determining an appropriate ECL allowance.

Notes to the annual financial statements

38. FINANCIAL RISK MANAGEMENT (continued)

38.6. CREDIT RISK MANAGEMENT (continued)

The COVID-19 impact was considered in our estimation of the ECL allowance by assessing the amounts due from contract customers balances and the expectation of recovery taking into account the COVID-19 impacts experienced. This included assessing whether receipts were delayed as a result of COVID-19 and whether collection plans were agreed in order to provide immediate relief to debtors where required. In the current financial year, no receipts were delayed nor collection plans revised as a result of COVID-19.

Furthermore, the Group's international scope includes market sectors with robust fixed capital investment fundamentals. These market sectors are expected to benefit from substantial stimulus earmarked for post COVID-19 infrastructure-led economic recovery, that also seeks to sustainably meet the needs of a growing and urbanising global population. The Mining platform did well with most mines fully functional in the current financial year. The Americas region experienced a prolonged period of COVID-19 impact which created uncertainty and slowed down investment decisions of mining companies, but new awards are evidence of new mining investments. Recovery of the world economy, fuelled by stimulus programmes of major governments, has resulted in significantly increased demand for commodities. Commodity prices are projected to continue their upward trend. The limited investment opportunity in the PIW platform was pre-COVID and no further COVID-19 risks have arisen in this platform in the current year.

Based on the assessment performed, the recoverability of amounts outstanding were not deemed to be at any further risk in terms of COVID-19.

No credit impaired assets contain any significant payment guarantees and collateral held as security.

The Group applies the simplified approach permitted by IFRS 9, which requires lifetime losses to be recognised from initial recognition of the receivable. At year end management believed that there was not considered to be a significant increase in credit risk relating to the respective assets outlined above.

The following represents the Group's maximum exposure, at reporting date to credit risk and after allowance for impairment and netting where appropriate.

ALL AMOUNTS ARE EXPRESSED IN MILLIONS OF RANDS

	Bombela & Middle East	Power, Industrial & Water	Mining	Energy, Resources & Infrastructure	Corporate & Properties	Group
2023						
Cash and cash equivalents	**11.9**	**57.6**	**1 184.4**	**-**	**9.6**	**1 263.5**
Trade and other receivables (net of provisions)	**0.6**	**71.2**	**70.2**	**-**	**42.3**	**184.3**
Contract receivables (net of provisions)	**43.0**	**37.9**	**1 450.8**	**-**	**-**	**1 531.7**
Assets held-for-sale	**991.6**	**-**	**-**	**-**	**-**	**991.6**
Total assets subject to credit risk	**1 047.1**	**166.7**	**2 705.4**	**-**	**51.9**	**3 971.1**
Assets not subject to credit risk	**89.2**	**684.1**	**3 572.3**	**-**	**70.6**	**4 416.2**
Total assets	**1 136.3**	**850.8**	**6 277.7**	**-**	**122.5**	**8 387.3**
2022						
Cash and cash equivalents	21.3	33.0	1 028.9	1 144.4	28.2	2 255.8
Trade and other receivables (net of provisions)	171.5	66.4	109.7	1 016.2	21.1	1 384.9
Contract receivables (net of provisions)	37.3	62.1	1 708.6	1 583.4	-	3 391.4
Non-current receivables	-	-	-	2.1	-	2.1
Total assets subject to credit risk	230.1	161.5	2 847.2	3 746.1	49.3	7 034.2
Assets not subject to credit risk	2 361.8	520.4	4 142.9	5 620.5	622.9	13 268.5
Total assets	2 591.9	681.9	6 990.1	9 366.6	672.2	20 302.7
Financial assets subject to credit risk*						
2023						
Not past due	**1 174.5**	**72.9**	**2 432.1**	**-**	**13.4**	**3 692.9**
Past due	**43.1**	**103.8**	**321.9**	**-**	**41.9**	**510.7**
Provisions for impairments	**(170.5)**	**(10.0)**	**(48.6)**	**-**	**(3.4)**	**(232.5)**
Carrying value of financial assets	**1 047.1**	**166.7**	**2 705.4**	**-**	**51.9**	**3 971.1**

** Not past due relates to invoices not past the expected payment date for trade receivables, contract receivables and other receivables. Included in not past due is also cash and cash equivalents.*

Notes to the annual financial statements

38. FINANCIAL RISK MANAGEMENT (continued)

ALL AMOUNTS ARE EXPRESSED IN MILLIONS OF RANDS

38.6. CREDIT RISK MANAGEMENT (continued)

	Bombela & Middle East	Power, Industrial & Water	Mining	Energy, Resources & Infrastructure	Corporate & Properties	Group
2022						
Not past due	179.4	100.5	2 537.9	2 162.6	46.4	5 026.8
Past due	50.7	72.0	355.7	1 583.5	5.7	2 067.6
Provisions for impairments	-	(11.0)	(46.4)	-	(2.8)	(60.2)
Carrying value of financial assets	230.1	161.5	2 847.2	3 746.1	49.3	7 034.2

Financial assets that are past due, but not impaired

These are assets where contractual payments are past due, but where the Group does not expect a credit loss or future impairment as there has not been a significant change in credit quality and the amounts are still considered to be recoverable.

Over the last five financial years the impairment and/or write-off of contract and trade receivables from continuing operations has been below R35 million per year on an average revenue of R16,8 billion and contract and trade receivables balance of R2,8 billion.

An impairment of R20,1 million was recognised on trade and contract receivables, mainly due to a customer entering the business rescue process.
An amount of R3,3 million is considered to be past due, but not impaired for trade receivables whilst an amount of R241,6 million is considered past due, but not impaired for contract debtors. Per the table below, the financial assets past due, but not impaired have decreased mainly due to the loss of control of MRPL and its subsidiaries as well as Insig.

The credit quality of this category of financial assets that are neither passed due nor impaired ("not passed due") are considered appropriate.

The age of receivables that are past due but not impaired is:

	< Three months	Three to six months	Six to twelve months	> Twelve months	Total
2023					
Trade receivables	**2.3**	**0.5**	**0.5**	**-**	**3.3**
Contract receivables	**145.9**	**58.7**	**20.4**	**108.0**	**333.0**
Other receivables	**74.5**	**11.8**	**31.7**	**56.4**	**174.4**
	222.7	**71.0**	**52.6**	**164.4**	**510.7**
2022					
Trade receivables	0.3	0.2	-	-	0.5
Contract receivables	1 585.0	41.4	72.6	203.7	1 902.7
Other receivables	48.1	4.8	25.0	86.5	164.4
	1 633.4	46.4	97.6	290.2	2 067.6

Loss allowance per segment

The Group decided to apply the simplified approach permitted by IFRS 9, which requires lifetime losses to be recognised from initial recognition of the receivable. At year end management believed that any material credit risk exposure was covered by ECL provisions.

	Bombela & Middle East	Power, Industrial & Water	Mining	Energy, Resources & Infrastructure	Corporate & Properties	Group
2023						
Trade receivables	**170.5**	**-**	**27.6**	**-**	**3.4**	**201.5**
Contract receivables	**-**	**10.0**	**21.0**	**-**	**-**	**31.0**
	170.5	**10.0**	**48.6**	**-**	**3.4**	**232.5**
2022						
Trade receivables	-	1.0	0.6	-	2.8	4.4
Contract receivables	-	10.0	45.8	-	-	55.8
	-	11.0	46.4	-	2.8	60.2

Notes to the annual financial statements

38. FINANCIAL RISK MANAGEMENT (continued)

ALL AMOUNTS ARE EXPRESSED IN MILLIONS OF RANDS

38.6. CREDIT RISK MANAGEMENT (continued)

Reconciliation of loss allowance

	Bombela & Middle East	Power, Industrial & Water	Mining	Energy, Resources & Infrastructure	Corporate & Properties	Group
2023						
Balance at the beginning of the year	**-**	**11.0**	**46.4**	**-**	**2.8**	**60.2**
Raised during the year	**170.5**	**-**	**43.9**	**-**	**-**	**214.4**
Utilised during the year	**-**	**(1.0)**	**(17.9)**	**-**	**-**	**(18.9)**
Released during the year	**-**	**-**	**(28.0)**	**-**	**-**	**(28.0)**
Foreign exchange movements	**-**	**-**	**4.2**	**-**	**0.6**	**4.8**
	170.5	**10.0**	**48.6**	**-**	**3.4**	**232.5**

The ECL allowances raised in the current year, mainly relates to the provision raised in the Middle East due to the negative litigation appeal outcome, and a portion of a non-refundable contract obligation. The release of the ECL allowance in the current year relates mainly to a favourable arbitration ruling.

2022						
Balance at the beginning of the year	-	13.2	66.4	-	-	79.6
Raised during the year	-	-	-	-	3.5	3.5
Utilised during the year	-	(1.7)	-	-	-	(1.7)
Released during the year	-	(0.5)	(26.0)	-	(0.7)	(27.2)
Foreign exchange movements	-	-	6.0	-	-	6.0
	-	11.0	46.4	-	2.8	60.2

Notes to the annual financial statements

38. FINANCIAL RISK MANAGEMENT (continued)

ALL AMOUNTS ARE EXPRESSED IN MILLIONS OF RANDS

38.7. LIQUIDITY RISK MANAGEMENT

The ultimate responsibility for liquidity risk management rests with the Board of directors. The Group's liquidity risk management involves maintaining sufficient cash and available funding through borrowing facilities to meet obligations when due. Management monitors rolling cash flow forecasts of the Group's liquidity reserves comprising debt, undrawn borrowing facilities and cash and cash equivalents based on expected cash flows. Cash flow forecasts are compiled by each business unit in accordance with the requirements set by the Group. Additional borrowing facilities that the Group has at its disposal to reduce liquidity risk are listed in the table below. Certain financial institution borrowing facilities restrict the movement of cash internationally between related group entities, before obtaining approval. The Group manages these restrictions by ensuring that the appropriate level of facilities are in place within different operating regions. Currently, the four South African lending banks are permitting drawdowns against the overdraft facilities. However, the remaining facilities which are currently fully drawn are not available for utilisation as they reduce, and the Group is exploring alternative facility providers.

Borrowing capacity

The Company's borrowing capacity is unlimited in terms of its Memorandum of Incorporation.

ALL AMOUNTS ARE EXPRESSED IN MILLIONS OF RANDS

Borrowing facilities

2023

	Local			Foreign		
	Utilised	**Available**	**Total**	**Utilised**	**Available**	**Total**
Direct Facilities						
Long term funding	**350.0**	**-**	**350.0**	**150.3**	**853.9**	**1 004.2**
Short term funding (overdraft facility)	**476.0**	**174.1**	**650.1**	**24.6**	**-**	**24.6**
Short term funding (cash management facility)	**-**	**74.4**	**74.4**	**-**	**-**	**-**
Asset based finance	**443.8**	**3.6**	**447.4**	**132.2**	**133.5**	**265.7**
Letters of credit	**-**	**5.5**	**5.5**	**-**	**-**	**-**
Other	**-**	**-**	**-**	**-**	**-**	**-**
	1 269.8	**257.6**	**1 527.4**	**307.1**	**987.4**	**1 294.5**
Indirect Facilities						
Guarantees	**1 862.9**	**-**	**1 862.9**	**659.2**	**517.2**	**1 176.4**
Foreign Exchange Contracts	**-**	**5.0**	**5.0**	**-**	**-**	**-**
Derivatives	**52.1**	**1.9**	**54.0**	**-**	**-**	**-**
	1 915.0	**6.9**	**1 921.9**	**659.2**	**517.2**	**1 176.4**
Total	**3 184.8**	**264.5**	**3 449.3**	**966.3**	**1 504.6**	**2 470.9**

2022

	Local			Foreign		
	Utilised	**Available**	**Total**	**Utilised**	**Available**	**Total**
Direct Facilities						
Long term funding	195.8	-	195.8	280.0	780.8	1 060.8
Short term funding (overdraft facility)	1 516.5	258.5	1 775.0	229.2	382.6	611.8
Short term funding (cash management facility)	-	11.0	11.0	-	-	-
Asset based finance	813.0	99.4	912.4	131.5	1 073.4	1 204.9
Letters of credit	59.3	15.7	75.0	-	35.6	35.6
Other	37.8	132.2	170.0	13.1	32.5	45.6
	2 622.4	516.8	3 139.2	653.8	2 304.9	2 958.7
Indirect Facilities						
Guarantees	2 263.4	968.8	3 232.2	6 393.5	3 151.4	9 544.9
Foreign Exchange Contracts	2.2	93.1	95.3	-	-	-
Derivatives	-	13.0	13.0	-	-	-
	2 265.6	1 074.9	3 340.5	6 393.5	3 151.4	9 544.9
Total	4 888.0	1 591.7	6 479.7	7 047.3	5 456.3	12 503.6

Notes to the annual financial statements

38. FINANCIAL RISK MANAGEMENT (continued)

38.8. MATURITY PROFILE OF FINANCIAL INSTRUMENTS

The maturity profile of the recognised financial instruments are summarised as follows. These profiles represent the undiscounted cash flows that are expected to occur in the future.

2023	Notes	Within 1 year	Within the 2nd year	Within 3 to 5 years	Payable after the 5th year	Total
Financial liabilities						
Bank overdrafts	10 & 41	**479.4**	**-**	**-**	**-**	**479.4**
Interest bearing liabilities*	17	**321.8**	**448.3**	**148.2**	**-**	**918.3**
Non-interest bearing liabilities	17	**-**	**-**	**-**	**-**	**-**
Trade and other payables	23	**2 305.8**	**-**	**-**	**-**	**2 305.8**
Subcontractor liabilities	22	**145.2**	**-**	**-**	**-**	**145.2**
Long-term payables	21	**-**	**121.3**	**106.4**	**-**	**227.7**
Financial liabilities held for sale		**980.8**	**-**	**-**	**-**	**980.8**

The current maturity of the recognised financial instruments are as follows:

		< Three months	Three to six months	Six to twelve months	Total
Bank overdrafts	10 & 41	**3.4**	**176.0**	**300.0**	**479.4**
Interest bearing liabilities*	17	**124.4**	**58.2**	**139.2**	**321.8**
Non-interest bearing liabilities	17	**-**	**-**	**-**	**-**
Trade and other payables	23	**1 859.9**	**365.3**	**80.6**	**2 305.8**
Subcontractor liabilities	22	**35.0**	**2.0**	**108.2**	**145.2**
Long-term payables	21	**-**	**-**	**-**	**-**
Financial liabilities held for sale		**-**	**-**	**980.8**	**980.8**

2022						
Financial liabilities						
Bank overdrafts	10 & 41	1 525.8	-	-	-	1 525.8
Interest bearing liabilities*	17	426.8	311.8	435.8	-	1 174.4
Non-interest bearing liabilities	17	5.6	-	-	-	5.6
Trade and other payables	23	5 264.2	-	-	-	5 264.2
Subcontractor liabilities	22	1 399.3	-	-	-	1 399.3
Other payables		21.3	21.3	63.9	63.5	170.0
Financial liabilities held for sale		844.8	-	-	-	844.8

** Excludes leases*

Notes to the annual financial statements

39. RELATED PARTY TRANSACTIONS, DIRECTORS' EMOLUMENTS AND INTEREST

ALL AMOUNTS ARE EXPRESSED IN MILLIONS OF RANDS

39.1. IDENTITY OF RELATED PARTIES

The Group has a related party relationship with its subsidiary companies (Annexure 1), joint operations (note 36), retirement and other benefit plans (note 18) and with its directors, prescribed officers and key management personnel.

39.2. RELATED PARTY TRANSACTIONS AND BALANCES

During the year the Company and its related parties, in the ordinary course of business, entered into various inter-group sale and purchase transactions. These transactions are no less favourable than those arranged with third parties.

Balances between the Company and the subsidiaries have been eliminated on consolidation and are not disclosed in this note.

No significant disclosable transactions with related parties other than key management remuneration were entered into during the year.

39.3. TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL

The key management personnel compensation, excluding the directors and prescribed officers are:

	2023	2022
Salaries	**18.4**	29.2
Retirement fund contributions	**1.2**	2.4
Allowances	**0.1**	0.4
Other benefits	**0.1**	3.1
Total guaranteed remuneration	**19.8**	35.1
Gain on Forfeitable Share Awards	**1.3**	1.9
Performance related	**8.9**	12.0
	30.0	49.0

Executive Directors

The remuneration of executive directors for the year ended 30 June 2023 was as follows:

	Total guaranteed remuneration R'000	**Performance related * R'000**	**Gain on Forfeitable Share Awards R'000**	**Other** R'000**	**Total R'000**
2023					
DF Grobler	**6 061**	**1 395**	**1 643**	**-**	**9 099**
HJ Laas	**8 337**	**2 501**	**3 283**	**118**	**14 239**
	14 398	**3 896**	**4 926**	**118**	**23 338**
2022					
DF Grobler	5 113	2 320	2 878	-	10 311
HJ Laas	7 940	4 804	6 095	118	18 957
	13 053	7 124	8 973	118	29 268

* Performance bonuses are accounted for on an accrual basis to match the amount payable to the applicable financial year end. 30% (FY2022: 30%) of the performance bonus was deferred into forfeitable share awards.

**Fringe benefit on company vehicle in FY2023 and FY2022.

Notes to the annual financial statements

39. RELATED PARTY TRANSACTIONS, DIRECTORS' EMOLUMENTS AND INTEREST (continued)

39.3. TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL (continued)

The remuneration of executive directors and key management personnel is determined by the Remuneration and Human Resources Committee having regard to the performance of individuals and market trends.

Prescribed officers

2023	**Total guaranteed remuneration**	**Performance related ***	**Other****	**Gain on Forfeitable Share Awards**	**Total**
	R'000	**R'000**	**R'000**	**R'000**	**R'000**
M Da Costa	**-**	**-**	**175**	**1 174**	**1 349**
S Harrison	**3 986**	**538**	**-**	**577**	**5 101**
IW Henstock (Resigned 12 December 2022)	**775**	**-**	**1 462**	**-**	**2 237**
T Mdluli	**3 842**	**768**	**-**	**761**	**5 371**

2022	**Total guaranteed remuneration**	**Performance related ***	**Other****	**Gain on Forfeitable Share Awards**	**Total**
	R'000	**R'000**	**R'000**	**R'000**	**R'000**
M Da Costa	4 875	2 614	-	1 870	9 359
S Harrison	3 796	660	-	1 400	5 856
IW Henstock	4 650	2 037	73	-	6 760
T Mdluli	3 659	1 336	-	1 298	6 293

AUD	**Total guaranteed remuneration**	**Performance related**	**Other****	**Gain on Forfeitable Share Awards**	**Total**
	AUD'000	**AUD'000**	**AUD'000**	**AUD'000**	**AUD'000**
2023					
M Da Costa	**833**	**138**	**-**	**-**	**971**
P Bennett (Resigned 15 December 2022)	**417**	**-**	**-**	**-**	**417**
2022					
P Bennett	957	725	-	-	1 682

** Performance bonuses are accounted for on an accrual basis to match the amount payable to the applicable financial year end 30% (FY2022: 30%) of the performance bonus was deferred into forfeitable share awards.*

***Payment to purchase private life cover for 2 months, leave payout and 3.5 months consultancy fees.*

Notes to the annual financial statements

39. RELATED PARTY TRANSACTIONS, DIRECTORS' EMOLUMENTS AND INTEREST (continued)

39.3. TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL (continued)

Non-Executive Directors

The level of fees for services as directors, additional fees for service on the board committees and the chairman's fee are reviewed annually.

The remuneration of non-executive directors for the year ended 30 June 2023 excluding Independent Board Fees was:

	Directors fees	Special board	Committee fees	Lead Independent fee	Chairman's fee	Total 2023	Total 2022
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
JA Boggenpoel	380	352	285	-	-	1 017	-
R Havenstein	-	352	-	1 318	-	1 670	1 674
SP Kana	-	-	-	-	1 868	1 868	1 786
NB Langa-Royds[1]	126	186	198	-	-	510	1 348
AK Maditsi	380	352	493	-	-	1 225	1 150
B Mawasha[2]	61		42	-	-	103	1 026
A Muller[3]	380	352	423	-	-	1 155	-
DC Radley[1]	126	186	159	-	-	471	1 236
CD Raphiri	380	352	419	-	-	1 151	1 143
	1 833	2 132	2 019	1 318	1 868	9 170	9 363

[1] *Retired 3 November 2022*
[2] *Resigned 31 August 2022*
[3] *Appointed 1 July 2022*

The remuneration of non-executive directors is submitted to the annual general meeting for approval in advance of such payment being made.

Notes to the annual financial statements

39. RELATED PARTY TRANSACTIONS, DIRECTORS' EMOLUMENTS AND INTEREST (continued)

39.3. TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL (continued)

Share option: The movements in share options of executive directors during the year ended 30 June 2023 are:

Executive directors and prescribed officers

Cash-settled Conditional Rights

Name	Date	Opening Balance	Number of rights allocated	Value at grant date (R'000)	Number settled in the year	Number forfeited in the year	Closing balance
HJ Laas	Sep 19	150 000	-	-	(22 500)	(127 500)	-
HJ Laas	Oct 20	2 103 500	-	-	-	-	2 103 500
HJ Laas	Sep 21	1 477 500	-	-	-	-	1 477 500
D Grobler	Sep 21	701 000	-	-	-	-	701 000
T Mdluli	Sep 21	322 500	-	-	-	-	322 500
S Harrison	Sep 21	297 500	-	-	-	-	297 500
M Da Costa	Sep 21	525 000	-	-	-	-	525 000

Executive directors and prescribed officers

The movements in FSP shares of directors and prescribed officers during the year ended 30 June 2023 are:

	Balance at 1 July 2022	Granted during the year	Vested	Forfeited	**Balance at 30 June 2023**
M Da Costa	1 182 000	-	(65 175)	(369 325)	**747 500**
DF Grobler	1 577 500	805 500	(87 000)	(493 000)	**1 803 000**
S Harrison	843 000	296 000	(52 500)	(297 500)	**789 000**
HJ Laas	1 072 500	-	(160 875)	(911 625)	**-**
T Mdluli	726 000	321 000	(40 050)	(226 950)	**780 000**

The movements in FSP STI shares of directors during the year ended 30 June 2023 are:

	Balance at 1 July 2022	Granted during the year	Vested	Forfeited	**Balance at 30 June 2023**
M Da Costa	124 059	86 952	(65 962)	-	**145 049**
DF Grobler	187 334	77 167	(96 562)	-	**167 939**
S Harrison	21 002	21 946	(11 930)	-	**31 018**
HJ Laas	399 175	-	(205 981)	-	**193 194**
T Mdluli	87 655	44 421	(44 976)	-	**87 100**

Interest of directors in contracts
A register detailing directors' interests in the Company is available for inspection at the Company's registered office.

Directors' service contracts

Executive directors and prescribed officers do not have fixed-term contracts, but are subject to notice periods of three months. Normal retirement of executive directors and senior management is at age 63, however this is subject to specific legislation in the countries within which Murray & Roberts operates.

40. CAPITAL COMMITMENTS

ALL AMOUNTS ARE EXPRESSED IN MILLIONS OF RANDS	**2023**	2022
Approved by the directors, contracted and not provided in the statement of financial position	**13.6**	93.7
Approved by the directors, not yet contracted for	**246.4**	1 421.3
	260.0	1 515.0

Notes to the annual financial statements

41. PRIOR PERIOD RESTATEMENT

During the current year, the Group reassessed the classification of bank overdrafts as a component of cash and cash equivalents and identified that a portion of the bank overdraft did not fluctuate in the current and prior financial year from being overdrawn to a positive balance. It has therefore been concluded that the bank overdraft should not have formed an integral part of the Group's cash management, and instead represents a form of financing and the related cash flow movements should be presented as cash flows from financing activities.

The errors noted above resulted in the Statement of Cash Flows, Note 10 and Note 34 being restated as per below:

Consolidated Statement of Cash Flows

ALL AMOUNTS ARE EXPRESSED IN MILLIONS OF RANDS

	Previously reported	Adjustment	Restated
Cash flows from operating activities	(175.1)	-	**(175.1)**
Cash flows from investing activities	(1 009.1)	-	**(1 009.1)**
Cash flows from financing activities	(542.0)	67.6	**(474.4)**
Net disposal/(acquisition) of treasury shares	88.7	-	**88.7**
Net movement in borrowings	(630.7)	-	**(630.7)**
Net movement in bank overdraft	-	67.6	**67.6**
- Overdraft drawdowns	-	1 415.4	**1 415.4**
- Overdraft repayments	-	(1 347.8)	**(1 347.8)**
Total (decrease)/increase in net cash and cash equivalents	(1 726.2)	67.6	**(1 658.6)**
Net cash and cash equivalents at beginning of year	2 291.4	1 312.5	**3 603.9**
Effect of exchange rates	177.5	-	**177.5**
Net cash and cash equivalents at end of year^	742.7	1 380.1	**2 122.8**
^ Cash and cash equivalents balance comprises of:			
- Cash	*2 255.8*	-	***2 255.8***
- Reclassification to held for sale	*12.7*	-	***12.7***
- Overdraft	*(1 525.8)*	*1 380.1*	***(145.7)***

Extract of notes to the annual financial statements

Note 10. Net cash and cash equivalents

Net cash and cash equivalents included in the statement of cash flows comprise the following amounts:

ALL AMOUNTS ARE EXPRESSED IN MILLIONS OF RANDS	Previously reported	Adjustment	Restated
Bank balances	2 005.9	-	**2 005.9**
Restricted cash	249.9	-	**249.9**
Cash and cash equivalents	2 255.8	-	**2 255.8**
Bank overdrafts	(1 525.8)	1 380.1	**(145.7)**
	730.0	1 380.1	**2 110.1**

Note 34. Cash generated from operations

ALL AMOUNTS ARE EXPRESSED IN MILLIONS OF RANDS

NET CASH/DEBT RECONCILIATION	Previously reported	Adjustment	Restated
Net cash/(debt) at 30 June 2021	709.4	-	**709.4**
Total decrease in cash and cash equivalents	(1 726.2)	67.6	**(1 658.6)**
Loans raised	(634.9)	-	**(634.9)**
Loans repaid	844.8	-	**844.8**
Leases repaid	420.8	-	**420.8**
Leases raised (non-cash)	(501.4)	-	**(501.4)**
Asset based finance raised	(414.9)	-	**(414.9)**
Lease reassessment and modification	55.8	-	**55.8**
Overdraft drawdowns	-	(1 415.4)	**(1 415.4)**
Overdraft repayments	-	1 347.8	**1 347.8**
Foreign exchange movements	105.5	-	**105.5**
Other	68.1	-	**68.1**
Net cash/(debt) at 30 June 2022	(1 073.0)	(0.0)	**(1 073.0)**

Notes to the annual financial statements

42. EVENTS AFTER REPORTING PERIOD

In relation to the Al Mafraq Hospital project in Abu Dhabi, delivered by a joint operation in which Murray & Roberts Contractors (Abu Dhabi) LLC (MRCAD) is a member, the Review Application lodged with the Court of Cassation, the highest court in the Emirate, against its previously issued ruling in favour of the client's claim, was unsuccessful. Based on further evidence of misrepresentation that has recently come to light from a related case before the courts, the legal advisors representing MRCAD have recommended that a new application be lodged with the Court of Cassation for it to reconsider its Review Application decision, considering this new evidence. This application is in the process of being prepared.

In the intervening period, a claim has been lodged by a UAE-based bank ("the bank"), and a summons has been issued in South Africa against Murray & Roberts Limited, in relation to the Parent Company Guarantee it issued in favour of the bank for a bond that was issued to the bank on the Al Mafraq Hospital project, which was called by the client. The claim is in relation to a circa AED150 million fully drawn facility (R770 million at year end) and is tied to the legal dispute in Abu Dhabi. In response, a notice of intention to defend has been lodged on behalf of Murray & Roberts Limited. Legal advice is that strong and compelling defences are available and will be formulated in the weeks ahead. The legal process in South Africa is expected to be protracted and will take several years to conclude. The occurrences post year end were not considered to be adjusting events. No liability has been recognised with respect to the Parent Company Guarantee. The drawdown on the bank overdraft continues to be recognised as short term borrowings in liabilities held for sale.

Subsequent to year end, the Group, through its wholly owned subsidiary Murray & Roberts Ltd ("MRL"), entered into a Sale of Business Agreement with Main Road Centurion 30311 (Pty) Ltd ("the Acquirer"), in terms of which MRL will dispose of its 80% interest in Aarden Solar, a joint operation. Aarden Solar requires further investment to support its growth trajectory, which the acquirer will provide. As a wholesale business, Aarden Solar is not strategic to Murray & Roberts. The transaction consideration is R73 million and will be applied to MRL's working capital requirements. The above occurrence is not considered to be an adjusting event.

The directors are not aware of any other matter or circumstance, other than noted above, arising since the end of the financial year not otherwise dealt with in the Group and Company annual financial statements which significantly affects the financial position at 30 June 2023 or the results of its operations or cash flows for the year then ended. Events that occurred after the reporting period were indicative of conditions that arose after the reporting period in the normal course of business and did not have a material impact on the current financial year results.

43. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Key sources of estimation uncertainty

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The most significant estimates and assumptions made in the preparation of these consolidated financial statements are discussed below.

Revenue recognition and contract accounting

Other information

The Group uses certain assumptions and key factors in the management of and reporting for its contracting arrangements. These assumptions are material and relate to:

- The determination of performance obligations;
- The estimation of costs to completion and the determination of the percentage of completion;
- The estimation of contract profit margin;
- The estimation of onerous contract provisions;
- The recognition of penalties and claims on contracts;
- The recoverability of under claims (contracts-in-progress) and uncertified revenue balances; and
- The recognition of contract incentives.

Performance obligations

IFRS 15 provides guidance as to whether a construction contract or engineering service should be treated as one performance obligation or multiple performance obligations. If a construction contract had multiple sub-level performance obligations which are highly integrated with each other, the construction contract is considered a significant integrated service with one performance obligation. This requires judgement and each contract is assessed individually. In applying the IFRS 15 guidance most contracts are seen as single performance obligations for group purposes.

The estimation of costs to completion and the determination of the percentage of completion

The use of the input method (percentage of completion) requires the Group to estimate the cost of construction and engineering services provided to date as a proportion of the total estimated cost of these services to be performed.

The use of the output method requires progress to be measured on a contract through direct measurement. The Group's engineers and quantity surveyors exercise their judgement in estimating progress based on performance on the contract or achievement of milestones.

Contract profit margin and onerous contract provisions

The total expected contract profit margin is dependent on the total estimated revenue and the total estimated cost. Where total estimated cost exceeds total estimated revenue, the unavoidable expected loss is provided for as an onerous contract provision.

The recognition of penalties and claims on contracts

The recognition of penalties and claims on contracts requires significant estimation and judgement. The Group uses experts to assess the merits of claims for and against the Group, and to determine their quantum. Claims in favour of the group are only recognised to the extent that it is highly probable that the revenue will not reverse.

Notes to the annual financial statements

43. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

Revenue recognition and contract accounting (continued)

The recoverability of under claims (contracts-in-progress) and uncertified revenue balances

Revenue may only be recognised when it is highly probable that the revenue will not be reversed. Assessing whether under claims and uncertified revenue balances are recoverable involves significant judgement. The Group's experts, engineers and quantity surveyors are required to estimate the probability/likelihood of revenue being reversed, when recognising under claims and uncertified revenue balances.

The recognition of contract incentives (variable consideration)

It is common for the Group's contracts with customers to include contract incentives (variable considerations) based on certain industry-related KPIs, such as bonuses or penalties based on specifications, timeliness of completion or minimum targets. Any variable consideration contained in a contract is only recognised to the extent that the Group deems it highly probable that a significant reversal in the amount of revenue recognised will not occur. The estimate is based on all available information including historic performance. When it is not highly probable that the group can avoid contract penalties, then those penalties are deducted from the total estimated revenue in determining revenue.

The Group utilises experts and probabilities in determining the amount to be recognised relating to uncertified revenues and that the amounts currently recognised are recoverable. Uncertified revenue recognised in the current year amounted to R445,1 million (FY2022: R1,2 billion) (refer to note 8).

The level of revenue recognition on construction contracts, which includes a portion of the claims submitted, is prudent and justifiable in terms of each contract, given the complexity and magnitude of claims and variation orders still to be resolved.

Determining the type of joint arrangement

When a joint arrangement is within a separate legal entity, the Group performs further analysis on the underlying contractual agreements to determine whether the arrangement grants rights to assets and obligations for liabilities (joint operation), or grants rights to net assets (joint venture). The interpretation of contractual terms included in partner and project contracts with clients requires judgement. The joint arrangement partners' rights and obligations included in these agreements as well as whether the partners are jointly and severally liable to execute projects with third parties are key factors.

Estimated impairment of goodwill

Assumptions were made in assessing any possible impairment of goodwill. Details of these assumptions and risk factors are set out in note 3.

Estimation of the fair value of share options

Assumptions were made in the valuation of the Group's share options. Details of the assumptions used are set out in note 12.

Estimated value of employee benefit plans

Assumptions were made in the valuation of the Group's retirement and other benefit plans. Details of the assumptions and risk factors used are set out in note 18.

Recognition of deferred taxation assets

Deferred taxation is recognised for the carry forward of unused taxation losses and unused taxation credits to the extent that it is probable that future taxable profit will be available against which the unused taxation losses and unused taxation credits can be utilised. The assumptions and estimates made by management in raising these deferred taxation assets relate to the unpredictability of the geographical source of future profits and an evaluation of the level of taxation losses.

Recognition of trade name

Trade names are recognised as intangible assets at year end. The trade name arose on the acquisition of Tera Nova Technologies and is considered to have an indefinite useful life as there is no foreseeable limit to the period over which it is expected to generate cash flows. A valuation of the trade name is performed by an external party annually to assess for impairment and based on tests performed in the current year, no impairment was deemed necessary.

44. NEW STANDARDS AND INTERPRETATIONS

44.1. New, amended and revised standards adopted during FY2023

No new, amended and revised standards adopted during FY2023 had a material impact on the Group.

44.2. Standards and interpretations not yet effective

Set out below are the significant new and revised accounting standards/interpretations that apply in the future. Management is currently assessing the impact of these amendments and new interpretations.

Standards/Interpretation	Type	Effective date
IAS 1: Presentation of Financial Statements (Classification of liabilities)	Amendment	Financial years commencing on or after 1 January 2024
IAS 1: Presentation of Financial Statements (classification of debt with covenants)	Amendment	Financial years commencing on or after 1 January 2024
IAS 1: Presentation of Financial Statements (disclosure of accounting policies)	Amendment	Financial years commencing on or after 1 January 2023
IAS 8: Accounting Policies, Changes in Accounting Estimates and Errors (definition of accounting estimates)	Amendment	Financial years commencing on or after 1 January 2023
IAS 12: Income Taxes (deferred tax on leases and decommissioning obligations)	Amendment	Financial years commencing on or after 1 January 2023
IAS 12: Income Taxes (temporary exception to the requirements regarding deferred tax assets and liabilities related to pillar two income taxes)	Amendment	Financial years commencing on or after 1 January 2023
IAS 7: Statement of Cash Flows (regarding supplier finance arrangements)	Amendment	Financial years commencing on or after 1 January 2024
IFRS 16: Leases (seller-lessee subsequently measures sale and leaseback transactions)	Amendment	Financial years commencing on or after 1 January 2024
IFRS 7: Financial Instruments: Disclosures (regarding supplier finance arrangements)	Amendment	Financial years commencing on or after 1 January 2024
IFRS 17: Insurance Contracts (Original issue)	New standard	Financial years commencing on or after 1 January 2023
IFRS 17: Insurance Contracts (Regarding initial application)	Amendment	Financial years commencing on or after 1 January 2023
IFRS 17: Insurance Contracts (Amendments to address concerns and implementation challenges that were identified after IFRS 17 was published)	Amendment	Financial years commencing on or after 1 January 2023

Notes to the annual financial statements

45. GOING CONCERN

Developments in the business

The Group's liquidity position started coming under pressure during the 2020 and 2021 COVID-19 pandemic years, as the Group received no dividends from its investment in the Bombela Concession Company ("BCC") or from its international businesses. With the Group's liquidity position already strained, the cumulative impacts of the COVID-19 pandemic and the effects of the war in Ukraine on projects, resulted in a continuing and increasing liquidity challenge for the Group. Specific areas of impact, amongst others, included disruption in supply chains and border restrictions which delayed project progress and resulted in the associated deferral of milestone payments, as well as an increase in project cost resulting from unforeseen price escalations caused by higher levels of global inflation, which all added to an already difficult commercial environment.

Energy, Resources & Infrastructure and Mining Australia

These impacts were particularly pronounced in the Energy, Resources & Infrastructure ("ERI") platform, which had several large, fixed price projects under construction. These unprecedented impacts on projects and the challenging commercial environment placed rapidly increasing pressure on the working capital requirements of the ERI platform, and consequently the Group's liquidity position. As a result of delays in numerous milestone payments, slower than anticipated settlement of project claims, and increased project costs, cash flow pressures in the ERI platform gave rise to the need for a capital injection for this business to realise its full potential value. As the Group did not have the capacity to provide the required capital injection, it commenced a process to sell Clough Limited ("Clough"). This potential transaction unfortunately failed at a late stage of the negotiations, and the directors of Clough had no alternative but to place Clough into voluntary administration on 5 December 2022.

Clough held a loan receivable from Murray & Roberts Pty Ltd ("MRPL"), the Group's Australian holding company at the time. MRPL did not have the capacity to settle the receivable which was payable on demand, and as the receivable would have been called by the administrators of Clough as part of the liquidation process, MRPL also had to be placed into voluntary administration. The Group lost control of MRPL as a result, and of its two Australian subsidiaries, Clough and RUC Cementation Mining Contractors Pty Ltd ("RUC"). In the Group financial statements for the year ended 30 June 2023, MRPL, Clough and RUC have been deconsolidated with effect from 5 December 2022. The FY2023 financial results of these three companies, up to 5 December 2022, and the impact of the deconsolidation, are reported as part of discontinued operations. Similarly, as required in terms of IFRS, results for the comparative period (FY2022), have been restated accordingly (with MRPL, Clough and RUC being reported as part of discontinued operations).

Following the deconsolidation of the three companies in Australia, the Group now delivers projects through two business platforms: the Mining platform, comprising its two regional businesses in Africa and the Americas, and the Power, Industrial & Water ("PIW") platform which focuses on Sub-Saharan Africa.

Mining Africa and Americas

As a mature business and working in a sector which contracts under less onerous commercial terms, the Mining platform does not experience the same levels of demand on working capital. It is also operating in a strong performing sector with growth potential.

Power, Industrial & Water ("PIW")

During the current financial year, the PIW platform experienced more favourable market conditions and its healthy order book is reflective of opportunities in the renewable energy and transmission market sectors.

Middle East Operations

In relation to the Al Mafraq Hospital project in Abu Dhabi, delivered by a joint operation in which Murray & Roberts Contractors (Abu Dhabi) LLC (MRCAD) is a member, the Review Application lodged with the Court of Cassation, the highest court in the Emirate, against its previously issued ruling in favour of the client's claim, was unsuccessful. Based on further evidence, the legal advisors representing MRCAD have recommended that a new application be lodged with the Court of Cassation for it to reconsider its Review Application decision, considering this new evidence. This application is in the process of being prepared.
In the intervening period, a claim has been lodged by a UAE-based bank ("the bank"), and a summons has been issued in South Africa against Murray & Roberts Limited, in relation to the Parent Company Guarantee it issued in favour of the bank for a bond that was issued to the bank on the Al Mafraq Hospital project, which was called by the client. The claim is in relation to a circa AED150 million fully drawn facility (R770 million at year end) and is tied to the legal dispute in Abu Dhabi. In response, a notice of intention to defend has been lodged on behalf of Murray & Roberts Limited. Legal advice is that strong and compelling defences are available and will be formulated in the weeks ahead. The legal process in South Africa is expected to be protracted and will take several years to conclude.

Overdraft and term debt facilities

The Group previously had a short-term overdraft facility in South Africa, and due to increasing liquidity pressure, concluded a debt refinancing and restructuring process with four South African banks in November 2022. The R1,675 million overdraft facility was restructured into an overdraft facility of R0,65 billion and a Term Loan of R1,35 billion resulting in a term loan facility of R1,35 billion and a short-term overdraft facility of R0,65 billion - totalling a combined facility of R2 billion.
The sale of the Group's investment in BCC closed on 03 April 2023, and R1 billion of the proceeds were applied to significantly deleverage the Group by reducing the term debt to R350 million. This remaining balance of the term debt is repayable in two tranches, R50 million in September 2023 and R300 million in August 2024. The overdraft facility terms were unchanged.
The deconsolidation of MRPL, Clough and RUC negatively impacted the Group's ability to meet the covenants that were agreed with the four South African banks for its South African operations. If financial covenants were assessed at 30 June 2023, covenants would not have been met and a covenant measurement waiver was thus obtained on 30 June 2023. It was also agreed with the banks that the covenants would be renegotiated, considering the current Group structure. Based on the covenant waiver obtained, the Group did not breach its covenants at 30 June 2023.

Notes to the annual financial statements

45. GOING CONCERN (continued)

The Group performed a going concern assessment at year end, taking the above developments into consideration.

Cash flow forecasts

The Group is dependent on the utilisation of the overdraft facility to meet its liquidity requirements. Cash flow forecasts for each of the two remaining platforms to the end of the 2024 financial year have been prepared and subsequently stress-tested for key judgements and assumptions relating to forecast revenue and project margins, the secured and unsecured order book and the timing of cash flows. Based on these cash flow forecasts, the Group has considered the following in assessing its liquidity needs and ongoing working capital requirements, its ability to repay the term debt as it falls due, and its ability to continue as a going concern:

- Term Debt Repayment: To settle the term debt, the Group requires dividend payments from its international mining subsidiaries, to Murray & Roberts Limited in South Africa. Based on forecasts, these international mining subsidiaries are performing well, and it is expected that they will generate enough cash inflows to be able to declare sufficient dividends going forward, thereby assisting in the repayment of the South African term debt. The Group is currently renegotiating covenants with the banks of these international mining subsidiaries to enable such dividend payments to be made.
- Banking Facilities: As at 30 June 2023, the Group had the following facilities in place (disclosed in note 38.7):
  - Direct banking facilities in South Africa in place of R1,5 billion, with R0,3 billion of unutilised facilities available.
  - Direct foreign banking facilities in place were R1,3 billion with R1,0 billion of unutilised facilities available.
  - Indirect local banking facilities in place were R1,9 billion with R0,0 billion of unutilised facilities available. Currently, the four South African lending banks are permitting drawdowns against the overdraft facilities. However, the remaining facilities which are currently fully drawn are not available for utilisation as they reduce, and the Group is exploring alternative facility providers.
  - Indirect foreign banking facilities in place were R1,2 billion with R0,5 billion of unutilised facilities available.

  Some of these facilities have limited availability for Group-wide use due to dividend distribution and intra-group limitations.
- Order Book: The Group has a healthy secured order book which includes high-profile, multi-year projects.
- Outstanding Claims: There are several unresolved and long outstanding claims, some of which are expected to be settled within the next 12 months.
- Working Capital Management: The Group is constantly reviewing working capital utilisation on projects and seeking ways to improve working capital management, which include the conversion of certain contracts to new, less onerous commercial arrangements.
- Deleveraging Requirements: The Group is working closely with the four South African lenders to meet their deleveraging expectations and is assisted by Deloitte as advisors in this regard together with the development of a sustainable capital structure. The implementation of the deleveraging plan is expected to be complete within a 12 to 18 month time period following South African lender approval.

Conclusion

The Group is confident that it would be able to implement the actions outlined above, and any potential financial restructuring that may be required, for it to realise its assets and discharge its liabilities in the normal course of business. As at the date of the financial statements, should these actions not achieve the desired outcome, especially as it relates to the inflow of sufficient dividends from its international mining subsidiaries to repay the term debt, or the South African banks rejecting the deleveraging plan, these conditions give rise to a material uncertainty which may cast significant doubt on the Group and the Group's ability to continue as a going concern and, therefore may be unable to realise its assets and discharge its liabilities in the normal course of business.

MURRAY & ROBERTS HOLDINGS LIMITED COMPANY FINANCIAL STATEMENTS

Company Statement of Financial Position as at 30 June 2023

ALL AMOUNTS ARE EXPRESSED IN MILLIONS OF RANDS	Notes	2023	2022
ASSETS			
Non-current assets			
Investment in subsidiary company	2	**33.5**	33.5
Amount due from subsidiary company	2	**1 807.5**	3 588.7
Total non-current assets		**1 841.0**	3 622.2
Current assets			
Trade and other receivables		**-**	0.1
Cash and cash equivalents		**-**	0.8
Total current assets		**-**	0.9
Total assets		**1 841.0**	3 623.1
EQUITY AND LIABILITIES			
Equity			
Stated capital	4	**3 582.8**	3 582.8
Non-distributable reserves		**18.2**	34.0
Retained earnings		**(1 762.6)**	0.1
Total ordinary shareholders' equity		**1 838.4**	3 616.9
Current liabilities			
Trade and other payables		**2.6**	6.2
Total current liabilities		**2.6**	6.2
Total equity and liabilities		**1 841.0**	3 623.1

Company Statement of Financial Performance for the year ended 30 June 2023

ALL AMOUNTS ARE EXPRESSED IN MILLIONS OF RANDS		
Revenue		
Fees received from subsidiary company	**9.7**	11.0
Dividend received	**-**	-
Total expenses	**(1 772.4)**	(11.5)
Auditor's remuneration	**(0.2)**	(0.2)
JSE fees	**(0.3)**	(0.3)
Impairment of amount due from subsidiary company	**(1 778.5)**	-
Share based payment expense reversal	**15.8**	
Other	**(9.2)**	(11.0)
Loss before taxation	**(1 762.7)**	(0.5)
Taxation expense	**-**	-
Loss profit for the year	**(1 762.7)**	(0.5)

Company Statement of Comprehensive Income for the year ended 30 June 2023

ALL AMOUNTS ARE EXPRESSED IN MILLIONS OF RANDS		
Loss for the year	**(1 762.7)**	(0.5)
Other comprehensive income	**-**	-
Total comprehensive loss for the year	**(1 762.7)**	(0.5)

Company Statement of Changes in Equity for the year ended 30 June 2023

ALL AMOUNTS ARE EXPRESSED IN MILLIONS OF RANDS

	Stated capital	Capital redemption reserve	Share-based payment reserve	Retained earnings	Attributable to owners of Murray & Roberts Holdings Limited
Balance at 01 July 2021	3 582.8	0.9	52.0	0.6	3 636.3
Total comprehensive loss for the year	-	-	-	(0.5)	(0.5)
Utilisation of share-based payment reserve	-	-	(18.9)	-	(18.9)
Balance at 01 July 2022	**3 582.8**	**0.9**	**33.1**	**0.1**	**3 616.9**
Total comprehensive loss for the year	**-**	**-**	**-**	**(1 762.7)**	**(1 762.7)**
Recognition of share-based payment	**-**	**-**	**(10.7)**	**-**	**(10.7)**
Utilisation of share-based payment reserve	**-**	**-**	**(5.1)**	**-**	**(5.1)**
Balance at 30 June 2023	**3 582.8**	**0.9**	**17.3**	**(1 762.6)**	**1 838.4**

Company Statement of Cash Flows for the year ended 30 June 2023

ALL AMOUNTS ARE EXPRESSED IN MILLIONS OF RANDS	**2023**	2022
Loss before taxation	**(1 762.7)**	(0.5)
Adjustment for:		
Non-cash items	**1 762.7**	-
Changes in working capital	**(3.5)**	3.6
Decrease in trade and other receivables	**0.1**	-
(Decrease)/increase in trade and other payables	**(3.6)**	3.6
Operating cash flow	**(3.5)**	3.1
Taxation received	**-**	0.1
Cash flow from operating activities	**(3.5)**	3.2
Loans issued to subsidiary	**(11.9)**	-
Loan repayments received from subsidiary	**14.6**	-
Cash flow from investing activities	**2.7**	-
Increase in amounts due from subsidiary company	**-**	(3.1)
Cash flow from financing activities	**-**	(3.1)
Net (decrease)/increase in cash and cash equivalents	**(0.8)**	0.1
Net cash and cash equivalents at beginning of year	**0.8**	0.7
Net cash and cash equivalents at end of year	**-**	0.8

Notes to the Company Financial Statements

ALL AMOUNTS ARE EXPRESSED IN MILLIONS OF RANDS

	2023	2022

1. ACCOUNTING POLICIES

These financial statements are prepared according to the same accounting policies used in preparing the consolidated financial statements of the Group other than accounting policy 1.3 which deals with the basis of consolidation.

The accounting policies are set out on pages 24 to 37.

2. INVESTMENT IN SUBSIDIARY COMPANY

Shares at cost	**0.4**	0.4
Investment in shares - Forfeitable Share Plan	**33.1**	33.1
Amount due from subsidiary company	**3 586.0**	3 588.7
Impairment of amount due from subsidiary company	**(1 778.5)**	-
	1 841.0	3 622.2

The amount due from subsidiary company (being Murray & Roberts Investments) is unsecured, interest free and does not have any fixed repayment terms (Annexure 1). The intention is to not call this loan in the next 12 months. The company monitors its credit exposure to loans advanced to the subsidiary on an ongoing basis by assessing the subsidiary's financial position at reporting date. Credit risk for loans to related parties has increased in the current year mainly as a result of the loss of various subsidiaries within the Group (refer to note 38 for further details). The ECL assessment has been performed by management by evaluating the liquidity position, future projected cash flows taking into account macro-economic factors and forward looking information as included in note 38.6. The ECL allowance was raised based on the assessment performed. The remaining value of the loan is deemed to be recoverable based on the cash flow forecast assessments performed.

3. AMOUNT OWING FROM MURRAY & ROBERTS TRUST

Amount due	**235.0**	235.0
Impairment	**(235.0)**	(235.0)
	-	-

The amount due from the Murray & Roberts Trust ("Trust") is unsecured, interest free and does not have any fixed repayment terms.

The Company has subordinated its claims against the Trust in favour of all other creditors of the Trust. The agreement between the Trust and the Company will remain in force and in effect for as long as the liabilities of the Trust exceed its assets fairly valued.

4. STATED CAPITAL

Authorised
750 000 000 shares of no par value

Issued and fully paid
444 736 118 shares of no par value

Net stated capital	**3 582.8**	3 582.8

5. EMOLUMENTS OF DIRECTORS

Executive directors (paid by subsidiary companies)	**23.3**	29.2
Non-executive directors (paid by the Company)	**9.2**	10.4
Number of directors at year end	**8**	8

Details of individual director emoluments are disclosed in note 39 in the consolidated financial statements.

6. CONTINGENT LIABILITIES

There are contingent liabilities in respect of limited and unlimited guarantees covering loans, banking facilities and other obligations of joint operations, subsidiary companies and other persons. The contingent liabilities at 30 June 2023 covered by such guarantees amount to:	**3 358.8**	2 757.5

7. EVENTS AFTER REPORTING PERIOD

The directors are not aware of any other matter or circumstance arising since the end of the financial year not otherwise dealt with in the Group and Company annual financial statements which significantly affects the financial position at 30 June 2023 or the results of its operations or cash flows for the year then ended.

ANNEXURE 1
MAJOR OPERATING SUBSIDIARIES

a) Direct

	Issued share capital in Rands	Interest in issued share capital		Cost of investment		Loan Account	
		2023	2022	**2023**	2022	**2023**	2022
		%	%	**Rm**	Rm	**Rm**	Rm
Murray & Roberts Investments Limited	**68 000**	**100**	100	**0.4**	0.4	**1 807.5**	3 588.7

b) Indirect

		Issued share capital (in Rands unless otherwise stated)	Proportion ownership interest		Proportion of voting power held	
			2023	2022	**2023**	2022
			%	%	**%**	%
Murray & Roberts Limited		60	**100**	100	**100**	100
Mining						
Cementation Canada Inc. (incorporated in Canada)	CAD	2 700 010	**100**	100	**100**	100
Murray & Roberts Cementation Proprietary Limited	ZAR	1 750 000	**100**	100	**100**	100
Cementation USA Inc. (incorporated in Nevada, United States of America)	USD	5 000	**100**	100	**100**	100
RUC Mining Cementation Contractors Proprietary Limited (incorporated in Australia)	AUD	808 754	**-**	100	**-**	100
Terra Nova Technologies USA Inc. (incorporated in the USA)	USD	1	**100**	100	**100**	100
InSig Technologies (incorporated in Australia)	AUD	200 000	**-**	65	**-**	65
Energy, Resources and Infrastructure						
Clough Limited (incorporated in Australia)	AUD	219 973 000	**-**	100	**-**	100
Corporate & Properties						
Murray & Roberts Pty Ltd (incorporated in Australia)	AUD	632 223 872	**-**	100	**-**	100

ANNEXURE 2
INTEREST BEARING BORROWINGS

	Financial year of redemption	Closing interest rate (effective NACM - variable rates linked to primes rate of domiciled country)		Amount	
		2023	2022	**2023**	2022
		%	%	**Rm**	Rm
Secured					
Bullet Payment (ZAR)	2025	**-**	10.15	**-**	191.9
Equal monthly instalments (USD)	2024	**7.70**	3.00	**84.3**	169.8
Monthly (AUD)	2029	**-**	1.86	**-**	36.5
Annually (AUD)	2023	**-**	2.20	**-**	82.9
Annually (AUD)	2025	**6.91**	7.00	**65.9**	80.2
Annually (ZAR)	2024	**11.42**	-	**352.2**	-
Monthly (USD)	2027	**5.97**	-	**123.4**	-
Monthly (CAD)	2027	**5.97**	-	**8.9**	-
Monthly (NAD)	2023	**11.00**	8.00	**11.4**	126.8
Monthly (ZAR)	2023 - 2027	**9.78**	7.03	**212.3**	292.7
				858.4	980.8
Unsecured					
No fixed terms of repayment (USD)		**9.06**	3.74	**24.6**	82.4
Revolving 60 day		**-**	5.90	**-**	63.8
Various obligations each under R10 million at varying rates of interest and on varying terms of repayment (ZAR and AUD)		**4.75**	-	**14.6**	22.6
Bank overdrafts			-	**479.4**	1 525.8
				518.6	1 694.6
Leases					
Varying rates of interest ^		**5.0 - 8.5**	4.2 - 12.0		
Specific project property, plant and equipment				**156.1**	660.5
Total Group				**1 533.1**	3 335.9
Reflected in the notes under:					
Long term loans (note 17)					
Interest bearing secured loans				**575.8**	722.8
Interest bearing unsecured loans				**-**	-
Leases				**130.4**	469.8
Bank overdrafts (note 10)				**479.4**	1 525.8
Short term loans (note 24)					
Current portion of long term borrowings				**321.8**	426.8
Current portion of leases				**25.7**	190.7
				1 533.1	3 335.9

The deconsolidation of MRPL, Clough and RUC negatively impacted the Group's ability to meet the covenants that were agreed with the four South African banks for its South African facility. If financial covenants were assessed at 30 June 2023, covenants would not have been met and a covenant measurement waiver was thus obtained on 30 June 2023. It was also agreed that the covenants would be renegotiated, considering the current Group structure. Refer to note 32 for further details.

^ *Interest rate range on leases includes the rate implicit in the leases where applicable.*

ANNEXURE 3
GROUP SEGMENTAL REPORT

The operating segments reflect the management structure of the Group which is based on the service offering of each operating segment in terms of the sector of the natural resources market to which that operating segment relates. This is also reflective of the manner in which performance is evaluated and resources allocated as managed by the Group's chief decision maker, as required per IFRS 8: *Operating Segments.*

The Group's operating segments are categorised as follows:

Bombela
- **PPP Investments & Services**
  This segment includes the Groups infrastructure concession investment in BCC.

Power, Industrial & Water
The platform comprises four businesses: Projects (which includes Power – Renewables and Gas, Petrochemical, Resources & Industrial), Water, Transmission & Distribution (which includes Electrical & Instrumentation) and PV Solar. The platform is structured as a project execution business for the above sectors, offering EPC, SMEIP construction, as well as operations and maintenance services. The platform's offerings are supported by its existing capability, capacity and experience, complemented by its strategic partnerships.

Mining
The platform comprises the following businesses: Murray & Roberts Cementation (Johannesburg-based); Cementation Canada (North Bay-based); Cementation USA (Salt Lake City-based) and Cementation Sudamérica (Santiago-based). Its geographic footprint is one of the largest in its industry, with a service offering that spans the project value chain including specialist engineering, shaft construction, mine development, raise drilling and contract mining.

During the current financial year, the Group's Australian operations were placed into voluntary administration and consequently deconsolidated. This resulted in the Energy, Resources and Infrastructure segment as well as the Australian component of the Mining segment being classified as discontinued operations.

Inter-segmental transfers
Segmental revenue, segmental expenses and segmental results include transfers between operating segments and between geographical segments. Such transfers are accounted for at arm's length prices. These transfers are eliminated on consolidation.

Segmental revenue and expenses
Segmental revenue and expenses are directly attributable to the segments.

Segmental assets
All operating assets of segments principally comprise property, plant and equipment, investments, inventories, intangible assets, contracts-in-progress and receivables, net of allowances. Cash and taxation balances are excluded. Segment assets are allocated to the geographic segments based on where the assets are located.

Segmental liabilities
All operating liabilities of segments principally comprise accounts payable, amounts due to contract customers, subcontractor liabilities and external interest bearing borrowings. Bank overdrafts and taxation balances are excluded.

Discontinued operations
Discontinued operations in the current year comprise the Murray & Roberts Pty Ltd and its subsidiaries Clough Limited ("Clough") and RUC Cementation Mining Contractors ("RUC"), Insig, Middle East Operations, businesses included within the previous Southern Africa Infrastructure & Buildings Platform and the Genrec operations.

ANNEXURE 3
GROUP SEGMENTAL REPORT (continued)

ALL AMOUNTS ARE EXPRESSED IN MILLIONS OF RANDS
Continuing Segments

	Bombela	Power, Industrial & Water	Mining[3]	Corporate & Properties	Total
2023					
Revenue[1]	-	1 331	11 126	3	12 460
Construction contracts	-	881	10 834	-	11 715
Sale of goods	-	450	-	-	450
Rendering of services	-	-	292	-	292
Properties	-	-	-	3	3
Other	-	-	-	-	-
Intersegmental revenue	-	-	-	-	-
Gross revenue	-	1 331	11 126	3	12 460
Results					
Profit/(loss) before interest and taxation[2]	30	(47)	313	(205)	91
Interest expense	(35)	(11)	(60)	(174)	(280)
Interest income	-	1	9	3	13
(Loss)/profit before taxation	(5)	(57)	262	(376)	(176)
Taxation expense	-	(2)	(97)	(7)	(106)
(Loss)/profit after taxation	(5)	(59)	165	(383)	(282)
Non-controlling interests	-	(2)	4	-	2
	(5)	(61)	169	(383)	(280)
Other information					
Purchases of property. plant and equipment	-	37	499	3	539
Purchases of other intangible assets	-	-	3	2	5
Depreciation	-	22	294	22	338
Amortisation of other intangible assets	-	-	20	3	23
Fair value adjustment on BCC	30	-	-	-	30
Impairment of trade receivables and contract receivables	-	-	44	-	44
Impairment of property, plant and equipment	-	-	10	-	10
Impairment of inventory	-	4	12	-	16
Salaries & wages	-	183	5 750	39	5 972
Fees paid	(18)	13	8	135	138
Computer costs	-	2	76	45	123
Direct material costs	-	1 091	2 790	-	3 881
Direct subcontractor costs	-	492	-	-	492
Number of employees	-	849	4 551	39	5 439

	Bombela	Power, Industrial & Water	Mining[3]	Corporate & Properties	Total
2022*					
Revenue[1]	-	810	7 941	4	8 755
Construction contracts	-	641	7 694	-	8 335
Sale of goods	-	169	-	-	169
Rendering of services	-	-	247	-	247
Properties	-	-	-	4	4
Other	-	-	-	-	-
Intersegmental revenue	-	-	96	-	96
Gross revenue	-	810	8 037	4	8 851
Results					
Profit/(loss) before interest and taxation[2]	193	(155)	234	(190)	82
Interest expense	(14)	(13)	(54)	(116)	(197)
Interest income	-	-	6	5	11
Profit/(loss) before taxation	179	(168)	186	(301)	(104)
Taxation expense	-	(8)	(66)	-	(74)
Profit/(loss) after taxation	179	(176)	120	(301)	(178)
Non-controlling interests	-	(1)	3	-	2
	179	(177)	123	(301)	(176)

[1] *Segmental revenue reported above includes revenue generated from external customers.*
[2] *The chief operating decision maker utilises profit/(loss) before interest and taxation in the assessment of a segment's performance.*
[3] *Mining includes Cementation Africa and Cementation Americas.*
**Restated for discontinued operations. Refer to note 31 and note 32 for further details.*

ANNEXURE 3
GROUP SEGMENTAL REPORT (continued)

ALL AMOUNTS ARE EXPRESSED IN MILLIONS OF RANDS

Continuing Segments (continued)

2022*	Bombela	Power, Industrial & Water	Mining[3]	Corporate & Properties	Total
Other information					
Purchases of property. plant and equipment	-	12	455	3	**470**
Purchases of other intangible assets	-	-	14	-	**14**
Depreciation	-	21	331	29	**381**
Amortisation of other intangible assets	-	1	16	3	**20**
Fair value adjustment on BCC	193	-	-	-	**193**
Impairment of trade receivables and contract receivables	-	-	-	4	**4**
Impairment of inventory	-	-	7	-	**7**
Salaries & wages	-	292	4 305	47	**4 644**
Fees paid	-	11	23	14	**48**
Computer costs	-	2	65	47	**114**
Direct material costs	-	472	1 722	-	**2 194**
Direct subcontractor costs	-	-	231	-	**231**
Number of employees	-	498	4 202	49	**4 749**

[1] *Segmental revenue reported above includes revenue generated from external customers.*
[2] *The chief operating decision maker utilises profit/(loss) before interest and taxation in the assessment of a segment's performance.*
[3] *Mining includes Cementation Africa and Cementation Americas.*

Discontinued Segments	Middle East	Mining Australia[3]	Clough	Other[4]	Total
2023					
Revenue[1]	**-**	**2 070**	**9 858**	**36**	**11 964**
Construction contracts	**-**	**2 040**	**9 245**	**36**	**11 321**
Sale of goods	**-**	**-**	**-**	**-**	**-**
Rendering of services	**-**	**30**	**-**	**-**	**30**
Properties	**-**	**-**	**613**	**-**	**613**
Intersegmental revenue	**-**	**-**	**-**	**-**	**-**
Gross revenue	**-**	**2 070**	**9 858**	**36**	**11 964**
Results					
Profit/(loss) before interest and taxation[2]	**(198)**	**45**	**(1 266)**	**(56)**	**(1 475)**
Interest expense	**(1)**	**(14)**	**(22)**	**-**	**(37)**
Interest income	**-**	**5**	**4**	**1**	**10**
(Loss)/profit before taxation	**(199)**	**36**	**(1 284)**	**(55)**	**(1 502)**
Taxation (expense)/credit	**-**	**(37)**	**(64)**	**18**	**(83)**
(Loss)/profit after taxation	**(199)**	**(1)**	**(1 348)**	**(37)**	**(1 585)**
Loss from equity accounted investments	**-**	**-**	**-**	**-**	**-**
(Loss)/profit from discontinued operations	**(199)**	**(1)**	**(1 348)**	**(37)**	**(1 585)**
Loss on loss of control	**-**	**(1 079)**	**(1 041)**	**963**	**(1 157)**
Derecognition of net asset value	**-**	**(1 079)**	**(1 041)**	**(287)**	**(2 407)**
Translation of foreign entities reclassified through profit or loss on derecognition	**-**	**-**	**-**	**1 250**	**1 250**
Related costs of voluntary administration	**-**	**-**	**-**	**(155)**	**(155)**
(Loss)/profit from discontinued operations per the statement of financial performance	**(199)**	**(1 080)**	**(2 389)**	**771**	**(2 897)**
Other information					
Purchases of property. plant and equipment	**-**	**198**	**166**	**-**	**364**
Purchases of other intangible assets	**-**	**-**	**1**	**-**	**1**
Depreciation	**-**	**97**	**247**	**-**	**344**
Amortisation of other intangible assets	**-**	**2**	**25**	**-**	**27**
Impairment of trade receivables and contract receivables	**171**	**-**	**-**	**-**	**171**
Impairment of goodwill	**-**	**-**	**126**	**-**	**126**
Salaries & wages	**12**	**1 329**	**4 787**	**57**	**6 185**
Fees paid	**-**	**1**	**-**	**30**	**31**
Computer costs	**-**	**5**	**55**	**-**	**60**
Direct material costs	**-**	**-**	**442**	**5 521**	**5 963**
Direct subcontractor costs	**-**	**-**	**-**	**21**	**21**
Loss on loss of control of subsidiaries	**-**	**1 079**	**1 041**	**(963)**	**1 157**
Number of employees	**4**	**-**	**-**	**-**	**4**

[1] *Segmental revenue reported above includes revenue generated from external customers.*
[2] *The chief operating decision maker utilises profit/(loss) before interest and taxation in the assessment of a segment's performance.*
[3] *Mining Australia includes RUC and Insig.*
[4] *Other Includes Bombela CJV, Genrec Engineering, Construction SADC and Murray & Roberts Pty Limited.*
**Restated for discontinued operations. Refer to note 31 and note 32 for further details.*

ANNEXURE 3
GROUP SEGMENTAL REPORT (continued)

ALL AMOUNTS ARE EXPRESSED IN MILLIONS OF RANDS

Discontinued Segments (continued)

2022*	Middle East	Mining Australia[3]	Clough	Other[4]	Total
Revenue[1]	-	3 828	17 286	-	21 114
Construction contracts	-	3 826	16 560	-	20 386
Sale of goods	-	-	-	-	-
Rendering of services	-	2	-	-	2
Properties	-	-	-	-	-
Other	-	-	726	-	726
Intersegmental revenue	-	14	-	-	14
Gross revenue	-	3 842	17 286	-	21 128
Results					
(Loss)/profit before interest and taxation[2]	(62)	224	406	(58)	510
Interest expense	(1)	(14)	(13)	-	(28)
Interest income	-	1	11	1	13
(Loss)/profit before taxation	(63)	211	404	(57)	495
Taxation (expense)/credit	-	(77)	(141)	34	(184)
(Loss)/profit after taxation	(63)	134	263	(23)	311
Loss from equity accounted investments	-	-	-	-	-
Non-controlling interests	-	-	-	-	-
	(63)	134	263	(23)	311
Other information					
Purchases of property. plant and equipment	-	207	1 123	-	1 330
Purchases of other intangible assets	-	17	82	-	99
Depreciation	-	192	431	-	623
Amortisation of other intangible assets	-	9	68	-	77
Salaries & wages	19	1 761	6 475	37	8 292
Fees paid	-	1	-	6	7
Computer costs	-	8	134	-	142
Direct material costs	-	856	9 312	-	10 168
Direct subcontractor costs	-	-	-	19	19
Number of employees	4	2 072	1 569	-	3 645

[1] Segmental revenue reported above includes revenue generated from external customers.
[2] The chief operating decision maker utilises profit/(loss) before interest and taxation in the assessment of a segment's performance.
[3] Mining Australia includes RUC and Insig.
[4] Other Includes Bombela CJV, Genrec Engineering, Construction SADC and Murray & Roberts Pty Limited.
**Restated for discontinued operations. Refer to note 31 and note 32 for further details.*

ANNEXURE 3
GROUP SEGMENTAL REPORT (continued)

ALL AMOUNTS ARE EXPRESSED IN MILLIONS OF RANDS

Operating segments

	Notes	Bombela	Power, Industrial & Water	Mining	Corporate & Properties	Discontinued Operations	Group
2023							
Statement of financial position							
Segmental assets	1	**-**	**793**	**4 967**	**113**	**1 121**	**6 994**
Segmental liabilities	2	**-**	**713**	**3 235**	**740**	**1 207**	**5 895**
2022^							
Statement of financial position							
Segmental assets	1	1 444	649	4 357	64	10 923	17 437
Segmental liabilities	2	214	466	1 761	394	9 952	12 787
Investments in associate companies*		2	-	-	-	-	2

^ Restated for discontinued operations. Refer to note 31 and note 32 for further details.
** Amounts included in segmental assets and liabilities.*

NOTES	**2023**	2022
1. RECONCILIATION OF SEGMENTAL ASSETS		
Total assets	**8 387**	20 303
Cash and cash equivalents	**(1 264)**	(2 256)
Current taxation assets	**(36)**	(47)
Deferred taxation assets	**(93)**	(563)
Segmental assets	**6 994**	17 437
2. RECONCILIATION OF SEGMENTAL LIABILITIES		
Total liabilities	**6 546**	14 589
Bank overdrafts	**(479)**	(1 526)
Current taxation liabilities	**(25)**	(187)
Deferred taxation liabilities	**(147)**	(89)
	5 895	12 787

Geographical information

The Group operates in four principal geographical areas - Southern Africa, with South Africa as the country of domicile, Australasia & South East Asia and North America & other.

The Group's revenue from continuing operations from external customers by location of operations and information about its non-current assets by location of assets are detailed below.

	Revenue		Non-current assets*	
	2023	2022	**2023**	2022
South Africa	5 129	4 106	498	2 598
Rest of Africa	227	536	70	117
Australasia & South East Asia	23	20	-	3 069
North America & other	7 081	4 093	1 758	2 084
	12 460	8 755	**2 326**	7 868

** Restated for discontinued operations. Refer to note 32 for further details.*
*** Non-current assets exclude deferred taxation assets*

Major Customers
For the current financial year, revenue generated from customer A of R1 861,0 million, customer B of R1 534,3 million and customer C of R799,4 million.

ANNEXURE 4
ANALYSIS OF MAJOR SHAREHOLDERS

2023

	Number of shares	% of shares
Major Shareholders Holding 5% or more of the Company's Ordinary Shares		
Aton Austria Holding GmbH	**194 855 660**	**43,81**
Government Employees Pension Fund	**41 417 750**	**9,31**
Fund Managers Holding 5% or more of the Company's Ordinary Shares		
Aton Austria Holding GmbH	**194 855 660**	**43,81**
Public Investment Corporation SOC Ltd	**42 974 278**	**9,66**
Ninety One SA Ltd	**27 073 958**	**6,09**
Non-public shareholders		**63,52**
Public shareholders		**36,48**

2022

	Number of shares	% of shares
Major Shareholders Holding 5% or more of the Company's Ordinary Shares		
Aton Austria Holding GmbH	194 855 660	43,81
Government Employees Pension Fund	44 538 929	10,01
Fund Managers Holding 5% or more of the Company's Ordinary Shares		
Aton Austria Holding GmbH	194 855 660	43,81
Public Investment Corporation SOC Ltd	45 236 306	10,17
Ninety One SA Ltd	40 026 240	9,00
Non-public shareholders		64,43
Public shareholders		35,57