Cashbuild

2024

ANNUAL CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2024

Contents

The reports and statements set out below comprise the Annual Consolidated Financial Statements presented to the shareholders:

Directors' Responsibilities and Approval

The directors are required in terms of the Companies Act, No. 71 of 2008 to maintain adequate accounting records and are responsible for the content and integrity of the Group's Annual Consolidated Financial Statements and related financial information included in this report. It is their responsibility to ensure that the Group's Annual Consolidated Financial Statements fairly present the state of affairs of the Group as at the end of the reporting period and the results of its operations and cash flows for the year then ended, in conformity with International Financial Reporting Standards (IFRS). The external auditor is engaged to express an independent opinion on the Group's Annual Consolidated Financial Statements.

The Group's Annual Consolidated Financial Statements are prepared in accordance with International Financial Reporting Standards (IFRS) and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the Group and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the Board of Directors sets standards for internal control aimed at reducing the risk of error or loss in a cost-effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the Group and all employees are required to maintain the highest ethical standards in ensuring the Group's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the Group is on identifying, assessing, managing and monitoring all known forms of risk across the Group. The Group endeavours to minimise operating risk by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors have reviewed the Group's cash flow forecasts for the period up to 2 September 2025 and, in light of this review and the current financial position, they are satisfied that the Group had access to adequate resources to continue in operational existence for the foreseeable future.

The Group's Annual Consolidated Financial Statements set out on pages 2 to 72, which have been prepared on the going concern basis under the supervision of the Chief Financial Officer, Mr H Bester CA(SA), were approved by the Board of Directors on 2 September 2024 and were signed on their behalf by:

Alistair Knock
Chairman

Werner de Jager
Chief Executive Officer

2 September 2024

Audit and Risk Committee Report

1. INTRODUCTION

The Audit and Risk Committee has pleasure in submitting this report, as required by section 94 of the South African Companies Act, No. 71 of 2008, as amended and the JSE Listings Requirements. The Audit and Risk Committee acts for the Company and all its subsidiaries and is accountable to the Board and the shareholders. It operates within a documented terms of reference and complies with all relevant legislation, regulations and governance codes and executes its duties in terms of the requirements of the King Report on Corporate Governance.

The performance of the Audit and Risk Committee is evaluated against its terms of reference on an annual basis and the Committee was deemed to be working satisfactory and effectively during the current year.

The Audit and Risk Committee consists of four independent Non-Executive Directors:

- M Bosman (Mr) (Chairperson)
- M Bosman (Ms)
- Dr DSS Lushaba
- GM Tapon Njamo

2. MEETINGS HELD BY THE AUDIT AND RISK COMMITTEE

The Committee held four meetings during the year under review. Attendance has been set out in the Directors' Report.

The internal and external auditors also attended all of the Committee meetings during the year ended 30 June 2024 and reported their activities and findings at these meetings. The Chairperson of the Board, Executive Directors and relevant Senior Managers attended these meetings.

Each Audit and Risk Committee meeting concludes with a confidential meeting between the Committee Members, Non-Executive Directors and the Internal and External auditors, as well as another confidential meeting held with the Chief Executive and Finance Director. The Committee chairperson also meets separately with external and internal auditors between committee meetings.

3. FUNCTIONS OF THE COMMITTEE

Responsibilities and duties

The Audit and Risk Committee fulfils its responsibilities and duties as set out in its terms of reference.

The oversight role of the Audit and Risk Committee includes:

- reviewing the Condensed Consolidated Interim Financial Statements and Annual Consolidated Financial Statements and Integrated Report and making recommendations to the Board;
- reviewing the external audit reports, after the review of the Condensed Consolidated Interim Financial Statements and audit of Annual Consolidated Financial Statements;
- assessing the external auditor's independence and performance;
- approving the audit fees in respect of both the interim review and year-end audit;
- specifying guidelines and authorising contract conditions for the award of non-audit services to the external auditors;
- reviewing the internal audit and risk management reports and making recommendations to the Board, where necessary;
- ensuring that a combined assurance model has been applied to provide a coordinated approach to all assurance activities;
- evaluating the appropriateness and effectiveness of risk management, internal controls and the governance processes;
- dealing with concerns relating to accounting practices, internal audit, the audit or content of Annual Consolidated Financial Statements and internal financial controls; and
- reviewing the solvency and liquidity tests and going-concern statements and recommending proposals to the Board in respect of interim and final dividends.

External auditor

Independence

During the year under review, the Audit and Risk Committee reviewed the independence of the auditor.

Deloitte & Touche (Deloitte) was the Group's external auditor with Mr James Welch as the independent individual registered auditor. The Committee satisfied itself of Deloitte's independence before recommending its re-election to the shareholders with the prior support of the Board.

Audit and Risk Committee Report (continued)

3. FUNCTIONS OF THE COMMITTEE (continued)

External auditor (continued)

Independence (continued)

The independence assessment was made after considering the following:

- confirmation from the external auditor that all their partners, team members, or their immediate family, do not hold any direct or indirect financial interest or have any material business relationship with Cashbuild. The external auditors also confirmed that they have internal monitoring procedures to ensure their independence;
- the auditor does not, other than in their capacity as external auditors for rendering permitted non-audit services, receive any remuneration or other benefits from Cashbuild;
- the auditor's independence was not prejudiced as a result of any previous appointment as auditor. In addition, an audit partner rotation process is in place in accordance with the relevant legal and regulatory requirements;
- the criteria specified for independence by the Independent Regulatory Board for Auditors; and
- Deloitte submitted reports relating to quality assessment reviews undertaken internally and by the Independent Regulatory Board for Auditors and the Public Company Accounting Oversight Board, together with progress on any remedial actions necessary. There are no significant matters to report to the shareholders in this regard.

The appointment of Deloitte as external auditor and Mr James Welch as the independent individual registered auditor of the Group was confirmed by the shareholders at the Annual General Meeting held on 27 November 2023.

External audit fees

The Audit and Risk Committee:

- determined, in consultation with management, the interim review and audit fee and engagement terms for the external auditors for the June 2024 financial year;
- reviewed and approved the non-audit services fees for the year under review and ensured that the fees were within limit and in line with the non-audit services policy; and
- determined the nature and extent of allowable non-audit services and approved the contract terms for the provision of non-audit services.

External audit performance

The Audit and Risk Committee:

- reviewed and approved the external audit plan, ensuring that material risk areas were included, and that coverage of the significant business processes were acceptable; and
- reviewed the external audit reports and management's response, and considered their effect on the financial statements and internal financial controls.

The Committee confirms that the external auditor has functioned in accordance with the Committee's terms of reference for the year ended 30 June 2024.

Key audit matter

The Audit and Risk Committee has considered the matters noted in the independent auditor's report and reviewed the process followed by the auditor. Discussions have taken place with management, and the Committee is satisfied that the procedures followed by management are appropriate to address the matters noted, being the valuation of the P&L Hardware Goodwill.

Financial statements

Responsibility

The Committee reviewed the Annual Consolidated Financial Statements, including the public announcements of the Group's financial results for the year ended 30 June 2024, and made recommendations to the Board for their approval. During its review, the Committee:

- took appropriate steps to ensure that the Annual Consolidated Financial Statements were prepared in accordance with International Financial Reporting Standards (IFRS);
- considered the appropriateness of accounting policies and disclosures made; and
- completed a detailed review of the going concern assumption, confirming that it was appropriate in the preparation of the Annual Consolidated Financial Statements.

The Committee was not required to deal with any complaints relating to accounting practices, Internal Audit, the content and audit of the Annual Consolidated Financial Statements, nor the internal financial controls and related matters.

3. FUNCTIONS OF THE COMMITTEE (continued)

Expertise and experience of Financial Director

As required by JSE Listings Requirement 3.84(h), the Audit and Risk Committee has satisfied itself that the Chief Financial Officer, Mr H Bester, has the appropriate expertise and experience to meet the responsibilities of his appointed position as required by the JSE Listings Requirements.

Adequacy of finance function

The Audit and Risk Committee has considered and has satisfied itself of the appropriateness of the expertise and adequacy of resources of the finance function and experience of the senior members of management responsible for the financial function.

Quality of earnings

The reconciliation between attributable earnings and headline earnings is set out in note 29 of the Annual Consolidated Financial Statements.

Internal controls

The Cashbuild Way

Internal controls within Cashbuild are based on established policies and procedures contained in The Cashbuild Way policies and procedures. The Cashbuild Way is aligned with ISO 9001 principles and provides a uniform Company-wide standard regarding the defining, implementation and maintenance of policies, procedures and templates within all Cashbuild support and operational areas. Internal controls as contained in The Cashbuild Way are communicated throughout the Group and form the baseline of training provided to staff members. The Audit and Risk Committee satisfied itself as to the establishment of appropriate financial reporting procedures and that those procedures are operating. This included consideration of all entities included in the consolidated group IFRS financial statements, to ensure that the Audit and Risk Committee has access to all the financial information of the Group to allow Cashbuild to effectively prepare and report on company and the Group's annual financial statements.

Internal Audit team

The internal audit function within the Cashbuild Group consists of a team of 28 members with three auditors and an internal audit manager dedicated to support-office based audits, and 18 auditors dedicated to the auditing of key processes at stores. Two internal audit managers and two senior internal auditors take responsibility for quality assurance within the internal audit function. A Data Analyst is dedicated on a full-time basis towards supporting the internal audit team with data analytics, automation of audit tests, and embedding continuous auditing within the internal audit service delivery function. An Operations Risk Manager assists the Risk and Audit Executive with monitoring and reporting on Issues Management (e.g. tip-offs, burglaries and robberies, OHSA incidents, etc.). Cashbuild's Risk and Audit Executive reports administratively to the Chief Executive Officer with a functional reporting line to the Chairman of the Audit and Risk Committee. Internal Audit results are reported to the Audit and Risk Committee with emphasis placed on areas of high risk requiring management attention as identified in terms of non-compliance to key controls.

Internal Audit approach and methodology

Cashbuild's internal audit approach and methodology is risk-based in that key controls addressing identified business control risks are the focus areas driving Internal Audit service delivery. Cashbuild has a 95% target for compliance to key controls designed to mitigate business risk and diligently monitors achievement of this target through review and follow up of internal audit results. Detailed audit results are shared with store and line management for follow-up and correction.

In terms of the King Report on Corporate Governance, Internal Audit provides a written assessment on the effectiveness of the Group's system of internal control and risk management. This assessment is addressed specifically to the Audit and Risk Committee.

Service delivery by the Group Risk Management department, which includes risk management, issues management and internal audit, aims to achieve the following best practice guidelines during performance of its internal control assessment process:

- identify strategic, sustainability, operational, compliance and financial objectives;
- assess risks that prevent the achievement of these objectives; and
- perform tests and gather evidence relating to the internal controls in place to manage these risks and the adequacy and effectiveness of such internal controls.

3. FUNCTIONS OF THE COMMITTEE (continued)

Internal Audit approach and methodology (continued)

The content of the quarterly Audit and Risk Committee reports are designed in such a way as to provide the necessary information to members of the Audit and Risk Committee to obtain a level of assurance on the Group's system of internal control and risk management. In order to do this, the content of each quarterly Audit and Risk Committee report is aimed at providing the reader with enough information on the following topics:

- the scope of internal auditing activities, which includes the appropriate level and quality of work based on the Group's risks;
- the cycle on which audit plans are based;
- consideration of the control components and limitations of control;
- the status of follow-up activities;
- a discussion of serious problems and solutions; and
- the overall assessment statement for the year.

Risk management

The Board is responsible for risk governance within the Group. Responsibility for the monitoring thereof has been allocated to the Audit and Risk Committee.

Cashbuild management is responsible for the design, implementation and maintenance of a risk management approach, methodology and systems. Monitoring of the status of risks is the responsibility of management risk owners. Formalised monitoring and updating on the status of risks by the Executive Management team takes place on a quarterly basis during scheduled Group risk management review workshops.

Integrated Report

The Committee fulfils an oversight role regarding Cashbuild's Integrated Report and the reporting process. Accordingly, it has considered and assessed the consistency with operational, financial and other information known to the Audit and Risk Committee members, as well as the Annual Consolidated Financial Statements.

4. COMBINED ASSURANCE

Cashbuild's combined assurance framework has the objective of aligning assurance processes and assurance service delivery throughout the Group to maximise risk and governance oversight and control efficiencies and optimise overall assurance to the Audit and Risk committee. The Cashbuild Group Combined Assurance Model consists of the following five levels of defence to mitigate risk that the Company is exposed to and in doing so provide an appropriate level of assurance to the Board via the Audit and Risk Committee:

- First line of defence being management oversight and controls (also referred to as People, Systems and Controls). Management-based assurance includes establishing policies and procedures, management oversight, strategy implementation, performance measurement, control self-assessment and continual monitoring mechanisms and systems.
- Second line of defence being risk management and compliance services. These are corporate support functions providing assistance to management with regards to the discharging of their responsibility of managing identified business risks.
- Third line of defence being internal audit providing an independent and objective level of assurance over the controls, risk management and governance activities as provided by the first and second lines of defence.
- Fourth line of defence being external assurance providers providing certifications, regulatory reviews, external audits, forensic investigations, external management reviews, valuations, culture climate surveys (as examples of external assurance service delivery).
- Fifth line of defence being Board and Board sub-committee functions prompting and assessing the level of assurance provided by the first four lines of defence.

The level of assurance provided increases with each line of defence being applied with the least assurance being provided by the first line of defence (internal management oversight) and the highest level of assurance being provided by the fourth line of defence (external objective and independent assurance service provider), and the application of the fifth line of defence providing a final level of governance assurance being oversight by the Board and Board sub-committees on the extent of assurance provided on identified risks.

Financial statements

The Directors' Report is set out in pages 8 to 11.

4. COMBINED ASSURANCE (continued)

External audit

The Independent Auditor's Report is set out on page 12 to 15.

Quality

Deloitte submitted reports relating to quality assessment reviews undertaken internally and by the Independent Regulatory Board for Auditors (IRBA) and the Public Company Accounting Oversight Board, together with progress on any remedial actions necessary for the 2024 interim period and year-end.

The Audit and Risk Committee reviewed the following in terms of the Listings Requirements:

- A summary report of the most recent IRBA inspection policy report and decision letter from IRBA, the findings report and a copy of the proposed remedial action plan;
- A summary of the information on the designated auditor, Mr J Welch, the results of which were satisfactory;
- The IRBA letters for the latest reviews of the firm (2022); and
- The Deloitte Commitment to Audit Quality document.

The Audit and Risk Committee concluded that there were no matters of concern raised during the year under review.

Key audit matter

The Audit and Risk Committee has considered the matters noted in the independent auditor's report and reviewed the process followed by the auditor.

The key audit matter is "the valuation of the P&L Hardware Goodwill" which is a continuous focus for the Audit and Risk Committee. The Committee agrees that the processes followed by the external auditors are appropriate and that management have appropriately accounted for this.

The processes followed included discussions with management, understanding of the process, consideration of procedures followed and review of the final report. Confirmation of the appropriate reporting is then obtained from the external auditors as a final procedure.

Internal audit

Considering all of these factors set out in the Internal control and Risk management paragraphs above, the following assessment statement is presented by Cashbuild's Internal Audit: "Work performed by the Cashbuild Group Risk Management Department during the current reporting period (July 2023 to June 2024) supports the assertion that Cashbuild's system of internal controls and risk management is effective, and that any serious problem and/or concern identified by the Group Risk Management Department during performance of its risk management, issues management and internal audit duties are reported on in the quarterly Audit and Risk Committee Reports".

On behalf of the Audit and Risk Committee

M Bosman (Mr)
Audit and Risk Committee Chairperson

2 September 2024

Chief Executive Officer and Chief Financial Officer's Responsibility Statement

In terms of section 3.84(k) of the JSE Listings Requirements, each of the directors, whose names are stated below hereby confirm that:

- the Annual Consolidated Financial Statements set out on pages 16 to 70, fairly present in all material respects the financial position, financial performance and cash flows of the issuer in terms of IFRS;
- to the best of our knowledge and belief, no facts have been omitted or untrue statements made that would make the Annual Consolidated Financial Statements false or misleading;
- 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;
- the internal financial controls are adequate and effective and can be relied upon in compiling the financial statements, having fulfilled our role and function as Executive Directors with primary responsibility for implementation and execution of controls;
- where we are not satisfied, we have disclosed to the Audit and Risk 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
- we are not aware of any fraud involving directors.

Signed by the Chief Executive Officer and the Chief Financial Officer on behalf of the Board of Directors by:

Werner de Jager
Chief Executive Officer

Hanré Bester
Chief Financial Officer

2 September 2024

Company Secretary's Certification

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

Takalani Ṋengovhela
Company Secretary

2 September 2024

Directors' Report

The directors have pleasure in submitting their report on the Annual Consolidated Financial Statements of Cashbuild Limited for the year ended 30 June 2024.

1. NATURE OF THE BUSINESS

Cashbuild is southern Africa's leading retailer of quality building materials and associated products, selling direct to a predominantly cash-paying customer base through our chain of stores 322 stores at the end of the financial year. Cashbuild carries an in-depth quality product range tailored to the specific needs of the communities we serve. Our customers are typically home-builders and improvers, contractors, farmers, traders, as well as all other customers requiring quality building materials at the best value.

Cashbuild has built its credibility and reputation by consistently offering its customers quality building materials at the best value through a purchasing and inventory policy that ensures customers' requirements are always met.

2. FINANCIAL SUMMARY

Revenue for the year increased by 5%. Revenue for stores in existence prior to July 2022 (pre-existing stores – 310 stores) increased by 4% and our 12 new stores contributed 1% growth. Transactions through the tills increased by 3% compared to the previous year. Selling price inflation was 1.7% at the end of June 2024 when compared to June 2023. Gross profit increased by 2% with gross profit margin percentage decreasing from 25.4% to 24.7%.

Operating expenses increased by 4% (existing stores increasing by 3% and new stores contributed 1%). Operating expenses, excluding the P&L Hardware goodwill and trademark impairments of R136.7 million (June 2023: R155.9 million) increased by 6%. Operating profit decreased by 19% (excluding the impairments decreased by 16%).

The effective tax rate of 36.6% (June 2023: 35.5%) for the year is higher than the prior year, mainly as a result of the net effect of the lower non-tax deductible impairment of the P&L Hardware goodwill and lower earnings of the current year.

Basic earnings per share decreased by 13% whilst headline earnings per share decreased by 22%.

The cash and cash equivalents reduction of 37% to R998.9 million was mainly due to the June 2024 suppliers' payments being processed within the reporting period, in contrast to the prior year where the supplier payments were processed subsequent to the reporting period end. Stock levels, including new stores, have increased by 5% with stock days similar to the prior year at, 90 days. Net asset value per share decreased by 5%, from 8 068 cents (June 2023) to 7 667 cents due to the share buybacks, as well as dividend payments exceeding earnings.

During the year, the Group opened 6 new stores and closed 2 under performing stores. The Group further refurbished 20 stores and relocated 1 store. Cashbuild will continue its store expansion, relocation, and refurbishment strategy in a controlled manner, through its feasibility process. The opening of new Cashbuild Small Model Store (SMS) initiative remains on track.

The pro forma information illustrating the impact of the 53rd week on the annual results for the year ended 30 June 2024:
Cashbuild has reported financial results for the 53 weeks to 30 June 2024, it is appropriate and good practice to illustrate pro forma information of the comparative 52 trading week period for the user of these financial statements to indicate how such information compares to the audited results of the group for the prior 52-week period ended 25 June 2023. The pro forma information presented below has been prepared for illustrative purposes only, because of its nature, it may not fairly present the Group's financial position, changes in equity, results of operations or cash flows.

The pro forma financial information is based on the audited financial information of the Group as at and for the 53 weeks ended 30 June 2024 and is presented in accordance with the JSE Listings Requirements and the SAICA Guide on Pro Forma Financial Information, where applicable. Deloitte & Touche's independent auditors's report on the pro forma financial information is included on pages 71 to 72 of the Annual Consolidated Financial Statements. The directors of the Group are responsible for the compilation, contents and preparation of the pro-forma financial information below:

R'000	Audited* June 2024 (53 weeks)	Adjustments^ June 2024 (53rd week)	Pro forma June 2024 (52 weeks)	Audited June 2023 (52 weeks)	% Change
Revenue	11 191 654	239 868	10 951 786	10 653 193	3
Gross profit	2 769 729	67 564	2 702 165	2 704 755	(0)
Operating profit	189 145	57 134	132 011	233 225	(43)
Profit before tax	138 177	57 182	80 995	178 047	(55)
Net profit attributable to owners of the Company	88 601	41 524	47 077	106 346	(56)
Adjusted attributable earnings	83 954	41 524	42 430	101 312	(58)
Headline earnings	200 625	41 524	161 114	270 858	(41)
Earnings per share (cents)	396		200	457	(56)
Diluted earnings per share (cents)	396		200	456	(56)
Headline earnings per share (cents)	947		757	1 222	(38)
Diluted headline earnings per share (cents)	942		749	1 218	(39)

* *The figures used for the 53 weeks ended 30 June 2024 are based on the audited Annual Consolidated Financial Statements.*

^ *Adjustments represents sales and incremental income and costs resulting from sales in the 53rd week. The figures used for the Sales and direct Cost of Sales adjustments were obtained from the June 2024 management accounts and store trading transactions for the 53rd week. Other costs and income that vary directly in relation to sales were estimated using the relevant average income/expense ratios for the year. Income and costs that remain unchanged regardless of a 52/53 week year have not been included in the adjustments.*

3. REPORTING PERIOD

The Group adopts the retail accounting calendar, which comprises the reporting year ending on the last Sunday of the month June 2024: 30 June 2024 (53 weeks); 25 June 2023 (52 weeks). "Year" refers to a 53 week period in the current year.

4. SHARE CAPITAL

During the year under review, the Company repurchased 397 787 ordinary shares as part of a general share repurchase, of the shares repurchased, 205 935 were delisted and cancelled. The average share price for the shares repurchased during the year was R143.5. Refer to note 16 for more information.

5. DIVIDENDS

The Board has declared a final dividend of (No. 63) of 236.0 cents (June 2023: 332.0 cents) per ordinary share, out of income reserves, excluding the impact of the P&L Hardware Goodwill and Trademark impairment, to all shareholders of Cashbuild Limited. The dividend per share is calculated based on 23 694 712 (June 2023: 23 900 647) shares in issue at the date of the dividend declaration. The net local dividend amount is 188.8 cents per share for shareholders liable to pay Dividends Tax and 236.0 cents per share for shareholders exempt from paying Dividends Tax. The total dividend for the year amounts to 561.0 cents (June 2023: 732.0 cents). Local Dividends Tax is 20%. Cashbuild Limited's tax reference number is 9575168712.

The relevant dates for the declaration are as follows:

Date dividend declared	Wednesday, 4 September 2024
Last day to trade "CUM" the dividend	Monday, 23 September 2024
Date to commence trading "EX" the dividend	Wednesday, 25 September 2024
Record date	Friday, 27 September 2024
Date of payment	Monday, 30 September 2024

Share certificates may not be dematerialised or rematerialised between Wednesday, 25 September 2024 and Friday, 27 September 2024, both dates inclusive.

6. DIRECTORATE

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

WF de Jager (53)	Chief Executive Officer, CA(SA)	Executive
H Bester (45)*	Chief Financial Officer, CA(SA), MCom (SA and International Taxation)	Executive
SA Thoresson (61)	Operations Director	Executive
WP van Aswegen (57)	Commercial and Marketing Director, CA(SA)	Executive
M Bosman (Mr) (67)	CA(SA)	Independent Non-Executive
M Bosman (Ms) (53)	CA(SA)	Independent Non-Executive
AGW Knock (73)	Chairman, BSc Eng (Hons); MSc (Engineering); MDP	Independent Non-Executive
Dr DSS Lushaba (58)	BSc Advanced Biochemistry (Hons), MBA, DBA, CD(SA)	Independent Non-Executive
AJ Mokgwatsane (46)	Diploma in Integrated Marketing and Communication, MBA	Independent Non-Executive
GM Tapon Njamo (46)	CA(SA)	Independent Non-Executive

** Appointed 1 July 2024.*

Details of the directors' remuneration are set out under note 40 of the financial statements.

7. BOARD COMMITTEES AND ATTENDANCE

Name	Board	Audit and Risk Committee	Remuneration Committee	Social and Ethics Committee	IT Governance Committee	Investment Committee	Nomination Committee
Non-Executive							
AGW Knock	C – 5/5	I – 4/4	M – 4/4	I – 4/4	M – 5/5	–	C – 3/3
M Bosman (Ms)	M – 5/5	M – 4/4	–	M – 4/4	–	–	–
M Bosman (Mr)	M – 5/5	C – 4/4	–	–	–	C – 3/3	M – 3/3
DSS Lushaba	M – 5/5	M – 4/4	C – 4/4	C – 4/4	–	–	–
AJ Mokgwatsane	M – 5/5	I – 4/4	–	M – 4/4	M – 4/5	–	–
GM Tapon Njamo	M – 5/5	M – 4/4	M – 4/4	–	C – 5/5	M – 3/3	–
Executive							
WF de Jager	M – 5/5	I – 4/4	I – 4/4	M – 4/4	M – 5/5	M – 3/3	I – 3/3
AE Prowse^	M – 5/5	I – 4/4	I – 4/4	–	M – 5/5	M – 3/3	–
SA Thoresson	M – 5/5	I – 4/4	–	–	I – 5/5	–	–
WP van Aswegen	M – 5/5	I – 4/4	–	M – 4/4	I – 5/5	–	–

^ *Retired effective 30 June 2024.*

Legend

C *Chairperson of the Board/Committee.*
M *Member of the Board/Committee.*
I *Attendance by invitation.*

8. INTERESTS IN SUBSIDIARIES AND OTHER INVESTMENTS

Details of material interests in subsidiary companies, associates and joint arrangements are presented in the Annual Consolidated Financial Statements in notes 7 and 10.

9. DIRECTORS' INTERESTS IN CONTRACTS

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

Directors' Report (continued)

10. BORROWING POWERS

In terms of the Memorandum of Incorporation of Cashbuild Limited, borrowing powers are unrestricted. Flexible term general banking facilities available are R290 million (June 2023: R235 million) with various banks. See note 39.

11. EVENTS AFTER THE REPORTING PERIOD

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

12. PROSPECTS

Group revenue for the six weeks subsequent to period end is 5% higher than the prior year's comparative six-week period. Management expects trading conditions to remain challenging. This information has not been reviewed and reported on by the Group's auditor.

13. GOING CONCERN

The directors have assessed the cash flow forecast for the period up to 2 September 2025 and conclude that the Group will be able to continue as a going concern. All proposed financing arrangements and capital expenditures are evaluated and monitored to assess the impact on the Group's ability to meet its obligations. Detailed solvency and liquidity analysis are performed when dividends are declared to ensure the capital base of the Group is not adversely impacted.

14. AUDITOR

Deloitte & Touche was the auditor for the Group for the year ended 30 June 2024.

15. SECRETARY

The Company Secretary is Mr Takalani Ṋengovhela.

Independent Auditor’s Report

TO THE SHAREHOLDERS OF CASHBUILD LIMITED

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the consolidated financial statements of Cashbuild Limited and its subsidiaries (the group) set out on pages 16 to 70, which comprise the consolidated statement of financial position as at 30 June 2024; the consolidated statement of profit or loss; consolidated statement of other comprehensive income; consolidated statement of changes in equity; the consolidated statement of cash flows for the year then ended; and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Cashbuild Limited and its subsidiaries as at 30 June 2024, and its consolidated financial performance and consolidated cash flows for the year then ended, in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act of South Africa.

Basis for Opinion

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

In terms of the IRBA Rule on Enhanced Auditor Reporting for the Audit of Financial Statements of Public Interest Entities, published in Government Gazette No. 49309 dated 15 September 2023 (EAR Rule), we report:

Final Materiality

We define materiality as the magnitude of misstatement in the consolidated financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the nature and extent of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the consolidated financial statements as a whole as follows:

Materiality	*R111 million (2023: R106 million).*
Basis for determining materiality	*A key judgement in determining materiality is the appropriate benchmark to select, based on our perception of the needs of shareholders. We considered which benchmarks and key performance indicators have the greatest bearing on shareholder decisions. Revenue was used as the primary benchmark for determining materiality, with consideration of supporting benchmarks of Gross profit and Total assets. Revenue is considered to be a factor on which users are focused, as it provides an indication of the performance of the Group.*

Based on our professional judgement, for the group we determined materiality to be R111 million which approximates 1% of revenue.

Group Audit Scope

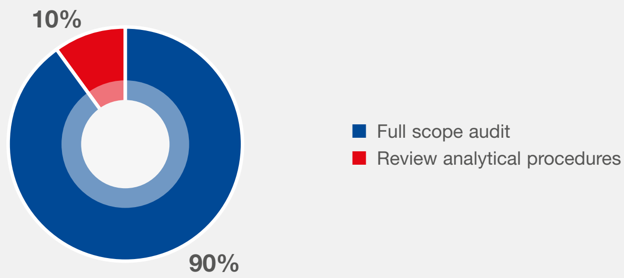
Our Group audit was scoped by obtaining an understanding of the Group and its environment, including the structure and organisation of the group, and assessing the risks of material misstatement at the Group level. Components were selected to provide an appropriate basis for undertaking audit work to address the risks of material misstatement.

Based on our assessment, we performed work at 8 components (2023: 8 components), representing the Group’s most material retail operations. The following audit scoping was applied:

- 2 components (2023: 2 components) were subject to a full scope audit; and
- 6 components (2023: 6 components) were subject to group analytical review procedures where the extent of our testing was based on our assessment of the risk of material misstatement of certain specific financial balances and the materiality of the Group’s operations at those locations.

The 2 components which were subject to a full scope audit accounts for approximately 90% of the Group's total assets and 90% of the Group's revenue.

REVENUE AND TOTAL ASSETS



Key Audit Matter

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

In terms of the EAR Rule, we are required to report the outcome of audit procedures or key observations with respect to the key audit matters and these are included below.

Key Audit Matter	How the matter was addressed in the audit
IMPAIRMENT ASSESSMENT OF GOODWILL AND INTANGIBLE ASSETS FOR P&L HARDWARE	
As disclosed in note 5, total impairments amounted to R147.2 million of which R136.8 million relates to goodwill and intangible assets on for the year. IAS 36 – Impairment of assets (IAS 36) requires goodwill and intangible assets that are not subject to amortisation to be assessed for impairment annually, irrespective of whether any impairment indicators exist. The directors performed an impairment assessment over the P&L Hardware cash generating unit (CGU) by assessing the recoverable amount of the CGU using a value-in-use discounted cash flow model and compared it to the carrying amount of the CGU. We considered the goodwill and intangible assets for the P&L Hardware CGU to be a matter of most significance and a key audit matter due to the required audit effort, the significant value of the intangibles before impairment and the associated impairment indicators that were identified. The impairment assessment also requires significant judgement and estimation to be applied by the directors in determining the value-in-use of the CGU and selecting the appropriate key inputs as disclosed in note 5: ▪ Growth rates; ▪ discount rate (WACC); and ▪ terminal growth rate.	Our audit procedures included the following: ▪ We obtained an understanding of the process by evaluating the design and testing the implementation of relevant controls over the assessment of goodwill impairment for the P&L Hardware CGU; ▪ We evaluated whether the value-in-use model, including the discount rate, used by the directors complies with the requirements of IAS 36 with appropriate input from our internal corporate finance specialists; ▪ Analysed and robustly challenged the revenue growth rates and trading profit margins with reference to the budgets and the probability of achieving future targets; ▪ Tested the forecasts with reference to historical performance; and ▪ Reviewed the appropriateness of the disclosure in the financial statements. Based on the procedures performed, we concluded that the impairment and related disclosures as set out in note 5 to the financial statements are considered to be appropriate.

Independent Auditor's Report (continued)

Other Information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Cashbuild Limited Annual Consolidated Financial Statements" and in the document titled "Cashbuild Limited Annual Financial Statements for the year ended 30 June 2024", which includes the Directors' Report, the Audit and Risk Committee's Report and the Company Secretary's Certificate, as required by the Companies Act of South Africa. The other information does not include the consolidated financial statements and our auditor's reports thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon. In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Consolidated Financial Statements

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

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

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

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

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

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

Independent Auditor's Report (continued)

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 communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Audit Tenure

In terms of the IRBA Rule published in Government Gazette No. 39475 dated 4 December 2015, we report that Deloitte has been the auditor of Cashbuild Limited for 2 years.

DocuSigned by:

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Deloitte & Touche
Registered Auditor
Per: James Welch
Partner

2 September 2024

5 Magwa Crescent
Waterfall City
2090
Johannesburg
South Africa

Consolidated Statement of Financial Position

as at 30 June 2024

Figures in Rand thousand	Note(s)	Year ended June 2024	Year ended June 2023
Assets			
Non-current assets			
Property, plant and equipment	4	**2 273 844**	2 383 569
Investment property	6	**38 600**	39 953
Investment in associate	7	**30 000**	30 000
Intangible assets	8	**124 134**	270 537
Deferred tax	9	**144 276**	134 154
Prepayments	11	**2 351**	–
		2 613 205	2 858 213
Current assets			
Prepayments	11	**26 341**	22 520
Current tax receivable	31	**27 485**	–
Inventories	12	**1 787 338**	1 698 486
Trade and other receivables	13	**134 264**	89 771
Cash and cash equivalents	14	**998 811**	1 582 166
		2 974 239	3 392 943
Non-current assets held for sale	15	**6 829**	21 787
		2 981 068	3 414 730
Total assets		**5 594 273**	6 272 943
Equity and liabilities			
Equity			
Equity attributable to equity holders of parent			
Share capital	16	**(678 971)**	(621 112)
Reserves		**167 814**	164 483
Retained income		**2 327 803**	2 385 008
		1 816 646	1 928 379
Non-controlling interest		**15 734**	27 155
		1 832 380	1 955 534
Liabilities			
Non-current liabilities			
Joint operation loan payable	7	**18 619**	18 619
Deferred tax	9	**12 506**	38 759
Lease liabilities	19	**1 224 850**	1 346 527
Cash-settled share-based payments	20	**5 506**	1 591
		1 261 481	1 405 496
Current liabilities			
Lease liabilities	19	**288 353**	254 058
Trade and other payables	21	**2 212 059**	2 629 522
Current tax payable	31	**–**	28 333
		2 500 412	2 911 913
Total liabilities		**3 761 893**	4 317 409
Total equity and liabilities		**5 594 273**	6 272 943

The accounting policies on pages 21 to 31 and the notes on pages 32 to 70 form an integral part of the Annual Consolidated Financial Statements.

Consolidated Statement of Profit or Loss

for the year ended 30 June 2024

Figures in Rand thousand	Note(s)	**Year ended June 2024**	Year ended June 2023
Revenue	22	**11 191 654**	10 653 193
Cost of sales	23	**(8 421 925)**	(7 948 438)
Gross profit		**2 769 729**	2 704 755
Other income	24	**11 010**	25 069
Selling and marketing expenses	25	**(1 995 414)**	(1 929 480)
Administrative expenses	25	**(427 541)**	(407 406)
Other operating expenses*	25	**(167 868)**	(159 713)
Impairment losses of financial assets and contract assets	25	**(771)**	–
Operating profit~		**189 145**	233 225
Finance income	26	**113 558**	100 777
Finance cost	27	**(164 526)**	(155 955)
Profit before taxation		**138 177**	178 047
Taxation	28	**(50 602)**	(63 145)
Profit for the year		**87 575**	114 902
Profit attributable to:			
Owners of the parent		**88 601**	106 346
Non-controlling interests		**(1 026)**	8 556
		87 575	114 902
Earnings per share for profit attributable to the ordinary equity holders of the Company			
Per share information			
Basic earnings per share (cents)	29	**396.4**	456.9
Diluted earnings per share (cents)^	29	**396.4**	455.6

* *Included in other operating expenses is the impairment of P&L Hardware Goodwill and P&L Hardware Trademark. Refer to note 5 for further information.*

~ *Operating profits is gross profit minus operating expenses.*

^ *June 2024 diluted earnings per share is limited to the basic earnings per share due to the diluted earnings per share being anti-dilutive in nature for the financial year.*

The accounting policies on pages 21 to 31 and the notes on pages 32 to 70 form an integral part of the Annual Consolidated Financial Statements.

Consolidated Statement of Other Comprehensive Income

for the year ended 30 June 2024

Figures in Rand thousand	Notes	Year ended June 2024	Year ended June 2023
Profit for the year		**87 575**	114 902
Other comprehensive income:			
Items that may be reclassified to profit or loss:			
Exchange differences on translation of foreign operations attributable to:			
Owners of the parent	18	**(11 415)**	8 597
Non-controlling interests		**(7 984)**	(4 485)
Total movement in foreign currency translation reserve (FCTR)		**(19 399)**	4 112
Other comprehensive income for the year net of taxation		**(19 399)**	4 112
Total comprehensive income		**68 176**	119 014
Total comprehensive income attributable to:			
Owners of the parent		**77 186**	114 943
Non-controlling interests		**(9 010)**	4 071
		68 176	119 014

The accounting policies on pages 21 to 31 and the notes on pages 32 to 70 form an integral part of the Annual Consolidated Financial Statements.

Consolidated Statement of Changes in Equity

for the year ended 30 June 2024

Figures in Rand thousand	Share capital	Share premium	Total share capital	FCTR	Share-based payments reserve	Total reserves	Retained income	Non-controlling interest	Total equity
Balance as at 26 June 2022	227	(324 651)	(324 424)	(13 704)	146 856	133 152	2 527 829	28 449	2 365 006
Total comprehensive income for the year	–	–	–	8 597	–	8 597	106 346	4 071	119 014
Recognition of share-based payments	–	–	–	–	22 734	22 734	–	–	22 734
Shares repurchased	(2)	(46 512)	(46 514)	–	–	–	–	–	(46 514)
Shares repurchased and cancelled	(11)	(212 398)	(212 409)	–	–	–	–	–	(212 409)
Shares purchased by Cashbuild South Africa for the Forfeitable Share Plan	(2)	(37 763)	(37 765)	–	–	–	–	–	(37 765)
Dividends	–	–	–	–	–	–	(249 167)	(5 365)	(254 532)
Balance at 25 June 2023	212	(621 324)	(621 112)	(5 107)	169 590	164 483	2 385 008	27 155	1 955 534
Total comprehensive income for the year	**–**	**–**	**–**	**(11 415)**	**–**	**(11 415)**	**88 601**	**(9 010)**	**68 176**
Recognition of share-based payments	**–**	**–**	**–**	**–**	**14 746**	**14 746**	**–**	**–**	**14 746**
Shares repurchased	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Shares repurchased and cancelled	**(2)**	**(30 713)**	**(30 715)**	**–**	**–**	**–**	**–**	**–**	**(30 715)**
Shares purchased by Cashbuild South Africa for the Forfeitable Share Plan	**(1)**	**(27 143)**	**(27 144)**	**–**	**–**	**–**	**–**	**–**	**(27 144)**
Dividends	**–**	**–**	**–**	**–**	**–**	**–**	**(145 806)**	**(2 411)**	**(148 217)**
Balance at 30 June 2024	**209**	**(679 180)**	**(678 971)**	**(16 522)**	**184 336**	**167 814**	**2 327 803**	**15 734**	**1 832 380**
Note(s)	16	16	16	18	17				

Refer to note 29 for more information on dividend per share.

Consolidated Statement of Cash Flows

for the year ended 30 June 2024

Figures in Rand thousand	Note(s)	Year ended June 2024	Year ended June 2023
Cash flows from operating activities			
Cash generated from operations	30	**263 960**	779 483
Finance cost paid	27	**(164 526)**	(155 955)
Taxation paid	31	**(144 294)**	(153 284)
Net cash generated from operating activities		**(44 860)**	470 244
Cash flows from investing activities			
Additions to property, plant and equipment	4	**(146 849)**	(152 591)
Proceeds on disposal of non-current asset held for sale	33	**–**	1 030
Proceeds on disposal of property, plant and equipment and intangible assets	34	**12 629**	13 018
Finance income received		**71 653**	100 777
Additions to intangible assets	8	**(4 675)**	(6 316)
Net cash utilised in investing activities		**(67 242)**	(44 082)
Cash flows from financing activities			
Shares repurchased	16	**–**	(46 514)
Shares repurchase by Cashbuild Limited and cancelled	16	**(30 715)**	(212 409)
Shares purchased for the Forfeitable Share Plan	17	**(27 144)**	(37 765)
Lease liability payments	19	**(254 597)**	(229 917)
Dividends paid	32	**(145 806)**	(249 167)
Dividends paid to non-controlling interests	32	**(2 411)**	(5 365)
Net cash utilised in financing activities		**(460 673)**	(781 137)
Total cash and cash equivalents movement for the year		**(572 775)**	(354 975)
Cash and cash equivalents at the beginning of the year		**1 582 166**	1 938 639
Effect of exchange rate movement on cash and cash equivalents balances		**(10 580)**	(1 498)
Total cash and cash equivalents at the end of the year	14	**998 811**	1 582 166

Accounting Policies

CORPORATE INFORMATION

Cashbuild Limited is a public company incorporated and domiciled in South Africa.

1. Material accounting policies

Cashbuild is Southern Africa's leading retailer of quality building materials and associated products, selling direct to a predominantly cash-paying customer base through our chain of 322 stores at the end of this financial year. Cashbuild carries an in-depth quality product range tailored to the specific needs of the communities we serve. Our customers are typically home-builders and improvers, contractors, farmers, traders, as well as all other customers requiring quality building materials at the best value.

The principal accounting policies applied in the preparation of these Annual Consolidated Financial Statements are set out below.

1.1 Basis of preparation

The Annual Consolidated Financial Statements are prepared in accordance with IFRS Accounting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) applicable to companies reporting under IFRS and the IFRS Interpretations Committee (previously known as International Financial Reporting Interpretations Committee (IFRIC)), the South African Companies Act, the JSE Listings Requirements, and the South African Institute of Chartered Accountants (SAICA) Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Guides as issued by the Financial Reporting Council. The Financial Statements are authorised for issue by the Company's Board of Directors.

The Annual Consolidated Financial Statements are prepared on the basis that the Group will continue to be a going concern.

These Annual Consolidated Financial Statements comply with the requirements of 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.

The Annual Consolidated Financial Statements have been prepared on the historic cost convention, unless otherwise stated in the accounting policies which follow and incorporate the principal accounting policies set out below. They are presented in Rand, which is the Group's functional currency.

These accounting policies are consistent with the prior year.

1.2 Consolidation

Basis of consolidation

The Annual Consolidated Financial Statements incorporate the Annual Financial Statements of the Company and all subsidiaries. Subsidiaries are entities which are controlled by the Group.

The Group has control of an entity when it is exposed to or has rights to variable returns from involvement with the entity and it has the ability to affect those returns through using its power over the entity.

The results of subsidiaries are included in the Annual Consolidated Financial Statements from the effective date of acquisition to the effective date of disposal.

Adjustments are made where necessary to the Annual Financial Statements of subsidiaries to bring their accounting policies in line with those of the Group.

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

Non-controlling interests in the net assets of consolidated subsidiaries are identified and recognised separately from the Group's interest therein, and are recognised within equity.

The Group's proportionate share of assets and liabilities from investments in joint operators are included in the Annual Consolidated Financial Statements from the effective date of acquisition.

Transactions with non-controlling interests that do not result in loss of control, are accounted for as equity transactions and are recognised directly in the Consolidated Statement of Changes in Equity.

1. Material accounting policies (continued)

1.3 Investment property

Investment property are assets which the Group holds to earn rentals. Investment property is initially recognised at cost. Transaction costs are included in the initial measurement.

Costs include costs incurred initially and costs incurred subsequently to add to, or to replace a part of a property. If a replacement part is recognised in the carrying amount of the investment property, the carrying amount of the replaced part is derecognised.

Cost model

Investment property is carried at cost less accumulated depreciation less any accumulated impairment losses. Depreciation is calculated on the straight-line basis over a useful life of 50 years.

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

1.4 Property, plant and equipment

Property, plant and equipment are assets which the Group holds for its own use or for rental to others and which are expected to be used for more than one year.

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

Property, plant and equipment is initially measured at cost, which includes all of the expenditure which is directly attributable to the acquisition or construction of the asset. Subsequently, property, plant and equipment is measured at historical cost less accumulated depreciation and accumulated impairment losses. Expenditure incurred on work in progress projects are capitalised until the project is completed. Work in progress assets are then transferred to the relevant asset categories.

Expenditure incurred subsequently to refurbish, expand or replace property, plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost can be measured reliably. Maintenance costs are included in profit or loss in the year in which they are incurred.

Assets are depreciated when an asset is available for use, and depreciated on a straight-line basis over its expected useful lives. Assets which are expected to have a material disposal value are allocated residual values, these assets are depreciated up to residual value and residual values are reassessed annually. Land is not depreciated. The useful lives are reassessed annually, and adjusted accordingly, where appropriate.

The details including the useful lives of items of property, plant and equipment have been disclosed in note 4.

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount. Impairment losses reversals are limited to what the carrying amount of the asset would have been, should no impairment have been recognised.

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

1.5 Intangible assets

Goodwill

Goodwill arises on a business combination, and is the amount by which the fair value of consideration transferred and the amount of any non-controlling interest recognised, exceeds the identifiable assets and liabilities recognised in accordance with IFRS 3. Goodwill is carried at cost less accumulated impairment losses.

Trademarks

Trademarks which have a finite useful life are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is calculated using the straight-line method to allocate the cost of trademarks over its estimated useful lives of 10 years.

Accounting Policies (continued)

1. Material accounting policies (continued)

1.5 Intangible assets (continued)

Trademarks acquired in a business combination are recognised at fair value at the acquisition date. At year-end, there are no trademarks as the P&L Hardware trademark was fully impaired during the year.

This intangible asset is regarded as having an indefinite useful life due to there being, based on all relevant factors, no foreseeable limit to the period over which the asset is expected to generate net cash inflows. This position is assessed on an annual basis. Amortisation is not provided for these intangible assets, however, these assets are tested for impairment annually and when there is an indication that the asset may be impaired. No impairment will arise if the present value of the expected net cash inflows into perpetuity support the fair value of the intangible asset acquired.

Estimates and judgements considered in determining the indefinite useful life of trademarks are disclosed in note 2.

Computer software

Computer software is capitalised on the basis of the costs incurred to acquire and bring the specific software into use. These costs are amortised on a straight-line basis over its estimated useful lives of three to five years.

Costs associated with maintaining computer software programs are recognised as an expense as incurred.

Directly attributable costs that are capitalised as part of the software product include the software development employee costs and an appropriate portion of relevant overheads.

Computer software is carried at cost less accumulated amortisation.

Refer to note 8 for details of the Group's intangible assets.

1.6 Financial instruments

Classification

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

- Financial assets measured at amortised cost
- Financial liabilities measured at amortised cost

Financial assets at amortised cost

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 30 days and therefore, are all classified as current assets.

Trade receivables and cash and cash equivalents have been classified at amortised cost as its contractual terms give rise, on specified dates, to cash flows that are solely payments of principal and interest and the Group's business model is to collect the contractual cash flows on these financial instruments.

Financial liabilities measured at amortised cost

Trade payables are financial liabilities measured at amortised cost. Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. Borrowings consist of overdraft facilities available to the Group. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liabilities for at least 12 months after the financial position date.

Recognition and measurement

Financial assets at amortised cost

Trade receivables are recognised initially at the amount of consideration that is unconditional. The Group has made use of the practical expedient where the Group presumes that a trade receivable does not have a significant financing component as the expected term is less than one year. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore, measures them subsequently at amortised cost using the effective interest method.

Cash and cash equivalents are initially recognised at fair value. Subsequently, cash and cash equivalents are measured at amortised cost.

Financial liabilities measured at amortised cost

Trade payables, lease liabilities and refundable customer deposits are initially measured at fair value plus transaction costs, if any, and are subsequently measured at amortised cost, using the effective interest rate method.

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

1. Material accounting policies (continued)

1.6 Financial instruments (continued)

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

Impairment of financial assets

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. As a practical expedient, the Group uses a provision matrix based on the Group's historical default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. Refer to note 13 for the impact of the expected credit loss.

Cash and cash equivalents

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

These amounts are readily convertible to known amounts of cash and which are subject to insignificant changes in value.

Foreign currency bank accounts are translated into the functional currency using the exchange rates prevailing at the Consolidated Statement of Financial Position date. Foreign exchange gains and losses resulting from the revaluation of these balances are recognised in the Consolidated Statement of Profit or Loss.

1.7 Inventories

Inventories are measured at the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

The cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to its present location and condition. Unrealised trade, settlement and other discounts as well as unrealised rebates are netted off against the inventory balance.

The cost of inventories is assigned using the weighted average cost formula. The same cost formula is used for all inventories having a similar nature and use to the entity.

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

Inventories include a "right-to-return-goods asset" which represents the Group's right to recover products from customers where customers exercise their right of return under the Group's returns policy. The Group uses its accumulated historical experience to estimate the number of returns on a portfolio level using the expected value method. A corresponding adjustment is recognised against cost of sales.

Refer to note 12 for disclosures of inventory and related values.

1.8 Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

A non-current asset is not depreciated (or amortised) while it is classified as held for sale, or while it is part of a disposal group classified as such.

Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale are recognised in profit or loss.

Accounting Policies (continued)

1. Material accounting policies (continued)

1.9 Impairment of assets

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

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

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

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

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

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

Goodwill is monitored at the operating segment level. Goodwill impairment reviews are undertaken annually, or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value-in-use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed. Refer to note 5 for details thereof.

Trademarks are assessed for impairment annually or more frequently if indicators of impairment exist.

The significant assets considered for impairment indicators for the 12 months ended 30 June 2024 are the goodwill and trademark acquired from the P&L Hardware business combination. Refer to note 5 for details thereof.

1.10 Share capital and equity

Ordinary shares are classified as equity. Where group companies purchase Cashbuild Limited's share capital, the consideration paid including attributable transaction costs (net of income taxes), is deducted from equity attributable to the Group's equity holders as treasury shares until they are cancelled, re-issued or sold. Where such shares are subsequently sold or re-issued, any consideration received net of directly attributable incremental transaction costs and related income tax effects is included in shareholders' funds.

The shares held by The Cashbuild Empowerment Trust, Cashbuild Management Member Trust, Cashbuild (South Africa) Proprietary Limited and Cashbuild Limited are classified as treasury shares.

Dividends received on treasury shares are eliminated on consolidation, except the dividends on which participants are entitled to in terms of The Cashbuild Empowerment Trust deed, which is accounted for as a staff expense in the Consolidated Statement of Profit or Loss.

Details of share capital and share premium including the impact of treasury shares are disclosed in note 16.

1.11 Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits and annual leave, which are expected to be settled wholly within 12 months after the end of the year in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

Long service awards

The Group has an obligation to pay long service awards to employees who reach certain predetermined milestone periods of service. Costs incurred in relation to the obligation are debited against the liability as incurred. Movements in the liability arising from the valuation are charged to the Consolidated Statement of Profit or Loss upon valuation. Gains and losses are recognised immediately in full.

1. Material accounting policies (continued)

1.11 Employee benefits (continued)

Bonuses

The Group's bonus structure allows monthly and quarterly bonuses that employees at stores can earn based on store and divisional performance. An annual bonus is available to all store and divisional management, based on their areas' performance. Support Office staff and Executive Management qualifying for annual bonuses which is dependent on the Group's results and performance. Annual bonuses are calculated with reference to a formula that takes into consideration the revenue and profit before tax. The Group recognises a liability and an expense for bonuses. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

Defined contribution plans

The Group provides for retirement benefits for employees by making payments to independent defined contribution funds and contributions are expensed. A defined contribution plan is a plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligation to pay further contributions, if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior years.

1.12 Provisions and contingencies

Provisions are recognised when:

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

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

Provisions are not recognised for future operating losses.

After its initial recognition, contingent liabilities recognised in business combinations that are recognised separately are subsequently measured at the higher of:

- the amount that would be recognised as a provision; and
- the amount initially recognised less cumulative amortisation.

Contingent assets and contingent liabilities are not recognised. When realisation of income is virtually certain, the related asset is recognised. Contingencies are disclosed in note 36.

1.13 Joint arrangements and associates

A joint arrangement is an arrangement of which two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. A joint arrangement is either classified as a joint operation or a joint venture.

Joint operations

The Group recognises the following in relation to its interests in a joint operation:

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

Associates

An associate is an entity that the Group has significant influence over. The Group has significant influence over an entity if it holds more than 20% of the voting rights and there is no joint control. The Group accounts for its interests in associates using the equity method. Investment in associates are accounted for at cost and is increased with the Group's share of profit when applicable.

1.14 Prepayments

Prepayments comprise general prepayments for goods or services to be provided after year-end. Current prepayments relate to general prepayments that will realise within 12 months after year-end.

1. Material accounting policies (continued)

1.15 Tax

Current tax assets and liabilities

Current tax for current and prior years are, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior years exceeds the amount due for those years, the excess is recognised as an asset.

Current tax liabilities/(assets) for the current and prior years are measured at the amount expected to be paid to/(recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities

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

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

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

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

At each reporting period, the Group assesses the recoverability of deferred tax assets. Measurement adjustments are recognised when the Group expects that the deferred tax assets will not result in future tax benefits.

For details of deferred tax assets and liabilities for the year refer to note 9.

Tax expenses

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

- a transaction or event which is recognised, in the same or a different year, to the Consolidated Statement of Comprehensive Income; or
- a business combination.

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

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

Components of the tax expense and effective tax rate is disclosed in note 28.

1.16 Leases

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

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

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

In circumstances where the determination of whether the contract is or contains a lease requires significant judgement, the relevant disclosures are provided in the significant judgements and sources of estimation uncertainty section of these accounting policies.

1. Material accounting policies (continued)

1.16 Leases (continued)

Group as lessee

The Group has entered into various leases in respect of premises. Leases for premises are on average contracted for periods between five and 15 years with renewal options for a further five to 10 year periods.

A lease liability and corresponding right-of-use asset are recognised at the lease commencement date, for all lease agreements for which the Group is a lessee, except for short-term leases of 12 months or less. For these leases, the Group recognises the lease payments as an operating expense (note 25) on a straight-line basis over the term of the lease, unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

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

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The probability of utilising extension and termination options are considered when determining the lease term.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:
- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Group under residual value guarantees;
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments which are based on an index or rate are included in the lease liability. In the event of a modification which does not result in a separate lease, the lease liability is remeasured with a corresponding adjustment to the right-of-use asset.

Right-of-use assets are measured at cost comprising the following:
- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. Refer to note 4 for details relating to the right-of-use assets.

The lease payments are discounted using the incremental borrowing rate. The incremental borrowing rate is determined by using the rate that the Group would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

A number of lease contracts include the option to renew the lease for a further period or terminate the lease earlier. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The Group applies judgement in assessing whether it is reasonably likely that options will be exercised. Factors considered include how far in the future an option occurs, the Group's business planning cycle, significance of related leasehold improvements and past history of terminating/not renewing leases. The lease term is reassessed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee.

1. Material accounting policies (continued)

1.16 Leases (continued)

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) when the following remeasurements occur:

- there has been a change to the lease term, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- there has been a change in the assessment of whether the Company will exercise a purchase termination or extension option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- there has been a change to the lease payments due to a change in an index or a rate, in which case the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used);
- there has been a change in expected payment under a residual value guarantee, in which case the lease liability is remeasured by discounting the revised lease payments using the initial discount rate; and
- a lease contract has been modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised payments using a revised discount rate.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recognised in the Consolidated Statement of Profit or Loss if the carrying amount of the right-of-use asset has been reduced to zero.

Details of leasing arrangements where the Group is a lessee are presented in note 19 Leases (Group as lessee).

1.17 Share-based plans and related payments

The Group operates a number of equity-settled, share-based compensation plans:

Cashbuild Forfeitable Share Scheme (FSP)

Shares are offered under a forfeitable share award scheme to Executive Directors and selected management. The scheme has a vesting period of three years. The impact is recognised directly in the Consolidated Statement of Profit or Loss, with a corresponding adjustment to equity. The effect of all shares issued under this scheme is taken into account when calculating the diluted and headline earnings per share.

The fair value determined at the award date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest and adjusted for the effect of non-market-based vesting conditions. The fair value at award date is determined as the share price at award date.

Cashbuild Operations Management Member Trust (OMT)

Share incentives under this operational managers scheme entitles qualifying store management members to receive a bonus that is split in equal proportion between cash and shares. The cash portion will be received immediately and the share portion will vest at the end of a three-year period, or such earlier dates as provided in the Trust Deed.

Dividends from The Cashbuild Empowerment Trust

Amounts paid to beneficiaries of the Trust, being employees of the Group, are treated as staff cost in the Consolidated Statement of Profit or Loss. The amounts paid out to the members are equal to dividends received by the Trust less specific cost incurred by the Trust.

Additional detail relating to distributions made by the Trust is disclosed in note 38.

1.18 Cash-settled share-based payments

Cash-settled share-based payment liabilities are initially measured at fair value and subsequently remeasured to fair value at each reporting date as well as at the date of settlement, with any changes in fair value recognised in profit or loss. The expense is recognised on a straight-line basis over the vesting period, with a corresponding increase in the liability. The fair value of the shares represents the liability that will ultimately be paid to the employee, as derived from the ruling share price at date of settlement.

Accounting Policies (continued)

1. Material accounting policies (continued)

1.19 Revenue from contracts with customers

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it satisfies the performance obligation. The performance obligation would be the sale of goods and this would be satisfied at the point of sale.

The following is a description of principal activities where the Group generates revenue. The Group has disclosed the nature, timing of satisfaction of performance obligations and significant payment terms:

Sale of goods – retail

The Group is required to disclose the revenue expected to be recognised in the future related to performance obligations that are unsatisfied (or partially unsatisfied) at the reporting date.

The Group operates a chain of retail stores selling building materials. Revenue from the sale of goods is recognised when a group entity sells a product to the customer.

Payment of the transaction price is due immediately when the customer purchases the building materials and takes delivery in store. There are repayment agreements with certain customers. It is the Group's policy to sell its products to the end customer with a right of return. Therefore, a refund liability (included in trade and other payables) is recognised for the products expected to be returned based on the average number of days it would take a customer to return goods. Accumulated experience is used to estimate such returns at the time of sale. Because the number of products returned has been steady for years, it is highly probable that a significant reversal in the cumulative revenue recognised will not occur. The validity of this assumption and the estimated amount of returns are reassessed at each reporting date.

Customers are entitled to volume rebates. Rebates will be awarded based on purchases as per agreed rebate structure with the customer. A corresponding reduction in revenue is recognised to account for rebates achieved.

1.20 Cost of sales

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

The related settlement discounts and rebates received on inventories are deducted from cost of sales.

Cost of sales is reduced by the amount recognised in inventory as a "right-to-return-goods asset" which represents the Group's right to recover products from customers where customers exercise their right of return under the Group's returns policy.

1.21 Translation of foreign currencies

Foreign currency transactions and Group translation

Stores which trade in foreign countries trade in foreign currencies being Botswana Pula, Malawian Kwacha, Zambian Kwacha and US Dollar. These are translated into reporting currency (Rand) at the end of the reporting period.

The results of and financial positions of all the Group entities (none of which have the currency of a hyperinflation economy) that have a functional currency different from the presentation currency, are translated into the presentation currency as follows:

- income and expenses for each Statement of Profit or Loss line item are translated at the average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the date of the transactions);
- assets and liabilities for each financial position presented are translated at the closing rates at the date of that financial position; and
- all resulting exchange differences are recognised through other comprehensive income.

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

2. ESTIMATES AND JUDGEMENTS

The preparation of the Annual Consolidated Financial Statements in accordance with IFRS requires the use of certain critical accounting estimates. It requires management to exercise its judgement in the process of applying the Group's accounting policies. These are areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements. The key estimates and assumptions relating to these areas are disclosed in the relevant notes to the Annual Consolidated Financial Statements.

All estimates and underlying assumptions are based on historical experience and various other factors that management believes are reasonable under the circumstances. The results of these estimates form the basis of judgements about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised and any affected future periods.

Judgements

There are no critical estimates or judgment that are likely to have a risk of causing a material adjustment to the carrying amounts of the assets and liabilities within the next financial year. Other non-critical estimates and judgments have been applied in the financial statements and disclosed below:

- **Inventory net realisable value** – Impairment allowances are raised against inventory when it is considered that the amount realisable from such inventory's sale is considered to be less than its carrying amount. The impairment allowance is estimated with reference to an inventory age analysis, stock turnover and margin which have an element of estimation uncertainty. Refer to note 12 for more information.

- **Goodwill impairment assessment** – The impairment assessment used the value-in-use method. The discount rate applied is derived from the entity specific weighted average cost of capital (WACC), adjusted for tax and specific risks relating to the operation. Estimation of the expected future sales and cost of sales for the store requires judgement. This forecast period covers a five-year period, after which a terminal value has been determined. The modelling of the future cash flows and consideration to Capital structures being the debt and right of use asset utilisation is continuously being re-assessed. Refer to note 5 for more information.

- **Right-of-use asset impairment assessment** – The impairment assessment is performed at a store level. When a loss-making store has been identified, a cash flow forecast is performed for the remaining lease term in order to determine the value-in-use of the store. The discount rate applied is derived from the Group weighted average cost of capital (WACC), adjusted for tax and specific risks relating to the country of operation. Estimation of the expected future sales and cost of sales for the store requires judgement. Impairments related to store closures for stores that reached the end of its lease term. Refer to note 25 for more information.

- **IFRS 16 lease term** – In determining the lease term, the Group must assess whether it is reasonably certain to exercise extension or early termination options. Renewal options have only been included where a decision to renew the lease has been made, which is when it is reasonably certain that the lease will be renewed. Cashbuild considers various factors in the decision to renew or not, which include profitability, location of the stores as well as overall business strategy. This judgement is important as it affects the amount recorded for the lease obligation and related right-of-use asset. Refer to note 19 for more information.

- **Incremental borrowing rate** – The incremental borrowing rate is estimated with reference to country-specific borrowing rates (linked to prime) that Cashbuild is subject to, inflated by a margin derived from government bond yields that is linked to the term of the lease contract from inception. Refer to accounting policy 1.16 for more information.

Notes to the Annual Consolidated Financial Statements

for the year ended 30 June 2024

3. SEGMENTAL INFORMATION

The Executive Directors are the chief operating decision makers (CODM). The information presented below is used by the CODM in discharging their duties which includes allocating resources and assessing the performance of each operating segment.

The Group's operating segments include the Cashbuild model stores (based in South Africa, Botswana, eSwatini, Lesotho, Namibia, Malawi and Zambia) and the P&L Hardware model stores (based only in South Africa). The Zambian stores were closed due to continued losses being made after various attempts to make the operations profitable.

The Group's operating segments are also considered to be reportable segments.

The Group's reportable segments are as follows:

- Cashbuild South Africa (based in South Africa)
- P&L Hardware (based in South Africa)
- Cashbuild common monetary operations (eSwatini, Lesotho and Namibia)
- Cashbuild non-common monetary operations (Botswana, Malawi and Zambia)

The Group's common monetary operations consist of the countries that form part of the Rand common monetary area.

The Group's non-common monetary operations consist of the other countries which Cashbuild trades in. These other countries have foreign exchange differences when compared to the Rand.

All operating segments are in the business of retail of building materials and associated products.

The Group evaluates the performance of its operating segments based on revenue and operating profit. Operating profit is the earnings before interest and tax.

	Cashbuild South Africa	**P&L Hardware**	**Cashbuild common monetary**	**Cashbuild non-common monetary**	**Total**
June 2024					
Revenue	**9 174 661**	**824 070**	**721 216**	**471 707**	**11 191 654**
Cost of Sales	**(6 847 474)**	**(663 132)**	**(560 951)**	**(350 369)**	**(8 421 925)**
Operating expenses^	**(2 047 938)**	**(306 742)**	**(127 030)**	**(109 884)**	**(2 591 594)**
Operating profit/(loss)*	**285 275**	**(141 324)**	**33 631**	**11 563**	**189 145**
Depreciation and amortisation	**(362 914)**	**(33 431)**	**(16 022)**	**(9 746)**	**(422 113)**
Finance income	**94 716**	**5 432**	**10 525**	**2 885**	**113 558**
Finance costs	**(144 430)**	**(8 742)**	**(7 374)**	**(3 980)**	**(164 526)**
Taxation	**(64 973)**	**26 160**	**(9 870)**	**(1 920)**	**(50 603)**

* *The Operating loss for P&L Hardware includes the impairment raised on the P&L Hardware Goodwill of R40.4 million and on the P&L Hardware Trademark of R96.4 million.*

^ *Operating expenses comprise of the following categories of expenses: selling and marketing, administrative (which includes depreciation and amortisation), other operating expenses and impairment losses of financial assets and contract assets.*

	Cashbuild South Africa	P&L Hardware	Cashbuild common monetary	Cashbuild non-common monetary	Total
June 2023					
Revenue	8 643 699	826 110	690 482	492 902	10 653 193
Cost of Sales~	(6 389 809)	(665 135)	(530 910)	(362 583)	(7 948 438)
Operating expenses^~	(1 935 087)	(355 019)	(120 346)	(86 147)	(2 496 599)
Operating profit/(loss)*	331 029	(191 433)	39 279	54 350	233 225
Depreciation and amortisation	(335 885)	(28 755)	(15 977)	(10 582)	(391 199)
Finance income	87 045	3 242	7 919	2 571	100 777
Finance costs	(135 417)	(9 217)	(7 814)	(3 507)	(155 955)
Taxation	(56 423)	12 686	(10 509)	(8 899)	(63 145)

* *The Operating loss for P&L Hardware includes the impairment raised on the P&L Hardware Goodwill of R155.9 million.*

^ *Operating expenses comprise of the following categories of expenses: selling and marketing, administrative (which includes depreciation and amortisation), other operating expenses and impairment losses of financial assets and contract assets.*

~ *The segmental information for FY23 has been represented in light of the guidance provided by the IFRS Interpretations Committees (IFRIC) final agenda decision relating to the IFRS 8:* Operating Segments *on the disclosure of income and expense line items for reportable segments. The group has elected to provide additional disclosure in light of the IFRIC agenda decision.*

3. SEGMENTAL INFORMATION (continued)

Segment assets and liabilities

The table below provides information on segment assets and liabilities as well as a reconciliation to total assets and liabilities as per the Consolidated Statement of Financial Position.

	Capital investment*	Total assets	Total liabilities
June 2024			
Cashbuild South Africa	**133 816**	**4 485 126**	**(2 686 786)**
P&L Hardware	**12 300**	**477 277**	**(740 159)**
Cashbuild common monetary	**7 254**	**400 165**	**(189 793)**
Cashbuild non-common monetary	**7 814**	**231 705**	**(145 155)**
Total	**161 184**	**5 594 273**	**(3 761 893)**
June 2023			
Cashbuild South Africa	145 065	4 944 741	(3 168 137)
P&L Hardware	6 670	604 905	(749 852)
Cashbuild common monetary	6 483	430 489	(231 916)
Cashbuild non-common monetary	689	292 808	(167 504)
Total	158 907	6 272 943	(4 317 409)

* *Capital investment relates to total additions during the year of property, plant and equipment, excluding the additions to right-of-use asset (note 4) and intangible assets (note 8).*

4. PROPERTY, PLANT AND EQUIPMENT

	June 2024			June 2023		
	Cost	Accumulated depreciation/ impairment	Carrying value	Cost	Accumulated depreciation/ impairment	Carrying value
Group						
Land and buildings	**811 342**	**(110 010)**	**701 332**	772 429	(84 901)	687 528
Leasehold improvements	**244 094**	**(169 246)**	**74 848**	229 586	(153 645)	75 941
Furniture and equipment	**1 711 550**	**(1 253 509)**	**458 041**	1 613 657	(1 142 688)	470 969
Vehicles	**34 538**	**(30 885)**	**3 653**	35 426	(27 165)	8 261
Right-of-use asset	**2 845 697**	**(1 809 727)**	**1 035 970**	2 679 264	(1 538 394)	1 140 870
Total	**5 647 221**	**(3 373 377)**	**2 273 844**	5 330 362	(2 946 793)	2 383 569

4. PROPERTY, PLANT AND EQUIPMENT (continued)

Reconciliation of property plant and equipment – Group – June 2024

	Opening balance	Additions	Disposals~	Classified as held for sale^	Transfers	Lease remeasure-ments+	Foreign exchange movements	Depreciation	Impairment#	Closing balance
Land and buildings	687 528	–	–	12 000	27 675	–	(762)	(25 109)	–	701 332
Leasehold improvements	75 941	–	(247)	–	14 885	–	(130)	(15 601)	–	74 848
Furniture and equipment**	470 969	9 660	(11 650)	–	100 623	–	(739)	(110 750)	(72)	458 041
Vehicles	8 261	–	(4 554)	–	3 666	–	–	(3 720)	–	3 653
Right-of-use asset	1 140 870	14 378	(3 187)	–	–	158 606	(3 364)	(262 317)	(9 016)	1 035 970
Capital work in progress*	–	146 849	–	–	(146 849)	–	–	–	–	–
Total	**2 383 569**	**170 887**	**(19 638)**	**12 000**	**–**	**158 606**	**(4 995)**	**(417 497)**	**(9 088)**	**2 273 844**

* *Capital work in progress mainly relates to store refurbishments during the year.*

~ *Disposal of right-of-use of assets relates to the early termination of lease agreements. The right-of-use asset and lease liability, net of the early termination payment if applicable, is derecognised and any gain or loss is recognised in the Consolidated and Separate Statement of Profit or Loss.*

+ *The lease remeasurements relate to the exercising of the renewal option in the lease agreements, which did not result in a separate lease. The lease liability was remeasured with corresponding adjustments to the right-of-use asset for this remeasurement.*

^ *Refer to note 15 for details of buildings classified as held for sale.*

The impairment on right-of-use asset relates to the loss-making stores. Refer to note 5 for further detail.

** *The additions in furniture and equipment relates to transfers from computer software to computer equipment.*

Reconciliation of property, plant and equipment – Group – June 2023

	Opening balance	Additions	Disposals~	Classified as held for sale^	Transfers	Lease remeasure-ments+	Foreign exchange movements	Depreciation	Impairment#	Closing balance
Land and buildings	704 897	–	(1 143)	(21 787)	13 711	–	4 217	(7 886)	(4 481)	687 528
Leasehold improvements	87 256	–	(388)	–	5 315	–	226	(16 468)	–	75 941
Furniture and equipment	460 474	–	(7 262)	–	133 514	–	1 008	(113 159)	(3 606)	470 969
Vehicles	12 939	–	(368)	–	51	–	–	(696)	(3 665)	8 261
Right-of-use asset	1 177 385	82 037	(14 610)	–	–	150 096	2 946	(248 434)	(8 550)	1 140 870
Capital work in progress*	–	152 591	–	–	(152 591)	–	–	–	–	–
Total	2 442 951	234 628	(23 771)	(21 787)	–	150 096	8 397	(386 643)	(20 302)	2 383 569

* *Capital work in progress mainly relates to store refurbishments during the year.*

~ *Disposal of right-of-use of assets relates to the early termination of lease agreements. The right-of-use asset and lease liability, net of the early termination payment if applicable, is derecognised and any gain or loss is recognised in the Consolidated Statement of Profit or Loss.*

+ *The lease remeasurements relate to the exercising of the renewal option in the lease agreements, which did not result in a separate lease. The lease liability was remeasured with corresponding adjustments to the right-of-use asset for this remeasurement.*

^ *Refer to note 15 for details of buildings classified as held for sale.*

The impairment on land and buildings relates to the impairment of the Kafue Road property in Zambia and Katimo Mulilo in Namibia. The remaining impairment relates to loss-making stores and vehicles. Refer to note 5 for further detail.

4. PROPERTY, PLANT AND EQUIPMENT (continued)

Depreciation rates

The depreciation methods and average useful lives of property, plant and equipment have been assessed as follows:

▪ Buildings	Straight-line basis – 50 years
▪ Leasehold improvements	Straight-line basis – 10 years (limited to lease term)
▪ Furniture and equipment*	Straight-line basis – 3 to 15 years
▪ Vehicles	Straight-line basis – 5 to 6 years
▪ Right-of-use asset^	Straight-line basis – lease term
▪ Forklifts*	Running hours – 14 000

* *Forklifts are included in the furniture and equipment asset class within the property, plant and equipment reconciliation.*
^ *Right-of-use assets relate to leased store properties.*

Figures in Rand thousand	Year ended June 2024	Year ended June 2023
Amounts recognised in profit and loss for the year:		
(Loss)/profit on disposal of property, plant and equipment	**(3 822)**	3 614
Profit on disposal of non-current assets held for sale	**–**	80
Profit on disposal of right-of-use asset	**1 949**	3 159
Repairs and maintenance expenditure	**59 243**	54 032

5. IMPAIRMENT OF ASSETS

Goodwill impairment assessment

The below impairment assessment was performed over the goodwill arising on acquisition of P&L Hardware and indefinite lived intangible assets relating to the P&L Hardware trademark.

Figures in Rand thousand	Year ended June 2024	Year ended June 2023
Goodwill allocation		
P&L Hardware (net of impairment)	**–**	40 393
Cashbuild (South Africa)	**112 833**	112 833
Total Goodwill	**112 833**	153 226
P&L Hardware indefinite lived trademark	**–**	96 409

P&L Hardware cash-generating unit:

P&L Hardware Goodwill was fully impaired during the financial year that ended 30 June 2024. Listed below are the assumptions applied in the value-in-use calculation for the P&L Hardware cash-generating unit.

The recoverable amount of the P&L Hardware cash generating unit has been determined based on a value-in-use calculation for the forecast period. This forecast period covers the five-year period up to June 2029, after which a terminal value has been determined.

The value-in-use of P&L Hardware was determined using assumptions regarding company profitability, growth rates, discount rates and target net working capital days. An impairment assessment was conducted and it was noted that the headroom on the P&L Hardware cash-generating unit has diminished and has resulted in a full impairment of the Goodwill. The decline in headroom leading to an impairment is ascribed to the lower performance of the cash-generating unit due to challenging economic conditions and delayed results from management's action plans within the business which further reduced the available headroom. The impact of the aforementioned resulted in an impairment of the P&L Hardware Goodwill (June 2024: R40.4 million; June 2023: R155.9 million) and an impairment of the P&L Hardware Trademark (June 2024: R96.4 million; June 2023: Rnil), which have been included in the other expenses line of the Consolidated Statement of Profit or Loss. The recoverable amount of the P&L Hardware cash-generating unit was determined as R181.0 million (June 2023: R262.0 million).

5. IMPAIRMENT OF ASSETS (continued)

	June 2024 Assumptions applied	June 2023 Assumptions applied
P&L Hardware cash-generating unit:		
Growth rate*	**7.5%**	9.0%
Terminal growth rate	**5.5%**	5.5%
Discount rate – pre-tax	**16.6%^**	17.5%-18.5%
Discount rate – post-tax	**13.9%^**	14.4%-15.4%

* *The P&L Hardware expected growth rate has decreased due to P&L's performance in the current financial year, management considers this to be reflective of the short to medium-term growth rate. The rate is supported by internal budgets and operational analysis and management expects that future performance of P&L Hardware should stabilise in line with the terminal growth rate used.*

^ *No range disclosed due to the Goodwill and the Trademark being fully impaired therefore this is the discount rate that resulted in the impairment.*

Sensitivity analysis

Due to the P&L Hardware Goodwill and P&L Hardware Trademark being fully impaired, no sensitivity has been provided.

	June 2024 Assumptions applied	June 2023 Assumptions applied
Cashbuild South Africa cash-generating unit:		
Growth rate#	**4.5%**	4.5%
Terminal growth rate#	**5.0%**	5.0%
Discount rate – pre-tax@	**16.5%-17.5%**	17.3%-18.3%
Discount rate – post-tax@	**13.2%-14.2%**	13.8%-14.8%

\# *Whilst the South African inflation rate increased year-on-year, we believe that our growth rate and terminal growth rate is reflective of the long-term growth prospect of the cash-generating unit. Inflationary increases will be transferred to the customer base to maintain a constant gross profit margin.*

@ *The discount rate decreased due to the decrease in risk free rate and decrease in Beta.*

Key assumptions used to determine value-in-use

The recoverable amount of the Cashbuild operating cash-generating unit has been determined based on a value-in-use calculation for the forecast period. This forecast period covers the five-year period up to June 2029, after which a terminal value has been determined. Due to significant headroom available, no sensitivity analysis has been provided.

Value-in-use – loss-making stores

Based on past experience, when a store is closed, 57% of the assets are sold for proceeds below book value, excluding the right-of-use assets and inventory. Therefore, loss-making stores are identified for possible impairment of the assets held by these stores. For each loss-making store that leases premises, the value-in-use is calculated as the net present value of the monthly forecasted cash flows per store (calculated to the end of the lease term). A store model specific WACC rate was applied to the cash flow projections.

If at period end, a store is no longer loss-making and management believes that it will continue on this trend, any previous impairments raised are reversed.

5. IMPAIRMENT OF ASSETS (continued)

	Year ended June 2024	Year ended June 2023
Key assumptions used for loss making stores included the P&L Hardware operating segment		
Growth rate	**10.0%-20.0%**	5.0%-10%
Discount rate – pre-tax	**18.2%-19.2%**	17.5%-18.5%
Key assumptions used for loss making stores included the Cashbuild operating segment		
Growth rate	**7.0%-10.0%**	8.0%-9.7%
Discount rate – pre-tax	**18.2%-19.2%**	17.3%-18.3%
Impairment losses recognised on property, plant and equipment		
Land and buildings	**–**	4 481
Furniture and equipment	**72**	3 606
Vehicles	**–**	3 665
Right-of-use assets	**9 016**	8 550
	9 088	20 302

During the year, 8 (June 2023: 1) Cashbuild South Africa and 2 (June 2023: 8) P&L Hardware stores were impaired. The impairment losses recognised are included in the selling and marketing line of the Consolidated Statement of Profit or Loss. Impairment losses were recognised in the Cashbuild South Africa segment of R10.7 million (June 2023: R6.5 million), P&L Hardware segment recognised a reversal of R3.0 million (June 2023: R9.2 million loss), Common monetary segment of R1.4 million (June 2023: R1.7 million) and the Non-Common Monetary operations segment recognised Rnil in the current reporting period (June 2023: R2.8 million).

	June 2024 Assumptions applied	June 2023 Assumptions applied
Reconciliation of the accumulated impairment		
Opening balance	**188 355**	37 843
Total impairment recognised	**147 243**	176 211
Impairment for the year relating to loss-making stores	**26 917**	15 369
Impairment reversal relating to loss-making stores	**(17 829)**	(3 213)
Impairment relating to vehicles	**–**	3 665
Impairment relating to P&L Hardware Goodwill	**40 393**	155 909
Impairment relating to P&L Hardware Trademark	**96 409**	–
Impairment relating to Nasrec investment property	**1 353**	–
Impairment relating to non-current assets held for sale^	**–**	4 481
Disposal of accumulated impairment due to sale of assets	**–**	(6 041)
Disposal of accumulated impairment on looted furniture and equipment~	**–**	(20 384)
Foreign exchange movements	**(1 002)**	726
Closing balance	**334 596**	188 355

^ *Refer to note 4 for more information.*

~ *This disposal of accumulated impairment relates to the furniture and equipment that was impaired as a result of the looting. The assets have been disposed.*

Notes to the Annual Consolidated Financial Statements (continued)

for the year ended 30 June 2024

6. INVESTMENT PROPERTY

Figures in Rand thousand	Year ended June 2024	Year ended June 2023
Reconciliation of investment property		
Investment in Nasrec Corner – joint operation	**38 600**	39 953
Reconciliation of investment property		
Opening balance	**39 953**	39 953
Investment in Nasrec Corner	**(1 353)**	–
– Additions	**–**	–
– Depreciation~	**–**	–
– Impairment~	**(1 353)**	–
Closing balance*	**38 600**	39 953

~ *The fair value of Cashbuild's share in the investment property is R38.6 million based on the external valuation obtained in June 2024. The recoverable amount of the property was lower than its carrying amount, this has resulted in an impairment of R1.4 million.*

* *There has been no additions and no depreciation in the periods.*

Investment property is carried at cost and depreciated on a straight-line basis over 50 years. Where the residual value of investment property exceeds the carrying value, no depreciation is recognised.

7. INTERESTS IN ASSOCIATE AND JOINT OPERATIONS

Joint operations – Nasrec Corner

During the 2014 financial year, Cashbuild entered into a joint operation agreement for the Nasrec Corner Shopping Centre in Johannesburg, South Africa. This consortium comprises a right to extend and develop a shopping centre. Cashbuild has 50% participation and control in the owner consortium with the other 50% participant being S-Identity Holdings (Pty) Ltd. Decisions relating to the operations of the consortium requires unanimous consent.

S-Identity Holdings (Pty) Ltd has, in its own capacity, raised finance from a third party and funded the remaining construction of the shopping centre. Profits of the joint operation will only be shared when the financed amounts are fully repaid to the third party. Cashbuild is entitled to its share of the assets and liabilities of the joint operation as stipulated in the joint operation agreement.

The information presented below is the standalone financial information of the Nasrec Corner joint operation at 100% with the application of the Group accounting policies and therefore, does not represent Cashbuild's share.

The table below summarises the financial position of Nasrec Corner as at 30 June 2024:

	Summarised financial information (100%)	
Figures in Rand thousand	Year ended June 2024	Year ended June 2023
Investment property	**77 200**	79 906
Total current assets	**43 040**	37 809
Total assets	**120 240**	117 715
Joint operator loan	**85 018**	85 018
Total current liabilities	**35 222**	32 697
Total liabilities	**120 240**	117 715

7. INTERESTS IN ASSOCIATE AND JOINT OPERATIONS (continued)

The table below summarises the Statement of Profit or Loss of Nasrec Corner for the year:

Figures in Rand thousand	Summarised financial information (100%) Year ended June 2024	Year ended June 2023
Rental income	**6 854**	7 581
Operating expenses	**(6 854)**	(7 581)
Net profit for the period	**–**	–
Loan to joint operator		
The loan payable in Nasrec Corner relates to the other party of the joint operation contributing more assets to the joint operation than Cashbuild. No party can contractually call upon this amount.		
Below is a reconciliation of the movement for the current year.		
Opening balance	**(18 619)**	(18 619)
Movement due to change in joint operators contributions	**–**	–
Closing balance	**(18 619)**	(18 619)

Associate – Ekhaya mall

During the 2019 financial year, Cashbuild entered into a consortium agreement for the Ekhaya mall in Mpumalanga, South Africa. This consortium comprises a right to extend and develop a shopping centre. Cashbuild has 20% participation and significant influence in the consortium. S-Identity Holdings (Pty) Ltd holds 60% of the participation and control in the consortium and Nomatiki Trading Enterprise (Pty) Ltd holds the remaining balance of 20%. Cashbuild holds significant influence as their voting right is equal to their shareholding percentage. The investment in Ekhaya mall is classified as an associate in terms of the consortium agreement. Control was assessed in terms of the agreement which resulted in the Company having significant influence, as opposed to joint control.

Cashbuild has contributed R30 million in cash towards the development costs and no further contributions have been made subsequently.

Figures in Rand thousand	Summarised financial information (100%) Year ended June 2024	Year ended June 2023
Investment in associate balance	**30 000**	30 000

No profits will be distributed to the participants of the agreement until the loan secured has been repaid.

Notes to the Annual Consolidated Financial Statements (continued)

for the year ended 30 June 2024

7. INTERESTS IN ASSOCIATE AND JOINT OPERATIONS (continued)

The table below summarises the financial position of Ekhaya mall as at 30 June 2024:

	Summarised financial information (100%)	
Figures in Rand thousand	**Year ended June 2024**	Year ended June 2023
Investment property	**119 477**	119 477
Total current assets	**7 278**	6 900
Total assets	**126 755**	126 377
Fair value reserve	**2 697**	2 697
Consortium holders loans	**60 872**	80 319
Total current liabilities	**63 186**	43 361
Total liabilities	**124 058**	123 680
The table below summarises the Statement of Profit or Loss of Ekhaya mall for the year:		
Rental income	**17 465**	16 858
Operating expenses	**(17 465)**	(16 858)
Net profit for the period	**–**	–

8. INTANGIBLE ASSETS

	June 2024			June 2023		
Figures in Rand thousand	**Cost**	**Accumulated amortisation/ impairment**	**Carrying value**	Cost	Accumulated amortisation/ impairment	Carrying value
Trademarks^	**99 403**	**(99 403)**	**–**	99 403	(2 988)	96 415
Computer software	**106 305**	**(95 004)**	**11 301**	111 290	(90 394)	20 896
Goodwill	**309 135**	**(196 302)**	**112 833**	309 135	(155 909)	153 226
Total	**514 843**	**(390 709)**	**124 134**	519 828	(249 291)	270 537

^ *Refer to note 5 for more information on the impairments raised on Goodwill and the Trademark.*

Notes to the Annual Consolidated Financial Statements (continued)

for the year ended 30 June 2024

8. INTANGIBLE ASSETS (continued)

Reconciliation of intangible assets – Group – June 2024

Figures in Rand thousand	Opening balance	Additions	Disposals	Foreign exchange movements	Amortisation	Impairment^	Closing balance
Trademarks^	**96 415**	**–**	**–**	**–**	**(6)**	**(96 409)**	**–**
Computer software*	**20 896**	**4 675**	**(9 660)**	**–**	**(4 610)**	**–**	**11 301**
Goodwill	**153 226**	**–**	**–**	**–**	**–**	**(40 393)**	**112 833**
Total	**270 537**	**4 675**	**(9 660)**	**–**	**(4 616)**	**(136 802)**	**124 134**

Reconciliation of intangible assets – Group – June 2023

Figures in Rand thousand	Opening balance	Additions	Disposals	Foreign exchange movements	Amortisation	Impairment^	Closing balance
Trademarks^	96 427	–	–	–	(12)	–	96 415
Computer software	19 432	6 316	(243)	(65)	(4 544)	–	20 896
Goodwill	309 135	–	–	–	–	(155 909)	153 226
Total	424 994	6 316	(243)	(65)	(4 556)	(155 909)	270 537

^ *Refer to note 5 for more information on the impairments raised on Goodwill and the Trademark.*
* *The disposals in computer software relates to transfers from computer software to computer equipment.*

Amortisation rates

– Trademarks (excluding indefinite lived)	Straight-line basis – 10 years
– Computer software	Straight-line basis – 5 years

9. DEFERRED TAX

Figures in Rand thousand	Year ended June 2024	Year ended June 2023
Deferred tax liability:		
Property, plant and equipment	**(49 279)**	(50 355)
Right of use asset^	**(275 023)**	(302 496)
Prepayments	**(5 796)**	(4 927)
Intangible assets	**–**	(26 010)
Dividend withholding tax#	**(2 264)**	(2 484)
Unrealised foreign exchange differences	**(8 603)**	(9 901)
Total deferred tax liability	**(340 965)**	(396 173)
Deferred tax asset:		
Provisions and accruals	**37 074**	33 672
Deferred lease incentive	**883**	485
Assessed losses*	**20 616**	19 874
IFRS 16 lease liability^	**413 504**	436 980
IFRS 15 sales return provision	**638**	557
Intangible assets	**20**	–
Total deferred tax asset	**472 735**	491 568

The following are the movements of the deferred tax liabilities and assets recognised by the Group during the current year:

Figures in Rand thousand	Opening balance	Charge to profit or loss	Exchange differences	Closing balance
Deferred tax liability reconciliation:				
Property, plant and equipment	**(50 355)**	**1 622**	**(546)**	**(49 279)**
Right of use asset^	**(302 496)**	**26 506**	**967**	**(275 023)**
Prepayments	**(4 927)**	**(889)**	**20**	**(5 796)**
Intangible assets	**(26 010)**	**26 030**	**–**	**20**
Dividend withholding tax#	**(2 484)**	**220**	**–**	**(2 264)**
Unrealised foreign exchange differences	**(9 901)**	**1 591**	**(293)**	**(8 603)**
Deferred tax asset reconciliation:				
Provisions and accruals	**33 672**	**4 139**	**(737)**	**37 074**
Deferred lease incentive	**485**	**398**	**–**	**883**
Assessed losses*	**19 874**	**412**	**330**	**20 616**
IFRS 16 lease liability^	**436 980**	**(22 240)**	**(1 236)**	**413 504**
IFRS 15 sales return provision	**557**	**85**	**(4)**	**638**
	95 395	**37 874**	**(1 499)**	**131 770**

\# *Dividend withholding tax relates to withholding tax payable on future dividend distributions by foreign subsidiaries.*

* *The deferred tax asset recognised on tax losses, mainly for P&L Hardware, represents the future tax benefit that the Group expects to realise when utilising the assessed losses. It is probable that sufficient taxable income will be generated in future for the Group to utilise these benefits based on the assumptions applied in the value-in-use for the P&L Hardware cash-generating unit. Refer to note 5 for more information. The total assessed loss income for the Group is R76.4 million (June 2023: R73.6 million), which relates to the P&L Hardware operating segment. The increase in the deferred tax asset from prior periods is due to the continued losses incurred by the segment.*

^ *The Group considered the lease as a single transaction in which the right-of-use asset and lease liability were integrally linked in June 2023. An amendment to IAS 12 which became effective in January 2024 which requires the lease liability and right of use asset to be disclosed separately in June 2024. The comparatives have been represented for the adoption of the new amendment.*

9. DEFERRED TAX (continued)

Tax losses

The following are the tax losses available to the Group at the end of the financial year:

Figures in Rand thousand	Gross amount	Deferred tax asset
Total recognised	**76 703**	**20 616**
Total not recognised	**11 733**	**3 168**
Closing tax losses	**88 436**	**23 878**

Figures in Rand thousand	Year ended June 2024	Year ended June 2023
Deferred tax liability	**(12 506)**	(38 759)
Deferred tax asset	**144 276**	134 154
Total net deferred tax asset	**131 770**	95 395

The deferred tax asset/(liability) balances presented above are the aggregated net positions of each individual company within the Group.

Deferred tax assets are supported by the expected taxable income generated by the applicable operating entities in the Group.

Amounts expected to be recovered or settled are as follows:

Figures in Rand thousand	Year ended June 2024	Year ended June 2023
Deferred tax to be recovered after more than 12 months	**90 105**	58 604
Deferred tax to be recovered/(paid) within 12 months	**41 665**	36 791
	131 770	95 395

10. INVESTMENTS IN SUBSIDIARIES AND RELATED TRANSACTIONS

The following trusts were created for the purpose of facilitating employee benefit schemes:

- Cashbuild Empowerment Trust
- Cashbuild Store Operations Management Member Trust

The above trusts are controlled by the Group in accordance with IFRS 10: *Consolidated Financial Statements*. Refer to note 17 and note 38 for further details.

The Give-a-Brick trust was established for corporate social initiatives.

The above trusts are consolidated by the Group.

The following table lists the entities which are controlled by the Group, either directly or indirectly through subsidiaries.

	Issued share capital June 2024	Issued share capital June 2023	Nature of business	**% holding June 2024**	% holding June 2023
Cashbuild (Botswana) (Pty) Ltd	**P1 500 000**	P1 500 000	A	**100**	100
Cashbuild (Lesotho) (Pty) Ltd	**M100 000**	M100 000	A	**80**	80
Cashbuild (Lilongwe) Ltd	**MWK100 000**	MWK100 000	A	**51**	51
Cashbuild (Namibia) (Pty) Ltd	**N$1**	N$1	A	**100**	100
Cashbuild (South Africa) (Pty) Ltd	**R54 000**	R54 000	A	**100**	100
Cashbuild (Swaziland) (Pty) Ltd	**E500**	E500	A	**100**	100
P&L Hardware (Pty) Ltd	**R101**	R101	A	**100**	100
Cashbuild (Zambia) Ltd	**ZMK10 000**	ZMK2	B	**100**	100
Oldco PandL (Pty) Ltd	**R100**	R100	D	**100**	100
P&L Boerebenodighede Investments (Pty) Ltd	**R1 000**	R1 000	D	**100**	100
Rio Ridge 1027 (Pty) Ltd	**R100**	R100	D	**100**	100
Cashbuild (Management Services) (Pty) Ltd	**R1**	R1	C	**100**	100

A – Trading company.
B – Dormant company.
C – Holding company of subsidiaries.
D – Deregistration in process.

Credit risk of loans to subsidiaries

The loans between subsidiaries relate to loans within the Cashbuild Group. Due to the low credit risk, Cashbuild assumes no increase in credit risk on these instruments occurred during the financial year. There are also no factors noted which raise concern about the recoverability of the loans.

Non-controlling interests

There are no individual subsidiaries within the Group that have material non-controlling interests in value. The aggregate non-controlling interests are also not material to the Group, therefore no additional disclosures required by IFRS 12: *Disclosure of Interests in Other Entities* have been included.

11. PREPAYMENTS

Figures in Rand thousand	Year ended June 2024	Year ended June 2023
Non-current prepayments^	2 351	–
Current prepayments*	26 341	22 520
Total prepayments	28 692	22 520

^ *Non-current prepayments mostly relate to prepaid advertising which will be utilised after the next 12 months.*
* *Current prepayments relate mostly to prepaid advertising, IT and insurance premiums which will be utilised within the next 12 months.*

12. INVENTORIES

Figures in Rand thousand	Year ended June 2024	Year ended June 2023
Merchandise	1 787 338	1 698 486

Cost of inventories recognised as an expense and included in cost of sales amounted to R8.4 billion (June 2023: R7.9 billion).

The provision for the net realisable value of inventory at reporting period is R87.4 million (June 2023: R58.9 million). The value of inventories carried at net realisable value is R473.5 million (June 2023: R281.5 million). The provision is made against slow moving, obsolete and damaged items. Damaged inventories are identified and written down through inventory verification processes. Provision for slow moving and obsolete inventories are assessed continuously. Obsolescence is assessed based on a comparison of the level of inventory holding and the projected likely future sales, taking into account factors existing at the reporting date.

The right of return relating to the sales returns provision included in the amount above is R11.6 million (June 2023: R10.5 million).

Cost of inventories written off and included in cost of sales amounted to R25.3 million (June 2023: R29.5 million).

13. TRADE AND OTHER RECEIVABLES

Figures in Rand thousand	Year ended June 2024	Year ended June 2023
Financial instruments:		
Trade and rebates receivables	102 048	98 599
Loss allowance	(17 603)	(16 832)
Trade receivables at amortised cost	84 445	81 767
Other receivables*	48 208	5 088
Total financial instruments	132 653	86 855
Non-financial instruments:		
VAT	1 611	2 916
Total trade and other receivables	134 264	89 771

* *Included in other receivables in R41.9 million related to interest accrued from fixed deposits which will mature in the next 12 months.*

13. TRADE AND OTHER RECEIVABLES (continued)

Credit risk of trade and other receivables

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

The expected credit losses for trade receivables have been grouped based on shared credit risk characteristics and the days past due. The status of the current nature of the client as well as trade experience are also considered.

The expected loss rates are based on the payment profiles of receivables over a period of 24 months before year-end and the corresponding historical credit losses experienced within this period.

Impairment losses on trade receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item. Refer to note 24 for the related impairment losses.

The historical loss rate is determined by considering the repayment history of debtors and historical bad debt write-offs. Cashbuild receives warnings should the circumstances of debtors change. This includes information about if they are defaulting on repayments or start losing credit with other creditors. Cashbuild reassesses the credit exposure and adjusts the expected credit loss provision accordingly. Unused credit facilities are removed regularly, and debtors are required to reapply. The Group's exposure to credit risk is reassessed on a continuous basis. The factors mentioned previously are used to inform the historical loss rate.

The Group considered the impact of forward-looking information on the risk of default of trade and other receivables. These factors include the trading conditions, credit ratings and reports provided by credit bureaus and the payment patterns of customers. Considering all information available at Cashbuild's disposal, without undue costs or efforts, the estimated impact of forward-looking information on the calculation of expected credit losses is deemed to be immaterial.

Trade receivables are written off when there is no reasonable expectation of recovery and there has been no movement on the debtors account for three years. Once a debtor account fails to meet credit terms for 90 days they are considered to be in default, the account is blocked and the debtor can make no further purchases.

Credit risk of other receivables

Other receivables primarily consist of deposits held and staff loans. The risk of impairment on these financial instruments are considered to be immaterial.

Charge cards

Cashbuild is predominantly a cash business, however, credit is offered at all Cashbuild Stores in the form of charge cards. Developers and contractors doing specific contracts with/for Cashbuild can apply for this form of credit. Credit checks are performed and credit limits are set by retrieving credit ratings. A memo is compiled with the information received which is then reviewed and approved by management based on the credit limit applied for.

The expected credit losses (ECL) are a probability-weighted estimate of credit losses. A credit loss is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive discounted at the original effective interest rate. As ECL consider the amount and timing of payments, a credit loss arises even if the entity expects to be paid in full but later than when contractually due. Where we have an offset agreement with the debtor/supplier, risk for default is considered low.

Legal debtors:

Charge cards are classified as legal debtors once amounts owed are handed over for collections.

Rebate debtors:

The amount owing on rebate debtors are for suppliers who owe the Group money for rebate and advertising contributions as per the trade agreements. The contribution is based on purchases made and is calculated on either a percentage of purchases or volume.

Rebate debtors are immaterially affected by the IFRS 9 expected loss calculation due to these amounts being highly recoverable as we have the ability to deduct it from payments due to suppliers once final approval has been obtained from the supplier. The expected credit loss amount relates to debtors where we do not have set-off rights.

13. TRADE AND OTHER RECEIVABLES (continued)

Expected credit loss allowance

The loss allowance as at June 2024 for the trade receivables for which the provision has been applied is determined as follows:

Figures in Rand thousand	June 2024		June 2023	
Expected credit loss	**Estimated gross carrying amount at default**	**Loss allowance (lifetime expected credit loss)**	Estimated gross carrying amount at default	Loss allowance (lifetime expected credit loss)
Sundry debtors				
Current	**587**	**(207)**	2 202	–
30 days past due	**24**	**–**	1 375	–
60 days past due	**12**	**–**	–	–
90 days past due	**–**	**–**	1 438	–
120 days past due	**97**	**–**	78	(41)
150 days past due	**1 674**	**(473)**	615	(184)
	2 394	**(680)**	5 708	(225)
Legal debtors				
Current	**–**	**–**	196	(17)
30 days past due	**–**	**–**	–	–
60 days past due	**221**	**(29)**	173	(75)
90 days past due	**–**	**–**	96	(66)
120 days past due	**83**	**(14)**	357	(233)
150 days past due	**13 275**	**(11 009)**	19 408	(13 487)
	13 579	**(11 052)**	20 230	(13 878)
Charge cards				
Current	**15 418**	**(1 688)**	14 103	(234)
30 days past due	**8 146**	**(431)**	8 791	(209)
60 days past due	**2 315**	**(215)**	3 779	(180)
90 days past due	**364**	**(127)**	1 282	(109)
120 days past due	**524**	**(277)**	695	(71)
150 days past due	**8 771**	**(3 133)**	7 268	(1 461)
	35 538	**(5 871)**	35 918	(2 264)
Rebate debtors				
Current	**50 537**	**–**	36 743	(465)
Total	**102 048**	**(17 603)**	98 599	(16 832)

13. TRADE AND OTHER RECEIVABLES (continued)

Each debtor is assessed on an individual basis. The table below indicates the loss allowance rate net effect for each debtors class.

	Sundry debtors	Charge cards	Legal debtors	Rebate debtors
June 2024				
Current	**35%**	**11%**	**0%**	**0%**
30 days past due	**0%**	**5%**	**0%**	**0%**
60 days past due	**0%**	**9%**	**13%**	**0%**
90 days past due	**0%**	**35%**	**0%**	**0%**
120 days past due	**0%**	**53%**	**17%**	**0%**
150 days past due	**28%**	**36%**	**83%**	**0%**
June 2023				
Current	0%	2%	9%	1%
30 days past due	0%	2%	0%	0%
60 days past due	0%	5%	43%	0%
90 days past due	0%	9%	69%	0%
120 days past due	53%	10%	65%	0%
150 days past due	30%	20%	69%	0%

^ *Where the loss allowance rates for June 2024 are higher than the rates in June 2023, it is as a result of debtors default status at the end of the financial year.*

Below is a reconciliation between the opening and closing balance of the expected credit loss recognised.

Figures in Rand thousand	June 2024	June 2023
Opening balance	**16 832**	17 121
Additional provision	**7 405**	3 378
Provision used	**(6 634)**	(3 667)
Closing balance	**17 603**	16 832

14. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of:

Figures in Rand thousand	Year ended June 2024	Year ended June 2023
Cash on hand	**1 743**	1 744
Bank balances	**997 068**	1 580 422
	998 811	1 582 166

For more information regarding facilities and financial management risks please refer to note 39.

Notes to the Annual Consolidated Financial Statements (continued)

for the year ended 30 June 2024

15. NON-CURRENT ASSETS HELD FOR SALE

The following assets were classified as held for sale during the current financial year:

Figures in Rand thousand	Year ended June 2024	Year ended June 2023
Land and buildings held for sale		
Cashbuild South African operations		
– Erf 214 Thohoyandou	**1 083**	1 083
Cashbuild common monetary operations		
– Katimo Mulilo – Namibia	**–**	12 000
Cashbuild non-common monetary operations		
– Kafue Road – Zambia	**5 746**	8 704
	6 829	21 787

Erf 214 Thohoyandou was classified as held for sale in the 2023 financial year. The proceeds from the sale have been received and held in-trust with attorneys. The transfer documents have been signed and we await a proceed to lodge instruction to be issued by the second purchaser's banking institution.

Katimo Mulilo – Namibia was classified as held for sale in the 2023 financial year. An offer was received for R12.0 million and was accepted by the Board. The purchaser could not get financing and the directors have subsequently decided to develop a store on the property.

Kafue Road – Zambia was classified as held for sale in the 2023 financial year with the closure of the Zambian stores. The property is in the process of being disposed of. 95% of the purchase price has been received from the purchaser and the proceeds recorded as money received in advance until the sale is concluded. The property is subject to an infringement case where the court is to decide on ownership. We expect the sale and the transfer to be concluded in the next 12 months.

For more information regarding the proceeds on disposal of non-current assets held for sale refer to note 33.

16. SHARE CAPITAL

Figures in Rand thousand	Year ended June 2024	Year ended June 2023
Authorised		
35 000 000 ordinary shares of 1 cent each	**350**	350
There has been no change in the authorised share capital in the current or previous reporting period.		
Reconciliation of shares issued:		
Total shares issued	**237**	239
Treasury shares held	**(28)**	(27)
Total share capital	**209**	212
Movement reconciliation of the share capital:		
Opening balance	**212**	227
Shares repurchased and cancelled	**(2)**	(11)
Treasury shares held	**(1)**	(4)
Total share capital	**209**	212

16. SHARE CAPITAL (continued)

The total number of shares in issue as at 30 June 2024 is 23 694 712 (June 2023: 23 900 647). The total number of treasury shares held as at 30 June 2024 is 2 839 954 (June 2023: 2 701 724). The average share price for the shares repurchased during the year was R143.5.

Figures in Rand	**Year ended June 2024**	Year ended June 2023
Share premium		
Opening balance	**(621 324)**	(324 651)
Shares repurchased and cancelled	**(30 713)**	(212 398)
Shares repurchased	**–**	(46 512)
Purchase by Cashbuild SA for the Forfeitable Share Plan	**(27 143)**	(37 763)
Total share premium	**(679 180)**	(621 324)
Consisting of:		
Share premium	**(239 176)**	(208 463)
Treasury share premium	**(440 004)**	(412 861)
Total share premium	**(679 180)**	(621 324)
Total share capital and premium	**(678 971)**	(621 112)

17. SHARE-BASED PAYMENTS

Forfeitable Share Plan

Cashbuild adopted and implemented a share incentive plan in the 2017 financial year being the Cashbuild Limited Forfeitable Share Plan (FSP) for Executive Directors and senior management. Under the FSP, participants will become holders of ordinary shares after meeting the performance conditions and retention period, and will immediately benefit from dividends and have shareholder voting rights in respect of the shares over the vesting period. The shares cannot be disposed of by the participants prior to the vesting date as they are subjected to forfeiture restrictions until the vesting date.

The fair value determined at the award date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest and adjusted for the effect of non-market-based vesting conditions. The fair value at award date is determined as the share price at award date.

The number of performance shares awarded to a participant is based on the participant's current year's annual salary and grade.

Details of the active and vested share awards under this scheme are as follows:

	Year ended June 2024	Year ended June 2023
Opening balance	**982 358**	764 845
Share movement*	**331 768**	217 513
Total performance shares awarded	**1 314 126**	982 358

* *Share movements relates to shares that were granted and forfeited on active share schemes during the financial year.*

17. SHARE-BASED PAYMENTS (continued)

Details of the active share awards under this scheme are as follows:

Figures in Rand thousand	Weighted average price per share on date of the grant Year ended June 2024	Number of shares Year ended June 2024
Opening balance	223.6	584 272
Shares granted during the year	143.6	334 243
Shares vested during the year	219.4	(53 187)
Shares forfeited during the year	216.7	(133 222)
Total performance shares awarded	188.2	732 106

	6th Award	7th Award	8th Award
Share awards			
Issue date	4 Oct 2021	3 Oct 2022	2 Oct 2023
Vesting date	4 Oct 2024	3 Oct 2025	2 Oct 2026
Exercise price	Nil	Nil	Nil
Expected lifetime	3 years	3 years	3 years
Share price at grant date	255.77	201.18	143.63

Vesting conditions consist of Group performance conditions (refer to detail below) and a retention condition that the employees remain in the employ of the Group up to vesting date.

	Applicable to Award 6		Applicable to Awards 7 and 8	
	Threshold	Target	Threshold	Target
Performance conditions:				
EPS	CPI +2% p.a. (i.e. 2% real growth p.a.)	CPI +10% p.a. (i.e. 10% real growth p.a.)	CPI p.a.	CPI +5% p.a. (i.e. 5% real growth p.a.)
Relative TSR	Median of INDI 25	Upper quartile of INDI 25	Median of own peer group	Upper quartile of own peer group
ROCE	CB WACC	CB WACC +10% p.a.	CB WACC	CB WACC +5% p.a.

17. SHARE-BASED PAYMENTS (continued)

	Number of shares as at 30 June 2024^	Award face value* R'000
Executive directors:		
WF de Jager	116 513	21 632
AE Prowse – retired as at 30 June 2024	70 939	13 080
SA Thoresson	60 490	11 224
WP van Aswegen	60 103	11 125
	308 045	57 061
Key management:		
W Dreyer	28 603	5 352
A Hattingh	37 974	7 318
DS Masala	27 577	5 160
I McKay	27 325	5 113
T Myburgh	23 410	4 381
	144 889	27 324

^ *These shares are subject to forfeiture restrictions.*

* *Face value of awards calculated as a percentage (65% to 90%) of total annual cost to company, before adjusting for any probability of vesting or attrition.*

Operations Management Member Trust Schemes

The operational managers scheme considers all stores that generate an operating margin in excess of 10%. The profit share amount is determined with reference to a specified hurdle rate that takes into account the prior year operating margin of the qualifying store. The calculated profit share is split equally between a cash bonus and an amount utilised for the purchase of Cashbuild Limited shares. The cash bonus is recognised as an expense in the year in which the store qualifies. The attributable equity portion is treated as an equity-settled share-based payment expense and recognised equally over the four-year period which is linked to employment. At the end of the period (third anniversary of the date of distribution) the shares will vest to the employees.

The first to ninth schemes (2012 to 2020 schemes respectively) have fully vested. The tenth 2021 scheme qualified for 83 403 shares, the eleventh 2022 scheme qualified for 4 798, the twelfth 2023 scheme qualified for 4 067 shares and the thirteenth scheme provisionally qualified for 3 128 shares.

Summary of share-based payments for all schemes

The Group's expense and related movement in the share-based payment reserve is R14.7 million (June 2023: R22.7 million).

The movement in the share-based payments reserve for the various share schemes can be summarised as follows:

Figures in Rand thousand	Year ended June 2024	Year ended June 2023
Share-based payments reserve:		
Opening balance	169 590	146 856
– Forfeitable Share Scheme: 4th award	–	1 803
– Forfeitable Share Scheme: 5th award	1 966	7 097
– Forfeitable Share Scheme: 6th award	417	3 864
– Forfeitable Share Scheme: 7th award	3 492	5 821
– Forfeitable Share Scheme: 8th award	4 087	–
– Operations Management Member Trust Schemes	4 784	4 149
	184 336	169 590

18. FOREIGN CURRENCY TRANSLATION RESERVE (FCTR)

Translation reserve comprises exchange differences on consolidation of foreign subsidiaries.

Figures in Rand thousand	Year ended June 2024	Year ended June 2023
Opening balance	(5 107)	(13 704)
Currency translation differences	(11 415)	8 597
Closing balance	**(16 522)**	(5 107)

19. LEASES

The Group has entered into various leases in respect of premises. Leases for premises are on average contracted for periods between 3 and 10 years with renewal options.

Details pertaining to leasing arrangements, where the Group is the lessee are presented below:

Figures in Rand thousand	Year ended June 2024	Year ended June 2023
Carrying amounts of right-of-use assets		
Buildings subject to lease arrangements*	1 035 970	1 140 870

* *Refer to Note 4 for the reconciliation of the opening and closing balance of the right-of-use assets.*

Figures in Rand thousand	Year ended June 2024	Year ended June 2023
Other disclosures		
Interest expense on lease liabilities	161 877	154 520
Variable lease payments	1 012	1 419

The Group entered into lease agreements where the lease term is less than 12 months. The practical expedient for short-term leases have been applied by the Group.

No other practical expedients have been applied in the current financial year.

Figures in Rand thousand	Year ended June 2024	Year ended June 2023
The undiscounted payment maturity analysis of lease liabilities are as follows:		
Within one year	428 037	397 217
Lease liability current portion, including finance costs	428 037	397 217
Two to five years	1 267 015	1 504 395
More than five years	271 426	248 969
Lease liability non-current portion, including finance costs	1 538 441	1 753 364
Total amount repayable	**1 966 478**	2 150 581

19. LEASES (continued)

Figures in Rand thousand	Year ended June 2024	Year ended June 2023
IFRS 16 lease liability reconciliation		
Opening balance	**1 600 585**	1 612 896
Payments	**(416 474)**	(384 437)
– Capital repayments	**(254 597)**	(229 917)
– Interest repayments	**(161 877)**	(154 520)
Interest	**161 877**	154 520
Additions	**14 378**	82 037
Remeasurement^	**158 606**	150 096
Disposals~	**(5 136)**	(17 769)
Foreign exchange movement#	**(633)**	3 242
Total lease liability	**1 513 203**	1 600 585

^ *Lease remeasurements represent the change in scope of an existing lease. Modifications relate to the extension of the lease term and renegotiation of the lease payments. The lease liability is remeasured with reference to the revised lease payments and is discounted over the remaining lease term using a revised incremental borrowing rate. The revised discount rate is used to determine the effective interest on the lease liability. A corresponding adjustment is made to the right-of-use asset to account for any changes in the remeasurement of the lease liability.*

~ *Lease disposals relate to early lease terminations. Termination options are evaluated and where a penalty lump sum needs to be paid this is considered a disposal.*

Foreign exchange movements relate to the conversion of leases denominated in foreign currency. The stores located in Botswana and Malawi have lease agreements in Malawi Kwacha (MWK) and Botswana in Pula (BWP).

Analysis of lease liabilities

Figures in Rand thousand	Year ended June 2024	Year ended June 2023
Current	**288 353**	254 058
Non-current	**1 224 850**	1 346 527
Total lease liability	**1 513 203**	1 600 585

20. CASH-SETTLED SHARE-BASED PAYMENTS

Cash-settled scheme

During the 2023 financial year, Cashbuild implemented a cash-settled scheme for middle management whereby participants would become entitled to a cash payment at the end of the vesting period. The payment is determined with reference to the ruling share price at date of vesting, subject to the achievement of performance conditions. The fair value of shares is the closing share price at the reporting date.

The cash-settled scheme is subject to the achievement of the following performance conditions and continued employment.

	Applicable to Award 1 and 2	
	Threshold	**Target**
Performance conditions:		
EPS	CPI p.a.	CPI +5% p.a. (i.e. 5% real growth p.a.)
Relative TSR	Median of own peer group*	Upper quartile own peer group*
ROCE	CB WACC	CB WACC +5% p.a.

* *Based on the median of own peer group as at the award date.*

	1st Award	**2nd Award**
The cash-settled scheme key features are as follow:		
Award date	3 Oct 2022	3 Oct 2023
Vesting date	3 Oct 2025	2 Oct 2026
Fair value per share at reporting date	R154	R154
Vesting period	3 years	3 years

Summary of cash-settled share-based payments

The Group's expense and related liability is R4.6 million (including the dividend payout) and R5.5 million respectively for the current reporting period, compared to the prior year expense and liability of R1.9 million (including the dividend payout) and R1.6 million respectively.

The movement in the cash-settled share-based payments liability can be summarised as follows:

Figures in Rand thousand	**Year ended June 2024**	Year ended June 2023
Cash-settled share-based payment liability:		
Opening balance	**1 591**	–
– Cash-settled scheme: 1st award	**1 715**	1 591
– Cash-settled scheme: 2nd award	**2 200**	–
	5 506	1 591

21. TRADE AND OTHER PAYABLES

Figures in Rand thousand	Year ended June 2024	Year ended June 2023
Financial instruments:		
Trade payables	**929 834**	1 534 859
Accruals#	**151 086**	159 367
Retirement awards and gifts	**14 607**	13 280
Refundable customer accounts*	**956 829**	807 998
Non-financial instruments:		
Employee-related accruals	**58 927**	46 748
VAT	**100 776**	67 270
	2 212 059	2 629 522

This relates to accruals where the Group has received goods/services invoicing and payment will take place after year-end.

* *Refundable customer accounts are made up of amounts received from customers in respect of future purchases. These amounts are refundable to the customer on demand.*

22. REVENUE

Figures in Rand thousand	Year ended June 2024	Year ended June 2023
Revenue from contracts with customers		
Sale of goods (recognised at point in time)^	**11 191 654**	10 653 193

^ *Refer to Note 3 for the revenue per operating segment.*

Revenue for the sale of goods is recognised at a point in time when the Group transfers control of the goods and measured net of expected returns, discounts and volume rebates.

A refund liability for the expected refunds to customers of R14.0 million (2023: 12.6 million) is recognised as a reduction to revenue with a corresponding sales refund liability recognised as part of trade payables. The accumulated experience of the Group's returns has been utilised to estimate such refund liability at the time of sale.

Disaggregation of revenue from contracts with customers
Cashbuild's revenue is derived from the sale of building materials. The nature of Cashbuild's operations is that goods are sold in retail stores and customers pay for related goods upon exiting the store. Control transfers to the customer at a point in time when goods are sold. Customers are entitled to volume rebates. A corresponding reduction in revenue is recognised to account for rebates achieved. The breakdown below illustrates the contribution to revenue (net of volume rebates) recognised by category.

Figures in Rand thousand	Year ended June 2024	Year ended June 2023
Revenue categories per segment		
Revenue categories		
Cement 22% (June 2023: 23%)	**2 511 291**	2 432 821
Decorative 14% (June 2023: 14%)	**1 609 877**	1 503 684
Roofing – Covering 9% (June 2023: 9%)	**948 874**	919 191
Timber 7% (June 2023: 7%)	**783 385**	742 947
Openings 7% (June 2023: 7%)	**824 881**	768 617
Bricks 7% (June 2023: 7%)	**768 938**	728 439
Other 34% (June 2023: 33%)	**3 744 408**	3 557 494
	11 191 654	10 653 193

23. COST OF SALES

Figures in Rand thousand	Year ended June 2024	Year ended June 2023
Sale of goods	**8 421 925**	7 948 438

Included in cost of sales is rebates received from suppliers of R620.9 million (June 2023: R569.7 million).

24. OTHER INCOME

Figures in Rand thousand	Year ended June 2024	Year ended June 2023
Sundry income*	**9 061**	1 961
Reversal of provision for impaired receivables	**–**	289
Profit on sale of non-current assets	**–**	3 694
Profit on disposal of right-of-use asset	**1 949**	3 159
Net foreign exchange gains	**–**	15 966
	11 010	25 069

* *Sundry income in June 2024 includes insurance income of R7.1 million received for stores.*

25. OPERATING PROFIT

Operating profit for the year includes the following significant items:

Figures in Rand thousand	Year ended June 2024	Year ended June 2023
Expenses by nature:		
Employee costs	**1 069 047**	1 038 976
Depreciation and amortisation	**422 113**	391 199
Advertising expenses	**187 188**	177 609
Impairment loss in accordance with IAS 36	**147 243**	176 211
Delivery charges	**142 436**	149 531
Bank and speed point charges	**89 273**	86 270
Municipal utility charges	**86 394**	76 348
Repairs and maintenance	**59 243**	54 032
Security	**39 023**	35 822
Software licences	**36 487**	28 322
Fuel and oil	**26 629**	29 056
Travel	**24 398**	21 489
Net foreign exchange loss	**23 983**	–
Printing and stationery	**15 964**	15 072
Insurance	**15 319**	14 132
Telephone and fax	**14 200**	14 110
Short-term lease expense*	**6 793**	12 332
Consumables	**6 198**	6 367
Subscriptions	**5 943**	6 109
Loss on sale of non-current assets	**3 822**	–
Legal expenses	**2 966**	11 576
Staff recruitment	**2 011**	1 034
Other expenses	**45 676**	24 564
	2 472 349	2 370 161

* *The practical expedient noted in accounting policy 1.16 has been applied to all short-term leases. These leases have been expensed in the Consolidated Statement of Profit or Loss over the lease term.*

25. OPERATING PROFIT (continued)

Figures in Rand thousand	Year ended June 2024	Year ended June 2023
Remuneration paid for outsourced services:		
Information technology	**90 299**	100 380
Administrative	**13 461**	13 637
Secretarial	**432**	536
Technical	**6 946**	1 779
Taxation services	**645**	1 732
Audit services	**7 462**	8 374
	119 245	126 438
Total	**2 591 594**	2 496 599
Classified on Statement of Profit or Loss as:		
Selling and marketing expenses	**(1 995 414)**	(1 929 480)
Administrative expenses	**(427 541)**	(407 406)
Other operating expenses	**(167 868)**	(159 713)
Impairment losses of financial assets and contract assets	**(771)**	–
	(2 591 594)	(2 496 599)
Employee costs:		
Salary cost	**903 672**	865 626
Pension fund contributions – defined contribution fund	**133 344**	128 197
Employee benefits – long service awards	**3 389**	5 347
Share-based payments	**14 746**	22 734
Cash-settled share-based payments	**4 619**	1 865
Distribution paid to participants of The Cashbuild Empowerment Trust	**9 277**	15 207
	1 069 047	1 038 976

The external auditor's remuneration amount paid during the year is disclosed below:

Figures in Rand thousands	Deloitte Network 2024	Non-Deloitte Network 2024	Deloitte Network 2023	Non-Deloitte* Network 2023
Audit of the Group's annual consolidated and separate financial statements~	**7 029**	**2 124**	4 290	7 235
Non-audit services^	**1 429**	**–**	94	3
	8 458	**2 124**	4 384	7 238

* *Included in the non-Deloitte network audit fees is R5.0 million paid to PWC.*
~ *Remuneration paid to Deloitte network includes interim review fees of R0.3 million (June 2023: R0.3 million).*
^ *Remuneration paid to Deloitte network includes tax services of R0.1 million (June 2023: Rnil).*

26. FINANCE INCOME

Figures in Rand thousand	Year ended June 2024	Year ended June 2023
Earned on bank balances*	**113 558**	100 776
Revenue authorities	**–**	1
	113 558	100 777

* *June 2024 finance income earned on bank balances includes R41.9 million finance income accrued on fixed deposits.*

27. FINANCE COST

Figures in Rand thousand	Year ended June 2024	Year ended June 2023
Bank overdraft	**886**	58
Lease liability interest	**161 877**	154 520
Interest on loan	**1 447**	1 374
Revenue authorities	**316**	3
	164 526	155 955

28. TAX EXPENSE

Major components of the tax expense:		
Normal taxation		
Current	**80 247**	92 249
Overprovision in prior years	**(11 730)**	(4 572)
Withholding taxation	**5 402**	11 434
Foreign income taxation – current year	**14 557**	24 488
	88 476	123 599
Deferred taxation		
Current year temporary differences	**(37 111)**	(21 753)
Under/(over) provision in prior years	**3 130**	(28 724)
Foreign – Current year temporary differences	**(2 930)**	(2 376)
Foreign – Overprovision prior period	**(743)**	(3 521)
Withholding taxation	**(220)**	(4 080)
	(37 874)	(60 454)
	50 602	63 145
Reconciliation of effective tax rate:		
Applicable tax rate	**27.0%**	27.0%
Exempt income	**(1.3%)**	(2.3%)
Prior year adjustment*	**(6.8%)**	(20.6%)
Foreign tax rate differences	**(0.8%)**	(0.1%)
Disallowable charges^	**12.4%**	28.8%
Deferred tax asset not recognised**	**2.4%**	(1.5%)
Withholding tax on dividends#	**3.9%**	6.5%
Deferred withholding tax on dividends◊	**(0.2%)**	(2.3%)
	36.6%	35.5%

^ *Disallowable charges mainly relate to the P&L Hardware Goodwill. The other disallowed charges relate to equity-settled IFRS 2 adjustments, donations, disallowed legal fees, and the dividends distributed to employees through the Cashbuild Empowerment Trust.*

* *Prior year tax adjustments relate to overprovision of prior year taxes.*

Withholding tax on dividends relate to the dividend declared during the year. The decrease is due to lower profits realised by the subsidiaries in the current year, declaring lower dividends.

◊ *Deferred withholding tax on dividends relates to withholding tax payable on future dividend distributions by foreign subsidiaries. The movement for June 2023 is due to the release of deferred tax on the declaration of dividends by foreign subsidiaries during the period.*

** *Deferred tax asset not recognised relates P&L Hardware deferred tax asset impairment.*

29. EARNINGS PER SHARE

Basic earnings per share

Basic earnings per share is determined by dividing profit attributable to the ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the period. The weighted average number of shares in issue is calculated net of treasury shares acquired/sold during the period. Shares held by The Cashbuild Operations Management Member Trust and Cashbuild (South Africa) (Pty) Ltd have been included in the calculation from date of acquisition. Shares held by The Cashbuild Empowerment Trust have been included in the calculation from 7 February 2005.

Figures in Rand thousand	**Year ended June 2024**	Year ended June 2023
Attributable earnings	**88 601**	106 346
Less: Dividends attributable to participants of the share incentive schemes on unvested shares	**(4 647)**	(5 034)
Adjusted attributable earnings	**83 954**	101 312
Weighted number of shares in issue ('000)	**21 180**	22 174
Basic earnings per share (cents)	**396.4**	456.9
Weighted average number of ordinary shares in issue ('000)		
Ordinary shares in issue beginning of the year	**23 901**	24 990
Less: Weighted average number shares repurchased and cancelled	**(12)**	(281)
Less: Weighted average number of treasury shares:	**(2 709)**	(2 535)
– The Cashbuild Empowerment Trust	**(1 765)**	(1 765)
– The Cashbuild Operations Management Member Trust	**(96)**	(100)
– Cashbuild (South Africa) (Pty) Ltd*	**(688)**	(595)
– Cashbuild Limited	**(160)**	(75)
	21 180	22 174

* *Shares held for Cashbuild Forfeitable Share Purchases share scheme's current and future share allocations.*

Diluted earnings per share

In the determination of diluted earnings per share, profit or loss attributable to the equity holders of the parent and the weighted average number of ordinary shares are adjusted for the effects of all dilutive potential ordinary shares.

Figures in Rand thousand	**Year ended June 2024**	Year ended June 2023
Adjusted attributable earnings	**83 954**	101 312
Plus: Dividends attributable to participants of the share incentive schemes on unvested shares with dilutive impact	**1 927**	–
Less: Anti-dilutive impact	**(613)**	–
Diluted Adjusted attributable earnings	**85 268**	101 312
Diluted number of ordinary shares in issue ('000)	**21 511**	22 239
Diluted earnings per share (cents)	**396.4**	455.6
Fully diluted weighted average number of ordinary shares in issue ('000)		
Weighted number of shares in issue ('000)	**21 180**	22 174
Dilutive effect of the following:		
– Future potential issue of shares	**331**	65
	21 511	22 239

29. EARNINGS PER SHARE (continued)

Headline earnings and diluted headline earnings per share

Headline earnings per share and diluted headline earnings per share are determined by dividing headline earnings and diluted headline earnings by the weighted average number of ordinary shares outstanding at the period end.

Headline earnings and diluted headline earnings are determined by adjusting basic earnings and diluted earnings by excluding separately identifiable re-measurement items. Headline earnings and diluted headline earnings are presented after tax and non-controlling interest.

Figures in Rand thousand	Year ended June 2024	Year ended June 2023
Reconciliation between earnings and headline earnings:		
Adjusted attributable earnings	**83 954**	101 312
Adjusted for:		
Net loss on disposal of property, plant and equipment	**(445)**	(719)
Gross loss/(profit) on disposal of property, plant and equipment	**1 873**	(3 694)
Tax effect*	**(2 318)**	2 975
Net impairment	**119 129**	170 265
Gross impairment	**147 243**	176 211
Tax effect~	**(28 114)**	(5 946)
Net profit effect of property, plant and equipment from insurance income	**(2 013)**	–
Insurance income for property, plant and equipment	**(2 758)**	–
Tax effect	**745**	–
Headline earnings	**200 625**	270 858
Headline earnings	**200 625**	270 858
Weighted average number of shares in issue ('000)	**21 180**	22 174
Headline earnings per share (cents)	**947.2**	1 221.5
Headline earnings	**200 625**	270 858
Plus: Dividends attributable to participants of the share incentive schemes on unvested shares with dilutive impact	**1 927**	–
Diluted headline earnings	**202 551**	–
Diluted weighted average number of shares in issue ('000)	**21 511**	22 239
Diluted headline earnings per share (cents)	**941.6**	1 217.9
Dividends per share		
Interim (c)^	**325#**	400
Final (c)^	**236#**	332

* *The tax effect is high in relation to the (profit)/loss recognised on disposal due to the high recoupment of wear and tear allowances on assets disposed of.*

~ *The tax effect is high in June 2024 due to deferred tax expense of R26.0 million related to the P&L Hardware trademark which was impaired in the current financial year.*

^ *The dividend is based on a cover ratio of 1.5 times earnings.*

The dividend based on earnings excluding the impact of the impairment of the P&L Hardware Goodwill and P&L Trademark.

30. CASH GENERATED FROM OPERATIONS

Figures in Rand thousand	Year ended June 2024	Year ended June 2023
Profit before taxation	**138 177**	178 047
Adjustments for:		
Depreciation and amortisation	**422 113**	391 199
Impairment of assets	**147 243**	176 211
Profit on disposal of assets held for sale	**–**	(80)
Loss/(profit) on sale of non-current assets	**3 822**	(3 614)
Profit on disposal of right-of-use asset	**(1 949)**	(3 159)
Finance income	**(113 558)**	(100 777)
Finance costs	**164 526**	155 955
Movements in equity-settled share-based payments reserve	**14 746**	22 734
Movements in cash-settled share-based payments balance	**3 915**	1 591
Changes in working capital:		
Increase in inventories	**(88 852)**	(178 184)
(Increase)/decrease in trade and other receivables	**(2 588)**	46 026
(Increase)/decrease in prepayments	**(6 172)**	76
(Decrease)/increase in trade and other payables	**(417 463)**	93 458
	263 960	779 483

31. TAXATION PAID

Balance at the beginning of the year	**(28 333)**	(58 018)
Current taxation for the year	**(88 476)**	(123 599)
Balance at the end of the year	**(27 485)**	28 333
	(144 294)	(153 284)

32. DIVIDENDS PAID

Final dividend – prior period (Div. 61)	**(74 815)**	(156 442)
Interim dividend – current period (Div. 62)	**(70 991)**	(92 725)
Amounts paid to non-controlling shareholders	**(2 411)**	(5 365)
	(148 217)	(254 532)

Dividends are paid out of income reserves.

33. PROCEEDS ON DISPOSAL OF NON-CURRENT ASSETS HELD FOR SALE

Figures in Rand thousand	Year ended June 2024	Year ended June 2023
Net book value	**–**	950
Profit on sale of assets	**–**	80
	–	1 030

34. PROCEEDS ON DISPOSAL OF PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

Figures in Rand thousand	Year ended June 2024	Year ended June 2023
Net book value	**16 451**	9 404
(Loss)/profit on sale of assets	**(3 822)**	3 614
	12 629	13 018

Figures in Rand thousand	Year ended June 2024	Year ended June 2023
35. COMMITMENTS		
Authorised capital expenditure:		
Capital expenditure to be funded from internal resources as approved by the directors:		
Authorised, contracted	**48 337**	73 225
Authorised but not contracted for	**110 079**	68 519

The capital commitments are for building and infrastructure for new stores, store refurbishments or relocations.

36. CONTINGENCIES

The Group has contingent liabilities in respect of bank and other guarantees in the ordinary course of business from which it is anticipated that no material liabilities will arise. These guarantees consist of amounts held in the interests of suppliers, landlords and revenue authorities.

Figures in Rand thousand	Year ended June 2024	Year ended June 2023
Bank guarantees	**17 690**	2 549
37. RELATED PARTIES		
Relationships		
Ultimate holding company		
Cashbuild Limited		
Intermediate holding company		
Cashbuild Management Services Proprietary Limited		
Loan accounts – Owing (to)/by related parties		
– Kier and Kawder (Pty) Ltd*	**–**	(1 960)

* *The loan was repaid in November 2023.*

The directors are not aware of any related party transactions that occurred during the reporting period.

38. THE CASHBUILD EMPOWERMENT TRUST

In terms of the broad-based BEE transaction approved by the shareholders on 7 February 2005, 2 580 535 shares were issued to the Cashbuild Empowerment Trust. The shares were issued for a total consideration of R75.1 million (R29.09 per share). The trust was funded by way of an interest-free loan from Cashbuild (Management Services) Proprietary Limited. As at 30 June 2024, Cashbuild Limited had 23 694 712 (June 2023: 23 900 647) shares in issue.

On 6 December 2010, a resolution was passed to repurchase 615 536 ordinary shares from the Cashbuild Empowerment Trust for a total consideration of R50.0 million. The proceeds on the share repurchase that were distributed as a dividend to beneficiaries of the Trust, equal to R20.0 million. In the 2016 financial year, a resolution was passed to repurchase a further 200 000 shares from the Trust which resulted in a distribution of R61.9 million to the beneficiaries of the Trust, which excludes transaction costs associated with the transaction of R1.6 million. As at 30 June 2024, the Cashbuild Empowerment Trust held 1 764 999 (June 2023: 1 764 999) shares in Cashbuild Limited.

The aggregate number of shares which may be acquired by the Trust shall not exceed 10% of the issued share capital of Cashbuild Limited. The majority of Cashbuild employees are previously disadvantaged. In terms of income benefits, the empowered employees will share in the net dividend of the scheme shares underlying the Trust on an equal basis. In addition to this, the empowered employees of Cashbuild will also benefit on an equitable basis should the capital of the Trust be distributed following a corporate restructuring resulting in a change of control or liquidation.

38. THE CASHBUILD EMPOWERMENT TRUST (continued)

Dividends paid to the Trust and distributed to employees as follows:

Figures in Rand thousand	**Year ended June 2024**	Year ended June 2023
– Final 2023 (Dividend 61)	**5 860**	11 949
– Interim 2024 (Dividend 62)	**5 736**	7 060
	11 596	19 009

39. RISK MANAGEMENT

Figures in Rand thousand	**Year ended June 2024**	Year ended June 2023
Financial risk management		
Categories of financial instruments		
Financial assets at amortised cost		
Trade and other receivables	**132 653**	86 855
Cash and cash equivalents	**998 811**	1 582 166
Total	**1 131 464**	1 669 021
Financial liabilities at amortised cost		
Lease liability*	**1 513 203**	1 600 585
Refundable customer accounts*	**956 829**	807 998
Trade and other payables	**1 095 527**	1 707 506
Total	**3 565 559**	1 707 506

* *The items in the table above are disclosed in the liquidity risk section of this note.*

This note presents information about the Group's exposure to each of its applicable financial risks: liquidity risk, foreign exchange risk, credit risk, and interest rate risk. The information below contains the Group's objectives, policies, and processes for managing the risk, the methods used to measure the risk, and the Group's capital management. Further quantitative disclosures are included throughout these Annual Consolidated Financial Statements.

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework.

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

The Audit and Risk Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Audit and Risk Committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit and Risk Committee.

The Group's objective when managing capital (which includes share capital, borrowings, working capital and cash and cash equivalents) is to maintain a flexible capital structure that reduces the cost of capital to an acceptable level of risk and to safeguard the Group's ability to continue as a going concern while taking advantage of strategic opportunities in order to maximise stakeholder returns sustainably.

The capital structure of the Group consists of debt, which includes lease liabilities as disclosed in note 19 and equity as disclosed in the Consolidated Statement of Financial Position.

39. RISK MANAGEMENT (continued)

The Group monitors capital using a gearing ratio. The ratio is calculated as debt (interest-bearing borrowings and trade and other payables) divided by capital. Total capital is calculated as the sum of “equity” and “debt” as shown in the Consolidated Statement of Financial Position.

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

The capital structure and gearing ratio of the Group at the reporting date was as follows:

Figures in Rand thousand	Year ended June 2024	Year ended June 2023
Lease liabilities	1 513 203	1 600 585
Trade and other payables	2 212 059	2 629 522
Debt	3 725 262	4 230 107
Equity	1 832 380	1 955 534
Total capital	5 557 642	6 185 641
Gearing ratio	0.67	0.68

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group’s receivables from customers. Potential concentrations of credit risk consist mainly of cash and cash equivalents and trade and other receivables.

Exposure to credit risk mainly relates to cash equivalents and trade receivables. The Group only deposits cash with major banks and limits exposure to any one counterparty.

Funds are only invested with authorised financial service providers. Cash balances deposited with these financial institutions are kept to an operational minimum and are transferred, subject to exchange control regulations and available suitable foreign currency, to financial institutions with acceptable credit ratings. The Group has policies that limit the amount of credit exposure to any one financial institution.

Sales to retail customers are settled in cash or using debit and credit cards. Except for the total exposure represented by the respective Consolidated Statement of Financial Position items, the Group has no other significant concentration of credit risk. Accounts receivable comprise a widespread client base and the Group has policies in place to ensure that all sales of goods and services on credit are made to customers with an appropriate credit history. These policies include reviewing the Group’s own credit history with the customer, verifying the credit history with an external credit bureau, as well as a formalised application process where the creditworthiness of the customer is assessed. With the exception of special orders where an upfront deposit is held, no collateral is held for other customers.

Refer to note 13 for detail relating to the expected credit loss allowance.

Trade receivables are not insured. The carrying amount of all financial assets represents the maximum exposure to credit risk. The carrying amount is equivalent to fair value for trade and other receivables, cash and cash equivalents and trade other payables. A credit policy has been established where each new credit customer is analysed individually for creditworthiness before the Company’s standard payment and delivery terms are offered.

Credit quality of cash at bank, excluding cash on hand

The credit quality of cash at bank and short-term deposits, excluding cash on hand that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or historical information about counterparty default rates:

Internal credit rating as at 30 June 2024	External credit rating	Year ended June 2024	Year ended June 2023
Moderate	B	997 068	1 580 422
Total cash held at financial institutions		997 068	1 580 422

39. RISK MANAGEMENT (continued)

The internal credit rating represents Cashbuild's view on the credit risk ascribed to the financial institutions at which cash resources are held. Below investment-grade institutions are viewed as moderate credit risk, but are still within acceptable limits. Fitch Ratings agency is used to determine the credit risk ratings of the financial institutions.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group manages liquidity risk through the compilation and monitoring of cash flow forecasts, as well as ensuring that adequate borrowing facilities are maintained.

The Group has unsecured unutilised banking facilities of R290 million (June 2023: R235 million) with various banks.

The following are the contractual maturities of financial liabilities, including interest payments and excluding the impact of netting agreements:

Non-derivative financial liabilities	30 days or less	More than 30 days but less than 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total
June 2024						
Lease liabilities	**(36 101)**	**(391 936)**	**(420 532)**	**(846 483)**	**(271 426)**	**(1 966 478)**
Trade liabilities	**(838 387)**	**(257 140)**	**–**	**–**	**–**	**(1 095 527)**
Refundable customer accounts*	**(956 829)**	**–**	**–**	**–**	**–**	**(956 829)**
June 2023						
Lease liabilities	(34 081)	(363 136)	(401 210)	(1 103 185)	(248 969)	(2 150 581)
Trade liabilities	(762 183)	(945 323)	–	–	–	(1 707 506)
Refundable customer accounts*	(807 998)	–	–	–	–	(807 998)

* *Refundable customer accounts are included in 30 days or less, as it is due on demand.*

We expect that trade liabilities and accruals will be settled by cash resources and changes in working capital. At reporting date, the Group held cash of R998.8 million (June 2023: R1 582.2 million), which is expected to readily generate cash inflows to manage any liquidity risk.

Foreign currency risk

The Group operates throughout southern Africa and is exposed to foreign exchange risk arising from various currencies, primarily the Botswana Pula, Malawi Kwacha, Zambian Kwacha and United States Dollar. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investment in foreign entities. A portion of the Group's income is earned in foreign currencies. The Group also has a translation risk arising from the consolidation of foreign entities into South African Rand.

Exposure from exchange rate fluctuations on transactions denominated in foreign currency is managed by reviewing foreign currency exposure in order to determine if foreign exchange contracts should be utilised on an ongoing basis. Foreign currency forward exchange contracts protect the Group from movements in exchange rates by establishing the rates at which a foreign currency asset or liability will be settled. The exposure to forward exchange contracts are not significant as the Group only had one open forward contract of which the value is considered to be immaterial.

Interest rate risk

As the Group is operating with a low gearing ratio, interest rate risk on borrowings is minimised. Surplus funds are invested in call and other notice accounts in order to maximise interest potential. The Group is exposed to interest rate risk that relates to bank borrowings, deposits and lease liabilities. The incremental borrowing rate on lease liabilities are linked to the prime interest rate. Refer to note 19 for detail relating to the lease liabilities.

An increase of 1% (2023: 1%) in the average interest rates for the reporting period would have increased profit by R0.3k (2023: decreased R780.0k). The sensitivity analysis has been prepared on the basis that all other variables, in particular foreign currency exchange rates, remain constant and has been performed on the same basis for 2023. A decrease of 1% in the interest rates at the reporting date would have had the equal opposite effect.

39. RISK MANAGEMENT (continued)

Price risk

The Group is not exposed to significant commodity price risk.

Figures in Rand thousand	Year ended June 2024	Year ended June 2023
Foreign currency exposure at the end of the reporting period		
Rand exposed to Botswana Pula		
Trade receivables	**1 509**	1 387
Cash and cash equivalents	**18 268**	29 267
Trade payables	**(1 182)**	(7 501)
Rand exposed to Malawi Kwacha		
Trade receivables	**88**	1 646
Cash and cash equivalents*	**23 912**	51 171
Trade payables	**(104)**	(4 450)
Rand exposed to Zambia Kwacha		
Trade receivables	**–**	771
Cash and cash equivalents^	**695**	5 192
Rand exposed to US Dollar (Zambia)		
Cash and cash equivalents^	**122**	8 343

* *The cash and cash equivalents decrease in Malawi is mainly due to 44% devaluation of Malawi Kwacha to South African Rand that occurred in November 2023.*

^ *The cash and cash equivalents decreased in Zambia mainly due to bank accounts as operations are closed in the country.*

Figures in Rand thousand	Year ended June 2024	Year ended June 2023
Exchange rates used for conversion were:		
Botswana Pula – Reporting date rate	**1.37**	1.40
Botswana Pula – Average rate	**1.38**	1.38
Malawi Kwacha – Reporting date rate	**0.010**	0.018
Malawi Kwacha – Average rate	**0.012**	0.017
Zambia Kwacha – Reporting date rate	**0.71**	1.07
Zambia Kwacha – Average rate	**0.79**	1.00
US Dollar – Reporting date rate	**18.74**	18.97

A sensitivity analysis was performed to evaluate the impact of exchange rate fluctuations on the exchange rate risk. This considers the impact if currency had weakened/strengthened by 10% and all other variables remained constant. The below table illustrates the net impact on the foreign denominated trade receivables, cash and cash equivalents and trade payables.

Figures in Rand thousand	Year ended June 2024	Year ended June 2023
Rand exposed to Botswana Pula	**1 860**	2 315
Rand exposed to Malawi Kwacha	**2 390**	4 837
Rand exposed to Zambia Kwacha	**70**	596
Rand exposed to US Dollar (Zambia)	**12**	834

40. DIRECTORS', KEY STAFF AND PRESCRIBED OFFICER'S EMOLUMENTS

Executive

Figures in Rand thousand	Basic salary	Expenses and travel allowance	Medical benefits	Company pension scheme contributions	Bonus~	Shares vesting value	Total
June 2024							
WF de Jager	**7 586**	**142**	**388**	**717**	**3 073**	**1 186**	**13 092**
AE Prowse*	**4 948**	**142**	**–**	**376**	**1 524**	**674**	**7 664**
SA Thoresson	**4 106**	**223**	**–**	**359**	**799**	**612**	**6 099**
WP van Aswegen	**4 012**	**208**	**–**	**374**	**799**	**516**	**5 909**
	20 652	**715**	**388**	**1 826**	**6 195**	**2 988**	**32 764**

~ *Bonus accrued for the current year.*
* *Retired 30 June 2024.*

Figures in Rand thousand	Basic salary	Expenses and travel allowance	Medical benefits	Company pension scheme contributions	Bonus~	Shares vesting value	Total
June 2023							
WF de Jager	7 068	113	250	658	745	2 282	11 116
AE Prowse	4 476	136	–	341	296	1 422	6 671
SA Thoresson	3 740	193	–	330	269	1 293	5 825
WP van Aswegen	3 652	186	–	342	261	1 090	5 531
	18 936	628	250	1 671	1 571	6 087	29 143

~ *Bonus accrued for the prior year and paid in the current year.*

Share schemes granted to directors

Refer to note 17 for details of share incentive schemes of which directors are beneficiaries at year-end.

Non-Executive

	Directors' fees	
Figures in Rand thousand	**June 2024**	June 2023
M Bosman (Mr)	**963**	782
M Bosman (Ms)	**745**	658
AGW Knock	**1 287**	992
Dr DSS Lushaba	**1 013**	972
AJ Mokgwatsane	**603**	526
GM Tapon Njamo	**922**	778
	5 533	4 708

40. DIRECTORS', KEY STAFF AND PRESCRIBED OFFICER'S EMOLUMENTS (continued)

Prescribed Officers and key staff are paid by the subsidiary company Cashbuild (South Africa) Proprietary Limited.

Figures in Rand thousand	Basic salary	Expenses and travel allowance	Medical benefits	Company pension scheme contributions	Bonus~	Shares vesting value	Total
June 2024							
W Dreyer	**2 191**	**159**	**–**	**232**	**281**	**314**	**3 177**
A Hattingh	**3 267**	**372**	**–**	**298**	**437**	**530**	**4 904**
DS Masala*	**2 299**	**120**	**157**	**242**	**345**	**303**	**3 466**
I Mckay	**2 478**	**174**	**94**	**217**	**319**	**300**	**3 582**
T Myburgh	**1 842**	**592**	**211**	**183**	**251**	**59**	**3 138**
M Scholes	**2 276**	**237**	**–**	**208**	**277**	**59**	**3 057**
	14 353	**1 654**	**462**	**1 380**	**1 910**	**1 565**	**21 324**

~ *Bonus accrued for the current year.*

* *DS Masala stopped being a prescribed officer with effect from 17 October 2023. The directors have not nominated a prescribed officer into office for the remainder of the financial year.*

Figures in Rand thousand	Basic salary	Expenses and travel allowance	Medical benefits	Company pension scheme contributions	Bonus+	Shares vesting value	Total
June 2023							
W Dreyer	2 358	131	–	236	164	662	3 551
A Hattingh	3 047	80	–	278	233	1 119	4 757
DS Masala*	2 122	123	160	226	184	639	3 454
I Mckay	2 232	217	87	196	156	633	3 521
T Myburgh	1 728	359	177	170	134	113	2 681
H Roos	2 088	151	–	214	141	569	3 163
M Scholes	2 006	162	–	185	134	114	2 601
	15 581	1 223	424	1 505	1 146	3 849	23 728

* *Prescribed officer.*

\+ *Paid in the current financial year.*

41. EVENTS AFTER THE REPORTING PERIOD

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report that require adjustment or disclosure.

42. NEW STANDARDS AND INTERPRETATIONS

Standards and interpretations effective, not yet effective or relevant

	Effective date: Years beginning on or after	Expected date of implemen-tation	Expected impact
Standard/Interpretation: **Effective for year-end 30 June 2024** IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors – Accounting Estimates: Clarification on how companies should distinguish changes in accounting policies from changes in accounting estimates	**1 January 2023**	**1 July 2023**	Did not impact results or disclosures
IAS 12 Income Taxes – The aim of the amendments is to reduce diversity in the reporting of deferred tax on leases by clarifying when the exemption from recognising deferred tax would apply to the initial recognition of such items	**1 January 2023**	**1 July 2023**	Impact illustrated in Note 9
IFRS 17 Insurance contracts – One accounting model for all insurance contracts in all jurisdictions that apply IFRS	**1 January 2023**	**1 July 2023**	Did not impact results or disclosures
Issued but not yet effective for year-end 30 June 2024 IFRS 16 Leases – Amendment on requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction	**1 January 2024**	**1 July 2024**	Not expected to impact results or disclosures
IAS 1 Presentation of Financial Statements – current and non-current liability classification and material accounting policies disclosure	**1 January 2024**	**1 July 2024**	Not expected to impact results or disclosures
IAS 7 and IFRS 7 – Supplier finance – These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on an entity’s liabilities, cash flows and exposure to liquidity risk	**1 January 2024**	**1 July 2024**	Not expected to impact results or disclosures
IAS 21 Lack of Exchangeability – guidance on exchange rate to be used on measurement date for translation of non-exchangeable foreign exchange transaction and balances	**1 January 2025**	**1 July 2025**	Not expected to impact results or disclosures
IFRS 9 and IFRS 7 – Classification and Measurement of Financial Instruments – clarification regarding timing of recognition and derecognition of financial assets and liabilities, solely payments of principal and interest (SPPI) criterion, disclosure updates, etc.	**1 January 2026**	**1 July 2026**	Not expected to impact results or disclosures
IFRS 18 Presentation and Disclosure in Financial Statements – This is the new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss	**1 January 2027**	**1 July 2027**	Expected to impact the structure and disclosure of the Statement of Profit or Loss
IFRS 19 Subsidiaries without Public Accountability: Disclosures – An eligible subsidiary applies the requirements in other IFRS Accounting Standards except for the disclosure requirements and instead applies the reduced disclosure requirements in IFRS 19	**1 January 2027**	**1 July 2027**	Expected to impact the disclosure by subsidiaries in their stand-alone financial statements

Independent Auditor’s Assurance Report

Independent Auditor’s Assurance Report on the compilation of pro forma financial information included in the Annual Consolidated Financial Statements

To the Directors of Cashbuild Limited
Cashbuild Limited
2 Handel Road
Ormonde
Johannesburg
2001
Address

Dear Sirs/Mesdames

Report on the Assurance Engagement on the Compilation of Pro Forma Financial Information Included in the Annual Consolidated Financial Statements (Financial Statements) for Cashbuild Limited for the year ended 30 June 2024.

We have completed our assurance engagement to report on the compilation of pro forma financial information of Cashbuild Limited by the directors. The pro forma financial information, is set out in paragraph 2 of the Directors report titled “*The pro forma information illustrating the impact of the 53rd week on the annual results for the year ended 30 June 2024*”, to be dated on or about 2 September 2024. The pro forma financial information has been compiled on the basis of the applicable criteria specified in the JSE Limited (JSE) Listings Requirements and in paragraph 2 of the Directors report.

The pro forma financial information has been compiled by the directors to illustrate the impact the additional 53rd week of trading when compared to the prior year has had on the entity’s financial *performance* for the year ended 30 June 2024. As part of this process, information about the company’s financial performance has been extracted by the directors from the company’s financial statements for the year ended 30 June 2024, on which an *unmodified auditor’s report* was issued on 2 September 2024.

DIRECTORS’ RESPONSIBILITY FOR THE PRO FORMA FINANCIAL INFORMATION

The directors are responsible for compiling the pro forma financial information on the basis of the applicable criteria specified in the JSE Listings Requirements and described in paragraph 2 of the Directors report titled “The pro forma information illustrating the impact of the 53rd week on the annual results for the year ended 30 June 2024”.

OUR INDEPENDENCE AND QUALITY MANAGEMENT

We have complied with the independence and other ethical requirements of the Code of Professional Conduct for Registered Auditors issued by the Independent Regulatory Board for Auditors (IRBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. 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).

The firm applies the International Standard on Quality Management 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements, which requires the firm to design, implement and operate a system of quality management, including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

AUDITOR’S RESPONSIBILITY

Our responsibility is to express an opinion about whether the pro forma financial information has been compiled, in all material respects, by the directors on the basis specified in the JSE Listings Requirements based on our procedures performed.

We conducted our engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3420, *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus which is applicable to an engagement of this nature*. This standard requires that we comply with ethical requirements and plan and perform our procedures to obtain reasonable assurance about whether the pro forma financial information has been compiled, in all material respects, on the basis specified in the JSE Listings Requirements.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma financial information.

The purpose of pro forma financial information included in the financial statements is to illustrate the impact the additional 53rd week of trading when compared to prior year has had on the entity's financial performance for the period ended 30 June 2024. We do not provide any assurance that the actual outcome of the event or transaction at 30 June 2024 would have been as presented.

A reasonable assurance engagement to report on whether the pro forma financial information has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used in the compilation of the pro forma financial information provides a reasonable basis for presenting the significant effects directly attributable to the corporate action or event, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

Our procedures selected depend on our judgment, having regard to our understanding of the nature of the company, the corporate action or event in respect of which the pro forma financial information has been compiled, and other relevant engagement circumstances.

Our engagement also involves evaluating the overall presentation of the pro forma financial information.

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

OPINION

In our opinion, the pro forma financial information has been compiled, in all material respects, on the basis of the applicable criteria specified by the JSE Listings Requirements and described in paragraph 2 of the Directors report titled "The pro forma information illustrating the impact of the 53rd week on the annual results for the year ended 30 June 2024".

DocuSigned by:

Deloitte & Touche

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Deloitte & Touche
Registered Auditor
Per: James Welch
Partner

2 September 2024

5 Magwa Crescent
Waterfall City
2090
Johannesburg
South Africa

Shareholders' Analysis

for the year ended 30 June 2024

	Number of shareholders	% of total shareholders	Number of shares	% of issued capital
Shareholder spread				
1 – 1 000	1 896	78.97%	373 758	1.58%
1 001 – 10 000	352	14.66%	1 136 311	4.80%
10 001 – 100 000	124	5.16%	3 780 645	15.96%
100 001 – 1 000 000	22	0.92%	7 158 049	30.21%
Over 1 000 000	7	0.29%	11 245 949	47.46%
Total	2 401	100.00%	23 694 712	100.00%
Distribution of shareholders				
Assurance Companies	23	0.96%	263 193	1.11%
Close Corporations	27	1.12%	24 351	0.10%
Collective Investment Schemes	115	4.79%	6 718 534	28.35%
Custodians	24	1.00%	1 406 713	5.94%
Foundations and Charitable Funds	21	0.87%	183 805	0.78%
Hedge Funds	1	0.04%	59 811	0.25%
Insurance Companies	3	0.12%	300 574	1.27%
Investment Partnerships	8	0.33%	4 112	0.02%
Managed Funds	7	0.29%	13 014	0.05%
Medical Aid Funds	7	0.29%	215 633	0.91%
Organs of State	7	0.29%	3 674 516	15.51%
Private Companies	70	2.92%	5 920 010	24.98%
Public Companies	11	0.46%	22 648	0.10%
Retail Shareholders	1 826	76.05%	1 167 216	4.93%
Retirement Benefit Funds	125	5.21%	1 513 908	6.39%
Scrip Lending	4	0.17%	85 826	0.36%
Share Schemes	2	0.08%	1 861 227	7.86%
Stockbrokers and Nominees	11	0.46%	66 319	0.28%
Trusts	108	4.50%	193 255	0.82%
Unclaimed Scrip	1	0.04%	47	0.00%
Total	2 401	100.00%	23 694 712	100.00%
Shareholder type				
Non-public shareholders	9	0.37%	2 914 376	12.30%
Directors and Associates (excluding Employee Share Schemes)	6	0.25%	74 090	0.31%
Cashbuild Empowerment Trust	1	0.04%	1 764 999	7.45%
Cashbuild (South Africa)	1	0.04%	978 727	4.13%
Cashbuild Store Operations Management Trust	1	0.04%	96 228	0.41%
Public shareholders	2 392	99.63%	20 780 336	87.70%
Total	2 401	100.00%	23 694 712	100.00%
Beneficial shareholders with a holding > 5% of the issued shares				
SRA Investments (Pty) Ltd (and entities related thereto)			4 889 900	20.64%
Allan Gray			4 026 109	16.99%
Government Employees Pension Fund			3 486 005	14.71%
Cashbuild Empowerment Trust			1 764 999	7.45%
Total			14 167 013	59.79%

Interest of Directors in the Share Capital of Cashbuild

The aggregate beneficial holdings of the directors of the Company and their associates in the issued ordinary shares of the Company are detailed below. There have been no changes in these shareholdings between 30 June 2024 and the date of approval of this report.

	Number of shares held			
	30 June 2024 Direct	**30 June 2024 Indirect**	25 June 2023 Direct	25 June 2023 Indirect
Beneficial				
WF de Jager	**20 837**	**–**	16 548	–
AJ Mokgwatsane	**1 135**	**–**	1 135	–
AE Prowse	**–**	**22 666**		22 666
SA Thoresson	**18 052**	**–**	13 916	–
WP van Aswegen	**11 400**	**–**	11 400	–
Total	**51 424**	**22 666**	42 998	22 666

Corporate Information

Registration number
1986/001503/06

Share code
CSB

ISIN
ZAE000028320

Registered office
2 Handel Road, Ormonde, Johannesburg, 2001

Postal address
PO Box 90115, Bertsham, 2013

Telephone number
+27 (0)11 248 1500

Facsimile
+27 (0) 86 666 3291

Website
www.cashbuild.co.za

Company Secretary
T Nengovhela

Sponsor
Nedbank Corporate and Investment Banking,
a division of Nedbank Limited
(Registration number 1966/010630/06)
135 Rivonia Road, Sandown, 2196
(PO Box 1144, Johannesburg, 2000)

Auditors
Deloitte & Touche
5 Magwa Crescent, Waterfall City, Waterfall, Gauteng, 2090
(Private Bag X6, Gallo Manor, 2052)

Transfer Secretaries
JSE Investor Services (Pty) Ltd
(Registration number 2000/007239/07)
One Exchange Square, Gwen Lane, Sandown
Sandton, 2196
(PO Box 4844, Johannesburg, 2000)

Investor Relations
Keyter Rech Investor Solutions CC
(Registration number 2008/156985/23)
299 Pendoring Road, Blackheath, Randburg, 2195
(PO Box 653078, Benmore, 2010)

Transactional Bankers
Nedcor Bank, a division of Nedbank Limited
The Standard Bank of South Africa Limited
First National Bank, a division of FirstRand Limited

Any queries regarding this Integrated Report or its contents should be addressed to:
Belinda Rabé
Group Financial Manager
E-mail: brabe@cashbuild.co.za

Any queries regarding Cashbuild's Investor Relations should be addressed to:
Marlize Keyter
Investor Relations Consultant
Keyter Rech Investor Solutions CC
E-mail: mkeyter@kris.co.za
Tel: +27 83 701 2021