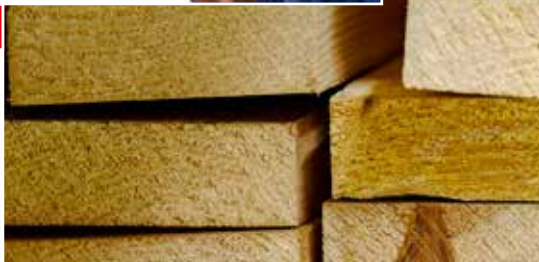


Cashbuild

2023



Annual Financial Statements

for the year ended 25 June 2023

Contents

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

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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 Company's Annual Financial Statements and related financial information included in this report. It is their responsibility to ensure that the Company's Annual Financial Statements fairly present the state of affairs of the Company 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 Company's Annual Financial Statements.

The Company's Annual 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 Company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the Board of Directors sets standards for internal control aimed at reducing the risk of error or loss in a cost-effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the Company and all employees are required to maintain the highest ethical standards in ensuring the Company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the Company is on identifying, assessing, managing and monitoring all known forms of risk across the Company. The Company 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 of the Company are responsible for the controls over, and the security of the website and, where applicable, for establishing and controlling the process for electronically distributing annual reports and other financial information to shareholders and to the Companies and Intellectual Property Commission.

The directors have reviewed the Company's cash flow forecasts for the period up to 29 August 2024 and, in light of this review and the current financial position, they are satisfied that the Company had access to adequate resources to continue in operational existence for the foreseeable future.

The Company's Annual Financial Statements set out on page 1 to 27, which have been prepared on the going concern basis under the supervision of the Chief Financial Officer, Mr AE Prowse CA(SA), were approved by the Board of Directors on 29 August 2023 and were signed on their behalf by:

Alistair Knock
Chairman

Werner de Jager
Chief Executive Officer

29 August 2023

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 Financial Statements set out on pages 8 to 27, 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 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

Etienne Prowse
Chief Financial Officer

29 August 2023

Company Secretary's Certification

In terms of Section 88(2)(e) of the Companies Act 71 of 2008, as amended, I certify that the Company 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 Nengovhela
Company Secretary

29 August 2023

Directors' Report

The directors have pleasure in submitting their report on the Annual Financial Statements of Cashbuild Limited for the year ended 25 June 2023.

1. REVIEW OF FINANCIAL RESULTS AND ACTIVITIES

The Annual Financial Statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and the requirements of the Companies Act No. 71 of 2008. The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the Company are set out in the Annual Financial Statements.

2. REPORTING PERIOD

The Company adopts the retail accounting calendar, which comprises the reporting year ending on the last Sunday of the month June 2023: 25 June 2023 (52 weeks); 26 June 2022 (52 weeks).

3. SHARE CAPITAL

During the year under review, there were changes to the Share Capital. 1 million shares were repurchased from Mr Patrick Kieran Goldrick. There was also an Odd-lot offer which resulted in 89 164 shares being repurchased. These shares have been cancelled. The average share price for the shares repurchased during the year was R193.23. Refer to note 5 for more information.

4. DIVIDENDS

The Board has declared a final dividend (No. 61) of 332 cents (June 2022: 677 cents) per ordinary share, out of income reserves, excluding the impact of the impairment on the P&L Hardware Goodwill, to all shareholders of Cashbuild Limited. The dividend per share is calculated based on 23 900 647 (June 2022: 24 989 811) shares in issue at the date of the dividend declaration. The net local dividend amount is 265.6 cents per share for shareholders liable to pay Dividends Tax and 332 cents per share for shareholders exempt from paying Dividends Tax. The total dividend for the year amounts to 732 cents (June 2022: 1 264 cents). Local Dividends Tax is 20%.

The relevant dates for the declaration are as follows: Date dividend declared: Tuesday, 29 August 2023; Last day to trade "CUM" the dividend: Tuesday, 19 September 2023; Date to commence trading "EX" the dividend: Wednesday, 20 September 2023; Record date: Friday, 22 September 2023; Date of payment: Tuesday, 26 September 2023. Share certificates may not be dematerialised or rematerialised between Wednesday, 20 September 2023 and Friday, 22 September 2023, both dates inclusive.

5. DIRECTORATE

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

WF de Jager (52)	Chief Executive Officer, CA(SA)	Executive
AE Prowse (59)	Chief Financial Officer, CA(SA)	Executive
SA Thoresson (60)	Operations Director	Executive
WP van Aswegen (56)	Commercial and Marketing Director, CA(SA)	Executive
M Bosman (Mr) (66)	CA(SA)	Independent non-executive
M Bosman (Ms) (52)	CA(SA)	Independent non-executive
AGW Knock (72)	Chairman, BSc Eng (Hons); MSc (Engineering); MDP	Independent non-executive
Dr DSS Lushaba (57)	BSc Advanced Biochemistry (Hons), MBA, DBA, CD(SA)	Independent non-executive
AJ Mokgwatsane (45)	Diploma in Integrated Marketing and Communication	Independent non-executive
GM Tapon Njamo (45)	CA(SA)	Independent non-executive

Details of the directors' remuneration are set out under note 18 of the financial statements.

Directors' Report (continued)

6. INTERESTS IN SUBSIDIARIES AND OTHER INVESTMENTS

Details of material interests in subsidiary companies, associates and joint arrangements are presented in the Annual Financial Statements in note 2.

7. DIRECTORS' INTERESTS IN CONTRACTS

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

8. 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.

9. GOING CONCERN

The directors have assessed the cash flow forecast for the period up to 29 August 2024 and conclude that the Company 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 Company's ability to meet its obligations. Detailed solvency and liquidity analysis are performed when dividends are declared to ensure the capital base of the Company is not adversely impacted.

10. AUDITOR

Deloitte & Touche was the auditor for the Company for the year ended 25 June 2023.

11. SECRETARY

The Company Secretary is Mr Takalani Nengovhela.

Independent Auditor's Report

TO THE SHAREHOLDERS OF CASHBUILD LIMITED

REPORT ON THE AUDIT OF THE SEPARATE FINANCIAL STATEMENTS

Opinion

We have audited the separate financial statements of Cashbuild Limited (the company) set out on pages 8 to 27, which comprise the separate statement of financial position as at 25 June 2023, and the separate statement of profit or loss and other comprehensive income, the separate statement of changes in equity and the separate statement of cash flows for the year then ended, and notes to the separate financial statements, including a summary of significant accounting policies.

In our opinion, the separate financial statements present fairly, in all material respects, the separate financial position of Cashbuild Limited as at 25 June 2023, and its separate financial performance and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

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 Separate Financial Statements section of our report. We are independent of the company in accordance with the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' (IESBSA) International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA code). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

We have not identified any key audit matters on the separate financial statements.

Other Matter

The separate financial statements of the company for the year ended 26 June 2022 were audited by another auditor who expressed an unmodified opinion on those statements on 30 August 2022.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Cashbuild Limited Annual Financial Statements for the year ended 25 June 2023" and the document titled, which includes the Directors' Report, the Audit Committee's Report and the Company Secretary's Certificate as required by the Companies Act of South Africa and the Annual Report, which is expected to be made available to us after that date. The other information does not include the consolidated or the separate financial statements and our auditor's reports thereon.

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

Independent Auditor's Report (continued)

Responsibilities of the Directors for the Separate Financial Statements

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

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

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

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

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

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

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

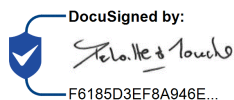
We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate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

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

Independent Auditor's Report (continued)

Report on Other Legal and Regulatory Requirements

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that Deloitte & Touche has been the auditor of Cashbuild Limited for 1 year.



Deloitte & Touche

Registered Auditor

Per: James Welch

Partner

29 August 2023

5 Magwa Crescent

Waterfall City

2090

Johannesburg

South Africa

Statement of Financial Position

as at 25 June 2023

Figures in Rand thousand	Note(s)	Year ended June 2023	Year ended June 2022
Assets			
Non-Current Assets			
Investments in subsidiaries	2	169 590	146 856
Loan to subsidiary	2	4 321	39 514
		173 911	186 370
Current Assets			
Trade and other receivables	3	562	3 128
Cash and cash equivalents	4	14 875	10 069
		15 437	13 197
Total Assets		189 348	199 567
Equity and Liabilities			
Equity			
Equity Attributable to Equity Holders of Parent			
Share capital	5	(257 649)	1 274
Reserves		169 590	146 856
Retained income		264 170	39 069
		176 111	187 199
Liabilities			
Current Liabilities			
Trade and other payables	7	13 233	12 368
Current tax payable	13	4	–
		13 237	12 368
Total Liabilities		13 237	12 368
Total Equity and Liabilities		189 348	199 567

The accounting policies on pages 12 to 14 and the notes on pages 15 to 27 form an integral part of the Annual Financial Statements.

Statement of Profit or Loss and Other Comprehensive Income

for the year ended 25 June 2023

Figures in Rand thousand	Note(s)	Year ended June 2023	Year ended June 2022
Revenue	8	507 873	706 302
Administrative expenses	9	(13 642)	(7 086)
Operating profit		494 231	699 216
Finance income	10	14	–
Profit before taxation		494 245	699 216
Tax expense	11	(4)	–
Profit for the year		494 241	699 216

The accounting policies on pages 12 to 14 and the notes on pages 15 to 27 form an integral part of the Annual Financial Statements.

Statement of Changes in Equity

for the year ended 25 June 2023

Figures in Rand thousand	Share capital	Share premium	Total share capital	Share-based payments reserve	Total reserves	Retained income	Total equity
Balance as at 27 June 2021	250	1 024	1 274	120 908	120 908	39 068	161 250
Total comprehensive income for the year	-	-	-	-	-	699 216	699 216
Share-based payments expense	-	-	-	25 948	25 948	-	25 948
Dividends	-	-	-	-	-	(699 215)	(699 215)
Balance at 26 June 2022	250	1 024	1 274	146 856	146 856	39 069	187 199
Total comprehensive income for the year	-	-	-	-	-	494 241	494 241
Share-based payments expense	-	-	-	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)
Dividends	-	-	-	-	-	(269 140)	(269 140)
Balance at 25 June 2023	237	(257 886)	(257 649)	169 590	169 590	264 170	176 111
Note(s)	5	5	5	6			

Statement of Cash Flows

for the year ended 25 June 2023

Figures in Rand thousand	Note(s)	2023	2022 Restated*
Cash flows from operating activities			
Cash generated from operations	12	3 989	(1)
Dividends received	8	715	-
Net cash generated from operating activities		4 704	(1)
Cash flows from investing activities			
Loan advanced to Group companies	2	102	-
Net cash utilised in investing activities		102	-
Total cash and cash equivalents movement for the year		4 806	(1)
Cash and cash equivalents at the beginning of the year		10 069	10 070
Total cash and cash equivalents at the end of the year	4	14 875	10 069

* Refer to note 18 for further details.

Accounting Policies

1. SIGNIFICANT ACCOUNTING POLICIES

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

1.1. Basis of preparation

The Annual Financial Statements have been prepared on the going concern basis in accordance with, and in compliance with, International Financial Reporting Standards (IFRS) and International Financial Reporting Interpretations Committee (IFRIC) interpretations issued and effective at the time of preparing the Annual Financial Statements and the Companies Act No. 71 of 2008 of South Africa, as amended.

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

These accounting policies are consistent with the previous period.

1.2 Financial instruments

Financial instruments held by the Company are classified in accordance with the provisions of IFRS 9 Financial Instruments.

Classification

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

- ▶ Financial assets at amortised cost; and
- ▶ Financial liabilities measured at amortised cost.

Financial assets at amortised cost:

The Company's financial assets at amortised cost category comprise trade and other receivables, cash and cash equivalents as well as loan to subsidiary.

Trade receivables are amounts receivable in respect of unclaimed dividends due to the Company. Trade receivables have been classified at amortised cost as their contractual terms give rise, on specified dates to cash flows that are solely payments of the principal and interest and the Company's business model is to collect the contractual cash flows on trade and other receivables. Collection is expected in one year or less and therefore, the trade receivables have been classified as current assets.

Loan to subsidiary are financial assets classified at amortised cost, and relate to funding provided to the subsidiary. Loans to subsidiary have been classified at amortised cost as their contractual terms give rise, on specified dates to cash flows that are solely payments of the principal and interest and the Company's business model is to collect the contractual cash flows on trade and other receivables.

Cash and cash equivalents are financial assets classified at amortised cost, as their contractual terms give rise, on specified dates to cash flows that are solely payments of the principal and interest and the Company's business model is to collect the contractual cash flows on trade and other receivables.

Financial liabilities measured at amortised cost:

Trade and other payables are financial liabilities measured at amortised cost. This represents unclaimed dividends that are payable to shareholders and are short-term in nature.

Recognition and measurement

Financial assets at amortised cost:

Trade receivables are recognised initially at fair value. The Company has made use of the practical expedient where the Company presumes that a trade receivable does not have a significant financing component as the expected term is less than one year. The Company 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.

Loan to subsidiary is initially recognised at fair value. Subsequently, loan to subsidiary are measured at amortised cost.

Cash and cash equivalents are measured initially at fair value.

Accounting Policies (continued)

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

1.2 Financial instruments (continued)

Financial liabilities measured at amortised cost:

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

Derecognition

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

Financial liabilities are derecognised when obligations to deliver cash have been met.

Impairment of financial assets

The Company considers financial assets for impairment. Due to the nature of these assets, being unclaimed dividends payable to the Company from the JSE, the risk of impairment is regarded as minimal and no provisions have been raised in this regard.

Cash and cash equivalents

Cash and cash equivalents deposits held at call with banks and 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.

1.3 Share capital and equity

Ordinary shares are classified as equity. Where the Company purchase its own share capital, the consideration paid including attributable transaction costs (net of income taxes), is deducted from equity attributable to the Company'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.

1.4 Provisions and contingencies

Provisions are recognised when:

- ▶ the Company 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.

1.5 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 periods exceeds the amount due for those periods, the excess is recognised as an asset.

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

Accounting Policies (continued)

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

1.5 Tax (continued)

Tax expenses

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

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

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

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

1.6 Share-based plans and related payments

The Company 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 schemes has a vesting period of three years. The impact is recognised directly in the Investment in subsidiaries, with a corresponding adjustment to equity.

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 Company'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. The OMT is accounted for as an increase in investments.

1.7 Revenue

Revenue are recognised, in profit or loss, when the Company's right to receive payment has been established.

Notes to the Annual Financial Statements (continued)

for the year ended 25 June 2023

2. 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 Company.

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

The above trusts are consolidated by the Company.

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

	Issued share capital June 2023	Issued share capital June 2022	Nature of business	% holding June 2023	% holding June 2022
Cashbuild (Botswana) (Pty) Ltd	P1 500 000	P1 500 000	A	100	100
Cashbuild (Kanye) (Pty) Ltd*	P0	P2	D	–	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	ZMK 2	ZMK 2	A	100	100
Oldco PandL (Pty) Ltd	R100	R100	F	100	100
P&L Boerebenodighede Investments (Pty) Ltd	R1 000	R1 000	F	100	100
Rio Ridge 1027 (Pty) Ltd	R100	R100	F	100	100
Cashbuild (Kwandebele) (Pty) Ltd	R0	R200 000	D	–	100
Cashbuild (Transkei) (Pty) Ltd	R0	R0	E	–	–
Cashbuild (Properties) (Pty) Ltd	R0	R1	D	–	100
Cashbuild (Venda Properties) (Pty) Ltd	R0	R0.1	D	–	100
Cashbuild (Properties External Company)	R0	R1	D	–	100
Cashbuild (Management Services) (Pty) Ltd	R1	R1	C	100	100

A – Trading company

B – Dormant company

C – Holding company of subsidiaries

D – Deregistered in the current financial year

E – Deregistered in the prior financial year

F – Deregistration in process

The carrying amounts of subsidiaries shown below are net of impairment losses where applicable. The loan accounts are unsecured, non-interest-bearing with no fixed repayment terms. The Company do not have the intention of requesting payment for the loan within the next 12 months.

Figures in Rand thousand	2023	2022
Share based payment capital contribution	169 590	146 856
Loan to subsidiary	4 321	39 514
	173 911	186 370

The loan advanced to Cashbuild (Management Services) is recoverable as Cashbuild (Management Services) is a wholly owned subsidiary of Cashbuild (Limited). If Cashbuild (Management Services) does not have sufficient liquid assets to repay the loan, Cashbuild (Management Services) would utilise some of the dividends received from the subsidiary trading entities to repay the loan before declaring dividends to Cashbuild (Limited). The net liquid assets of Cashbuild (Management Services) exceeds the loan by more than eight times the value of the loan. The expected credit loss and credit exposure is therefore immaterial.

During the year, there was a loan write-off R6.9 million which was unrecoverable and related to the windup of the Share Incentive Trust.

Credit risk of loans to subsidiaries

The loans to 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 raises concern about the recoverability of the loans.

Notes to the Annual Financial Statements (continued)

for the year ended 25 June 2023

3. TRADE AND OTHER RECEIVABLES

	Year ended June 2023	Year ended June 2022
Figures in Rand thousand		
Financial instruments:		
Other receivables	562	3 128
Total financial instruments	562	3 128
Total trade and other receivables	562	3 128

Credit risk of trade and other receivables

The Company 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.

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 Company's exposure to credit risk is reassessed on a continuous basis. The factors mentioned previously are used to inform the historical loss rate.

The Company considered the impact of forward-looking information on the risk of default of trade and other receivables. 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 has gone bad, 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.

Notes to the Annual Financial Statements (continued)

for the year ended 25 June 2023

4. CASH AND CASH EQUIVALENTS

Figures in Rand thousand	Year ended June 2023	Year ended June 2022
Cash and cash equivalents consist of:		
Bank balances	14 875	10 070

5. SHARE CAPITAL

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	239	250
Treasury shares held	(2)	–
Total share capital	237	250
Movement reconciliation of the share capital:		
Opening balance	250	250
Shares repurchased and cancelled	(11)	–
Treasury shares held	(2)	–
Total share capital	237	250

The total number of shares in issue as at 25 June 2023 is 23 900 647 (June 2022: 24 989 811). The total number of treasury shares held as at 25 June 2023 is 250 000 (June 2022: nil). The average share price for the shares repurchased during the year was R193.23.

Figures in Rand thousand	Year ended June 2023	Year ended June 2022
Share premium		
Opening balance	1 024	1 024
Shares repurchased and cancelled	(212 398)	–
Shares repurchased	(46 512)	–
Total share premium	(257 886)	1 024
Consisting of:		
Share premium	(211 374)	1 024
Treasury share premium	(46 512)	–
Total share premium	(257 886)	1 024
Total share capital and premium	(257 649)	1 274

Notes to the Annual Financial Statements (continued)

for the year ended 25 June 2023

6. 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 owners of performance shares and/or retention shares at the award date 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 Company'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 share awards under this scheme are as follows:

	Year ended June 2023	Year ended June 2022
Opening balance	764 845	534 675
Share movement	217 513	230 170
Total performance shares awarded	982 358	764 845

	5th Award	6th Award	7th Award
Share awards			
Issue date	9 Oct 2020	4 Oct 2021	3 Oct 2022
Vesting date	9 Oct 2023	4 Oct 2024	3 Oct 2025
Exercise price	Nil	Nil	Nil
Expected option lifetime	3 years	3 years	3 years
Share price at grant date	219.44	255.77	201.18

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

	Applicable to Award 5 and 6		Applicable to Award 7	
	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 peers*	Upper quartile of peers*	Median of peers*	Upper quartile of peers*
ROCE	CB WACC	CB WACC +10% p.a	CB WACC	CB WACC +5% p.a

* Based on the constituents of the INDI+25 as at the award date.

Notes to the Annual Financial Statements (continued)

for the year ended 25 June 2023

6. SHARE-BASED PAYMENTS (continued)

	Number of shares as at 25 June 2023 [^]	Award face value* R'000
Executive directors:		
WF de Jager	89 361	19 844
AE Prowse	52 648	11 651
SA Thoresson	46 263	10 270
WP van Aswegen	43 621	9 676
	231 893	51 441
Key management:		
W Dreyer	22 746	5 069
A Hattingh	34 285	7 731
DS Masala	21 930	4 887
I McKay	21 730	4 843
T Myburgh	13 979	3 131
H Roos	19 548	4 357
	134 218	30 018

[^] 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 eighth schemes (2012 to 2019 schemes respectively) have fully vested. The ninth 2020 scheme qualified for 1 592 shares, the tenth 2021 scheme qualified for 83 403, the eleventh 2022 scheme qualified for 4 798 shares and the twelfth scheme provisionally qualified for 7 106 shares.

Summary of share-based payments for all schemes

The Company's expense and related movement in the share-based payment reserve is R22.7 million (June 2022: R25.9 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 2023	Year ended June 2022
Share-based payments reserve:		
Opening balance	146 856	120 908
– Forfeitable Share Scheme: 3rd award	–	1 336
– Forfeitable Share Scheme: 4th award	1 803	6 292
– Forfeitable Share Scheme: 5th award	7 097	7 037
– Forfeitable Share Scheme: 6th award	3 864	5 612
– Forfeitable Share Scheme: 7th award	5 821	–
– Operations Management Member Trust Schemes	4 149	5 671
	169 590	146 856

Notes to the Annual Financial Statements (continued)

for the year ended 25 June 2023

7. TRADE AND OTHER PAYABLES

	Year ended June 2023	Year ended June 2022
Figures in Rand thousand		
Financial instruments:		
Accruals [#]	13 233	12 368

[#] The accruals relate to unclaimed dividends.

8. REVENUE

	Year ended June 2023	Year ended June 2022
Revenue		
Dividends received (trading)	507 873	706 302

9. OPERATING PROFIT

Operating profit for the year includes the following significant items:

	Year ended June 2023	Year ended June 2022
Figures in Rand thousand		
Expenses by nature:		
Write-off of intercompany loan	6 932	–
Other expenses	6 710	7 086
	13 642	7 086
Classified on Statement of Profit or Loss and Other Comprehensive Income as:		
Administrative expenses	(13 642)	(7 086)

10. FINANCE INCOME

Earned on bank balances	14	–
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11. TAX EXPENSE

Major components of the tax expense:

Normal taxation		
Current	4	–

Reconciliation of effective tax rate:

Applicable tax rate	27.0%	28.0%
Exempt income	(27.0%)	(28.0%)
	0.0%	0.0%

12. CASH GENERATED FROM OPERATIONS

Profit before taxation	494 245	Restated* 699 216
Adjustments for:		
Dividends received (trading)	(507 873)	(706 302)
Finance income	(14)	–
Write-off of intercompany loan	6 932	–
Expenses paid through loan with Subsidiary	6 710	7 085
Changes in working capital:		
(Increase)/decrease in trade and other receivables	3 124	(3 128)
Increase in trade and other payables	865	3 128
	3 989	(1)

* Refer to note 18 for further details.

Notes to the Annual Financial Statements (continued)

for the year ended 25 June 2023

13. TAX PAID

Figures in Rand thousand	Year ended June 2023	Year ended June 2022
Balance at the beginning of the year	–	(121)
Current tax for the year recognised in profit or loss	(4)	–
Balance at the end of the year	4	–
	–	(121)

14. DIVIDENDS PAID

Final dividend – prior year (Div. 59)	(169 181)	(552 525)
Interim dividend – current year (Div. 60)	(99 959)	(146 690)
	(269 140)	(699 215)

Dividends are paid out of income reserves.

Figures in Rand thousand	Year ended June 2023	Year ended June 2022
15. RELATED PARTIES		
Relationships		
<i>Subsidiary Company</i>		
Cashbuild (Management Services) (Pty) Ltd		
Loan accounts – Owing (to)/by related parties		
– Cashbuild Management Services Proprietary Limited	4 321	39 514
Amounts included in Trade receivable regarding related parties		
– The Cashbuild Empowerment Trust	174	174
Related party transactions		
Dividends received		
– Cashbuild Management Services Proprietary Limited	506 600	706 302

Notes to the Annual Financial Statements (continued)

for the year ended 25 June 2023

16. RISK MANAGEMENT

Figures in Rand thousand	Year ended June 2023	Year ended June 2022
Financial risk management		
Categories of financial instruments		
Financial assets at amortised cost		
Trade and other receivables	562	3 128
Cash and cash equivalents	14 875	10 069
Loan to subsidiary	4 321	39 514
Total	19 758	52 711
Financial liabilities at amortised cost		
Trade and other payables	13 233	12 368
Total	13 233	12 368

This note presents information about the Company'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 Company's objectives, policies, and processes for managing the risk, the methods used to measure the risk, and the Company's capital management. Further quantitative disclosures are included throughout the Annual Financial Statements.

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

The Company's risk management policies are established to identify and analyse the risks faced by the Company, 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 companies activities. Through its training and management standards and procedures, the Company 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 Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. 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 Company'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 Company's ability to continue as a going concern while taking advantage of strategic opportunities in order to maximise stakeholder returns sustainably.

The Company 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 Statement of Financial Position.

In order to maintain or adjust the capital structure, the Company 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 Company at the reporting date was as follows:

Figures in Rand thousand	Year ended June 2023	Year ended June 2022
Trade and other payables	13 233	12 368
Debt	13 233	12 368
Equity	176 111	187 199
Total capital	189 344	199 567
Gearing ratio	0.07	0.06

Notes to the Annual Financial Statements (continued)

for the year ended 25 June 2023

16. RISK MANAGEMENT (continued)

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company'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 Company only deposits cash with major banks with high-quality credit standing 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 Company has policies that limit the amount of credit exposure to any one financial institution.

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 receivables, cash and cash equivalents and trade payables. A credit policy has been established where each new credit customer is analysed individually for creditworthiness before the companies 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 25 June 2023	External credit rating	Year ended June 2023	Year ended June 2022
Moderate	BB-	14 875	10 069
Total cash held at financial institutions		14 875	10 069

The internal credit rating represents Cashbuild's view on the credit risk ascribed to the financial institutions at which cash resources are held. High credit ratings represent high-quality investment grade and consequently low credit risk. 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 Company will not be able to meet its financial obligations as they fall due. The Company'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 Company's reputation.

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

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

We expect that trade liabilities and accruals will be settled by cash resources and changes in working capital. At reporting date, the Company held cash of R14.9 million (June 2022: R10.1 million), which is expected to readily generate cash inflows to manage any liquidity risk.

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 2023						
Trade liabilities	–	(13 233)	–	–	–	(13 233)

Notes to the Annual Financial Statements (continued)

for the year ended 25 June 2023

16. RISK MANAGEMENT (continued)

Non-derivative financial liabilities	30 days or less	More than 30 days but less than 1 year	1 to 5 years	Over 5 years	Total
June 2022					
Trade liabilities	–	(12 368)	–	–	(12 368)

Foreign currency risk

The Company is not exposed to significant foreign currency risk.

Interest rate risk

As the Company 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 Company is exposed to interest rate risk that relates to bank borrowings and deposits.

Price risk

The Company is not exposed to significant commodity price risk.

17. 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 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 current year.

Figures in Rand thousand	Basic salary	Expenses and travel allowance	Medical benefits	Company pension scheme contributions	Bonus#	Shares vesting value	Total
June 2022							
WF de Jager	6 164	116	234	577	706	2 516	10 313
AE Prowse	3 614	134	–	277	281	1 730	6 036
SA Thoresson	3 269	131	–	287	255	1 573	5 515
WP van Aswegen	3 066	200	–	290	248	1 326	5 130
	16 113	581	234	1 431	1 490	7 145	26 994

Paid in the current financial year.

Notes to the Annual Financial Statements (continued)

for the year ended 25 June 2023

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

Share schemes granted to directors:

Refer to note 6 for details of share incentive schemes of which directors are beneficiaries of at year end.

Non-executive

Figures in Rand thousand	Directors' fees	
	June 2023	June 2022
M Bosman (Mr)	782	944
M Bosman (Ms)	658	711
AGW Knock	992	1 116
Dr DSS Lushaba	972	958
AJ Mokgwatsane	526	518
GM Tapon Njamo	778	856
	4 708	5 103

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 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 Myburg	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

[^] Bonus accrued for the current year.

Figures in Rand thousand	Basic salary	Expenses and travel allowance	Medical benefits	Company pension scheme contributions	Bonus [#]	Shares vesting value	Total
June 2022							
P Champion	2 351	144	147	217	143	833	3 835
W Dreyer	2 241	60	121	224	155	806	3 607
A Hattingh	2 894	50	–	264	110	1 361	4 679
A Havenga	2 289	50	–	214	127	740	3 420
DS Masala*	2 021	120	138	214	175	734	3 402
ZB Matolo	1 933	160	92	223	120	–	2 528
I Mckay	2 121	130	79	186	148	1 247	3 911
T Myburg	1 650	267	149	162	127	133	2 488
H Roos	1 965	135	–	203	133	128	2 564
M Scholes	1 828	160	–	169	64	828	3 049
H Steenberg	1 982	120	–	184	114	712	3 112
	23 275	1 396	726	2 260	1 416	7 522	36 595

* Prescribed Officer.

Paid in the current Financial year.

Notes to the Annual Financial Statements (continued)

for the year ended 25 June 2023

18. RESTATEMENTS FOR THE YEAR ENDED 26 JUNE 2022

In the prior periods, the Statement of Cash Flows disclosed movements that were paid by a subsidiary on behalf of Cashbuild Limited as cash flow transactions. In the current year, it was determined that as these transactions are processed through the loan account, these are not direct cash flow transactions and should thus not be disclosed as such on the Statement of Cash Flows. As a result, the comparatives in the Statement of Cash Flows for 26 June 2022 have been restated.

This restatement does not impact the Statement of Financial Position or the Statement of Profit or Loss and Other Comprehensive Income.

The impact of the restatement is detailed below:

Figures in Rand thousand	As reported 26 June 2022	Impact of change	Restated 26 June 2022
STATEMENT OF CASH FLOWS			
Cash flows from operating activities			
Cash generated from operations	(7 086)	7 085	(1)
Dividends received	706 302	(706 302)	–
Tax paid	(121)	121	–
Net cash generated from operating activities	699 095	(699 096)	(1)
Cash flows from investing activities			
Loan advanced to Group companies	119	(119)	–
Net cash utilised in investing activities	119	(119)	–
Cash flows from financing activities			
Dividends paid	(699 215)	699 215	–
Net cash utilised in financing activities	(699 215)	699 215	–
Total cash and cash equivalents movement for the year	(1)	–	(1)
Cash and cash equivalents at the beginning of the year	10 070	–	10 070
Total cash and cash equivalents at the end of the year	10 069	–	10 069

12. Cash generated from operations

Profit before taxation	699 216	–	699 216
Adjustments for:			
Dividends received (trading)	(706 302)	–	(706 302)
Expenses paid through loan with Subsidiary	–	7 085	7 085
Changes in working capital:			
(Increase)/decrease in trade and other receivables	(3 128)	–	(3 128)
Increase in trade and other payables	3 128	–	3 128
	(7 086)	7 085	(1)

Notes to the Annual Financial Statements (continued)

for the year ended 25 June 2023

19. 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.

20. NEW STANDARDS AND INTERPRETATIONS

Standards and interpretations not yet effective or relevant

	Effective date: Years beginning on or after	Expected date of implementation	Expected impact
Standard/Interpretation: Effective for year end 25 June 2023			
IFRS 3 Business Combinations – The amendment updates a reference in IFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations	1 January 2022	1 July 2022	Did not impact results or disclosures
IAS 37 Provisions, Contingent Liabilities and Contingent Assets – amendments specify which costs should be included in an entity's assessment whether a contract will be loss-making	1 January 2022	1 July 2022	Did not impact results or disclosures
IAS 16 Property, Plant and Equipment – Clarification on how selling costs should be recognised	1 January 2022	1 July 2022	Did not impact results or disclosures
Issued but not yet effective for year end 25 June 2023			
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	Not expected to 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	Not expected to impact results or disclosures
IFRS 17 Insurance contracts – One accounting model for all insurance contracts in all jurisdictions that apply IFRS	1 January 2023	1 July 2023	Not expected to impact results or disclosures
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

Corporate Information

Registration number

1986/001503/06

Share code

CSB

ISIN

ZAE000028320

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Company Secretary

T Nengovhela

Sponsor

Nedbank CIB, a division of Nedbank Limited

(Registration number 1966/010630/06)

135 Rivonia Road, Sandown, 2196

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Any queries regarding this Report or its contents should be addressed to:

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Transfer Secretaries

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(Registration number 2000/007239/07)

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(PO Box 4844, Johannesburg, 2000)

Investor Relations

Keyter Rech Investor Solutions CC

(Registration number 2008/156985/23)

299 Pendoring Road, Blackheath, Randburg, 2195

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Transactional Bankers

Nedcor Bank, a division of Nedbank Limited

The Standard Bank of South Africa Limited

First National Bank, a division of FirstRand Limited



QUALITY BUILDING MATERIALS AT THE BEST VALUE

www.cashbuild.co.za