mineral resources

Department:
Mineral Resources
REPUBLIC OF SOUTH AFRICA

NAME OF APPLICANT: Haw & Inglis Civil Engineering (Pty) Ltd

REFERENCE NUMBER: To be received

FINANCIAL AND TECHNICAL COMPETENCE REPORT

SUBMITTED FOR A MINING PERMIT APPLICATION

AS REQUIRED IN TERMS OF ITEM B OF FORM F, ANNEXURE I OF THE REGULATIONS FOR THE MINERAL AND PETROLEUM RESOURCES DEVELOPMENT ACT (ACT 28 of 2002), AND IN ACCORDANCE WITH THE STANDARD DIRECTIVE FOR THE COMPILATION THEREOF AS PUBLISHED ON THE OFFICIAL WEBSITE OF THE DEPARTMENT OF MINERAL RESOURCES.

STANDARD DIRECTIVE

All applicants for mining permits are herewith, in terms of the provisions of Section 29 (a) of the Mineral and Petroleum Resources Development Act, directed to submit a report strictly in accordance with the following format, and as informed by the guideline posted on the Departments Official Website, together with an application for a mining permit.

1. TECHNICAL COMPETENCE

1.1 Complete the table below regarding the technical competence forecast.

TABLE 1

TECHNICAL COMPETENCE COST FORECAST											
SKILLS CATEGORY			**STATE THE ESTIMATED QUARTERLY EXPENDITURE ON EACH EMPLOYMENT CATEGORY, SUBCONTRACTOR, OR SERVICE PROVIDER AS SHOWN BELOW**								
List all the job categories that will be employed on the mine, from the mine manager to the unskilled labourers, including those of subcontractors and service providers.	**State the qualifications required for each job category**	**State Part time or Full time**	**Qtr1 (R'000)**	**Qtr2 (R0'00)**	**Qtr3 (R'000)**	**Qtr4 (R'000)**	**Qtr5 (R'000)**	**Qtr6 (R'000)**	**Qtr7 (R'000)**	**Qtr8 (R'000)**	**TOTAL FOR TWO YEARS**
Quarry Manager	Engineering Diploma/ and at least 5 years' experience	Full time	40	40	40	40	42	42	42	42	332
Mechanic Supervisor (2132)	Qualified Mechanical technical with min of 5 years' experience	Full time	40	40	40	40	42	42	42	42	332
Blaster	blasting cert with min. of 5 years' experience	Part time	40	40	40	40	42	42	42	42	332
Technicians / Electricians / Fitters	Various Qualifications	Part time	18	18	18	18	20	20	20	20	152
Weighbridge Clerks (2)		Full time	54	54	54	54	57	57	57	57	443
Semi-skilled labour	Internally trained with at least 2 years tertiary training in admin and accounting	Full time	24	24	24	24	24	24	24	24	200
TOTAL ESTIMATED EXPENDITURE			216	216	216	216	229	229	229	229	1 783

NOTE ! If any person (including the applicant) provides services in any job or skills category at a reduced rate or free of charge, then such person's Curriculum Vitae (CV) must be attached as documentary proof of the technical ability available to the applicant.

2. ABILITY TO MANAGE AND REHABILITATE RELEVANT ENVIRONMENTAL IMPACTS

TABLE 2 Environmental cost estimate.

ACTIVITY Mark with X which activities are applicable		POTENTIAL IMPACT	MITIGATION MEASURE	STATE QUARTERLY COST OF MITIGATION MEASURES IN THE AVAILABLE SPACE BELOW, IN RANDS	STATE THE ESTIMATED REHABILITATION COST RELATED TO THE ACTIVITY IN THE AVAILABLE SPACE BELOW, IN RANDS
Excavating	X	Surface disturbance	Rehabilitation		500 000
		Dust	Dust control measures	6 000	
		Noise	Noise control measures	N/A	
		Contaminated Drainage	Storm water system	3 000	
Blasting	X	Fly Rock	Access control measures	N/A	
Stockpiles		Surface disturbance	Rehabilitation		200 000
		Dust	Dust Control Measures	6 000	
		Contaminated Drainage	Storm water system	6 000	
Discard dumps or dams		Surface Disturbance	Rehabilitation		200 000
		Dust	Dust control Measures	N/A	
		Contaminated Drainage	Storm water system	N/A	
Loading, hauling and transport	X	Noise	Noise control measures	3000	
		Dust	Dust control Measures	6000	
Water supply dams and boreholes.		Surface disturbance	Rehabilitation		N/A
Accommodation, offices, ablution, stores, workshops etc.		Surface disturbance	Rehabilitation		100 000
		Noise	Noise control measures	3 000	
		Dust	Dust control Measures	3 000	

Processing Plant		Contaminated Drainage	Storm water system	3 000	
		Surface disturbance	Rehabilitation		100 000
			TOTAL	39 000	1 100 000

3. FINANCIAL COMPETENCE

TABLE 3.1 : Financial implications of the project

CASH FLOW FORECAST (Complete the quarterly information and totals as specified by the "ITEM" column below)									
ITEM	**Quarter 1**	**Quarter 2**	**Quarter 3**	**Quarter 4**	**Quarter 5**	**Quarter 6**	**Quarter 7**	**Quarter 8**	**TOTAL**
PRODUCTION The mass or volume of the product to be produced in each quarter, either in tons, m^3, grams, carats, etc., whichever is applicable.	90	60	60	60	60	60	60	60	720
ITEM	**Quarter 1 R'000**	**Quarter 2 R'000**	**Quarter 3 R'000**	**Quarter 4 R'000**	**Quarter 5 R'000**	**Quarter 6 R'000**	**Quarter 7 R'000**	**Quarter 8 R'000**	**TOTAL R'000**
PRICE The expected price that will be received for the abovementioned product	70	70	70	70	70	70	70	70	-
REVENUE The mass or volume of production multiplied by the price	16	16	16 0	16	16	16	16	16	128
OPERATING COST Estimated quarterly operating cost (as shown in table 4.2 herein) of stores, materials, electricity, water, fuel and other (Excluding labour and environmental cost)	5520	5796	6086	6390	6710	7045	7397	7767	52711
TECHNICAL COMPETENCE COST TO BE PROVIDED FOR Estimated quarterly cost shown in table 1 above, i.e. salaries, wages, labour, service providers, subcontractors, etc.	216	216	216	216	229	229	229	229	1 783
ENVIRONMENTAL COST Estimated quarterly cost shown in table 2 above and divide the total rehabilitation cost among the quarters. The total of the environmental cost must equal all the quarterly environmental costs and the total rehabilitation cost combined.	119	119	119	119	119	119	119	119	1 592
CAPITAL AND OTHER The cost (as shown in table 4.1 herein) of land, machinery, the plant, buildings and infrastructure and any other costs.	15	15	15	15	15	15	15	15	143
WORKING PROFIT / LOSS The revenue minus all the costs listed above	6 294	6 294	6 294	6 294	6 294	6 294	6 294	6 294	50 352

NOTE! If the total is a working loss, then it means that the applicant cannot provide for the technical ability or mine the mineral optimally in a period of two years.

TABLE 3.2– FINANCING THE PROJECT

CATEGORY	AMOUNT	SUPPORTING INFORMATION
State the amount required to fund the project	R 3 500 000	
State the amount the applicant has available to fund the project	R 3 500 000	**Attach documentary proof that the amount is available in the form of a bank statement.** Haw and Inglis Civil Engineering (Pty) Ltd will be responsible for the financial and technical aspects of the proposed mining project (see attached agreement).
State the outstanding amount required to fund the project	N/A	

CATEGORY	DESCRIPTION	SUPPORTING INFORMATION
State how the outstanding amount will be financed, e.g. Loan, investor, etc.	N/A	**Attach documentary proof of any financing agreement, or other relevant evidence**

NOTE ! If the applicant does not have sufficient financial resources readily available (or cannot provide) for the working losses, and for the operating, technical competence and working cost of the first quarter stated in the cash flow forecast above, it cannot be concluded that the applicant has or can provide for the necessary financial resources to carry out the mining activities and to mitigate and rehabilitate relevant environmental impacts.

4. SUPPORTING INFORMATION

TABLE 4.1- CAPITAL COST ESTIMATE: Complete the information required in the table below

COST CATEGORY		QUARTERLY RENTAL WHERE APPLICABLE R'000	OUTRIGHT PURCHASE AMOUNT
Land		15 000	N/A
Buildings and infrastructure		0	N/A
Processing plant		0	N/A
Machinery		0	N/A
Other (specify)		0	N/A
TOTAL (to be reflected in the cash flow forecast in table 3.1 above)		15 000	N/A

TABLE 4.2- OPERATING COSTS: Complete the information below:-

COST CATEGORY		Quarterly cost R'000
Fuel		840
Electricity		540
Water		90
Stores and materials		4050
Other (specify)	Maintenance and Services	
TOTAL QUARTERLY COST (must be reflected in the cash flow forecast in table 3.1 above)		5520

TABLE 4.3– BACKGROUND TO OPERATING COSTS: Complete the information below:

CATEGORY	REQUIREMENT	COMPLETE THIS COLUMN
MINERAL	State the mineral to be mined	Aggregate and Gravel
FUEL	State volume or tonnage of earth to be excavated per quarter	90 000 ton/quarter
	State number of excavators to be used	1
	State number of loaders to be used	1
	State number of trucks to be used	4
ELECTRICITY	State volume or tonnage of material to be processed in the plant	90 000 ton/quarter
	List plant or equipment that requires electricity	Crushing plant to operate on electricity. All equipment to operate on diesel.
WATER	State volume of water to be used	10 000 – 20 000l per day
	Where will the water be obtained?	Water will be obtained from the borehole to be established on site.
OTHER	Describe other operating costs to be incurred, if applicable	None

5. IDENTIFICATION OF THE REPORT

Herewith I, the person whose name and identity number is stated below, confirm that I am the person authorised to act as representative of the applicant in terms of the resolution submitted with the application, and confirm that the above report and appendices comprise the details and documentary proof of the Financial and Technical ability required to be submitted with this application in terms of form F, annexure I of the MPRDA Regulations.	
Full Names and Surname	Yolandie Coetzee
Identity Number	87090020094080

…..END…..

Haw & Inglis Civil Engineering Proprietary Limited
(Registration number 1969/008806/07)
Annual Financial Statements
for the year ended 28 February 2018

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Civil Engineering and Construction
Directors	A Robinson FA Chemaly A Gibbard C Poole
Registered office	Hillcrest Estate Tygerberg Valley Road Durbanville Western Cape 7550
Business address	Hillcrest Estate Tygerberg Valley Road Durbanville Western Cape 7550
Postal address	Hillcrest Estate Tygerberg Valley Road Durbanville Western Cape 7550
Level of assurance	These annual financial statements have been audited in compliance with the applicable requirements of the Companies Act 71 of 2008.
Preparer	The annual financial statements were internally compiled by: Quintin Oosthuizen Chartered Accountant (SA)
Issued	15 June 2018

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The consolidated and seperate annual financial statements consist of: **Page**

Directors' Responsibilities and Approval

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

The annual financial statements are prepared in accordance with International Financial Reporting Standards 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 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. While operating risk cannot be fully eliminated, the group endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

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

The directors have reviewed the company's cash flow forecast for the year to 28 February 2019 and, in light of this review and the current financial position, they are satisfied that the company has or had access to adequate resources to continue in operational existence for the foreseeable future.

The external auditor is responsible for independently auditing and reporting on the group and company's annual financial statements. The annual financial statements have been examined by the group's external auditor and their report is presented on pages 4 to 5.

The annual financial statements set out on page 8 to 47, which have been prepared on the going concern basis, were approved by the board on 15 June 2018 and were signed on their behalf by:

A Robinson	**FA Chemaly**

Nolands
NOT YOUR ORDINARY AUDITORS

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Independent Auditor's Report

To the shareholders of Haw & Inglis Civil Engineering Proprietary Limited

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated and separate financial statements of Haw & Inglis Civil Engineering Proprietary Limited (the group) set out on pages 8 to 47, which comprise the statements of financial position as at 28 February 2018, and the statements of profit or loss and other comprehensive income, the statements of changes in equity and the statements of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position as at 28 February 2018, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements* section of our report. We 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 International Ethics Standards Board for Accountants *Code of Ethics for Professional Accountants* (Parts A and B). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors are responsible for the other information. The other information comprises the Directors' Report as required by the Companies Act of South Africa, which we obtained prior to the date of this report. Other information does not include the consolidated and separate financial statements and our auditor's report thereon. Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

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

Responsibilities of the Directors for the Consolidated and Separate Financial Statements

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's and the company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's and the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group and / or the company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Nolands

Nolands Inc.
Registered Auditor
Per: Craig Stansfield CA (SA), RA
Director
Cape Town

15 June 2018

Directors' Report

The directors have pleasure in submitting their report on the annual financial statements of Haw & Inglis Civil Engineering Proprietary Limited and the group for the year ended 28 February 2018.

1. Incorporation

The company was incorporated and commenced business on 5 June 1969.

2. Nature of business

Haw & Inglis Civil Engineering Proprietary Limited is an Civil Engineering company incorporated in South Africa with interests in the construction industry.

There have been no material changes to the nature of the company and group's business from the prior year.

3. Review of financial results and activities

The consolidated annual financial statements have been prepared in accordance with International Financial Reporting Standards and the requirements of the Companies Act 71 of 2008. The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, financial performance and cash flows of the company and the group are set out in these annual financial statements.

4. Ethical leadership, corporate governance and sustainability

The directors strive to ensure good corporate governance and ethical leadership remain integral to the company. The social and ethics committee monitors and assess the company, striving towards a healthy, ethical environment wherein every employee is expected to behave with honesty, integrity and fairness.

The company is working towards a formal fully integrated management system and are in the process of achieving ISO18001, Health & Safety certification, completing the integrated management system, which included certification already achieved of ISO 9001, Quality Management System and ISO 14001, Environmental Management System.

The company continues to embrace the BBBEE Act with the Haw & Inglis Broad Based Empowerment Trust as the single largest shareholder of the company at 22.75% of which approximately 86% of the beneficiaries are Black.

5. Share capital

Refer to note 13 of the annual financial statements for detail of the movement in authorised and issued share capital.

6. Dividends

No dividends were declared or paid during the current financial year.

7. Insurance and risk management

The group follows a policy of reviewing the risks relating to assets and possible liabilities arising from business transactions with its insurers on an annual basis. Wherever possible assets are automatically included. There is also a continuous asset risk control program, which is carried out in conjunction with the group's insurance brokers. All risks are considered to be adequately covered, except for political risks, in the case of which as much cover as is reasonably available has been arranged.

Directors' Report

8. Directorate

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

Directors	Nationality
A Robinson	South African
FA Chemaly	South African
A Gibbard	South African
C Poole	South African

9. Interests in subsidiaries, associates and joint arrangements

Details of material interests in subsidiary companies, associates and joint arrangements are presented in the consolidated annual financial statements in notes 5, 6 and 7.

There were no significant changes to the company and group structure during the year ended 28 February 2018.

10. 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.

11. Going concern

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

12. Auditors

Nolands will continue in office as auditors for the company for the 2019 financial year in accordance with the requirements of the Companies Act.

13. Secretary

The company had no secretary during the current financial year.

Statements of Financial Position as at 28 February 2018

		Group		Company	
Figures in Rand	Note(s)	2018	2017	2018	2017
Assets					
Non-Current Assets					
Property, plant and equipment	2	322 608 196	333 325 110	1 269 859	12 844 446
Investment property	3	1 900 000	1 900 000	-	-
Intangible assets	4	1 072 073	-	-	-
Investments in subsidiaries	5	-	-	15 016 758	15 160 136
Investments in associates	6	33	33	33	33
Investments in jointly controlled entities	7	41 709 441	33 262 133	1 600 140	1 600 150
Other financial assets	8	4 500	4 500	-	-
Deferred tax	17	31 022 210	26 654 411	5 037 846	16 882 314
		398 316 453	**395 146 187**	**22 924 636**	**46 487 079**
Current Assets					
Inventories		2 516 807	2 790 810	251 610	199 176
Loans to group companies	9	-	-	74 942 950	88 358 111
Loans to shareholders	19	-	211 020	-	211 020
Contract assets	10	24 376 955	6 178 888	4 559 763	-
Other financial assets	8	179 671 237	335 920 121	124 046 572	266 929 919
Trade and other receivables	11	145 715 881	138 305 138	54 195 258	73 286 244
Current tax receivable		1 568 133	3 097 432	-	2 024 039
Cash and cash equivalents	12	82 707 634	84 252 582	53 354 393	45 855 677
		436 556 647	**570 755 991**	**311 350 546**	**476 864 186**
Total Assets		**834 873 100**	**965 902 178**	**334 275 182**	**523 351 265**
Equity and Liabilities					
Equity					
Share capital	13	63 983 649	60 684 013	63 983 649	60 684 013
Reserves	14	34 308 438	68 558 128	33 910 979	67 694 150
Retained income		437 260 293	486 985 989	192 590 985	248 409 479
		535 552 380	616 228 130	290 485 613	376 787 642
Non-controlling interest	15	6 047 361	14 624 569	-	-
		541 599 741	**630 852 699**	**290 485 613**	**376 787 642**
Liabilities					
Non-Current Liabilities					
Other financial liabilities	16	6 460 330	13 457 792	-	-
Deferred tax	17	72 897 558	75 414 815	6 906 855	17 518 882
		79 357 888	**88 872 607**	**6 906 855**	**17 518 882**
Current Liabilities					
Trade and other payables	18	122 065 696	114 979 997	30 016 248	57 469 248
Loans from group companies	9	-	-	613 222	2 304 840
Loans from shareholders	19	9 502 990	9 105 067	241 323	-
Other financial liabilities	16	35 564 656	54 982 633	-	16 373 293
Current tax payable		4 944 562	-	3 170 921	-
Provisions	20	-	5 943 360	-	5 943 360
Contract liabilities	21	41 837 567	61 165 815	2 841 000	46 954 000
		213 915 471	**246 176 872**	**36 882 714**	**129 044 741**
Total Liabilities		**293 273 359**	**335 049 479**	**43 789 569**	**146 563 623**
Total Equity and Liabilities		**834 873 100**	**965 902 178**	**334 275 182**	**523 351 265**

Statements of Comprehensive Income

		Group		Company	
Figures in Rand	Note(s)	2018	2017	2018	2017
Revenue	22	830 482 912	1 002 159 102	318 143 421	467 913 474
Cost of sales		(717 168 584)	(811 794 097)	(218 958 028)	(385 298 182)
Gross profit		**113 314 328**	**190 365 005**	**99 185 393**	**82 615 292**
Other operating income	23	37 370 620	12 683 848	35 299 884	11 698 316
Other operating expenses		(90 408 534)	(110 905 946)	(52 685 334)	(54 315 606)
Operating profit	24	**60 276 414**	**92 142 907**	**81 799 943**	**39 998 002**
Investment income	25	20 483 365	28 100 652	17 689 699	29 446 237
Finance costs	26	(4 558 276)	(8 639 395)	(516 026)	(2 971 217)
Income from equity accounted investments	7	16 300 304	10 666 079	-	-
Profit before taxation		**92 501 807**	**122 270 243**	**98 973 616**	**66 473 022**
Taxation	27	(24 311 774)	(31 948 663)	(28 636 136)	(15 604 676)
Profit for the year		**68 190 033**	**90 321 580**	**70 337 480**	**50 868 346**
Items that may be reclassified to profit or loss:					
Exchange differences on translating foreign operations		397 459	-	-	-
Other comprehensive income for the year net of taxation		**397 459**	-	-	-
Total comprehensive income for the year		**68 587 492**	**90 321 580**	**70 337 480**	**50 868 346**
Total comprehensive income attributable to:					
Owners of the parent		79 086 635	93 342 504	70 337 480	50 868 346
Non-controlling interest		(10 499 143)	(3 020 924)	-	-
		68 587 492	**90 321 580**	**70 337 480**	**50 868 346**

Statements of Changes in Equity

Figures in Rand	Share capital	Foreign currency translation reserve	Reserves	Total reserves	Retained income	Total attributable to equity holders of the group / company	Non-controlling interest	Total equity
Group								
Balance at 01 March 2016	**52 142 573**	**-**	**68 558 128**	**68 558 128**	**458 478 675**	**579 179 376**	**22 634 531**	**601 813 907**
Profit for the year	-	-	-	-	93 342 504	93 342 504	(3 020 924)	90 321 580
Other comprehensive income	-	-	-	-	-	-	-	-
Total income for the year	**-**	**-**	**-**	**-**	**93 342 504**	**93 342 504**	**(3 020 924)**	**90 321 580**
Issue of shares	8 542 215	-	-	-	-	8 542 215	-	8 542 215
Repurchase of own shares	(775)	-	-	-	(66 824 228)	(66 825 003)	-	(66 825 003)
Dividends	-	-	-	-	-	-	(3 000 000)	(3 000 000)
Other transfers	-	-	-	-	1 989 038	1 989 038	(1 989 038)	-
Total movement for period	**8 541 440**	**-**	**-**	**-**	**(64 835 190)**	**(56 293 750)**	**(4 989 038)**	**(61 282 788)**
Balance at 01 March 2017	**60 684 013**	**-**	**68 558 128**	**68 558 128**	**486 985 989**	**616 228 130**	**14 624 569**	**630 852 699**
Profit for the year	-	-	-	-	78 689 175	78 689 175	(10 499 143)	68 190 032
Other comprehensive income	-	397 459	-	397 459	-	397 459	-	397 459
Total income for the year	**-**	**397 459**	**-**	**397 459**	**78 689 175**	**79 086 634**	**(10 499 143)**	**68 587 491**
Issue of shares	3 300 761	-	-	-	-	-	-	3 300 761
Purchase of own shares	(1 125)	-	-	-	(159 939 145)	(159 940 270)	-	(159 940 270)
Transfer between reserves	-	-	(34 647 149)	(34 647 149)	34 647 149	-	-	-
Other transfers	-	-	-	-	(3 122 875)	(3 122 875)	1 921 935	(1 200 940)
Total movement	**3 299 636**	**-**	**(34 647 149)**	**(34 647 149)**	**(128 414 871)**	**(159 762 384)**	**1 921 935**	**(157 840 449)**
Balance at 28 February 2018	**63 983 649**	**397 459**	**33 910 979**	**34 308 438**	**437 260 293**	**535 552 380**	**6 047 361**	**541 599 741**
Note	13						15	

Statements of Changes in Equity

Figures in Rand	Share capital	Foreign currency translation reserve	Reserves	Total reserves	Retained income	Total attributable to equity holders of the group / company	Non-controlling interest	Total equity
Company								
Balance at 01 March 2016	**52 142 573**	**-**	**67 694 150**	**67 694 150**	**264 365 358**	**384 202 081**	**-**	**384 202 081**
Profit for the year	-	-	-	-	50 868 346	50 868 346	-	50 868 346
Other comprehensive income	-	-	67 694 150	67 694 150	-	67 694 150	-	67 694 150
Total income for the year	**-**	**-**	**67 694 150**	**67 694 150**	**50 868 346**	**118 562 496**	**-**	**118 562 496**
Issue of shares	8 542 215	-	-	-	-	8 542 215	-	8 542 215
Repurchase of own shares	(775)	-	-	-	(66 824 225)	(66 825 000)	-	(66 825 000)
Total movement	**8 541 440**	**-**	**-**	**-**	**(66 824 225)**	**(58 282 785)**	**-**	**(58 282 785)**
Balance at 01 March 2017	**60 684 013**	**-**	**67 694 150**	**67 694 150**	**248 409 479**	**376 787 642**	**-**	**376 787 642**
Profit for the year	-	-	-	-	70 337 480	70 337 480	-	70 337 480
Total income for the year	**-**	**-**	**-**	**-**	**70 337 480**	**70 337 480**	**-**	**70 337 480**
Issue of shares	3 300 760	-	-	-	-	3 300 760	-	3 300 760
Repurchase of own shares	(1 125)	-	-	-	(159 939 145)	(159 940 270)	-	(159 940 270)
Transfer between reserves	-	-	(33 783 171)	(33 783 171)	33 783 171	-	-	-
Total movement	**3 299 635**	**-**	**(33 783 171)**	**(33 783 171)**	**(126 155 974)**	**(156 639 510)**	**-**	**(156 639 510)**
Balance at 28 February 2018	**63 983 648**	**-**	**33 910 979**	**33 910 979**	**192 590 985**	**290 485 612**	**-**	**290 485 612**
Note	13							

Statements of Cash Flows

		Group		Company	
Figures in Rand	Note(s)	2018	2017	2018	2017
Cash flows from operating activities					
Cash receipts from customers		829 145 550	1 005 863 728	337 234 408	437 195 227
Cash paid to suppliers and employees		(763 472 236)	(866 377 787)	(307 094 039)	(364 181 820)
Cash generated from operations	28	65 673 314	139 485 941	30 140 369	73 013 407
Interest income		19 062 012	27 174 216	11 421 647	18 533 954
Dividend income		1 421 353	926 434	6 268 052	10 912 283
Finance costs		(4 558 276)	(8 639 395)	(516 026)	(2 971 217)
Tax paid	29	(25 115 237)	(32 544 249)	(22 209 004)	(19 474 485)
Net cash from operating activities		**56 483 166**	**126 402 947**	**25 105 038**	**80 013 942**
Cash flows from investing activities					
Purchase of property, plant and equipment (net of leases)	2	(4 790 758)	(70 195 333)	(567 959)	(5 273 368)
Proceeds from sale of property, plant and equipment	2	11 832 091	7 351 223	755 760	389 622
Purchase of other intangible assets	4	(1 072 073)	-	-	-
Proceeds from loans from group companies		-	-	11 723 543	17 865 748
Other financial assets sold/(purchased)		156 248 884	26 878 355	142 883 347	(6 164 027)
Net movement in loans to associates and jointly controlled entities		-	2 354 860	-	(1 599 458)
Consideration for business acquisitions	6	-	(1 600 000)	-	-
Net cash from investing activities		**162 218 144**	**(35 210 895)**	**154 794 691**	**5 218 517**
Cash flows from financing activities					
Proceeds on share issue	13	3 300 760	-	3 300 760	-
Buy back of shares	13	(159 780 823)	(58 282 785)	(159 780 823)	(58 282 786)
Repayment of shareholders loans		608 943	2 963 795	452 343	2 963 819
Total movement in other financial liabilities		(64 375 138)	(20 908 390)	(16 373 293)	(19 288 203)
Net cash from financing activities		**(220 246 258)**	**(76 227 380)**	**(172 401 013)**	**(74 607 170)**
Total cash movement for the year		**(1 544 948)**	**14 964 672**	**7 498 716**	**10 625 289**
Cash at the beginning of the year		84 252 582	69 287 910	45 855 677	35 230 388
Total cash at end of the year	12	**82 707 634**	**84 252 582**	**53 354 393**	**45 855 677**

Accounting Policies

1. Significant accounting policies

The principal accounting policies applied in the preparation of these consolidated and separate annual financial statements are set out below.

1.1 Basis of preparation

The consolidated and separate 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 these annual financial statements and the Companies Act 71 of 2008 of South Africa, as amended.

These accounting policies are consistent with the previous period.

1.2 Adoption of new standards

IFRS 15 Revenue from Contracts with Customers

In the current year, the company has applied IFRS 15 Revenue from Contracts with Customers (as amended in April 2016) in advance of its effective date. IFRS 15 introduces a 5-step approach to revenue recognition. Far more prescriptive guidance has been added in IFRS 15 to deal with specific scenarios. Details of these new requirements as well as their impact on the company's financial statements are described below.

The company has applied IFRS 15 in accordance with the fully retrospective transitional approach without using the practical expedients for completed contracts in IFRS 15.C5(a), and (b), or for modified contracts in IFRS 15.C5(c) but using the expedient in IFRS 15.C5(d) allowing both non-disclosure of the amount of the transaction price allocated to the remaining performance obligations, and an explanation of when it expects to recognise that amount as revenue for all reporting periods presented before the date of initial application, i.e. 1 March 2017.

IFRS 15 uses the terms 'contract asset' and 'contract liability' to describe what might more commonly be known as 'accrued revenue' and 'deferred revenue', however the Standard does not prohibit an entity from using alternative descriptions in the statement of financial position. The Group has adopted the terminology used in IFRS 15 to describe such balances.

The company's accounting policies for its revenue streams are disclosed in detail in Note 1.9 below. Apart from providing more extensive disclosures on the company's revenue transactions, the application of IFRS 15 has not had a significant impact on the financial position and/or financial performance of the company. The amount of adjustment for each financial statement line item affected by the application of IFRS 15 for the current and prior years is illustrated below.

Impact on assets, liabilities and equity as at 1 March 2017

	As previously reported group	IFRS 15 Adjustments group	As restated group	As previously reported company	IFRS 15 Adjustments company	As restated company
Customer contracts (1)	6 178 888	(6 178 888)	-	-	-	-
Contract assets (1)	-	6 178 888	6 178 888	-	-	-
Trade payables (2)	61 165 815	(61 165 815)	-	46 954 000	(46 954 000)	-
Contract liabilities (1)(2)	-	61 165 815	61 165 815	-	46 954 000	46 954 000
Subtotal	67 344 703	-	67 344 703	46 954 000	-	46 954 000
	67 344 703	**-**	**67 344 703**	**46 954 000**	**-**	**46 954 000**

(1) The contract asset (liability) balance also includes an amount reclassified from amounts due from (to) customers under construction contracts. This had no impact on the statement of profit or loss.

(2) The adjustment to deferred revenue relates to the reclassification of a balance that was previously recognised as part of trade and other payables and that has been reclassified as a contract liability. This balance relates to the company's construction contracts. This had no impact on the statement of profit or loss.

Accounting Policies

1.2 Adoption of new standards (continued)

Standards and Interpretations affecting amounts reported in the current period (and/or prior periods)

No standards and interpretations adopted in the current period are expected to have materially affected amounts reported in these annual financial statements.

IFRS 9 Financial instruments:

A final version of IFRS 9 has been issued which replaces IAS 39 Financial Instruments:

Recognition and Measurement. The completed standard comprises guidance on Classification and Measurement, Impairment Hedge Accounting and Derecognition: IFRS 9 introduces a new approach to the classification of financial assets, which is driven by the business model in which the asset is held and its cash flow characteristics. A new business model was introduced which allows certain financial assets to be categorised as "fair value through other comprehensive income" in certain circumstances. The requirements for financial liabilities are mostly carried forward unchanged from IAS 39. However, some changes were made to the fair value option for financial liabilities to address the issue of own credit risk.

The new standard introduces a single "expected credit loss" impairment model for the measurement of financial assets. IFRS 9 contains a new model for hedge accounting that aligns the accounting treatment with the risk management activities of an entity, in addition enhanced disclosures will provide better information about risk management and the effect of hedge accounting on the financial statements.

IFRS 9 carries forward the derecognition requirements of financial assets and liabilities from IAS 39. Prepayment Features with Negative Compensation. The narrow-scope amendment allows companies to measure particular repayable financial assets with negative compensation at amortised cost or at fair value through other comprehensive income if a specified condition is met.

The new standard is effective for the financial periods beginning on or after 1 January 2018. The company early adopted the standard with effect from 1 March 2017.

Standards and Interpretations in issue but not yet effective

The following Standards and Interpretations have been issued but are not yet effective as at 28 February 2018. Management is currently assessing the impact of these amendments and improvements but they are not expected to have a material impact on the company's financial statements.

IFRS 16, Leases

New standard that introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognize a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. A lessee measures right-of-use assets similar to other non-financial assets (such as property, plant and equipment) and lease liabilities. As a consequence, a lessee recognizes depreciation of the right-of-use asset and interest on the lease liability, and also classifies cash repayments of the lease liability into a principal portion and an interest portion and presents them in the statement of cash flows applying IAS 7 Statement of Cash Flows.

IFRS 16 contains expanded disclosure requirements for lessees. Lessees will need to apply judgement in deciding upon the information to disclose to meet the objective of providing a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of the lessee.

IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

IFRS 16 also requires enhanced disclosures to be provided by lessors that will improve information disclosed about a lessor's risk exposure, particularly to residual value risk.

The new standard is effective for the financial periods beginning on or after 1 January 2019. The company intend to adopt these standards on 1 January 2019.

Accounting Policies

1.2 Adoption of new standards (continued)

IAS 12 Income Taxes

Annual Improvements 2015 - 2017 Cycle:

Clarification that all income tax consequences of dividends should be recognised in profit or loss, regardless how the tax arises.

The new standard is effective for the financial periods beginning on or after 1 January 2019. The company intend to adopt these standards on 1 January 2019.

IAS 23 Borrowing cost

Annual Improvements 2015 -2017 Cycle:

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings.

The new standard is effective for the financial periods beginning on or after 1 January 2019. The company intend to adopt these standards on 1 January 2019.

1.3 Consolidation

Basis of consolidation

The consolidated annual financial statements incorporate the annual financial statements of the company and all subsidiaries. Subsidiaries are entities (including structured 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 use its power over the entity.

The results of subsidiaries are included in the consolidated annual financial statements from the effective date of acquisition to the effective date of disposal.

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. Losses of subsidiaries attributable to non-controlling interests are allocated to the non-controlling interest even if this results in a debit balance being recognised for non-controlling interest.

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 Statement of Changes in Equity.

The difference between the fair value of consideration paid or received and the movement in non-controlling interest for such transactions is recognised in equity attributable to the owners of the company.

Where a subsidiary is disposed of and a non-controlling shareholding is retained, the remaining investment is measured to fair value with the adjustment to fair value recognised in profit or loss as part of the gain or loss on disposal of the controlling interest. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

Investments in subsidiaries in the separate financial statements

In the company's separate financial statements, investments in subsidiaries are carried at cost less any accumulated impairment losses. This excludes investments which are held for sale and are consequently accounted for in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations.

Accounting Policies

1.4 Property, plant and equipment

Property, plant and equipment are tangible 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. Cost includes all of the expenditure which is directly attributable to the acquisition of the asset.

Expenditure incurred subsequently for major services, additions to or replacements of parts of 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. Day to day servicing costs are included in profit or loss in the year in which they are incurred.

Property, plant and equipment is subsequently stated at cost less accumulated depreciation and any accumulated impairment losses, except for land which is stated at cost less any accumulated impairment losses.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the group. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or derecognised.

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

Item	Average useful life
Land	Indefinite
Buildings	20 - 50 years
Plant and machinery	7000 - 17500 hours
Mechanical horses	750 000 km
Motor vehicles	300 000 km
Computer and office equipment	3 years
General equipment and small tools	3 years
Formwork and scaffolding	2 years

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

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

The depreciation charge for each year is recognised in profit or loss.

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.

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 net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

1.5 Investment property

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

Investment property is initially recognised at cost. Transaction costs are included in the initial measurement.

Accounting Policies

1.5 Investment property (continued)

Costs include costs incurred initially and costs incurred subsequently to add to, or to replace a part of, or service 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.

Subsequent to initial recognition investment property is revalued to its fair value.

1.6 Intangible assets

An intangible asset is recognised when:
- it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and
- the cost of the asset can be measured reliably.

Intangible assets are initially recognised at cost.

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

An intangible asset arising from development (or from the development phase of an internal project) is recognised when:
- it is technically feasible to complete the asset so that it will be available for use or sale.
- there is an intention to complete and use or sell it.
- there is an ability to use or sell it.
- it will generate probable future economic benefits.
- there are available technical, financial and other resources to complete the development and to use or sell the asset.
- the expenditure attributable to the asset during its development can be measured reliably.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight line basis over their useful life.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Item	**Useful life**
Computer software	indefinite

1.7 Investments in associates

An associate is an entity over which the group has significant influence and which is neither a subsidiary nor a joint arrangement. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. It generally accompanies a shareholding of between 20% and 50% of the voting rights.

Investments in associates are accounted for using the equity method, except when the investment is classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations. Under the equity method, investments in associates are carried in the Statement of Financial Position at cost adjusted for post-acquisition changes in the group's share of net assets of the associate, less any impairment losses.

The group's share of post-acquisition profit or loss is recognised in profit or loss, and its share of movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. Losses in an associate in excess of the group's interest in that associate, including any other unsecured receivables, are recognised only to the extent that the group has incurred a legal or constructive obligation to make payments on behalf of the associate.

Any goodwill on acquisition of an associate is included in the carrying amount of the investment, however, a gain on acquisition is recognised immediately in profit or loss.

Accounting Policies

1.7 Investments in associates (continued)

Profits or losses on transactions between the group and an associate are eliminated to the extent of the group's interest therein. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred.

When the group reduces its level of significant influence or loses significant influence, the group proportionately reclassifies the related items which were previously accumulated in equity through other comprehensive income to profit or loss as a reclassification adjustment. In such cases, if an investment remains, that investment is measured to fair value, with the fair value adjustment being recognised in profit or loss as part of the gain or loss on disposal.

Investments in associates in the separate financial statements

In the company's separate financial statements, investments in associates are carried at cost less any accumulated impairment losses. This excludes investments which are held for sale and are consequently accounted for in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations.

1.8 Joint arrangements

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 a joint operation or a joint venture.

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

Jointly controlled entities

An interest in a jointly controlled entities is accounted for using the equity method, except when the investment is classified as held-for-sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations. Under the equity method, interests in jointly controlled entities are carried in the statement of financial position at cost adjusted for post acquisition changes in the company's share of net assets of the jointly controlled entities, less any impairment losses.

The group's share of post-acquisition profit or loss is recognised in profit or loss, and its share of movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. Losses in a jointly controlled entities in excess of the group's interest in that jointly controlled entities, including any other unsecured receivables, are recognised only to the extent that the group has incurred a legal or constructive obligation to make payments on behalf of the jointly controlled entities.

Any goodwill on acquisition of a jointly controlled entities is included in the carrying amount of the investment, however, a gain on acquisition is recognised immediately in profit or loss.

Profits or losses on transactions between the group and jointly controlled entities are eliminated to the extent of the group's interest therein. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred.

When the company loses joint control, the company proportionately reclassifies the related items which were previously accumulated in equity through other comprehensive income to profit or loss as a reclassification adjustment. In such cases, if an investment remains, that investment is measured to fair value, with the fair value adjustment being recognised in profit or loss as part of the gain or loss on disposal.

Investments in jointly controlled entities in the separate financial statements

In the company's separate financial statements, investments in jointly controlled entities are carried at cost less any accumulated impairment losses. This excludes investments which are held for sale and are consequently accounted for in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations.

Accounting Policies

1.9 Financial instruments

Measurement

Financial instruments are recognised initially at fair value plus any directly attributable transaction costs when the company becomes a party to the contractual arrangements. Subsequent to initial recognition these instruments are measured as detailed below.

Financial assets

Financial assets are recognised when the company has rights to cash or another financial asset. Such assets consist of loans to group companies, other financial assets, cash and cash equivalents, trade and other receivables, a contractual right to receive cash or another financial asset or a contractual right to exchange financial instruments with another entity on potentially favourable terms. Subsequent to initial recognition, these financial assets are measured at amortised cost using the effective interest method. Financial assets that are not measured at amortised cost, are measured at fair value, with gains and losses arising from changes in fair value, being included in profit and loss for the period. For financial assets which are subsequently measured at fair value, the transaction costs are taken to profit or loss at initial recognition.

Financial liabilities

Financial liabilities, which include loans from group companies, loans from shareholders, other financial liabilities and trade and other payables are recognised when there is a contractual obligation to deliver cash or another financial asset or to exchange financial instruments with another entity on potentially unfavourable terms. Financial liabilities are measured at amortised cost with any difference between cost and redemption value being recognised in profit or loss over the period of the borrowings using the effective interest method.

Derecognition

The company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or when it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

The company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

Impairment of financial assets

A financial asset is assessed at each reporting date to determine if there has been an increase in the credit risk of the asset. If a significant increase in the credit risk of the asset has been identified, the lifetime expected credit losses of the asset is recognised as a loss allowance.

If the increase in credit risk is not significant an amount equal to the 12 month expected credit losses for the asset is recognised.

In subsequent periods if objective evidence that the credit risk has decreased is identified for an event occurring after the initial recognition of the loss allowance, the loss allowance is adjusted to reflect the reduction in credit risk.

All impairment gains losses are recognised in profit or loss.

1.10 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 of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories is assigned using the first-in, first-out (FIFO) formula. The same cost formula is used for all inventories having a similar nature and use to the entity.

Accounting Policies

1.10 Inventories (continued)

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

1.11 Contract revenue

The group recognises revenue from civil engineering, industrial and residential construction projects.

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The company recognises revenue when it transfers control of a product or service to a customer.

The group's projects are performed under long-term contracts with customers.

Such contracts are entered into before construction begins. Under the terms of the contracts, the group is contractually restricted from redirecting the project work performed to another customer and has an enforceable right to payment for work done. Revenue from contracts are therefore recognised over time on a cost–to–cost (output) method, i.e. based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs. The directors consider that this input method is an appropriate measure of the progress towards complete satisfaction of these performance obligations under IFRS 15.

The group becomes entitled to invoice customers for work performed based on achieving a series of performance related milestones. When a particular milestone is reached the customer is sent a relevant statement of work signed by a third party assessor and an invoice for the related milestone payment. The group will previously have recognised a contract asset for any work performed. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point at which it is invoiced to the customer. If the milestone payment exceeds the revenue recognised to date under the cost–to–cost (output) method then the group recognises a contract liability for the difference. There is not considered to be a significant financing component in construction contracts with customers as the period between the recognition of revenue under the cost–to–cost (output) method and the milestone payment is always less than one year.

The group sells raw materials both to its independent customers in the construction industry and to its fellow group entities. For the sale of raw materials, revenue is recognised when control of the goods has transferred, being when the goods have been delivered to the customer's specific location (delivery). Following delivery, the customer has full discretion over the manner of distribution and price to sell the raw materials and bears the risks of obsolescence and loss in relation to the raw material. A receivable is recognised by the company when the raw material are delivered to the customer as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due.

The group provides a service of hiring construction equipment for construction operations. The group recognises revenue, based on the input method, when (or as) services are transferred to the customer and when the customer receives and consumes the benefit of the services. The group satisfies a performance obligations (that is, it fulfils each promise to the customer) by transferring control of the promised service(s) underlying that performance obligation to the customer. A receivable is recognised by the group when the services are rendered to the customer as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due.

1.12 Share capital and equity

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

1.13 Impairment of non-financial assets

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

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.

Accounting Policies

1.13 Impairment of non-financial assets (continued)

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

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

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

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

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

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

1.14 Tax

Current tax assets and liabilities

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

Current 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.

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 period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Tax expenses

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period.

1.15 Leases

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

Operating leases – lessee

Lease payments under an operating lease is recognised as an expense on a straight-line basis over the lease term.

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

Accounting Policies

1.16 Investment income

Interest is recognised, in profit or loss, using the effective interest method.

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

1.17 Employee benefits

Short-term employee benefits

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

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement.

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

1.18 Provisions

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.

1.19 Finance Charges

All finance charges are recognised as an expense in the period in which they are incurred.

2. Property, plant and equipment

Summary of property, plant and equipment - Group

Group	2018			2017		
	Cost	**Accumulated depreciation**	**Carrying value**	**Cost**	**Accumulated depreciation**	**Carrying value**
Land	16 705 281	-	16 705 281	16 705 281	-	16 705 281
Buildings	25 865 469	-	25 865 469	25 865 469	-	25 865 469
Plant and machinery	403 440 907	(154 718 336)	248 722 571	401 854 647	(142 700 635)	259 154 012
Furniture and fixtures	879 813	(817 646)	62 167	863 312	(669 877)	193 435
Motor vehicles	39 709 932	(14 603 375)	25 106 557	36 399 478	(12 533 976)	23 865 502
Office equipment	2 890 466	(2 391 424)	499 042	8 393 829	(7 222 763)	1 171 066
Computer equipment	1 494 941	(1 171 325)	323 616	1 370 540	(870 285)	500 255
Computer software	4 020 666	(3 866 447)	154 219	3 896 666	(1 906 013)	1 990 653
Survey equipment	2 390 780	(2 036 704)	354 076	2 328 580	(1 756 307)	572 273
Formwork and scaffolding	19 297 954	(16 165 370)	3 132 584	-	-	-
Other property, plant and equipment	3 508 615	(1 826 001)	1 682 614	5 970 493	(2 663 329)	3 307 164
Total	**520 204 824**	**(197 596 628)**	**322 608 196**	**503 648 295**	**(170 323 185)**	**333 325 110**

Summary of property, plant and equipment - Company

Company	2018			2017		
	Cost	**Accumulated depreciation**	**Carrying value**	**Cost**	**Accumulated depreciation**	**Carrying value**
Plant and machinery	5 434 052	(5 434 052)	-	12 834 955	(3 719 302)	9 115 653
Furniture and fixtures	732 125	(669 959)	62 166	715 624	(522 200)	193 424
Office equipment	2 089 716	(1 713 934)	375 782	1 867 818	(1 387 848)	479 970
Computer equipment	1 267 712	(944 096)	323 616	1 140 136	(647 663)	492 473
Computer software	4 020 666	(3 866 447)	154 219	3 896 666	(1 906 013)	1 990 653
Survey equipment	2 390 780	(2 036 704)	354 076	2 328 580	(1 756 307)	572 273
Total	**15 935 051**	**(14 665 192)**	**1 269 859**	**22 783 779**	**(9 939 333)**	**12 844 446**

Notes to the Annual Financial Statements

	Group		Company	
Figures in Rand	2018	2017	2018	2017

2. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - Group - 2018

	Opening balance	Additions	Disposals	Other changes, movements*	Depreciation	Total
Land	16 705 281	-	-	-	-	16 705 281
Buildings	25 865 469	-	-	-	-	25 865 469
Plant and machinery	259 154 012	32 722 121	(17 256 500)	1 463 505	(27 360 567)	248 722 571
Furniture and fixtures	193 435	16 500	-	-	(147 768)	62 167
Motor vehicles	23 865 502	6 256 393	(1 187 340)	-	(3 827 998)	25 106 557
Office equipment	1 171 066	312 176	(33 394)	(556 155)	(394 651)	499 042
Computer equipment	500 255	127 576	-	-	(304 215)	323 616
Computer software	1 990 653	124 000	-	-	(1 960 434)	154 219
Survey equipment	572 273	62 200	-	-	(280 397)	354 076
Formwork and scaffolding	-	11 318 368	-	556 155	(8 741 939)	3 132 584
Other property, plant and equipment	3 307 164	43 548	-	(1 463 505)	(204 593)	1 682 614
	333 325 110	**50 982 882**	**(18 477 234)**	**-**	**(43 222 562)**	**322 608 196**

Reconciliation of property, plant and equipment - Group - 2017

	Opening balance	Additions	Disposals	Other changes, movements	Depreciation	Total
Land	16 705 281	-	-	-	-	16 705 281
Buildings	24 302 467	1 563 002	-	-	-	25 865 469
Plant and machinery	238 643 657	53 378 438	(4 491 847)	-	(28 376 236)	259 154 012
Furniture and fixtures	216 160	116 431	(139 156)	-	-	193 435
Motor vehicles	20 676 671	8 076 515	(1 129 782)	-	(3 757 902)	23 865 502
Office equipment	1 121 536	1 468 259	(250 465)	-	(1 168 264)	1 171 066
Computer equipment	200 567	586 885	-	-	(287 197)	500 255
Computer software	11 658	3 484 701	-	-	(1 505 706)	1 990 653
Survey equipment	86 234	687 680	-	-	(201 641)	572 273
Other property, plant and equipment	2 829 762	833 422	-	-	(356 020)	3 307 164
	304 793 993	**70 195 333**	**(6 011 250)**	**-**	**(35 652 966)**	**333 325 110**

Reconciliation of property, plant and equipment - Company - 2018

	Opening balance	Additions	Disposals	Other changes, movements	Depreciation	Total
Plant and machinery	9 115 653	-	(7 400 903)	-	(1 714 750)	-
Furniture and fixtures	193 424	16 500	-	-	(147 758)	62 166
Office equipment	479 970	221 899	-	-	(326 087)	375 782
Computer equipment	492 473	127 576	-	-	(296 433)	323 616
Computer software	1 990 653	124 000	-	-	(1 960 434)	154 219
Survey equipment	572 273	77 984	-	(15 784)	(280 397)	354 076
	12 844 446	**567 959**	**(7 400 903)**	**(15 784)**	**(4 725 859)**	**1 269 859**

Notes to the Annual Financial Statements

	Group		Company	
Figures in Rand	2018	2017	2018	2017

2. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - Company - 2017

	Opening balance	Additions	Disposals	Other changes, movements	Depreciation	Total
Plant and machinery	11 682 644	-	-	-	(2 566 991)	9 115 653
Furniture and fixtures	216 151	116 429	(139 156)	-	-	193 424
Office equipment	403 610	412 673	(250 465)	-	(85 848)	479 970
Computer equipment	173 829	586 885	-	-	(268 241)	492 473
Computer software	3 601	3 469 701	-	-	(1 482 649)	1 990 653
Survey equipment	86 234	687 680	-	-	(201 641)	572 273
	12 566 069	**5 273 368**	**(389 621)**	**-**	**(4 605 370)**	**12 844 446**

Property, plant and equipment encumbered as security

The following assets have been encumbered as security for the secured long-term borrowings as per note 16:

	Group 2018	Group 2017	Company 2018	Company 2017
Plant and machinery	79 935 359	56 039 903	-	9 115 653
Motor vehicles	11 673 355	6 508 214	-	-

Neither the company nor the group has any future capital commitment for the procurement of property, plant and equipment.

* In the current financial year a new asset class, Formwork and Scaffolding was created and small assets that form part of plant and machinery were added to the cost of the plant and machinery.

Details of properties

	Group 2018	Group 2017	Company 2018	Company 2017
Erf 8390, Beaufort West				
- Purchase price	162 281	162 281	-	-
Erf 8387, Beaufort West				
- Purchase price	60 000	60 000	-	-
Portion 13 and 17 of the Farm Roozeboom Hoogte No 200				
- Purchase price	16 929 773	16 929 773	-	-
- Additions since purchase or valuation	25 418 696	25 418 696	-	-
	42 348 469	**42 348 469**	**-**	**-**

Notes to the Annual Financial Statements

	Group		Company	
Figures in Rand	2018	2017	2018	2017

3. Investment property

Group	2018			2017		
	Valuation	**Movements for the year**	**Carrying value**	**Valuation**	**Movements for the year**	**Carrying value**
Investment property at fair value	1 900 000	-	1 900 000	1 900 000	-	1 900 000

Reconciliation of investment property - Group - 2018

	Opening balance	**Fair value adjustments**	**Total**
Investment property	1 900 000	-	1 900 000

Reconciliation of investment property - Group - 2017

	Opening balance	**Fair value adjustments**	**Total**
Investment property	1 750 000	150 000	1 900 000

In 2013 Hillcrest Estate Durbanville and its assets were valued by Mr Tobi Retief, a registered Professional Valuer with the SA Council of Property Valuers. Building on the principals provided to the company by Mr Retief, the directors have revalued the investment property and found that no adjustment in the value of the property has taken place in the last financial year.

Details of property

Portion 13 and 17 of the Farm Roozeboom Hoogte No 200

- Purchase price	1 750 000	1 750 000	-	-
- Fair value adjustment	150 000	150 000	-	-
	1 900 000	**1 900 000**	-	-

4. Intangible assets

Group	2018			2017		
	Cost	**Accumulated amortisation**	**Carrying value**	**Cost**	**Accumulated amortisation**	**Carrying value**
Computer software	1 072 073	-	1 072 073	-	-	-

Reconciliation of intangible assets - Group - 2018

	Opening balance	**Additions**	**Total**
Computer software	-	1 072 073	1 072 073

Notes to the Annual Financial Statements

	Group		Company	
Figures in Rand	2018	2017	2018	2017

4. Intangible assets (continued)

Other information

As the intangile asset is capable of generating revenue indefinitely with yearly maintenance the intangible asset is considered to have an indefinite lifespan.

The software is still under development and more costs will be capitalised to the asset until the final product has been completed.

5. Investments in subsidiaries

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

Company

	Principal activity	% holding 2018	% holding 2017	Carrying amount 2018	Carrying amount 2017
Great Karoo Crushing (Pty) Ltd	Mining and equipment rental	100,00 %	100,00 %	100	100
Haw & Inglis Projects (Pty) Ltd	Construction	75,00 %	75,00 %	90	90
Haw & Inglis Energy (Pty) Ltd	Construction	100,00 %	100,00 %	5 300 000	5 300 000
Haw & Inglis Construction (Pty) Ltd	Construction	100,00 %	100,00 %	100	-
Haw & Inglis International Limited (United Kingdom)	Investment holding	100,00 %	100,00 %	17	-
Phandulwazi (Pty) Ltd	Education and training	100,00 %	100,00 %	253 206	253 206
Namibian Roads (Pty) Ltd (Namibia)	Construction	100,00 %	100,00 %	3 000	3 000
Great Karoo Prospecting (Pty) Ltd	Construction	75,00 %	75,00 %	90	90
Haw & Inglis Construction Namibia (Pty) Ltd (Namibia)	Construction	100,00 %	100,00 %	100	100
Hillcrest Estate Durbanville (Pty) Ltd	Farming and investment property	51,00 %	51,00 %	9 460 000	9 460 000
Tempesta Software (Pty) Ltd	Sofware development	55,00 %	55,00 %	55	143 550
Dalisana (Pty) Ltd	Mining	100,00 %	100,00 %	-	-
				15 016 758	**15 160 136**

In the company's separate annual financial statements subsidiaries are carried at cost less any impairment losses. The above table lists the entities which are controlled directly by the company, and the carrying amounts of the investments in the company's separate financial statements.

6. Investments in associates

The following table lists all of the associates in the group:

Group

Name of company	% ownership interest 2018	% ownership interest 2017	Carrying amount 2018	Carrying amount 2017
Provectus Systems (Pty) Ltd	33,00 %	33,00 %	33	33

6. Investments in associates (continued)

Company

Name of company	% ownership interest 2018	% ownership interest 2017	Carrying amount 2018	Carrying amount 2017
Provectus Systems (Pty) Ltd (dormant)	33,00 %	33,00 %	33	33

In the company's separate annual financial statements associates are carries at cost less any impairment losses.

7. Investments in jointly controlled entities

Jointly controlled entities

The following table lists all of the jointly controlled entities in the group:

Group

Name of company	Principal activity	% ownership interest 2018	% ownership interest 2017	Carrying amount 2018	Carrying amount 2017
Danoher Drilling (Pty) Ltd	Construction	50,00 %	50,00 %	9 716 738	8 517 418
Entilini Consessions (Pty) Ltd	Services	50,00 %	50,00 %	10 939 803	2 802 234
Entilini Operations (Pty) Ltd	Services	50,00 %	50,00 %	4 164 633	2 380 959
Terra Strata Construction (Pty) Ltd	Construction	47,00 %	50,00 %	14 574 405	16 187 234
Trans Namibia Mining (Pty) Ltd (dormant)	Construction	15,00 %	15,00 %	-	-
Elangeni Quarries (Pty) Ltd	Construction	- %	50,00 %	-	-
Blue Rock Quarries (Pty) Ltd	Construction	50,00 %	50,00 %	2 313 862	3 374 288
				41 709 441	**33 262 133**

Company

Name of company	% ownership interest 2018	% ownership interest 2017	Carrying amount 2018	Carrying amount 2017
Danoher Drilling (Pty) Ltd	50,00 %	50,00 %	50	50
Entilini Consessions (Pty) Ltd	50,00 %	50,00 %	50	50
Entilini Operations (Pty) Ltd	50,00 %	50,00 %	1 600 000	1 600 000
Terra Strata Construction (Pty) Ltd	47,00 %	50,00 %	40	50
Blue Rock Quarries (Pty) Ltd	50,00 %	50,00 %	-	-
Elangeni Quarries (Pty) Ltd	- %	50,00 %	-	-
Trans Namibia Mining (Pty) Ltd (dormant)	15,00 %	15,00 %	-	-
			1 600 140	**1 600 150**

In the company's separate annual financial statements jointly controlled entities are carries at cost less any impairment losses.

Notes to the Annual Financial Statements

	Group		Company	
Figures in Rand	2018	2017	2018	2017

7. Investments in jointly controlled entities (continued)

Summarised financial information of material jointly controlled entities

2018

Summarised financial information	**Assets**	**Liabilities**	**Revenue**	**Profit/(loss)**
Danoher Drilling (Pty) Ltd	25 234 516	14 122 485	42 730 744	(1 618 644)
Entilini Consessions (Pty) Ltd	153 035 294	114 087 521	31 169 175	16 275 139
Entilini Operations (Pty) Ltd	10 606 938	2 277 673	21 096 122	7 567 347
Terra Strata Construction (Pty) Ltd	68 917 624	37 908 335	166 618 494	10 106 159
Blue Rock Quarries (Pty) Ltd	15 533 653	10 905 930	28 386 534	(1 117 428)
	273 328 025	**179 301 944**	**290 001 069**	**31 212 573**

Reconciliation of movement in investments in jointly controlled entities	**Investment at beginning of 2018**	**Share of earnings**	**Dividends**	**Loan repayment**	**Acquisition price**	**Investment at end of 2018**
Danoher Drilling (Pty) Ltd	8 517 418	1 199 320	-	-	-	9 716 739
Entilini Consessions (Pty) Ltd	2 802 234	8 137 570	-	-	-	10 939 805
Entilini Operations (Pty) Ltd	2 380 959	3 783 674	(2 000 000)	-	-	4 164 634
Terra Strata Construction (Pty) Ltd	16 187 234	3 740 167	(2 735 090)	(2 617 906)	-	14 574 405
Blue Rock Quarries (Pty) Ltd	3 374 284	(560 427)	(500 000)	-	-	2 313 858
	33 262 129	**16 300 304**	**(5 235 090)**	**(2 617 906)**	**-**	**41 709 441**

2017

Summarised financial information	**Assets**	**Liabilities**	**Revenue**	**Profit**
Danoher Drilling (Pty) Ltd	29 570 233	16 839 558	57 172 074	3 229 197
Entilini Consessions (Pty) Ltd	151 811 684	124 171 412	28 895 858	5 604 367
Entilini Operations (Pty) Ltd	7 376 463	1 827 514	9 406 166	1 561 918
Terra Strata Construction (Pty) Ltd	82 533 951	52 423 151	157 976 289	9 214 708
Blue Rock Quarries (Pty) Ltd	12 562 505	5 817 354	40 460 262	1 707 189
Elangeni Quarries (Pty) Ltd	8 245 823	9 915 637	13 043 980	1 815 968
	292 100 659	**210 994 626**	**306 954 629**	**23 133 347**

Reconciliation of movement in investments in jointly controlled entities	**Investment at beginning of 2017**	**Share of earnings**	**Dividends**	**Loan repayment**	**Acquisition price**	**Investment at end of 2017**
Danoher Drilling (Pty) Ltd	6 902 819	1 614 599	-	-	-	8 517 418
Entilini Consessions (Pty) Ltd	-	2 802 184	-	-	50	2 802 234
Entilini Operations (Pty) Ltd	-	780 959	-	-	1 600 000	2 380 959
Terra Strata Construction (Pty) Ltd	12 927 350	4 614 744	-	(1 354 860)	-	16 187 234
Blue Rock Quarries (Pty) Ltd	3 520 695	853 593	(1 000 000)	-	-	3 374 288
	23 350 864	**10 666 079**	**(1 000 000)**	**(1 354 860)**	**1 600 050**	**33 262 133**

Notes to the Annual Financial Statements

	Group		Company	
Figures in Rand	2018	2017	2018	2017

8. Other financial assets

	Group 2018	Group 2017	Company 2018	Company 2017
Designated at fair value through profit or loss				
Durbanville Hills (Pty) Ltd shares	4 500	4 500	-	-
Old Mutual unit trusts	172 094 061	192 324 101	118 235 295	139 160 167
Investec unit trusts	3 264 514	62 565 205	1 498 615	62 565 205
Rand Merchant Bank unit trusts	-	44 519 462	-	27 770 766
	175 363 075	**299 413 268**	**119 733 910**	**229 496 138**
Loans at amortised cost				
Shine The Way (Pty) Ltd	434 125	735 700	434 125	735 700
Tjeka Training (Pty) Ltd	1 643 537	1 771 315	1 643 537	1 771 315
MMP Civils (Pty) Ltd	-	640 000	-	640 000
Triamic Construction (Pty) Ltd	-	33 119 070	-	34 286 766
Go for Gold NPC	2 150 000	-	2 150 000	-
Vibrant Trading (Pty) Ltd	85 000	-	85 000	-
Convirt (Pty) Ltd	-	245 268	-	-
	4 312 662	36 266 085	4 312 662	37 433 781
	4 312 662	**36 511 353**	**4 312 662**	**37 433 781**
Total other financial assets	**179 675 737**	**335 924 621**	**124 046 572**	**266 929 919**
Non-current assets				
Designated as at fair value through profit or loss	4 500	4 500	-	-
Current assets				
Designated as at fair value through profit or loss	175 358 575	299 408 768	119 733 910	229 496 138
At amortised cost	4 312 662	36 511 353	4 312 662	37 433 781
	179 671 237	**335 920 121**	**124 046 572**	**266 929 919**
	179 675 737	**335 924 621**	**124 046 572**	**266 929 919**

Fair value hierarchy of financial assets at fair value through profit or loss

For financial assets recognised at fair value, disclosure is required of a fair value hierarchy which reflects the significance of the inputs used to make the measurements.

Level 1 represents those assets which are measured using unadjusted quoted prices for identical assets. The unit trust market selling rates were used in determining the fair value of the unit trust investments.

	Group 2018	Group 2017	Company 2018	Company 2017
Level 1				
Old Mutual unit trusts	172 094 061	192 324 101	118 235 295	139 160 167
Investec unit trusts	3 264 514	62 565 205	1 498 615	62 565 205
Rand Merchant Bank unit trusts	-	44 519 462	-	27 770 766
	175 358 575	**299 408 768**	**119 733 910**	**229 496 138**

The loans carried at amortised cost are unsecured, interest is determined by the parties from time to time and the loans are repayable on demand. As the effect of discounting is immaterial, the carry value of the loan approximates its fair value.

Notes to the Annual Financial Statements

	Group		Company	
Figures in Rand	2018	2017	2018	2017

9. Loans to (from) group companies

Subsidiaries

Haw & Inglis Projects Proprietary Limited	-	-	-	468 539
Great Karoo Prospecting Proprietary Limited	-	-	(290 222)	41 481
Haw & Inglis Energy Proprietary Limited	-	-	-	3 217 912
Tempesta Software Proprietary Limited	-	-	2 407 681	717 966
Hillcrest Estate Durbanville Proprietary Limited	-	-	17 342 688	17 342 688
Phandulwazi Proprietary Limited	-	-	-	(2 285 437)
Great Karoo Crushing Proprietary Limited	-	-	50 000 000	59 719 029
Dalisana Proprietary Limited	-	-	1 078 504	21 087
Haw & Inglis International Limited	-	-	4 552 286	50 790
Haw & Inglis Construction Proprietary Limited	-	-	4 900	-
Namibian Roads Proprietary Limited	-	-	(323 000)	-
	-	-	74 772 837	79 294 055
Impairment of loans to subsidiaries	-	-	(4 603 822)	-
	-	-	**70 169 015**	**79 294 055**

The loans with subsidiaries are unsecured. Interest on the H&I International Limited and Dalisana Proprietary Limited loans are provided at the lower of the official SARS interest rate or the interest rate earned by the companies on their call account investments. For the other loans interest is charged by mutual agreement between the parties from time to time. The loans are repayable on demand. As the effect of discounting is immaterial, the carry value of these loans approximate their fair values.

The loan to H&I International Limited was subordinated in favour of other trade creditors of that company, limited to R2,793,120, until such time as the assets of that company fairly valued exceed its liabilities.

The loan to Dalisana Proprietary Limited was subordinated in favour of other trade creditors of that company, limited to R475,094, until such time as the assets of that company fairly valued exceed its liabilities.

The loan to Tempesta Software Proprietary Limited was subordinated in favour of other trade creditors of that company, limited to R 1 344 255, until such time as the assets of that company fairly valued exceed its liabilities.

Jointly controlled entities

Blue Rock Quarries Proprietary Limited	-	-	-	(19 403)
Terra Strata Construction Proprietary Limited	-	-	-	2 617 906
Danoher Drilling Proprietary Limited	-	-	4 160 713	4 160 713
	-	-	**4 160 713**	**6 759 216**

The loans with jointly controlled entities are unsecured, interest is charged by mutual agreement between the parties from time to time and the loans are repayable on demand. As the discounting of the loans is immaterial, the carry value approximate their fair values.

Current assets	-	-	74 942 950	88 358 111
Current liabilities	-	-	(613 222)	(2 304 840)
	-	-	**74 329 728**	**86 053 271**

Notes to the Annual Financial Statements

	Group		Company	
Figures in Rand	2018	2017	2018	2017

10. Contract assets

Construction contracts	24 376 955	6 178 888	4 559 763	-

Amounts relating to construction contracts are balances due from customers under construction contracts that arise when the company receives payments from customers in line with a series of performance related milestones.

There were no impairment losses recognised on any contract asset in the reporting period (2017: Rnil) and there were no significant changes in contract conditions that would give rise to additional contract assets during the reporting period.

As of 28 February 2018, the aggregate amount of the transaction price allocated to the remaining performance obligations amounts to R 451 247 000 and the entity will recognise this revenue as the projects are completed, which is expected to occur over the next 12- 24 months.

11. Trade and other receivables

Deposits	1 387 018	1 260 071	582 852	598 644
Other receivables	1 413 056	4 618 432	417 098	16 041 438
Retention debtors	31 602 166	28 930 604	19 952 836	19 325 767
Trade receivables	108 927 859	103 444 825	33 242 472	37 320 395
Value-added taxation	2 385 782	51 206	-	-
	145 715 881	**138 305 138**	**54 195 258**	**73 286 244**

Fair value of trade receivables

As the terms and conditions relating to trade receivables fall within industry norms as well as normal business practice, discounting of the trade receivables is not applicable. The fair value of trade receivables held at amortised cost are therefore estimated to approximate their carrying values.

Trade receivables past due but not impaired

Trade receivables which are less than 3 months past due are not considered to be impaired. Trade receivables disclosed above included amounts (see below for age analysis) that are past due at the end of the reporting period for which the group has not recognised an allowance for doubtful debts because there has not been a significant change in the credit quality and the amounts are still considered recoverable. The average credit term is 30 days.

1 month past due	12 019 846	1 066 936	8 826 242	76 556
2 months past due	2 084 098	723 968	-	-
3 months past due	17 036 180	3 917 519	6 723 965	-

Trade and other receivables impaired

As of 28 February 2018, trade and other receivables of R 225 359 (2017: R 1 600 000) were impaired and provided for.

3 to 6 months	225 359	1 600 000	-	-

Reconciliation of provision for impairment of trade receivables

Opening balance	1 600 000	-	-	-
Provision for impairment	225 359	1 600 000	-	-
Unused amounts reversed	(1 600 000)	-	-	-
	225 359	**1 600 000**	-	-

Notes to the Annual Financial Statements

	Group		Company	
Figures in Rand	2018	2017	2018	2017

12. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balances	10 565 921	44 242 179	1 490 666	7 653 945
Cash on hand	3 537	157 108	-	68 000
Short-term deposits	72 138 176	39 853 295	51 863 727	38 133 732
	82 707 634	**84 252 582**	**53 354 393**	**45 855 677**

Refer to note 35 for the facilities available to the company.

13. Share capital

Authorised				
41 500 Ordinary shares of R0,10 each	41 500	41 500	41 500	41 500
83 500 Ordinary Class "A" shares of R0,10 each	83 500	83 500	83 500	83 500
75 000 Ordinary Class "B" shares with no par value	75 000	75 000	75 000	75 000
	200 000	**200 000**	**200 000**	**200 000**

Reconciliation of number of shares issued:				
Opening balance	85 230	89 980	85 230	89 980
Share buy-back: Ordinary shares	(11 250)	-	(11 250)	-
Share buy-back: Ordinary Class "A" shares	(1 250)	(7 750)	(1 250)	(7 750)
Share buy-back: Ordinary Class "B" shares	(500)	(500)	(500)	(500)
Shares issued: Ordinary class "B" shares	2 500	3 500	2 500	3 500
	74 730	**85 230**	**74 730**	**85 230**

Issued				
11 250 (2017: 22 500) Ordinary shares	1 125	2 250	1 125	2 250
50 180 (2017: 51 430) Class A shares	41 168 047	41 168 047	41 168 047	41 168 047
13 300 (2017: 11 300) Class B shares	22 814 477	19 513 716	22 814 477	19 513 716
	63 983 649	**60 684 013**	**63 983 649**	**60 684 013**

Class A and Class B shares are only distinguished from Ordinary shares by the provision that they may only be issued to employees of the Haw & Inglis Group. All other rights of the share classes are uniform.

14. Reserves

BBBEE Equity	33 910 979	33 910 979	33 910 979	33 910 979
Equity settled employee benefits	-	31 309 049	-	31 309 049
Capital surplus on sale of investments	-	137 729	-	137 729
Foreign currency translation reserve	397 459	-	-	-
Other	-	3 200 371	-	2 336 393
	34 308 438	**68 558 128**	**33 910 979**	**67 694 150**

Notes to the Annual Financial Statements

	Group		Company	
Figures in Rand	2018	2017	2018	2017

15. Non-controlling interest

Reconciliation:				
At the beginning of the year	14 624 569	22 634 531	-	-
Share of attributable earnings	(10 499 143)	(3 020 924)	-	-
Transfer to reserves	1 921 935	(1 989 038)	-	-
Dividend declared	-	(3 000 000)	-	-
	6 047 361	**14 624 569**	-	-

Companies with material non-controlling interest are:

	Percentage interest held 2018	Percentage interest held 2017	Profit (loss) allocated to non-controlling interest 2018	Profit (loss) allocated to non-controlling interest 2017	Accumulated non-controlling ineterest 2018	Accumulated non-controlling ineterest 2017
Haw & Inglis Projects (Pty) Ltd	25%	25%	(10 403 079)	(2 274 507)	(2 405 117)	7 997 933
Hillcrest Estate Durbanville (Pty) Ltd	49%	49%	178 613	325 707	8 984 240	8 805 627
			(10 224 466)	**(1 948 800)**	**6 579 123**	**16 803 560**

16. Other financial liabilities

Minimum payments due - instalment sale agreements and short term loans				
- within one year (short term loan)	-	11 895 666	-	4 590 135
- within one year (Instalment sale agreements)	37 908 749	45 585 256	-	11 895 666
- in second to fifth year inclusive (Instalment sale agreements)	6 861 720	13 791 336	-	-
	44 770 469	71 272 258	-	16 485 801
less: future finance charges	(2 745 483)	(2 831 833)	-	(112 508)
Present value of minimum payments	**42 024 986**	**68 440 425**	-	**16 373 293**
Present value of minimum payments due				
- within one year	35 432 412	54 982 633	-	16 373 293
- in second to fifth year inclusive	6 592 574	13 457 792	-	-
	42 024 986	**68 440 425**	-	**16 373 293**
Non-current liabilities	6 460 330	13 457 792	-	-
Current liabilities	35 564 656	54 982 633	-	16 373 293
	42 024 986	**68 440 425**	-	**16 373 293**

The instalment sale agreements are repayable in 24 to 36 months and the interest rates are linked to the SA prime lending rate less 1% to 1.5%. The short term loan was repayable in 48 months and bears interest at the South African Prime lending rate less 75 basis points.

The group's obligations under instalment sale agreements and short terms loans are secured by the lenders charge over certain assets. Refer to note 2.

Notes to the Annual Financial Statements

	Group		Company	
Figures in Rand	2018	2017	2018	2017

17. Deferred tax

Deferred tax liability

Property, plant and equipment	(57 315 228)	(59 812 275)	-	(1 114 868)
Allowances for future costs	-	(15 046 224)	-	(13 127 520)
Contract retentions	(8 848 606)	-	(5 586 794)	(2 799 689)
Other financial assets	(6 733 724)	(556 316)	(1 320 061)	(476 805)
Total deferred tax liability	**(72 897 558)**	**(75 414 815)**	**(6 906 855)**	**(17 518 882)**

Deferred tax asset

Income received in advance	5 677 729	17 126 428	1 896 138	13 147 120
Subcontractor retentions	5 641 682	2 098 510	-	-
Provisions	5 436 178	6 949 530	1 825 890	3 735 194
Impairments of subsidiary loans	-	-	1 289 070	-
Property, plant and equipment	26 748	-	26 748	-
Deferred tax balance from temporary differences other than unused tax losses	16 782 337	26 174 468	5 037 846	16 882 314
Tax losses available for set off against future taxable income	14 239 873	479 943	-	-
	31 022 210	26 654 411	5 037 846	16 882 314
Total deferred tax asset	**31 022 210**	**26 654 411**	**5 037 846**	**16 882 314**

Deferred tax liability	(72 897 558)	(75 414 815)	(6 906 855)	(17 518 882)
Deferred tax asset	31 022 210	26 654 411	5 037 846	16 882 314
Total net deferred tax liability	**(41 875 348)**	**(48 760 404)**	**(1 869 009)**	**(636 568)**

Reconciliation of deferred tax asset / (liability)

At beginning of year	(48 760 404)	(46 830 323)	(636 568)	(3 407 532)
Originating/(reversing) temporary difference on provisions	(1 529 805)	3 309 261	(1 909 304)	2 023 048
Originating/(reversing) temporary difference on contract retentions	(91 579)	4 067 065	(175 579)	1 879 152
Originating/(reversing) temporary difference on income received in advance	1 701 387	(301 269)	(19 600)	6 910 121
(Originating)/reversing temporary difference on other financial assets	(777 169)	3 978 048	(843 257)	(320 770)
Originating temporary difference on allowances for future expenses	-	(121 854)	-	(7 720 587)
(Originating)/reversing temporary differences on property, plant and equipment	(2 881 303)	(12 823 562)	1 141 616	-
Originating temporary difference on subcontractor retentions	(3 317 718)	-	(715 388)	-
Reversing temporary difference on provision for bad debts	21 317	-	-	-
Originating temporary difference on impairment of loans to subsidiaries	-	-	1 289 071	-
Originating temporary difference on tax losses available for set-off against future taxable income	13 759 926	(37 770)	-	-
	(41 875 348)	**(48 760 404)**	**(1 869 009)**	**(636 568)**

Notes to the Annual Financial Statements

	Group		Company	
Figures in Rand	2018	2017	2018	2017

17. Deferred tax (continued)

Recognition of deferred tax asset

The directors believe that the operations of the company and its subsidiaries will give rise to sufficient reversing temporary differences and profits to utilise all of the deferred tax assets that were recognised.

18. Trade and other payables

Accrued bonus	4 642 291	6 636 924	4 403 111	6 102 078
Accrued leave pay	2 041 576	1 445 433	1 673 716	1 201 655
Deposits received	2 615 387	-	-	-
Employee benefits payable	7 011 640	15 729 975	4 526 913	6 228 552
Subcontractor retentions	27 689 063	36 425 282	6 771 920	9 326 878
Trade payables	75 513 355	53 051 252	10 597 729	33 593 969
Value-added tax	2 552 384	1 691 131	2 042 859	1 016 116
	122 065 696	**114 979 997**	**30 016 248**	**57 469 248**

Fair value of trade and other payables

As the terms and conditions relating to trade and other payables fall within industry norms as well as normal business practice, discounting of the trade and other payables is not applicable. The carry value of trade and other payables therefore approximate its fair value.

19. Loans to (from) shareholders

Haw & Inglis Civil Engineering (Pty) Ltd shareholder loans	(241 323)	211 020	(241 323)	211 020
Hillcrest Estate Durbanville (Pty) Ltd non-controlling interest shareholder loans	(9 105 067)	(9 105 067)	-	-
Tempesta Software (Pty) Ltd non-controlling interest shareholder loans	(156 600)	-	-	-
	(9 502 990)	**(8 894 047)**	**(241 323)**	**211 020**

Current assets	-	211 020	-	211 020
Current liabilities	(9 502 990)	(9 105 067)	(241 323)	-
	(9 502 990)	**(8 894 047)**	**(241 323)**	**211 020**

The loans are unsecured, interest is charged from time to time by mutual agreement between the parties and the loans are repayable on demand. As the effect of discounting in immaterial, the carry value of these loans approximate their fair values.

20. Provisions

Reconciliation of provisions - Group - 2018

	Opening balance	Additions	Utilised during the year	Total
Protective clothing	437 360	-	(437 360)	-
Contract maintenance	5 506 000	-	(5 506 000)	-
	5 943 360	**-**	**(5 943 360)**	**-**

Notes to the Annual Financial Statements

	Group		Company	
Figures in Rand	2018	2017	2018	2017

20. Provisions (continued)

Reconciliation of provisions - Group - 2017

	Opening balance	Additions	Utilised during the year	Total
Protective clothing	1 114 520	437 360	(1 114 520)	437 360
Contract maintenance	2 100 000	5 506 000	(2 100 000)	5 506 000
	3 214 520	**5 943 360**	**(3 214 520)**	**5 943 360**

Reconciliation of provisions - Company - 2018

	Opening balance	Additions	Utilised during the year	Total
Protective clothing	437 360	-	(437 360)	-
Contract maintenance	5 506 000	-	(5 506 000)	-
	5 943 360	**-**	**(5 943 360)**	**-**

Reconciliation of provisions - Company - 2017

	Opening balance	Additions	Utilised during the year	Total
Protective clothing	1 114 520	437 360	(1 114 520)	437 360
Contract maintenance	2 100 000	5 506 000	(2 100 000)	5 506 000
	3 214 520	**5 943 360**	**(3 214 520)**	**5 943 360**

During the 2017 financial year certain contracts were identified with additional cost exposure and as such a provision was made for these additional costs. The provision was utilised in 2018 and management has determined that no additional cost provisions are necessary for active contracts at year end.

21. Contract liabilities

Amounts related to construction contracts	41 837 567	61 165 815	2 841 000	46 954 000

Contract liabilities relating to construction contracts are balances due to customers under construction contracts. These arise if a particular milestone payment exceeds the revenue recognised to date under the cost–to–cost method.

There were no significant changes to contract conditions that would give rise to additional contract liability balances during the reporting period.

The following table shows how much of the revenue recognised in the current reporting period relates to brought forward contract liabilities. There was no revenue recognised in the current reporting period that related to performance obligations that were satisfied in a prior year.

Revenue recognised that was included in the contract liability balance at the beginning of the period	61 165 815	62 241 775	46 954 000	22 275 000

Notes to the Annual Financial Statements

	Group		Company	
Figures in Rand	2018	2017	2018	2017

22. Revenue

Construction contracts	625 874 869	799 371 769	318 143 421	467 913 474
Sale of goods	111 006 847	110 597 156	-	-
Equipment rental	93 601 196	92 190 177	-	-
	830 482 912	**1 002 159 102**	**318 143 421**	**467 913 474**

23. Other operating income

Administration fees	21 934 249	391 292	25 153 262	1 467 792
Rental income on investment property	2 106 136	565 505	1 965 521	-
Other recoveries	122 230	-	122 230	-
Equipment rental	-	6 360 000	-	6 360 000
SETA grants	288 671	-	288 671	-
Other income	10 618 062	2 127 711	7 685 140	3 483 682
Profit on sale of assets	972 976	1 428 113	-	-
Rental income	1 242 453	1 711 660	-	300 000
ETI incentives	85 843	99 567	85 060	86 842
	37 370 620	**12 683 848**	**35 299 884**	**11 698 316**

24. Operating profit

Operating profit for the year is stated after charging the following, amongst others:

Auditor's remuneration - external

Audit fees	774 739	823 540	350 489	415 000

Salaries, wages, bonuses and other benefits	150 590 631	209 473 623	46 186 275	90 250 518
Assets impairments	(587 803)	2 750 124	4 016 019	838 803
(Profit)/loss on sale of assets	972 976	1 428 113	-	-
Fair value adjustments	(2 040 551)	2 312 721	(1 965 521)	2 878 226
(Profit)/Loss on foreign exchange differences	378 154	74 492	(34 893)	74 492

25. Investment income

Dividend income

From group entities:				
Subsidiaries and jointly controlled entities	-	-	5 235 000	10 000 000
Other financial assets	1 421 353	933 485	1 033 052	918 886
Total dividend income	**1 421 353**	**933 485**	**6 268 052**	**10 918 886**

Interest income

SARS	3 552	76 874	-	-
Subsidiaries	-	-	-	660 000
Bank and other cash	3 307 974	3 673 399	-	-
Other financial assets	15 750 486	23 416 894	11 421 647	17 867 351
Total interest income	**19 062 012**	**27 167 167**	**11 421 647**	**18 527 351**
Total investment income	**20 483 365**	**28 100 652**	**17 689 699**	**29 446 237**

Notes to the Annual Financial Statements

	Group		Company	
Figures in Rand	2018	2017	2018	2017

26. Finance costs

Finance leases	4 434 906	8 639 395	389 976	2 971 217
Other interest paid	123 370	-	126 050	-
Total finance costs	**4 558 276**	**8 639 395**	**516 026**	**2 971 217**

27. Taxation

Major components of the tax expense

Current				
Local income tax - recognised in current tax for prior periods	1 264 111	-	1 260 550	-
SA normal tax	30 324 988	30 003 288	26 143 414	18 375 371
	31 589 099	**30 003 288**	**27 403 964**	**18 375 371**
Deferred				
Originating and reversing temporary differences	(7 277 325)	1 945 375	1 232 172	(2 770 695)
	24 311 774	**31 948 663**	**28 636 136**	**15 604 676**

Reconciliation of the tax expense

Reconciliation between accounting profit and tax expense.

Accounting profit	92 501 807	122 270 243	98 973 616	66 473 022
Tax at the applicable tax rate of 28%	25 900 506	34 235 668	27 712 612	18 612 446
Tax effect of adjustments on taxable income				
Dividends received not taxable	(1 727 681)	(261 375)	(1 700 939)	(3 438 572)
Capital write off	(234 865)	-	(234 865)	-
Non deductible transactions	359 719	893 162	342 423	430 802
Other	1 535 756	-	1 699 693	-
Prior period adjustments	1 264 111	-	1 260 550	-
Learnership allowances claimed	(481 953)	-	(436 493)	-
Capital gains tax rate variance	(45 286)	793 836	(6 845)	-
Tax effect of unrecognised tax losses	1 380 400	(1 025 023)	-	-
Equity accounted income	(3 638 933)	(2 687 605)	-	-
	24 311 774	**31 948 663**	**28 636 136**	**15 604 676**

Notes to the Annual Financial Statements

	Group		Company	
Figures in Rand	2018	2017	2018	2017

28. Cash generated from operations

Profit before taxation	92 501 807	122 270 243	98 973 616	66 473 022
Adjustments for:				
Depreciation and amortisation	41 772 478	35 652 966	4 725 859	4 605 370
Income from equity accounted investments	(16 300 304)	(10 666 079)	-	-
Dividend income	(921 351)	(926 434)	(6 268 052)	(10 912 283)
Interest income	(19 062 012)	(27 174 216)	(11 421 647)	(18 533 954)
Finance costs	4 558 276	8 639 395	516 026	2 971 217
Impairment losses and reversals	-	2 750 124	-	838 803
Movements in provisions	(5 943 360)	2 728 840	(5 943 360)	2 728 843
Fair value adjustments	-	1 913 734	-	2 878 226
(Profit)/loss on the disposal of other assets	6 645 136	(173 889)	6 645 138	(86 842)
Profit on disposal of property, plant and equipment	-	(1 339 972)	-	-
Changes in working capital:				
Inventories	274 003	4 816 490	(52 434)	(145 441)
Trade and other receivables	(7 410 743)	3 727 063	19 090 986	(30 718 247)
Contract assets	(18 198 067)	34 201 031	(4 559 763)	40 379 919
Trade and other payables	7 085 699	(36 933 355)	(27 453 000)	12 534 774
Contract liabilities	(19 328 248)	-	(44 113 000)	-
	65 673 314	**139 485 941**	**30 140 369**	**73 013 407**

29. Tax paid

Balance at beginning of the year	3 097 433	1 510 958	2 024 039	924 925
Current tax for the year recognised in profit or loss	(31 589 099)	(31 028 580)	(27 403 964)	(18 375 371)
Balance at end of the year	3 376 429	(3 026 627)	3 170 921	(2 024 039)
	(25 115 237)	**(32 544 249)**	**(22 209 004)**	**(19 474 485)**

Notes to the Annual Financial Statements

	Group		Company	
Figures in Rand	2018	2017	2018	2017

30. Related parties

Relationships

Subsidiaries	Refer to note 5
Jointly controlled entities	Refer to note 7
Associates	Refer to note 6
Shareholder with significant influence	The Haw & Inglis Broad Based Empowerment Trust
Entities under common control	Triamic Construction (Pty) Ltd
Members of key management	AA Robinson
	FA Chemaly
	AJ Gibbard
	C Poole

Related party balances

	Group 2018	Group 2017	Company 2018	Company 2017
Loan accounts receivable from /(owing) to subsidiaries				
Haw & Inglis Projects (Pty) Ltd	-	-	-	466 552
Great Karoo Prospecting (Pty) Ltd	-	-	(290 222)	41 481
Great Karoo Crushing (Pty) Ltd	-	-	50 000 000	59 719 029
Phandulwazi (Pty) Ltd	-	-	-	(2 285 437)
Hillcrest Estate Durbanville (Pty) Ltd	-	-	17 342 688	17 342 688
Haw & Inglis Energy (Pty) Ltd	-	-	-	3 217 912
Tempesta Software (Pty) Ltd	-	-	2 407 681	717 966
Dalisana (Pty) Ltd	-	-	1 078 504	21 087
Haw & Inglis International Limited	-	-	4 552 286	50 790
Haw & Inglis Construction (Pty) Ltd	-	-	4 900	-
Namibian Roads (Pty) Ltd	-	-	(323 000)	-
	-	**-**	**74 772 837**	**79 292 068**
Loan accounts receivable from /(owing) to companies under common control				
Blue Rock Quarries (Pty) Ltd	-	(19 403)	-	(19 403)
Terra Strata Construction (Pty) Ltd	-	2 617 906	-	2 617 906
Danoher Drilling (Pty) Ltd	4 160 713	4 160 713	4 160 713	4 160 713
Triamic Construction (Pty) Ltd	-	(34 318 827)	-	(34 318 827)
	4 160 713	**(27 559 611)**	**4 160 713**	**(27 559 611)**
Amounts included in trade receivables (trade payables) regarding subsidiaries				
Phandulwazi (Pty) Ltd	-	-	(9 096)	(744 367)
Phandulwazi (Pty) Ltd	-	-	226 211	1 587
Hillcrest Estate Durbanville (Pty) Ltd	-	-	(37 602)	(408 679)
Hillcrest Estate Durbanville (Pty) Ltd	-	-	82 385	1 809 842
Haw & Inglis Energy (Pty) Ltd	-	-	(571 047)	(3 146 147)
Haw & Inglis Energy (Pty) Ltd	-	-	6 513 450	-
Great Karoo Crushing (Pty) Ltd	-	-	747 388	109
Great Karoo Crushing (Pty) Ltd	-	-	(297 045)	(3 038 059)
Haw & Inglis Projects (Pty) Ltd	-	-	(765 536)	(699 999)
Haw & Inglis Projects (Pty) Ltd	-	-	239 042	3 661 048
	-	**-**	**6 128 150**	**(2 564 665)**

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Figures in Rand	2018	2017	2018	2017

30. Related parties (continued)

Amounts included in trade receivables (trade payables) regarding entities under common control				
Terra Strata Construction (Pty) Ltd	(3 656 830)	(3 633 290)	(3 656 830)	(3 633 290)
Terra Strata Construction (Pty) Ltd	1 152 143	6 290 375	1 152 143	6 290 375
Triamic Construction (Pty) Ltd	4 552 385	20 550 809	4 552 385	20 550 809
Triamic Construction (Pty) Ltd	(762 640)	-	(762 640)	-
Blue Rock Quarries (Pty) Ltd	(21 361)	(772 834)	(21 361)	(772 834)
Blue Rock Quarries (Pty) Ltd	395 999	-	395 999	-
	1 659 696	**22 435 060**	**1 659 696**	**22 435 060**

Related party transactions

Purchases from subsidiaries				
Haw & Inglis Energy (Pty) Ltd	-	-	34 759 071	40 156 299
Phandulwazi (Pty) Ltd	-	-	1 691 520	1 400 668
Great Karoo crushing (Pty) Ltd	-	-	8 907 171	24 036 069
	-	-	**45 357 762**	**65 593 036**
Purchases from entities under common control				
Blue Rock Quarries (Pty) Ltd	580 641	-	580 641	9 228 878
Terra Strata Construction (Pty) Ltd	24 938 894	41 406 638	24 938 894	41 406 638
Danoher Drilling (Pty) Ltd	-	-	-	231 209
	25 519 535	**41 406 638**	**25 519 535**	**50 866 725**
Sales to subsidiaries				
Haw & Inglis Energy (Pty) Ltd	-	-	29 998 257	40 156 299
	-	-	**29 998 257**	**40 156 299**
Administration fees received from/(paid to) subsidiaries				
Haw & Inglis Projects (Pty) Ltd	-	-	1 020 000	960 000
Haw & Inglis Energy (Pty) Ltd	-	-	320 000	-
Phandulwazi (Pty) Ltd	-	-	(1 800 000)	(7 800 000)
Hillcrest Estate Durbanville (Pty) Ltd	-	-	-	87 375
	-	-	**(460 000)**	**(6 752 625)**
Administration fees received from entities under common control				
Triamic Construction (Pty) Ltd	19 680 800	-	19 680 800	16 168 800
Entilini Concessions (Pty) Ltd	-	42 095	-	42 095
Entilini Operations (Pty) Ltd	-	40 000	-	40 000
	19 680 800	**82 095**	**19 680 800**	**16 250 895**
Payroll Administration fees received from subsidiaries				
Great Karoo Crushing (Pty) Ltd	-	-	542 758	-
Haw & Inglis Projects (Pty) Ltd	-	-	997 523	-
Hillcrest Estate Durbanville (Pty) Ltd	-	-	16 876	-

Notes to the Annual Financial Statements

	Group		Company	
Figures in Rand	2018	2017	2018	2017
30. Related parties (continued)				
Tempesta Software (Pty) Ltd	-	-	14 810	-
Haw & Inglis Energy (Pty) Ltd	-	-	7 045	-
	-	-	**1 579 012**	-
Payroll Administration fees received from entities under common control				
Triamic Construction (Pty) Ltd	1 127 183	-	1 127 183	-
Terra Strata Construction (Pty) Ltd	303 230	-	303 230	-
Blue Rock Quarries (Pty) Ltd	8 664	-	8 664	-
Entilini Operations (Pty) Ltd	135 499	-	135 499	-
	1 574 576	-	**1 574 576**	-
Dividends received from subsidiaries				
Haw & Inglis Projects (Pty) Ltd	-	-	-	9 000 000
	-	-	-	**9 000 000**
Dividends received from entities under common control				
Terra Strata Construction (Pty) Ltd	-	-	2 735 090	-
Entilini Operations (Pty) Ltd	-	-	2 000 000	-
Blue Rock Quarries (Pty) Ltd	-	-	500 000	1 000 000
	-	-	**5 235 090**	**1 000 000**
Interest received from/(paid to) subsidiaries				
Hillcrest Estate Durbanville (Pty) Ltd	-	-	660 000	660 000
Great Karoo Prospecting (Pty) Ltd	-	-	(5 222)	-
Haw & Inglis Projects (Pty) Ltd	-	-	23 963	-
	-	-	**678 741**	**660 000**
Rent paid to subsidiary				
Hillcrest Estate Durbanville (Pty) Ltd	-	-	2 640 000	2 277 000
Haw & Inglis Projects (Pty) Ltd	-	-	300 000	300 000
	-	-	**2 940 000**	**2 577 000**
Rental received/(paid) to companies under common control				
Terra Strata Construction (Pty) Ltd	(530 000)	6 360 000	(530 000)	6 360 000
	(530 000)	**6 360 000**	**(530 000)**	**6 360 000**

Notes to the Annual Financial Statements

	Group		Company	
Figures in Rand	2018	2017	2018	2017

31. Directors' emoluments

2018

	Emoluments	Annual payment	Other benefits	Total
Director emoluments	3 062 750	10 735 000	1 079 669	14 877 419

2017

	Emoluments	Annual payment	Other benefits	Total
Director emoluments	3 450 772	10 395 000	357 142	14 202 914

The directors have not disclosed the detailed directors remuneration in terms of Section 30(4) and 30(5) of the Companies Act, as the directors are of the opinion that it is not in the best interest of the company to disclose the detailed remuneration. The directors furthermore are of the opinion that the non-detailed disclosure would not affect the opinion of the users of these annual financial statements.

32. Contingencies

The company has together with its subsidiaries, issued contract performance guarantees to the value of R 586,345,479 (2017:R696,986,506) in favour of its customers for construction contracts. The directors have assessed that the overall exposure for the group arising from potential contract defaults in relation to construction contracts in progress and completed contracts and are of the opinion that the group is not exposed to significant risk.

The company has provided a limited deed of surety to First National Bank to the value of R 250,000 as security for the overdraft facility of Great Karoo Crushing (Pty) Ltd and a further R 5,000,000 for the asset finance facility of Terra Strata Construction (Pty) Ltd.

Minimum lease payments				
- within one year	589 810	4 935 496	589 810	4 935 496
- in second to fifth year inclusive	-	212 938	-	212 938
	589 810	**5 148 434**	**589 810**	**5 148 434**

33. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

34. 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.

35. Risk management

Capital risk management

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

The capital structure of the group consists of debt, which includes the borrowings disclosed in notes 9, 16 & 19, cash and cash equivalents disclosed in note 12, and equity as disclosed in the 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.

External capital requirements for the company and its subsidiaries as agreed with First National Bank Limited for Facilities granted are as follows:

- A minimum consolidated equity for, Haw & Inglis Civil Engineering (Pty) Ltd, Great Karoo Crushing (Pty) Ltd and Triamic Construction (Pty) Ltd, of R 270,000,000 (Equity is defined as share capital and reserves less debit loans, unsubstantiated investments, intangible non-distributable reserves and deferred taxation assets);

There have been no changes to what the entity manages as capital, the strategy for capital maintenance or externally imposed capital requirements from the previous year.

Financial risk management

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

The group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the group's financial performance. The board provides written principles for overall risk management, as well as written policies covering specific areas, such as interest rate risk, credit risk and investment of excess liquidity.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions.

The group's risk to liquidity is a result of the funds available to cover future commitments. The group manages liquidity risk through an ongoing review of future commitments and credit facilities.

The table below analyses the group's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant. The balances exceeding 12 months represent interest-bearing liabilities, net of finance charges. As these liabilities bear interest at market related interest rates, the carry value of these liabilities approximate their fair value.

35. Risk management (continued)

Group

At 28 February 2018	Less than 1 year
Loans from shareholders	9 502 990
Other financial liabilities	35 656 123
Trade and other payables	111 335 071
Contract liabilities	41 837 567

At 28 February 2017	Less than 1 year
Loans from shareholders	9 105 067
Other financial liabilities	54 982 633
Trade and other payables	112 244 517
Contract liabilities	61 165 815

Company

At 28 February 2018	Less than 1 year
Trade and other payables	27 973 389
Loans from group companies	613 222
Loans from shareholders	241 323
Contract liabilities	2 841 000

At 28 February 2017	Less than 1 year
Trade and other payables	56 453 132
Loans from group companies	2 304 840
Other financial liabilities	16 373 293
Contract liabilities	46 954 000

In terms of the Memorandum of Incorporation the company's borrowing capacity is unlimited.

The company has the following credit facilities:

- Long-term direct loan facility of R 15,275,000;
- Short-term First Auto card facility for R 5,000,000;
- Short-term Document letter of credit for R 7,000,000;
- Short-term Forward Exchange contract for R 2,000,000;
- Asset finance Wesbank facility R 5,000,000
- Short-term Direct Guarantee facility or R 30,000,000.

Interest rate risk

The company's interest rate risk arises primarily from interest-bearing borrowings. The interest rates applicable to the group company debt is set by group treasury and therefore changes to the local interest rates do not affect the company's local interest rate risk exposure. The impact of a change in the interest rate of 1% will have an effect of approximately R 475 198 (2017:R1 629 891) on the group and R 39 997 (2017:R31 536) on the company's Statement of Comprehensive Income.

35. Risk management (continued)

Credit risk

Credit risk is managed on a group basis.

Credit risk consists mainly of cash deposits, cash equivalents,other financial assets and trade debtors. The company only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the company.

Financial assets exposed to credit risk at year end were as follows:

Financial instrument	Group - 2018	Group - 2017	Company - 2018	Company - 2017
Cash and cash equivalents	82 707 634	84 252 582	53 354 393	45 855 677
Other financial assets	179 671 237	335 920 121	124 046 572	266 929 919
Trade and other receivables	143 411 224	138 254 950	54 195 258	73 286 245
Loans to group companies	-	-	74 942 950	88 358 111
Loans to shareholders	-	211 020	-	211 020

36. Comparative figures

Certain comparative figures have been reclassified in the detail income statement and the deferred tax assets and liabilities have been reclassified in the 2017 financial year on both the group and company's statement of financial position.

The effects of the reclassification are as follows:

Statement of Financial Position				
Deferred tax asset increase	31 022 210	26 654 411	5 037 846	16 882 314
Deferred tax liability increase	31 022 210	26 654 411	5 037 846	16 882 314