Calgro M3 Developments Limited and its Subsidiaries

Consolidated Financial Statements

for the year ended 29 February 2016

Index

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

General information

Calgro M3 Developments Limited
Incorporated in the Republic of South Africa
Registration number 1996/017246/06

Registered Office
Calgro M3 Building
Ballywoods Office Park
33 Ballyclare Drive
Bryanston
2196

Business Address
Calgro M3 Building
Ballywoods Office Park
33 Ballyclare Drive
Bryanston
2196

Postal Address
Private Bag X33
Craighall
2024

Published
10 May 2016

Preparer
The financial statements have been internally compiled by
WA Joubert CA (SA).

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

Bankers
First National Bank
Standard Bank

Auditors
PricewaterhouseCoopers Inc.

Secretary
W Williams

Directors

BP Malherbe	Executive
WJ Lategan	Executive
FJ Steyn	Executive
DN Steyn	Executive
BG Blieden	Executive
W Williams	Executive
WA Joubert	Executive

Directors' Responsibilities and Approval

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

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

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

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

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

The Directors have reviewed the Group and Company's cash flow forecast for the year to 28 February 2017 and, in the light of this review and the current financial position, they are satisfied that the Group and Company has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the Company's annual financial statements.

The consolidated and separate financial statements have been examined by the Group and Company's external auditors and their report is presented on page 8.

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

The Company's ultimate holding company has appointed an audit committee which performs the functions required under Section 94(7) of the Companies Act 71 of 2008 on behalf of Calgro M3 Developments Limited.

The consolidated and separate financial statements set out on pages 10 to 49, which have been prepared on the going concern basis, were approved by the Board of Directors on 10 May 2016 and were signed on its behalf by:

BP Malherbe

WJ Lategan

Certificate of the Company Secretary

I, Wayne Williams, hereby confirm, in my capacity as Company Secretary of Calgro M3 Developments Limited that for the year ended 29 February 2016, the Company has filed all required returns and notices in terms of the Companies Act 71 of 2008 and that all such returns and notices are to the best of my knowledge and belief true, correct and up to date.

Wayne Williams
Company Secretary
10 May 2016

Directors' Report

The Directors submit their report for the year ended 29 February 2016.

1. Nature of Business

Main business and operations:

The Company is engaged in construction and land development.

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

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2. Financial Position

The consolidated and separate financial statements on pages 10 to 49 set out fully the financial position, results of operations and cash flows of the Group and Company for the year ended 29 February 2016 and do not in our opinion require any further comment.

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

3. Events after Reporting Period

There were no events after the year ended 29 February 2016 that warrant disclosure in this report.

4. Type of Company

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

5. Subsidiary Companies

All direct and indirect subsidiaries are South African-based.

The attributable interest of the holding Company in the aggregate income earned and losses incurred after taxation by its subsidiaries,excluding any associated consolidation entries are as follows:

R'000	2016	2015
Profit	**96**	8 253
Losses	**(5 971)**	(417)

6. Share Appreciation Rights

During the current year, all Directors and selected employees who were previously granted Share Appreciation Rights (SAR's) were given the option to either continue on their SAR scheme, agree a settlement value for their unvested SAR's with the Group or modify their unvested SAR's to the Calgro M3 Executive Share Scheme ("Executive scheme"). Five individuals elected to settle their unvested SAR's, one individual elected to partly settle his SAR and continue on the SAR scheme and eight individuals elected to modify their SARs to the Executive Share Scheme.

The SAR's were previously divided into two main categories with various SAR issues in each category. At 29 February 2016, the total number of SAR's outstanding is 300 000 (2015: 10 378 172) and are classified within Category 2 (2015: 5 400 000). There are no SAR's classified in Category 1 (2015: 4 978 172).

Nil Category 1 SAR's were granted (2015 FY - 1 744 839) and 916 667 Category 1 SAR's were exercised (2015 FY - 1 616 667) by Directors and selected employees during the 2016 financial year.
Nil Category 2 SAR's were granted (2015 FY -1 200 000) and 450 000 Category 2 SAR's were exercised (2015 FY - Nil) by Directors and selected employees during the 2016 financial year.

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

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

Refer to note 33 for details on the Share Appreciation Rights Scheme.

The Executive Share Scheme was approved by the shareholders of Calgro M3 Hodlings Limited in July 2015 whereby 10 215 572 shares in Calgro M3 Holdings Limited were made available to participants of the Scheme at a subscription price of R4.08. Only individuals who were currently allocated SAR's and elected to convert at least 75% of their unvested SAR's into the new scheme were eligible to participate in the new scheme. 9 518 700 shares were granted to individuals during the year and 696 872 shares were not taken up. The Calgro M3 Executive Share Scheme is considered to be a modification of the SAR scheme.

Offers under the scheme are at the discretion of the Group.
Shares issued under the scheme may not be sold by participants until the release date stipulated in the scheme rules.

Refer to note 33 for details on the Calgro M3 Executive Share Scheme.

7. Accounting Policies

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

8. Authorised and Issued Share Capital

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

9. Capital Expenditure

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

10. Dividends

Dividends of R7 539 172 were received from the following subsidiaries during the year:

MS5 Pennyville Proprietary Limited	7 526 473
CM3 Randpark Ridge Ext 120 Proprietary Limited	12 699
	7 539 172

11. Going Concern

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

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

12. Directors

The Directors of the Company during the year and to the date of this report are as follows:

Name	Nationality	Contract expiry	Appointed
BP Malherbe	South African	3 months notice	
WJ Lategan	South African	3 months notice	
FJ Steyn	South African	3 months notice	
DN Steyn	South African	3 months notice	
BG Blieden	South African	3 months notice	
W Williams	South African	3 months notice	01.06.2015
WA Joubert	South African	3 months notice	01.06.2015

13. Secretary

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

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14. Auditors

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

15. Preparer

The financial statements have been internally compiled by WA Joubert CA (SA).

16. Liquidity and Solvency

The Directors have performed the required liquidity and solvency tests by reviewing future cash flows of the Group and Company as required by the Companies Act No. 71 of 2008.

17. Level of Assurance

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

18. Special Resolution

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

Independent Auditor's Report

to the shareholders of Calgro M3 Holdings Limited

Report on the Financial Statements

We have audited the consolidated and separate financial statements of Calgro M3 Developments Limited and its subsidaries set out on pages 10 to 49, which comprise the statements of financial position as at 29 February 2016, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

Directors' Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Calgro M3 Developments Limited as at 29 February 2016, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

Other reports required by the Companies Act

As part of our audit of the consolidated and separate financial statements for the year ended 29 February 2016, we have read the Directors' Report, the Audit Committee's Report and the Company Secretary's Certificate for the purpose of identifying whether there are material inconsistencies between these reports and the audited consolidated and separate financial statements. These reports are the responsibility of the respective preparers. Based on reading these reports we have not identified material inconsistencies between these reports and the audited consolidated and separate financial statements. However, we have not audited these reports and accordingly do not express an opinion on these reports.

Report on Other Legal and Regulatory Requirements

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that PricewaterhouseCoopers Inc. has been the auditor of Calgro M3 Developments Limited for nine years.

PricewaterhouseCoopers Inc

PricewaterhouseCoopers Inc.
Director: J-P van Staden
Registered Auditor
Sunninghill
10 May 2016

Consolidated Statement of Financial Position

as at 29 February 2016

		Group		Company	
Rands	Notes	2016	2015	2016	2015
ASSETS					
Non-current assets					
Investment property	5	**-**	4 239 303	**-**	4 239 303
Property, plant and equipment	6	**3 644 407**	1 713 893	**3 644 407**	1 679 344
Intangible assets	7	**28 572 746**	28 678 730	**57 949**	163 933
Investment in Group Companies	8	**173 240 332**	-	**173 240 332**	-
Investment in subsidiaries	9	**-**	-	**300**	300
Investment in associates	10	**-**	246 249	**35**	35
Deferred income tax asset	11	**237 101**	854 211	**-**	-
		205 694 586	35 732 386	**176 943 023**	6 082 915
Current assets					
Loans receivable	12	**-**	5 756 677	**-**	5 756 677
Loans to Group companies	13	**393 978 580**	499 502 654	**393 978 580**	530 386 665
Inventories	14	**2 642 327**	22 221 886	**2 658 000**	21 476 977
Current tax receivable		**2 242 609**	2 037 730	**2 149 675**	1 936 857
Construction contracts	15	**208 694 580**	169 484 314	**207 240 149**	168 029 885
Trade and other receivables	16	**325 122 459**	153 800 585	**325 064 102**	150 840 007
Cash and cash equivalents	17	**72 810 681**	111 783 694	**72 809 129**	111 763 281
		1 005 491 236	964 587 540	**1 003 899 635**	990 190 349
Total assets		**1 211 185 822**	1 000 319 926	**1 180 842 658**	996 273 264
EQUITY AND LIABILITIES					
Equity					
Equity attributable to owners of the parent					
Stated capital	18	**88 561 467**	88 561 467	**88 561 467**	88 561 467
Reserves	19	**(10 179 716)**	-	**(10 179 716)**	-
Retained income		**255 789 139**	186 244 269	**202 201 963**	126 530 288
		334 170 890	274 805 736	**280 583 714**	215 091 755
Liabilities					
Non-current liabilities					
Deferred income tax liability	11	**32 661 460**	20 791 638	**32 296 609**	20 218 214
		32 661 460	20 791 638	**32 296 609**	20 218 214
Current liabilities					
Loans from Group companies	13	**23 756 270**	2 038 227	**48 289 361**	61 335 785
Current income tax liabilities		**28 513**	-	**-**	-
Borrowings	20	**538 463 465**	492 131 944	**538 463 465**	492 131 944
Trade and other payables	21	**282 105 224**	210 552 381	**281 209 509**	207 495 566
		844 353 472	704 722 552	**867 962 335**	760 963 295
Total liabilities		**877 014 932**	725 514 190	**900 258 944**	781 181 509
Total equity and liabilities		**1 211 185 822**	1 000 319 926	**1 180 842 658**	996 273 264

The notes on pages 14 to 49 are an integral part of these financial statements

Consolidated Statement of Comprehensive Income

for the year ended 29 February 2016

Rands	Notes	Group 2016	Group 2015	Company 2016	Company 2015
Revenue	22	**1 190 706 331**	797 106 993	**1 189 860 688**	795 223 126
Cost of sales	23/25	**(932 408 695)**	(651 324 039)	**(928 322 684)**	(651 454 221)
Gross profit		**258 297 636**	145 782 954	**261 538 004**	143 768 905
Other income	24	**6 963 911**	6 434 924	**14 164 833**	11 679 490
Administrative expenses	25	**(133 788 318)**	(136 906 637)	**(138 810 310)**	(151 751 488)
Other expenses	25/26	**(5 756 677)**	-	**(5 756 677)**	-
Operating profit		**125 716 552**	15 311 241	**131 135 850**	3 696 907
Finance income	27	**26 338 542**	64 902 957	**26 337 773**	68 424 090
Finance costs	28	**(56 157 872)**	(52 059 831)	**(56 157 872)**	(57 266 894)
Share of profit of associates - Net of tax	10	**(246 214)**	246 214	**-**	-
Profit before tax		**95 651 008**	28 400 581	**101 315 751**	14 854 103
Taxation	29	**(26 106 138)**	(6 497 508)	**(25 644 076)**	(2 957 730)
Profit after taxation		**69 544 870**	21 903 073	**75 671 675**	11 896 373
Other comprehensive income					
Items that may be classified to profit or loss					
Changes in the fair value of available-for-sale financial assets		**(10 179 716)**	-	**(10 179 716)**	-
Total other comprehensive income		**(10 179 716)**	-	**(10 179 716)**	-
Total comprehensive income		**59 365 154**	21 903 073	**65 491 959**	11 896 373
Profit after taxation and other comprehensive income attributable to:					
Owners of the parent		**59 365 154**	21 903 073		

The notes on pages 14 to 49 are an integral part of these financial statements

Consolidated Statement of Changes in Equity

for the year ended 29 February 2016

Rands	Stated capital	Other reserve	Retained income	Total equity
Group				
Balance at 1 March 2014	88 561 467	-	164 341 196	252 902 663
Comprehensive income				
Profit for the year	-		21 903 073	21 903 073
Other comprehensive income	-		-	-
Total comprehensive income	-	-	21 903 073	21 903 073
Balance at 28 February 2015	**88 561 467**	**-**	**186 244 269**	**274 805 736**
Comprehensive income				
Profit for the year	**-**	**-**	**69 544 870**	**69 544 870**
Other comprehensive income	**-**	**(10 179 716)**	**-**	**(10 179 716)**
Total comprehensive income	**-**	**(10 179 716)**	**69 544 870**	**59 365 154**
Balance at 29 February 2016	**88 561 467**	**(10 179 716)**	**255 789 139**	**334 170 890**
Note	18	19		
Company				
Balance at 1 March 2014	88 561 467	-	114 633 915	203 195 382
Comprehensive income				
Profit for the year	-		11 896 373	11 896 373
Other comprehensive income	-		-	-
Total comprehensive income	-	-	11 896 373	11 896 373
Balance at 28 February 2015	**88 561 467**	**-**	**126 530 288**	**215 091 755**
Comprehensive income				
Profit for the year	**-**	**-**	**75 671 675**	**75 671 675**
Other comprehensive income	**-**	**(10 179 716)**	**-**	**(10 179 716)**
Total comprehensive income	**-**	**(10 179 716)**	**75 671 675**	**65 491 959**
Balance at 29 February 2016	**88 561 467**	**(10 179 716)**	**202 201 963**	**280 583 714**
Note	18	19		

The notes on pages 14 to 49 are an integral part of these financial statements

Consolidated Statement of Cash Flows

for the year ended 29 February 2016

Rands	Notes	Group 2016	Group 2015	Company 2016	Company 2015
Cash (utilised in)/generated from operations					
Cash generated from operations	30	**(167 579 986)**	75 130 363	**(155 815 820)**	87 779 969
Interest received		**5 143 227**	2 344 127	**5 142 458**	2 344 055
Interest paid		**(54 481 350)**	(52 044 291)	**(54 481 350)**	(52 044 467)
Tax paid	31	**(13 795 572)**	(16 390 091)	**(13 778 500)**	(16 236 226)
Net cash (utilised in)/generated from operating activities		**(230 713 681)**	9 040 108	**(218 933 212)**	21 843 331
Cash flows (utilised in)/invested in investing activities					
Purchase of property plant and equipment		**(3 128 637)**	(553 482)	**(3 128 636)**	(553 482)
Proceeds from the sale of investment property		**4 239 303**	-	**4 239 303**	-
Purchase of intangible assets		**(30 976)**	(174 794)	**(30 976)**	(174 794)
Proceeds from the sale of property plant and equipment		**-**	113 924	**-**	113 903
Advances to Group companies		**(531 810 368)**	(968 771 561)	**(532 230 717)**	(968 771 561)
Repayments of loans to Group companies		**641 308 175**	996 877 013	**680 139 009**	996 874 311
Net cash (utilised in)/invested in investing activities		**110 577 497**	27 491 100	**148 987 983**	27 488 377
Cash flows from financing activities					
Proceeds from borrowings		**260 000 000**	113 000 000	**260 000 000**	113 000 000
Repayment of borrowings		**(213 585 256)**	(93 043 220)	**(213 585 256)**	(93 043 220)
Advances from Group companies		**42 164 522**	5 796 455	**53 469 644**	9 631 882
Repayment of loans from Group companies		**(7 416 095)**	(407 723)	**(68 893 311)**	(17 063 528)
Net cash from financing activities		**81 163 171**	25 345 512	**30 991 077**	12 525 134
Net (decrease)/increase in cash and cash equivalents		**(38 973 013)**	61 876 720	**(38 954 152)**	61 856 842
Cash and cash equivalents at the beginning of the year		**111 783 694**	49 906 974	**111 763 281**	49 906 439
Cash and cash equivalents at end of the year	17	**72 810 681**	111 783 694	**72 809 129**	111 763 281

The notes on pages 14 to 49 are an integral part of these financial statements

Notes to the Consolidated Financial Statements

for the year ended 29 February 2016

1. General Information

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

The Company has listed instruments on the South African Bond Exchange and is a public company incorporated and domiciled in South Africa. The address of its registered office is Calgro M3 Building, Ballywoods Office Park, 33 Ballyclare Drive, Bryanston, 2196.

2. Summary of Significant Accounting Policies

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

2.1 Basis of preparation

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

2.2 Working capital cycle

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

2.3 Significant estimates and judgements

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

▮ Fair value estimation	Note 4
▮ Impairment of goodwill	Note 8
▮ Assessment of joint control	Note 9
▮ Land under development held for sale	Note 13
▮ Impairment of trade receivables	Note 16
▮ Percentage of completion for construction revenue	Note 22
▮ Scope of construction agreements	Note 22
▮ Share-based payments	Note 33

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

2.4 New standards and interpretations

There were a number of new standards and interpretations effective and adopted in the current year none of which have a significant impact on the Company, except for the standards and amendments listed below:

Topic	Key Requirements	Effective Date
Annual improvements for IFRS 2010 to 2012 cycle	Each of the amendments are summarised below: Amendment to IFRS 8, 'Operating segments' The standard is amended to require disclosure of the judgements made by management in aggregating operating segments. This includes a description of the segments which have been aggregated and the economic indicators which have been assessed in determining that the aggregated segments share similar economic characteristics. The standard is further amended to require a reconciliation of segment assets to the entity's assets when segment assets are reported.	1 July 2014

2.5 Standards and interpretations issued not yet effective

There are a number of new standards and amendments to new standards and interpretations which will only be effective after the 2016 year end. None of these are expected to have a significant impact on the Group, except for IFRS 15 'Revenue from contracts with customers' and IFRS 9 'Financial instruments'.

Topic	Key Requirements	Effective Date
Amendments to **IFRS 10**, 'Consolidated financial statements' and IAS 28,'Investments in associates and joint ventures' on sale or contribution of assets	The postponement applies to changes introduced by the IASB in 2014 through narrow-scope amendments to IFRS 10 'Consolidated Financial Statements' and IAS 28 'Investments in Associates and Joint Ventures'. Those changes affect how an entity should determine any gain or loss it recognises when assets are sold or contributed between the entity and an associate or joint venture in which it invests. The changes do not affect other aspects of how entities account for their investments in associates and joint ventures. The reason for making the decision to postpone the effective date is that the IASB is planning a broader review that may result in the simplification of accounting for such transactions and of other aspects of accounting for associates and joint ventures.	Postponed initially 1 January 2016
IFRS 15 Revenue from contracts with customers.	The FASB and IASB issued their long awaited converged standard on revenue recognition on 29 May 2014. It is a single, comprehensive revenue recognition model for all contracts with customers to achieve greater consistency in the recognition and presentation of revenue. Revenue is recognised based on the satisfaction of performance obligations, which occurs when control of goods or services transfers to a customer.	1 January 2018
IFRS 9 Financial Instruments (2009 and 2010) ▮ Financial liabilities ▮ Derecognition of financial instrument ▮ Financial assets ▮ General hedge accounting	This IFRS is part of the IASB's project to replace IAS 39. IFRS 9 addresses classification and measurement of financial assets and replaces the multiple classification and measurement models in IAS 39 with a single model that has only two classification categories: amortised cost and fair value. The IASB has updated IFRS 9, 'Financial instruments' to include guidance on financial liabilities and derecognition of financial instruments. The accounting and presentation for financial liabilities and for derecognising financial instruments has been relocated from IAS 39, 'Financial instruments: Recognition and measurement', without change, except for financial liabilities that are designated at fair value through profit or loss.	1 January 2018

Topic	Key Requirements	Effective Date
IFRS 16 Leases	After ten years of joint drafting by the IASB and FASB they decided that lessees should be required to recognise assets and liabilities arising from all leases (with limited exceptions) on the balance sheet. Lessor accounting has not substantially changed in the new standard. The model reflects that, at the start of a lease, the lessee obtains the right to use an asset for a period of time and has an obligation to pay for that right. In response to concerns expressed about the cost and complexity to apply the requirements to large volumes of small assets, the IASB decided not to require a lessee to recognise assets and liabilities for short-term leases (less than 12 months), and leases for which the underlying asset is of low value (such as laptops and office furniture). A lessee measures lease liabilities at the present value of future lease payments. A lessee measures lease assets, initially at the same amount as lease liabilities, and also includes costs directly related to entering into the lease. Lease assets are amortised in a similar way to other assets such as property, plant and equipment. This approach will result in a more faithful representation of a lessee's assets and liabilities and, together with enhanced disclosures, will provide greater transparency of a lessee's financial leverage and capital employed. One of the implications of the new standard is that there will be a change to key financial ratios derived from a lessee's assets and liabilities (for example, leverage and performance ratios). IFRS 16 supersedes IAS 17, 'Leases', IFRIC 4, 'Determining whether an Arrangement contains a Lease', SIC 15, 'Operating Leases - Incentives' and SIC 27, 'Evaluating the Substance of Transactions Involving the Legal Form of a Lease'.	1 January 2019

2.6 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Group and all its subsidiaries. In the case of associates and joint ventures, those entities are presented as single line items in the statement of comprehensive income and statement of financial position (refer to note 10). Intercompany transactions and balances are eliminated upon consolidation. Consistent accounting policies have been applied across the Group in the preparation of the consolidated financial statements.

The Group treats transactions with non-controlling interests that do not result in a loss of control as equity transactions. Gains or losses on disposals to non-controlling interests are also recorded in equity.

2.7 Segment reporting

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

2.8 Impairment of non-financial assets

The Group assesses at each end of the reporting period whether there is any indication that a non-financial asset may be impaired. If any such indication exists, the Group estimates the recoverable amount of the asset. Goodwill is tested annually for impairment regardless of any indicators of such.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined. The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an individual non-financial 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 and is recognised directly in profit or loss.

Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amounts of the other assets in the unit on a pro rata basis.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but limited to the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss. An impairment loss in respect of goodwill is not reversed.

2.9 Provisions and contingencies

Provisions are recognised when there is a present legal or constructive obligation as a result of a past event for which it is more likely than not that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

Contingent assets and contingent liabilities are not recognised.

2.10 Foreign currency translation

(a) Functional and presentation currency

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

(b) Group companies

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

(i) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;

(ii) income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and

(iii) all resulting exchange differences are recognised in other comprehensive income.

2.11 Financial instruments

2.11.1 Classification

The Group and Company holds the following categories of financial assets and financial liabilities:

		Group		Company	
	Notes	2016	2015	2016	2015
Financial assets - Available for sale					
Investment in Group companies	8	**173 240 332**	-	**173 240 332**	-
		173 240 332	-	**173 240 332**	-
Financial assets - Loans and receivables					
Loans to Group companies	13	**393 978 580**	499 502 654	**393 978 580**	530 386 665
Trade and other receivables	16	**325 122 459**	151 299 714	**325 064 102**	150 840 007
Cash and cash equivalents	17	**72 810 681**	111 783 694	**72 809 129**	111 763 281
Loans and receivables	12	**-**	5 756 677	**-**	5 756 677
		791 911 720	768 342 739	**791 851 811**	798 746 630
Financial liabilities - Financial liabilities at amortised cost					
Borrowings	20	**538 463 465**	492 131 944	**538 463 465**	492 131 944
Loans from Group companies	13	**23 756 270**	2 038 227	**48 289 361**	61 335 785
Trade and other payables	21	**153 579 651**	141 502 978	**153 575 031**	140 817 713
		715 799 386	635 673 149	**740 327 857**	694 285 442

2.11.2 Initial recognition and measurement

At initial recognition, the Group measures a financial asset at its fair value plus, transaction costs that are directly attributable to the acquisition of the financial asset. The Group does not have any financial assets classified at fair value through profit or loss.

When securities classified as available-for-sale are sold, the accumulated fair value adjustments recognised in other comprehensive income are reclassified to profit or loss as gains and losses from investment securities.

2.11.3 Subsequent measurement

Loans and receivables and held-to-maturity investments are subsequently carried at amortised cost using the effective interest method.

Available-for-sale financial assets are subsequently carried at fair value. Gains or losses arising from changes in the fair value are recognised in other comprehensive income and accumulated in a separate reserve within equity.

All of the Group's financial liabilities are classified as 'financial liabilities at amortised cost' and are therefore subsequently measured at amortised cost.

2.11.4 Impairment of financial assets

Assets carried at amortised costs

Financial assets carried at amortised cost are reviewed for impairment whenever events or changes in circumstances indicate the carrying amount may not be recoverable.

Impairment is normally determined based on a realistic assessment of future cash flows discounted using the original effective interest rate compared with contractual amounts. For amounts due to the Group, significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default of payments are all considered indicators of impairment. Impairment losses are recognised in profit or loss.

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

Assets classified as available for sale

If there is objective evidence of impairment for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in profit or loss.

Impairment losses on equity instruments that were recognised in profit or loss are not reversed through profit or loss in a subsequent period.

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

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

3. Risk Management

3.1 Financial risk management

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

The Group and Company's interest rate risk arises mainly from borrowings and loans from Group companies. (refer to note 13 and 20).

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

The impact on post-tax profit of a 2% shift in the interest rate would be a maximum increase/decrease of:

	Group		Company	
	2016	**2015**	**2016**	**2015**
2% increase/(decrease) on finance charges interest bearing borrowings	**(7 606 415)**	(6 869 316)	**(7 606 415)**	(6 869 316)
2% increase/(decrease) on interest bearing assets	**1 177 721**	9 173 261	**1 177 721**	9 617 991

A 2% shift is considered appropriate by management taking into account the current economic environment that Group and Company operates in.

(b) *Credit risk*

Credit risk consists mainly of loans to Group companies and associates of the holding company, cash deposits and cash equivalents and trade and other receivables (including retention debtors). The Group and Company only deposits cash with major banks with a minimum rating of 'BBB' and limits the exposure to any one counter party. Trade and other receivables comprise a widespread customer base. Customers include government institutions, private sector entities and individuals.

Management evaluates credit risk relating to trade debtors (excluding trade receivables owing by joint ventures of the holding company and associates) on an ongoing basis taking into account their financial position, past experience and other factors. Credit risk is limited due to the nature of trade debtors which consist of outstanding draw downs from banks and municipal institutions. In cases where management deems the risk level to be unacceptable, payment guarantees or collateral are insisted upon.

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

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

(c) *Liquidity risk*

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

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

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

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

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

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

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

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

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

Group 2016	Less than 1 year	Between 1 and 2 years	Between 2 and 3 years	Between 3 and 4 years	Between 4 and 5 years	Total
Borrowings (including future interest)	**250 942 496**	**174 028 379**	**116 159 670**	**10 304 365**	**97 728 274**	**649 163 184**
Loans from Group companies	**-**	**-**	**-**	**-**	**-**	**-**
Trade and other payables	**153 579 651**	**-**	**-**	**-**	**-**	**153 579 651**
	404 522 147	**174 028 379**	**116 159 670**	**10 304 365**	**97 728 274**	**802 742 835**
2015						
Borrowings (including future interest)	66 254 785	364 086 691	160 293 504	-	-	524 380 195
Loans from Group companies	2 038 227	-	-	-	-	2 038 227
Trade and other payables	141 502 978	-	-	-	-	141 502 978
	209 795 990	364 086 691	160 293 504	-	-	667 921 400

Company 2016	Less than 1 year	Between 1 and 2 years	Between 2 and 3 years	Between 3 and 4 years	Between 4 and 5 years	Total
Borrowings (including future interest)	**250 942 496**	**174 028 379**	**116 159 670**	**10 304 365**	**97 728 274**	**649 163 184**
Loans from Group companies	**-**	**-**	**-**	**-**	**-**	**-**
Trade and other payables	**153 575 031**	**-**	**-**	**-**	**-**	**153 575 031**
	404 517 527	**174 028 379**	**116 159 670**	**10 304 365**	**97 728 274**	**802 738 215**
2015						
Borrowings (including future interest)	66 254 785	364 086 691	160 293 504	-	-	590 634 980
Loans from Group companies	61 335 785	-	-	-	-	61 335 785
Trade and other payables	140 817 713	-	-	-	-	140 817 713
	268 408 283	364 086 691	160 293 504	-	-	792 788 478

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

The Group and Company has overdraft facilities with major banks to the value of R60 000 000 (2015 - R40 000 000)

3.2 Capital risk management

The Group's and Company'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. Management's intention is to use debt as a means to fund operations rather than to raise more capital.

The Group monitors capital on the basis of its debt/equity ratio. The maximum allowed Debt/Equity ratio for the Group is 1.5 : 1

Debt/equity ratio
This ratio is calculated as net debt divided by equity. Net debt is calculated as total borrowings less cash and cash equivalents. Equity is calculated as the total equity per the statement of financial position.

4. Fair Values

Financial instruments

All of the Group's financial instruments are measured at amortised cost. To determine the fair value of the financial instruments future contractual cash flows are discounted using current market interest rates available to the Company for similar financial instruments.

With the exception of the Group's borrowings, the financial instruments carrying values equals their fair values, due to the short term nature of the instruments.

Non-financial instruments

In assessing the fair value of investment property, valuations consider title deed information, town planning conditions, locality and improvements made to the property.

Property vacancy rates in surrounding areas, realised yields on comparative sales as well as micro- and macro-economic conditions pertaining to residential properties are considered.

Fair value table

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

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

Comparison of carrying and fair values of applicable line items in the statement of financial position:

Group			Fair value			
	Carrying values		Level 2		Level 3	
	2016	2015	2016	2015	2016	2015
Assets						
Investment property	-	4 239 303			-	6 600 000
Loans to Group companies	**393 978 580**	499 502 654			**393 978 580**	499 502 654
Loan receivable	-	5 756 677			-	5 756 677
Trade and other receivables	**325 122 459**	153 800 585			**325 122 459**	153 800 585
Liabilities						
Borrowings	**538 463 465**	492 131 944	**547 929 366**	508 697 726		
Loans from Group companies	**23 756 270**	2 038 227			**23 756 270**	2 038 227
Trade and other payables	**153 579 651**	141 502 978			**153 579 651**	141 502 978

Investment in Group companies with a carrying value of R173 240 332 approximates their fair value and are classified as level 1.

Company						
Assets						
Investment property	-	5 756 677			-	6 600 000
Loans to Group companies	**393 978 580**	530 386 665			**393 978 580**	530 386 665
Loan receivable	-	5 756 677			-	5 756 677
Trade and other receivables	**325 064 102**	150 840 007			**325 064 102**	150 840 007
Liabilities						
Borrowings	**538 463 465**	492 131 944	**547 929 366**	508 697 726		
Loans from Group companies	**48 289 361**	61 335 785			**48 289 361**	61 335 785
Trade and other payables	**153 575 031**	140 817 713			**153 575 031**	140 817 713

Investment in Group companies with a carrying value of R173 240 332 approximates their fair value and are classified as level 1.

5. Investment Property

Accounting policy

The Group owned two townhouses that were held to earn long-term rental income and for capital appreciation.

The investment property is initially recognised at cost and subsequently measured at cost less accumulated depreciation and impairment losses. Depreciation is provided to write down the cost, less estimated residual value over the useful life, which is 20 years for the townhouses. The cost of land is not depreciated.

The residual value of buildings exceeds the carrying amount, as a result, no depreciation has been provided.

Group and Company	2016			2015		
	Cost	Accumulated depreciation	Carrying amount	Cost	Accumulated depreciation	Carrying amount
Investment property	-	-	-	4 239 303	-	4 239 303

Group and Company

The two investment properties held were disposed in the current year.

Land and buildings under investment property had a fair value of RNil (2015 - R4 650 000). The fair value was based on a valuation by an independent valuer who held a recognised and relevant professional qualification and had recent experience in the location and category of the investment property being valued.

Rental income received in respect of investment property amounts to Rnil (2015 - R252 000). Refer to note 24.

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

6. Property, Plant and Equipment

Accounting policy

The Group's long life assets mainly provide the infrastructure to enable the Group to operate. The assets are initially measured at cost. The cost of the assets are then recognised in the statement of comprehensive income over the useful lives of the assets as a depreciation charge.

The useful lives of the assets have been assessed as follows:

Item	Average useful life
- Plant and machinery, motor vehicles	5 years
- Leasehold improvements	10 years
- Furniture and fixtures and office equipment	6 years
- IT Equipment	3 years

Group	2016			2015		
	Cost	Accumulated depreciation	Carrying amount	Cost	Accumulated depreciation	Carrying amount
Plant and machinery	**3 040 636**	**(2 848 911)**	**191 725**	3 111 292	(2 419 981)	691 311
Furniture and fixtures	**811 734**	**(173 161)**	**638 573**	273 026	(96 376)	176 650
Motor vehicles	**190 263**	**(152 212)**	**38 051**	327 098	(244 047)	83 051
Office equipment	**840 569**	**(196 250)**	**644 319**	375 977	(117 177)	258 800
IT equipment	**899 840**	**(529 295)**	**370 545**	937 115	(462 317)	474 798
Leasehold improvements	**1 863 671**	**(102 477)**	**1 761 194**	31 945	(2 662)	29 283
Total	**7 646 713**	**(4 002 306)**	**3 644 407**	5 056 453	(3 342 560)	1 713 893

Company						
Plant and machinery	**3 040 636**	**(2 848 911)**	**191 725**	3 111 291	(2 419 980)	691 311
Furniture and fixtures	**811 734**	**(173 162)**	**638 572**	256 826	(87 602)	169 224
Motor vehicles	**190 263**	**(152 211)**	**38 052**	327 099	(244 046)	83 053
Office equipment	**840 569**	**(196 250)**	**644 319**	329 477	(97 802)	231 675
IT equipment	**899 840**	**(529 295)**	**370 545**	937 116	(462 318)	474 798
Leasehold improvements	**1 863 671**	**(102 477)**	**1 761 194**	31 945	(2 662)	29 283
Total	**7 646 713**	**(4 002 306)**	**3 644 407**	4 993 754	(3 314 410)	1 679 344

Group
Depreciation expense of R1 149 661 (2015 - R1 381 496) has been charged in 'administrative expenses' in the statement of comprehensive income.

Property, plant and equipment with a carrying amount of R48 462 (Cost - R538 377, Accumulated depreciation - R489 915) (2015 - R29 018 (Cost - R6 190 547, Accumulated depreciation - R6 161 529)) has been disposed of in the current year.

Additions of R3 128 637 (2015: R553 482) have been made in the current year.

Company
Depreciation expense of R1 140 662 (2015 - R1 356 590) has been charged in 'administrative expenses' in the statement of comprehensive income.

Property, plant and equipment with a carrying amount of R22 911 (Cost - R475 677, Accumulated depreciation - R452 766) (2015 - R28 997 (Cost - R5 458 214, Accumulated depreciation - R5 429 217)) has been disposed of in the current year.

Additions of R3 128 637 (2015: R553 482) have been made in the current year.

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

7. Intangible Assets

Accounting policy

(a) Goodwill

Goodwill for the Group arose as a result of the acquisition of a subsidiary, MS5 Pennyville Proprietary Limited. Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose identified according to operating segment.

(b) Computer software

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

Amortisation on computer software is calculated using the straight-line method to allocate its cost to the statement of comprehensive income over its useful life of two years.

(c) Estimates and key judgements

Management used estimates in determining the value in use calculation for the annual goodwill impairment test. Refer below for further detail.

Group	2016			2015		
	Cost	Accumulated Amortisation/ Impairment	Closing Carrying amount	Cost	Accumulated Amortisation/ Impairment	Closing Carrying amount
Goodwill	**43 228 775**	**(14 713 978)**	**28 514 797**	43 228 775	(14 713 978)	28 514 797
Computer software	**205 770**	**(147 821)**	**57 949**	416 663	(252 730)	163 933
	43 434 545	**(14 861 799)**	**28 572 746**	43 645 438	(14 966 708)	28 678 730
Company						
Computer software	**205 770**	**(147 821)**	**57 949**	416 663	(252 730)	163 933
	205 770	**(147 821)**	**57 949**	416 663	(252 730)	163 933

Group and Company
Amortisation expenses of R136 956 (2015 - R203 359) has been included in 'administration expenses' in the statement of comprehensive income.

Additions of R30 976 (2015: R174 794) have been made in the current year.

Computer software with a carrying amount of R4 (Cost - R241 869, Accumulated depreciation - R241 865)

(2015: R1 533 (Cost - R128 412, Accumulated depreciation - R126 879)) has been disposed of in the current year.

Group

Impairment tests for goodwill

Goodwill is monitored at the operating segment level.

	Group	
	2016	2015
The following is a summary of goodwill allocation for each operating segment:		
Property development	**28 514 797**	28 514 797
	28 514 797	28 514 797

The recoverable amounts of the Property development operating segment has been determined based on value-in-use calculations.

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

The key assumptions used for value-in-use calculations are as follows:

	Property development	
	2016	2015
Gross margin %	**20.40**	17.67
Pre-tax Discount rate (real) %	**25.56**	24.97

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

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

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

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

Impairment tests for goodwill are performed annually.

8. Investment in Group Companies

Accounting policy

Investments are designated as available-for-sale financial assets if they do not have fixed maturities and fixed or determinable payments, and management intends to hold them for the medium to long-term. Financial assets that are not classified into any of the other categories (at fair value through profit or loss, loans and receivables or held-to-maturity investments) are also included in the available-for-sale category.

	Group		Company	
	2016	2015	2016	2015
Listed securities - Calgro M3 Holdings	**173 240 332**	-	**173 240 332**	-
	173 240 332	-	**173 240 332**	-

During the current year 9 518 700 shares in Calgro M3 Holdings Limited were issued to Directors and selected employees in terms of the Calgro M3 Executive Scheme.
The scheme rules attach service conditions and trading restrictions to the shares that have been issued. Until the service conditions have been complied with, and the related trading restrictions have been lifted the shares are deemed to be held by the Group. Refer to note 33 for further details of the Calgro M3 Executive Share Scheme.

All available-for-sale financial assets are denominated in South African Rand.

Losses recognised in Other comprehensive income	**(10 179 716)**	-	**(10 179 716)**	-

9. Investment in Subsidiaries

Accounting policy

Investments in subsidiaries are carried at cost less any accumulated impairment.

	% Voting power 2016	% Voting power 2015	% Holding 2016	% Holding 2015	Carrying amount 2016	Carrying amount 2015
Company - Name of company						
MS5 Pennyville Proprietary Limited	**100**	100	**100.00**	100.00	**100**	100
MS5 Projects Proprietary Limited	**100**	100	**100.00**	100.00	**100**	100
CM3 Randpark Ridge Ext 120 Proprietary Limited	**100**	100	**100.00**	100.00	**100**	100
Calgro M3 Rectification Company Proprietary Limited	**100**	100	**100.00**	100.00	**-**	-
					300	300
Company - In-direct						
PZR Pennyville Zamamphilo Relocation Proprietary Limited	**100**	100	**100.00**	100.00		

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

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

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

10. Investment in Associates

Accounting policy

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights.

The Group equity accounts these investments resulting in the Group's statement of comprehensive income reflecting it's share of the entity's profit or loss after tax and the statement of financial position records the Group's share of the net assets.

When the Group's share of losses in an associate equals or exceeds its interests in the associates (which includes any long-term interests that, in substance, form part of the Group's net investment in the associates), the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associates

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates, unless the transaction provides evidence of an impairment of the asset transferred.

Significant judgement and source of estimation uncertainty

The Group holds either more or less than 50% of the shareholding in a number of these entities. Refer below to the judgements management exercised in determining whether or not it has joint control over the various entities.

	% Voting power 2016	% Voting power 2015	% Holding 2016	% Holding 2015	Carrying amount 2016	Carrying amount 2015
Group - Name of company						
Calgro Kuumba Planning & Design Proprietary Limited	**35.00**	35.00	**35.00**	35.00	**-**	246 249
					-	**246 249**

The Group has minority shareholding in Calgro Kuumba Planning & Design Proprietary Limited. It does not have control as the Board comprises an equal number of representatives from both the Group as well as the minority shareholders. All parties have equal voting rights, irrespective of the percentage shareholding or representation on the Board of Directors. Calgro M3 Developments does not have sole or joint control over the relevant activities of Calgro Kuumba Planning & Design Proprietary Limited. The investment is therefore classified as an associate.

The functional currency of Calgro Kuumba Planning and Design (Pty) Ltd is Namibian Dollars. The place of business for Calgro Kuumba Planning and Design Proprietary Limited is in Namibia. The year-end of the associate is consistent with those of the Group. The associate is accounted for by applying the equity method.

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

The associate is a private companies and there is no quoted market price available for its shares. The carrying amount of the associate is shown net of impairment losses.

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

	Group		Company	
Calgro Kuumba Planning & Design Proprietary Limited	**2016**	**2015**	**2016**	**2015**
Detailed statement of financial position				
Assets				
Non-current assets				
Deferred income tax asset	**30 690**	-	**-**	-
	30 690	-	**-**	-
Current assets				
Trade and other receivables	**39 492**	7 080 412	**-**	-
Construction contracts	**-**	599 926	**-**	-
Current income tax asset	**4 218**	-	**-**	-
Cash and cash equivalents	**2 782**	1 930 568	**-**	-
	46 492	9 610 906	**-**	-
Total assets	**77 182**	9 610 906	**-**	-
Equity and liabilities				
Equity				
Share capital	**100**	100	**-**	-
(Accumulated loss)/retained income	**(100)**	703 468	**-**	-
	-	703 568	**-**	-
Liabilities				
Non-current liabilities				
Deferred income tax liability	**-**	361 180	**-**	-
	-	361 180	**-**	-
Current liabilities				
Loans from shareholders	**-**	1 500 000	**-**	-
Trade and other payables	**77 182**	7 046 158	**-**	-
	77 182	8 546 158	**-**	-
Total liabilities	**77 182**	8 907 338	**-**	-
Total equity and liabilities	**77 182**	9 610 906	**-**	-
Detailed statement of comprehensive income				
Revenue	**52 772 353**	19 691 678	**-**	-
Cost of sales	**(47 280 578)**	(17 728 498)	**-**	-
Gross profit	**5 491 775**	1 963 180	**-**	-
Administrative expenses	**(6 990 376)**	(881 661)	**-**	-
Operating profit	**(1 498 601)**	1 081 519	**-**	-
Finance income	**402 158**	740	**-**	-
Profit before tax	**(1 096 443)**	1 082 259	**-**	-
Taxation	**392 875**	(378 791)	**-**	-
Profit after taxation	**(703 568)**	703 468	**-**	-
Other comprehensive income	**-**	-	**-**	-
Total comprehensive income	**(703 568)**	703 468	**-**	-

Reconciliation of detailed financial information

Calgro Kuumba Planning & Design Proprietary Limited	Group 2016	Group 2015	Company 2016	Company 2015
Reconciliation of the detailed information presented to the carrying amount of its interest in the associate.				
Summarised financial information				
Opening net assets at 1 March 2015	**703 568**	100	**-**	-
Profit after tax	**(703 568)**	703 468	**-**	-
Closing net assets	**-**	703 568	**-**	-
Interest in associate at 35%	**-**	246 249	**-**	-
Carrying value	**-**	246 249	**-**	-
Reconciliation of investment in associate				
At 1 March	**246 249**	-	**-**	-
Share of (loss)/profit in associate	**(246 249)**	246 249	**-**	-
Net carrying value	**-**	246 249	**-**	-

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

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

Other than trade and other receivables (Note 16) and related party transactions (Note 35) which arose in the ordinary course of business,the Calgro M3 Developments Group has no further financial risks associated with this associate. The effect of the associate on the financial performance, financial position and cash flows of Calgro M3 Developments is detailed in the notes above and should provide additional clarity on the impact that the associate has on the Calgro M3 Developments group.

11. Deferred Income Tax (Liability)/Asset

Accounting policy

Deferred tax assets and liabilities represent amounts of tax that will become recoverable and payable in future accounting periods. They generally arise as a result of temporary differences, where the time at which profits and losses are recognised for tax purposes differs from the time at which the relevant transaction is recorded in the accounts. A deferred tax asset represents a tax reduction that is expected to arise in a future period. A deferred tax liability represents taxes which will become payable in a future period as a result of a current or an earlier transaction. In respect of deferred tax assets, the Group only recognises a deferred tax asset when the availability of future profits necessary to support the deferred tax asset is probable.

Where a temporary difference arises in relation to the Group's investment in subsidiaries, associates or joint ventures a deferred tax liability can only be recognised by the Group if the Group cannot control the timing of the reversal of the temporary difference and it is probable that the temporary difference will reverse in future.

Similarly a deferred tax asset can only be recognised by the Group if the temporary difference will reverse in the future and there will be taxable profit available against which the temporary difference can be utilised.

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

	Group		Company	
	2016	**2015**	**2016**	**2015**
Reconciliation of deferred tax (liability)/asset				
At beginning of the year	**(19 937 427)**	(28 043 631)	**(20 218 214)**	(31 773 593)
Tax losses available for set off against future taxable income	**(641 360)**	(1 895 088)	**-**	-
Construction contracts	**(13 279 309)**	(10 599 234)	**(13 487 888)**	(8 960 984)
Capital allowances	**(42 507)**	131 896	**(42 507)**	132 725
Provisions	**(18 388)**	63 333	**(18 388)**	63 333
Operating leases	**(28 964)**	101 303	**(28 964)**	128 311
Share appreciation right settlement	**3 331 613**	-	**3 331 613**	-
Share appreciation right settlement prepayment	**(315 740)**	-	**(315 740)**	-
Executive share scheme	**12 000 852**	-	**12 000 852**	-
Bonus accrual	**1 284 096**	3 488 800	**1 396 096**	3 376 800
Capital losses available for future use	**1 425 740**	-	**1 289 496**	-
Trade receivables	**245 648**	-	**245 648**	-
Share appreciation scheme	**(16 448 613)**	16 815 194	**(16 448 613)**	16 815 194
	(32 424 359)	(19 937 427)	**(32 296 609)**	(20 218 214)
Reconciliation of deferred tax (liability)/asset movement in the statement of comprehensive income				
Opening balance	**(19 937 427)**	(28 043 631)	**(20 218 214)**	(31 773 593)
Statement of comprehensive income charge	**(12 486 932)**	8 106 204	**(12 078 395)**	11 555 379
Closing balance	**(32 424 359)**	(19 937 427)	**(32 296 609)**	(20 218 214)
Deferred tax liability				
Tax losses available for set off against future taxable income	**(192 470)**	(192 470)	**-**	-
Construction contracts	**(54 428 680)**	(41 149 365)	**(54 256 299)**	(40 768 411)
Accelerated capital allowances for tax purposes	**(92 994)**	(50 487)	**(92 994)**	(50 487)
Provisions	**180 525**	198 913	**180 525**	198 913
Operating leases	**180 813**	209 777	**180 813**	209 777
Bonus accrual	**4 772 896**	3 376 800	**4 772 896**	3 376 800
Share appreciation right settlement liability	**3 331 613**	-	**3 331 613**	-
Share appreciation right settlement prepayment	**(315 740)**	-	**(315 740)**	-
Executive share scheme	**12 000 852**	-	**12 000 852**	-
Capital losses available for future use	**1 289 496**	-	**1 289 496**	-
Trade receivables	**245 648**	-	**245 648**	-
Share appreciation scheme	**366 581**	16 815 194	**366 581**	16 815 194
Deferred tax liability	**(32 661 460)**	(20 791 638)	**(32 296 609)**	(20 218 214)
Deferred tax asset				
Tax losses available for set off against future taxable income	**100 857**	742 217	**-**	-
Construction contracts	**-**	(6)	**-**	-
Capital losses available for future use	**136 244**	-	**-**	-
Bonus accrual	**-**	112 000	**-**	-
Deferred tax asset	**237 101**	854 211	**-**	-
	(32 424 359)	(19 937 427)	**(32 296 609)**	(20 218 214)
Deferred tax liability				
Deferred tax liability to be recovered within 12 months	**(49 486 916)**	(37 556 345)	**(49 122 065)**	(36 982 921)
Deferred tax liability to be recovered after more than 12 months	**16 825 456**	16 764 707	**16 825 456**	16 764 707
	(32 661 460)	(20 791 638)	**(32 296 609)**	(20 218 214)
Deferred tax asset				
Deferred tax asset to be recovered within 12 months	**237 101**	854 211	**-**	-
Deferred tax asset to be recovered after more than 12 months	**-**	-	**-**	-
	237 101	854 211	**-**	-

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

12. Loans Receivable

Accounting policy

The loan receivable is a financial asset measured at amortised cost. Refer to the financial instrument accounting policy, note 2.11.

During the 2015 financial year, judgement was granted in favour of the Group and Company with respect to the claim against Autumn Star Trading 90 (Pty) Ltd. The defendant subsequently appealed the decision and successfully overturned the original judgement when the appeal was finalised during the current year under review. At year end the carrying amount of the loan is Rnil (2015: 5 756 677) for Group and Company. The loan was unsecured and interest free. Please refer to note 25 and 26 for loans written down.

13. Loans to/(from) Group Companies

Accounting policy

These loans are classified as loans and receivables or financial liabilities measured at amortised cost.

	Group		Company	
	2016	2015	2016	2015
Holding Company				
Calgro M3 Holdings Limited	**393 978 580**	499 502 654	**393 978 580**	499 502 654
The loan is unsecured, interest is charged at a rate as agreed to between the parties from time to time and is repayable on demand. The loan bears interest at 0% (2015: prime plus 3%).				
Fellow Subsidiary				
CTE Consulting Proprietary Limited	**(23 756 270)**	(2 038 227)	**(23 756 270)**	(2 038 227)
The loan is unsecured, interest is charged at a rate as agreed to between the parties from time to time and is repayable on demand. The loan bears interest at 0% (2015: prime plus 3%).				
Subsidiaries				
MS5 Pennyville Proprietary Limited	**-**	-	**(3 403 721)**	30 884 011
The loan is unsecured, interest is charged at a rate as agreed to between the parties from time to time and is repayable on demand. The loan bears interest at 0% (2015: prime plus 3%).				
CM3 Randpark Ridge Ext 120 Proprietary Limited	**-**	-	**(100)**	(5 007 480)
The loan is unsecured, interest is charged at a rate as agreed to between the parties from time to time and is repayable on demand. The loan bears interest at 0% (2015: prime plus 3%).				
MS5 Projects Proprietary Limited	**-**	-	**(18 972 999)**	(15 123 163)
The loan is unsecured, interest is charged at a rate as agreed to between the parties from time to time and is repayable on demand. The loan bears interest at 0% (2015: prime plus 3%).				
PZR Pennyville Zamimphilo Relocation Proprietary Limited	**-**	-	**(2 156 271)**	(39 166 915)
The loan is unsecured, interest is charged at a rate as agreed to between the parties from time to time and is repayable on demand. The loan bears interest at 0% (2015: prime plus 3%).				
Loans to Group Companies	**393 978 580**	499 502 654	**393 978 580**	530 386 665
Loans from Group Companies	**(23 756 270)**	(2 038 227)	**(48 289 361)**	(61 335 785)
	370 222 310	497 464 427	**345 689 219**	469 050 880

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

All loans to Group Companies will be recovered within the next 12 months.

14. Inventories

Accounting policy

Land owned by the Group and Company which is being developed to get into a condition to start construction of the various projects is classified as inventory. The land may also be sold without any construction depending on the intention of management. Inventories are stated at the lower of cost or net realisable value. The cost of land under development held for sale comprises design costs, building materials, indirect labour, borrowing costs and other direct costs.

The amount of any write-down of inventories to net realisable value recognised as an expense in the period which the write-down occurs. The amount of any reversal of any write-down of inventories is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

Significant estimates and judgements

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

	Group		Company	
	2016	2015	**2016**	2015
Opening balance	**22 221 886**	20 585 389	**21 476 977**	19 840 480
Net additions	**7 291 232**	3 535	**4 806 032**	3 535
Borrowing costs capitalised	**1 043 766**	1 632 962	**1 043 766**	1 632 962
Disposals	**(27 914 557)**	-	**(24 668 775)**	-
	2 642 327	22 221 886	**2 658 000**	21 476 977
Inventories to be sold within 12 months	**2 642 327**	6 026 904	**2 658 000**	6 026 904
Inventories to be sold after more than 12 months	**-**	16 194 982	**-**	15 450 073
	2 642 327	22 221 886	**2 658 000**	21 476 977

Group and Company

* The normal operating cycle for inventory, construction contracts and work in progress is considered to be longer than 12 months.

Inventories to the value of R2 658 000 (2015 - R6 026 904) are stated at net realisable value.

15. Construction Contracts

Accounting policy

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

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

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

The Group and Company uses the 'percentage-of-completion method' to determine the appropriate amount to recognise in a given period. The stage of completion is measured by reference to the contract costs incurred up to the end of the reporting period as a percentage of total estimated costs for each contract. Estimates are made by management to calculate the forecasted cost and the forecasted revenue of a project. The estimates used are in terms of an approved feasibility study. Management forecasts are approved by the Board of Directors and if third parties are involved, their approval is also obtained. Management performs monthly reviews of the work in progress schedule to update the forecasts costs and profits.

Costs incurred in the year in connection with future activity on a contract are excluded from contract costs in determining the stage of completion. They are presented as inventories, depending on their nature.

The Group and Company presents as an asset the gross amount due from customers for contract work for all contracts in progress for which costs incurred plus recognised profits (less recognised losses) exceed progress billings. Progress billings not yet paid by customers and retention are included within 'trade and other receivables' (refer to note 16).

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

	Group		Company	
	2016	**2015**	**2016**	**2015**
The aggregate costs incurred and recognised profits to date	**3 508 679 592**	2 494 412 955	**2 947 871 185**	1 944 631 285
Less: Progress billings	**(3 299 985 012)**	(2 325 209 888)	**(2 740 631 036)**	(1 776 882 646)
Net statement of financial position balance for ongoing contracts	**208 694 580**	169 203 067	**207 240 149**	167 748 639
Excess billings over work done classified under trade and other payables	**-**	281 247	**-**	281 246
Statement of financial position balance for ongoing contracts	**208 694 580**	169 484 314	**207 240 149**	168 029 885
Construction contracts to be realised within 12 months	**208 694 580**	155 631 900	**207 240 149**	154 177 471
Construction contracts to be realised after 12 months	**-**	13 852 414	**-**	13 852 414
	208 694 580	169 484 314	**207 240 149**	168 029 885

16. Trade and Other Receivables

Accounting policy

Trade receivables are a financial asset measured at amortised cost. Refer to the financial instruments accounting policy in note 2.11 for further information.

Credit terms of trade receivables and trade receivables with related parties are generally 30 days from statement date.

Trade receivable and retention debtors	**303 276 357**	150 675 542	**303 259 642**	150 257 479
Trade receivables - Third parties	**14 385 418**	1 144 456	**14 368 703**	726 393
Retention debtors - Third parties	**1 554 579**	-	**1 554 579**	-
Trade receivables - Related parties	**254 509 938**	142 691 203	**254 509 938**	142 691 203
Retention debtors - Related parties	**15 032 376**	6 839 883	**15 032 376**	6 839 883
Trade receivables - Land sales ^	**17 794 046**	-	**17 794 046**	-
Prepayments	**-**	2 500 871	**-**	-
Other receivables	**6 984 484**	428 880	**6 984 484**	428 880
Share appreciation rights settlement prepayment (%)	**1 127 641**	-	**1 127 641**	-
Securing deposits	**445 290**	195 292	**403 648**	153 648
Amounts due from executive share scheme - Related parties (#)	**13 288 687**	-	**13 288 687**	-
	325 122 459	153 800 585	**325 064 102**	150 840 007
Financial Instruments	**325 122 459**	151 299 714	**325 064 102**	150 840 007
Non-financial Instruments	**-**	2 500 871	**-**	-
	325 122 459	153 800 585	**325 064 102**	150 840 007

Group and Company

% Refer to note 33 for further details.

This relates to the payable by participants of the Exective Share Scheme with respect to the subscription price for the shares issued under the scheme. Subsequent to year end the balance has been settled. Refer to note 33 and 37 for further details.

Group - Trade receivables and retention debtors fully performing

At 29 February 2016, trade receivables and retention debtors of R294 518 205 (2015: R150 380 897) were fully performing.

Company - Trade receivables and retention debtors fully performing

At 29 February 2016, trade receivables and retention debtors of R294 501 490 (2015: R150 257 479) were fully performing.

^ Trade receivables - land sales with a carrying amount of R17 794 046 are secured by covering bonds that have been registered in favour of the Group and Company in the amount of R18 586 206 over Portion 501 of the Farm Wilgespruit No 190, Registration Division IQ, Gauteng and is repayable in terms of the sale agreement between the parties and bears interest at prime less 4%.

Trade receivables and retention debtors from related parties

	Group		Company	
	2016	2015	2016	2015
Fleurhof Ext 2 (Pty) Ltd	**103 149 213**	69 596 675	**103 149 213**	69 596 676
Aquarella Investments 265 (Pty) Ltd	**4 828 849**	3 128 022	**4 828 849**	3 128 022
South Hills Development Company (Pty) Ltd	**7 090 515**	18 380 545	**7 090 515**	18 380 545
Calgro KuumBA Planning and Design (Pty) Ltd	**111 267**	768 901	**111 267**	768 900
Witpoortjie Calgro M3 Development Company (Pty) Ltd	**68 212 199**	44 484 003	**68 212 199**	44 484 003
Belhar Calgro M3 Development Company (Pty) Ltd	**40 601 349**	13 172 940	**40 601 349**	13 172 940
Calgro M3 Memorial Parks (Pty) Ltd	**45 548 921**	-	**45 548 921**	-
Total	**269 542 314**	149 531 086	**269 542 314**	149 531 086

Trade receivables and retention debtors owing from related parties are not considered past due as they were granted in the normal course of business within the Group and Company's operating cycle of greater than 12 months. The due dates for amounts are determined specifically for each related party. Management of the Group and Company has insight into the financial position of all joint ventures and associates as at 29 February 2016 and do not believe that there are indicators that these amounts are impaired at year end. These receivables bear interest at market related rates.

Group - Trade receivables and retention debtors - third parties past due but not impaired

At 29 February 2016, trade receivables and retention debtors of R8 758 152 (2015: R294 645) were past due but not impaired.

Company - Trade receivables and retention debtors - third parties past due but not impaired

At 29 February 2016, trade receivables and retention debtors of R8 758 152 (2015: Rnil) were past due but not impaired.

Aging of Trade receivables and retention debtors - third parties

	Group		Company	
	2016	2015	2016	2015
Less than 30 days	**7 181 845**	849 811	**7 165 130**	726 393
30 days and older	**8 758 152**	294 645	**8 758 152**	-
Total	**15 939 996**	1 144 456	**15 923 281**	726 393

Group and Company - Trade receivables impairment

At 29 February 2016, trade receivables of Rnil (2015 - Rnil) were written off as bad debt.

No allowance for doubtful debts was raised at 29 February 2016 and none of the trade receivables that are past due are considered to be impaired. The majority of the balance which is past due but not impaired relates to a debtor that does not have a history of defaulting on payments.

Prepayments relating to the Hospital View Development have been written off during the current year as the project will no longer be developed by the Group.

Refer to note 25 for write-downs of prepayments.

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

17. Cash and Cash Equivalents

Accounting policy

Cash and cash equivalents includes cash on hand and deposits held at call with banks.

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

	Group		Company	
	2016	2015	2016	2015
Cash on hand	**2 095**	1 223	**2 061**	1 188
Bank balances	**72 808 586**	111 782 471	**72 807 068**	111 762 093
	72 810 681	111 783 694	**72 809 129**	111 763 281

18. Stated Capital

Accounting policy

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Authorised

1 000 Ordinary no par value shares

	Group		Company	
	2016	2015	2016	2015
Issued				
101 Ordinary no par value shares	**88 561 467**	88 561 467	**88 561 467**	88 561 467
	88 561 467	88 561 467	**88 561 467**	88 561 467

All issued shares are fully paid.

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

19. Other Reserves

Accounting policy

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

	Group 2016	Group 2015	Company 2016	Company 2015
Available for sale financial assets				
Balance at 1 March 2015	**-**	-	**-**	-
Revaluation	**(10 179 716)**	-	**(10 179 716)**	-
Total - Other comprehensive income	**(10 179 716)**	-	**(10 179 716)**	-
Balance at 29 February 2016	**(10 179 716)**	-	**(10 179 716)**	-

Refer to note 8 for details of available for sale financial assets.

20. Borrowings

Accounting policy

Borrowings are classified as financial liabilities at amortised cost. Refer to the financial instruments accounting policy, note 2.11 for further details.

Borrowings are classified as current liabilities based on the operating cycle of the Group and Company (refer to note 2.2).

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan. The fee is amortised over the life of the facility.

	Interest Rate	Expiration date	2016	2015	2016	2015
Bond exchange						
Floating rate note - CGR 8	JIBAR plus 10%	22 July 2015	**-**	22 500 000	**-**	22 500 000
Floating rate note - CGR 10	JIBAR plus 5.3%	08 Thursday 2016	**19 852 197**	50 000 000	**19 852 197**	50 000 000
Fixed rate note - CGR 11	12.05% per annum	28 March 2016	**-**	56 000 000	**-**	56 000 000
Floating rate note - CGR 13	JIBAR plus 4.5%	27 June 2016	**117 062 547**	222 000 000	**117 062 547**	222 000 000
Floating rate note - CGR 14	JIBAR plus 4.75%	13 February 2018	**30 000 000**	30 000 000	**30 000 000**	30 000 000
Floating rate note - CGR 15	JIBAR plus 4%	21 July 2017	**24 000 000**	24 000 000	**24 000 000**	24 000 000
Floating rate note - CGR 16	JIBAR plus 3.4%	22 September 2017	**49 000 000**	49 000 000	**49 000 000**	49 000 000
Floating rate note - CGR 17	JIBAR plus 3.7%	24 October 2017	**40 000 000**	40 000 000	**40 000 000**	40 000 000
Floating rate note - CGR 18	JIBAR plus 3.2%	4 May 2018	**30 000 000**	-	**30 000 000**	-
Floating rate note - CGR 19	JIBAR plus 3.2%	4 June 2018	**30 000 000**	-	**30 000 000**	-
Floating rate note - CGR 20	JIBAR plus 3.2%	4 July 2018	**15 000 000**	-	**15 000 000**	-
Floating rate note - CGR 21	JIBAR plus 4.5%	12 October 2020	**70 000 000**	-	**70 000 000**	-
Floating rate note - CGR 22	JIBAR plus 1.5%	13 February 2018	**70 000 000**	-	**70 000 000**	-
Floating rate note - CGR 23	JIBAR plus 4%	8 February 2019	**25 000 000**	-	**25 000 000**	-
Floating rate note - CGR 24	JIBAR plus 5%	1 February 2020	**20 000 000**	-	**20 000 000**	-
Transaction cost amortisation*			**(1 451 279)**	(1 368 056)	**(1 451 279)**	(1 368 056)
Bond exchange			**538 463 465**	492 131 944	**538 463 465**	492 131 944

All borrowings are unsecured.

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

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

	Group		Company	
	2016	2015	2016	2015
Borrowings to be settled within 12 months	**136 914 744**	22 500 000	**136 914 744**	22 500 000
Borrowings to be settled after more than 12 months	**401 548 721**	469 631 944	**401 548 721**	469 631 944
	538 463 465	492 131 944	**538 463 465**	492 131 944

General

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

21. Trade and Other Payables

Accounting policy

Trade payables are financial instruments measured at amortised cost. Refer to the financial instruments accounting policy, note 2.11.

	Group		Company	
	2016	2015	2016	2015
Trade payables	**94 197 077**	98 025 886	**94 192 458**	98 018 209
Retention creditors	**26 675 916**	15 849 417	**26 675 916**	15 849 417
Accrued expenses	**32 706 658**	27 605 675	**32 706 657**	26 928 087
Value Added Tax	**6 763 737**	7 303 387	**5 872 742**	4 931 938
Accrual for leave pay	**544 832**	610 503	**544 732**	610 403
Share appreciation rights liabilities	**1 309 217**	60 054 266	**1 309 217**	60 054 266
Calgro M3 Executive Share Scheme subscription price liability	**38 836 294**	-	**38 836 294**	-
Share appreciation rights settlement liability	**11 898 617**	-	**11 898 617**	-
Calgro M3 Executive Share Scheme Liability	**69 172 876**	-	**69 172 876**	-
Deposits received	**-**	22 000	**-**	22 000
Income received in advance	**-**	800 000	**-**	800 000
Excess billings over work done	**-**	281 247	**-**	281 246
	282 105 224	210 552 381	**281 209 509**	207 495 566
Financial instruments	**153 579 651**	141 502 978	**153 575 031**	140 817 713
Non-financial instruments	**128 525 573**	69 049 403	**127 634 478**	66 677 853
	282 105 224	210 552 381	**281 209 509**	207 495 566

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

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

22. Revenue

Accounting policy

The Group and Company earns revenue from the sale of land, through the rendering of services and construction contracts.

(a) Sale of developed land

The sale of developed land relates to the sale of land, classified as inventory, which is either developed or not. Revenue is recognised when the land is sold and all documents of ownership has been transferred.

(b) Rendering of services

The rendering of services relates to revenue generated from professional services provided by the Group e.g. townplanning etc. Revenue is recognised at the date that these services are rendered.

(c) Construction contracts

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

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

Significant judgement and source of estimation uncertainty

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

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

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

The Group considers the customers ability to specify the major structural elements of the design with respect to a construction agreement, before both the commencement of construction and during construction, when determining whether a construction agreement should be accounted for within the scope of IAS 11 Construction Contracts or IAS 18 Revenue.

	Group		Company	
	2016	2015	**2016**	2015
Sale of developed land	**24 179 238**	-	**24 179 238**	-
Rendering of services	**-**	495 225	**-**	495 225
Construction contracts	**1 166 527 093**	796 611 768	**1 165 681 450**	794 727 901
	1 190 706 331	797 106 993	**1 189 860 688**	795 223 126

23. Cost of Sales

Sale of developed land	**27 914 557**	-	**24 668 775**	-
Commissions	**5 423 562**	6 854 486	**1 999 134**	-
Construction costs	**899 070 576**	644 469 553	**901 654 776**	651 454 221
	932 408 695	651 324 039	**928 322 684**	651 454 221

24. Other Income

Accounting policy

(a) Dividend income

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

(b) Rental income

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

(c) Management fees

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

	Group		Company	
	2016	2015	2016	2015
Bond commissions	**969 690**	840 798	**441 569**	30 337
Dividends received	**-**	-	**7 539 172**	-
Insurance refunds	**293 910**	229 512	**293 910**	229 512
Management fees	**5 412 733**	4 586 105	**5 650 669**	10 663 369
Rental income #	**-**	252 000	**-**	252 000
SETA refunds and other income	**287 578**	526 509	**239 513**	504 272
	6 963 911	6 434 924	**14 164 833**	11 679 490

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

25. Expense by Nature

Administration and management fees	**10 845 755**	37 310 967	**17 195 755**	53 810 967
Advertising	**3 760 708**	2 127 217	**3 760 708**	2 127 217
Auditors remuneration	**1 391 058**	1 289 575	**1 283 058**	1 075 962
Bad debts recovered	**-**	(3 765)	**-**	(3 765)
Computer expenses	**1 816 931**	1 763 165	**1 816 931**	1 763 165
Net Construction costs	**899 070 576**	644 469 553	**901 654 776**	651 454 221
Construction costs	**938 280 842**	656 330 592	**940 865 137**	661 421 715
Movement in construction contracts	**(39 210 266)**	(11 861 039)	**(39 210 361)**	(9 967 494)
Loss/(profit) on disposal of property, plant and equipment	**48 015**	(83 408)	**22 465**	(83 431)
Depreciation on property, plant and equipment and amortisation on computer software	**1 286 617**	1 584 855	**1 277 619**	1 559 950
Donations	**28 200**	4 200	**28 200**	4 200
Fines, penalties and interest	**6 427**	43	**6 362**	43
Insurance	**761 885**	805 572	**761 885**	805 572
Commission	**5 423 562**	6 854 486	**1 999 134**	-
Net Land development costs	**27 914 557**	-	**24 668 775**	-
Land development costs	**5 834 126**	1 636 497	**5 849 798**	1 636 497
Write-down of prepayments	**2 500 872**	-	**-**	-
Movement in inventory	**19 579 559**	(1 636 497)	**18 818 977**	(1 636 497)
Lease rentals on operating leases	**5 154 334**	4 632 600	**4 884 853**	4 377 794
Legal fees	**1 311 583**	900 063	**1 153 284**	900 063
Motor vehicle expenses	**1 260 758**	1 343 631	**954 114**	941 354
Printing and stationery	**477 001**	366 309	**477 001**	366 309
Professional fees	**478 174**	1 438 003	**478 174**	1 438 003
Total employee costs	**98 283 301**	77 304 631	**97 939 931**	76 632 513
Executive share scheme expense	**47 933 171**	-	**47 933 171**	-
Employee costs	**37 194 659**	32 072 692	**36 851 289**	31 400 574
Share Appreciation Rights (credit)/expense	**(11 585 341)**	45 231 939	**(11 585 341)**	45 231 939
Share Appreciation Rights Settlement Expense	**24 740 812**	-	**24 740 812**	-
Sponsorships	**365 000**	796 347	**365 000**	796 347
Sundry expenses	**5 003 114**	4 363 007	**4 934 878**	4 312 303
Social corporate responsibilities	**671 085**	-	**671 085**	-
Telephone and fax	**838 373**	963 625	**799 007**	926 923
Write-down of loan	**5 756 677**	-	**5 756 677**	-
Total cost of sales, administration expenses and other expenses	**1 071 953 690**	788 230 676	**1 072 889 671**	803 205 709

26. Other Expenses

	Group		Company	
	2016	**2015**	**2016**	**2015**
Write-down of loan	**5 756 677**	-	**5 756 677**	-
	5 756 677	-	**5 756 677**	-

27. Finance Income

Accounting policy

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

Bank	**5 131 876**	2 313 497	**5 131 876**	2 282 983
Trade receivables	**1 088 565**	-	**1 088 565**	-
SARS	**11 351**	-	**10 582**	-
Related parties	**20 106 750**	62 589 460	**20 106 750**	66 141 107
	26 338 542	64 902 957	**26 337 773**	68 424 090

28. Finance Cost

Accounting policy

Borrowing costs that are directly attributable to the acquisition, construction or production of 'land under development' (classified as inventories) are capitalised as part of its cost.

Borrowing costs that are directly attributable to the construction of the developments are treated as part of the construction contract costs.

The amount of borrowing costs eligible for capitalisation is determined as follows:

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

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

Bank	**820 675**	386 503	**820 675**	386 759
Finance leases	**-**	8 178	**-**	8 178
Related parties	**-**	63 195	**-**	5 270 085
Trade payables	**-**	522	**-**	439
Interest-bearing borrowings	**56 380 962**	53 234 395	**56 380 962**	53 234 395
Finance cost	**57 201 638**	53 692 793	**57 201 638**	58 899 856
Less: amounts capitalised on qualifying assets (inventory)	**(1 043 766)**	(1 632 962)	**(1 043 766)**	(1 632 962)
	56 157 872	52 059 831	**56 157 872**	57 266 894

29. Taxation

Accounting policy

The majority of the companies within the Group are South African tax residents and will therefore pay taxes according to the rates applicable in South Africa which were enacted or substantively enacted at the reporting date. Most taxes are recorded in the statement of comprehensive income and relates to taxes payable for the reporting period or any a to tax payable in respect of previous years (current tax). The charge also includes benefits and charges relating to when income and expenses are recognised in a different period for tax and accounting purposes (deferred tax).

	Group		Company	
	2016	2015	2016	2015
Major components of the income tax expense				
Current tax				
Local income tax - current period	**13 849 723**	14 640 208	**13 796 199**	14 513 109
Local income tax - recognised in current tax for prior periods	**(230 517)**	(36 497)	**(230 517)**	-
	13 619 206	14 603 711	**13 565 682**	14 513 109
Deferred				
Current year	**12 175 667**	(6 173 036)	**11 767 124**	(13 275 900)
Prior year over provlsion	**311 265**	(1 933 167)	**311 270**	1 720 521
	12 486 932	(8 106 203)	**12 078 394**	(11 555 379)
	26 106 138	6 497 508	**25 644 076**	2 957 730
Reconciliation of income tax expense				
Applicable tax rate	**28.00%**	28.00%	**28.00%**	28.00%
Disallowable charges	**0.47%**	1.83%	**0.44%**	3.49%
Non-taxable income - dividends	**-%**	-%	**(2.08%)**	-%
Over provision for deferred tax prior years	**0.09%**	(6.08%)	**0.08%**	(11.58%)
Share of profit/(loss) of associates - Nett of tax	**0.08%**	(0.87%)	**-%**	-%
Executive share scheme	**(1.54%)**	-%	**(1.45%)**	-%
Capital gains tax	**0.19%**	-%	**0.32%**	-%
Effective tax rate	**27.29%**	22.88%	**25.31%**	19.91%

The estimated tax loss for the Group available for set off against future taxable income is R357 243 (2015: R2 647 817).

30. Cash Generated from Operations

Profit before taxation	**95 651 008**	28 400 581	**101 315 751**	14 854 103
Adjustments for:				
Depreciation	**1 149 661**	1 381 496	**1 140 662**	1 356 590
Loss/(profit) on disposal of property, plant and equipment	**48 015**	(83 408)	**22 465**	(83 408)
Finance income	**(26 338 542)**	(64 902 957)	**(26 337 773)**	(68 424 090)
Finance cost	**56 157 872**	52 059 831	**56 157 872**	57 266 894
Executive share scheme expense	**47 933 171**	-	**47 933 171**	-
Share Appreciation Rights Settlement Expense	**24 740 812**	-	**24 740 812**	-
Write-down of loan	**5 756 677**	-	**5 756 677**	-
Write-down of prepayments	**2 500 872**	-	**-**	-
Amortisation of intangible assets	**136 956**	203 359	**136 956**	203 359
Share of profit of associate - Net of tax	**246 214**	(246 214)	**-**	-
Other	**16 158**	-	**450**	-
Changes in working capital:				
Inventories	**20 607 652**	-	**19 862 743**	-
Trade and other receivables	**(340 021 213)**	(4 041 517)	**(347 949 034)**	(4 761 913)
Construction contracts	**(39 210 266)**	(11 861 039)	**(39 210 264)**	(9 967 397)
Trade and other payables	**(16 955 033)**	74 220 231	**613 693**	97 335 831
	(167 579 986)	75 130 363	**(155 815 820)**	87 779 969

31. Tax Paid

Balance at beginning of the year	**2 037 730**	251 350	**1 936 857**	213 740
Current tax for the year	**(13 619 206)**	(14 603 711)	**(13 565 682)**	(14 513 109)
Balance at end of the year	**(2 214 096)**	(2 037 730)	**(2 149 675)**	(1 936 857)
	(13 795 572)	(16 390 091)	**(13 778 500)**	(16 236 226)

32. Commitments

Accounting policy

Financial guarantee contracts are recognised as financial liabilities at the date the guarantee is issued. Liabilities arising from financial guarantee contracts, are initially recognised at fair value and subsequently at the higher of:

- the amount determined in accordance with IAS 37, 'Provisions, contingent liabilities and contingent assets'; and
- the amount initially recognised (fair value) less, when appropriate, cumulative amortisation of the initial amount recognised is in accordance with IAS 18 'Revenue'.

The fair value of the financial guarantee is determined as the Group and Companies' exposure with regards to the net realisable value of the inventories pledged as security and the outstanding debt on the mortgage bonds.

Operating Lease

The Group and Company has bound itself to a rental agreement for the Head office in Bryanston, Gauteng until August 2025. The amount payable in the following 12 months is R3 156 265, with an amount of R19 707 786 payable wthin 2 to 5 years and the remaining balance of R18 652 894 payable after 5 years. The lease agreement has an escalation clause of 7.5% effective in the month of September.

33. Share-Based Payments

Accounting policy

Share-based payments are remuneration payments to selected employees that take the form of award schemes in the Group. The Group's award schemes are all settled in cash, i.e. the employees do not receive shares or options at settlement. The year in which the employee renders services to the Group to obtain the award is the year in which the expense is recognised in the statement of comprehensive income with a corresponding increase recognised in the liability. The expense is determined by measuring the fair value of the liability at each year end.

If the share-based payments granted do not vest until the counter party completes a specified period of service, the Group accounts for those services as they are rendered by the counter party during the vesting period, or on a straight line basis over the vesting period.

If the share-based payments vest immediately, the services received are recognised in full.

If the terms of a scheme are modified, at a minimum an expense is recognised as if the terms had not been modified. An additional expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

Significant judgement and source of estimation uncertainty

Management used the Binomial Tree Valuation method to determine the value of the Share Appreciation Rights at issue date.

Group and Company

Share Appreciation Rights Scheme

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

During the current year, all Directors and selected employees who were previously granted Share Appreciation Rights (SAR's) were given the option to either continue on the SAR scheme, agree a settlement value for their unvested SAR's with the Group or modify their unvested SAR's to the Calgro M3 Executive Share Scheme.

The share appreciation rights scheme was amended following the respective elections of the participants which has been outlined below:

1) One individual cancelled 50% of his unvested SAR's and agreed new settlement terms. The remaining 50% of his unvested SAR's is still on the scheme
2) Eight individuals converted 100% of the unvested SAR's from the SAR scheme to the Executive Share Scheme
3) Four individuals cancelled 100% of their unvested SAR's and agreed new settlement terms

The details of the arrangement is described below:

	Category 1		Category 2			
	Issue 1	**Issue 2**	**Issue 1**	**Issue 2**	**Issue 3**	**Issue 4**
Date of grant	1 Mar 2012	1 Mar 2014	1 Mar 2012	1 Sept 2012	1 Sept 2014	30 Sept 2014
Number of instruments granted	4 850 000	1 744 839	4 200 000	600 000	600 000	600 000
Number of options exercised	(3 233 333)	-	(900 000)	(150 000)	-	-
Number of options forfeited	-	-	(600 000)	-	-	-
Number of options settled	(700 000)	(939 529)	(900 000)	-	-	(300 000)
Number of options converted to Executive Share Scheme	(916 667)	(805 310)	(1 800 000)	(450 000)	(600 000)	-
Strike price at grant date	4.08	6.46	4.08	4.08	7.74	7.78
Contractual life (Option life)	48 months	36 months	72 months	72 months	54 months	53 months
Vesting conditions	If the price at each vesting date exceeds the hurdle price					
Settlement	Cash	Cash	Cash	Cash	Cash	Cash
Share appreciation rights (SAR) reconciliation						
SAR's not vested at 1/3/2015	1 616 667	1 744 839	2 700 000	450 000	600 000	600 000
Settled	(700 000)	(939 529)	(900 000)	-	-	(300 000)
Converted to Executive Share Scheme	(916 667)	(805 310)	(1 800 000)	(450 000)	(600 000)	-
SAR's not vested at 29/2/2016	-	-	-	-	-	300 000
Share appreciation rights (SAR) exercised reconciliation						
SAR's vested not exercised at 1/3/2015	1 616 667	-	900 000	150 000	-	-
Forfeited	-	-	-	-	-	-
Exercised	(1 616 667)	-	(900 000)	(150 000)	-	-
SAR's vested not exercised at 29/2/2016	-	-	-	-	-	-

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

Category 2	Issue 4	25% of the SARS will vest annually from 1 March 2016 until 1 March 2019

The spot price on 29 February 2016 was R18.20. The strike price or allocation price is the price at which the SARs scheme is granted to the employee and is used to calculate the benefit payable to the employee. A 30 day average spot price, measured 30 days prior to the vesting date was applied to calculate the strike price.

The volatility used in the valuation was 38.81%. The ZAR zero coupon swap curve as at the valuation date was used as the risk free rate.

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

	Group and Company	
	2016	2015
Expense		
Share appreciation rights credit/(expense)	**11 585 341**	(45 231 939)
Liability		
Share appreciation rights liabilities	**(1 309 217)**	(60 054 266)
Share appreciation rights liability		
Reconciliation of SARs liability		
Opening balance at 1 March 2015	**(60 054 266)**	**-**
SARs vested to participants on 1 March 2015	**25 920 003**	**-**
Participants settled in cash	**12 636 000**	**-**
Participants elected to offset this amount against the subscription price in respect of the Executive Share Scheme	**13 284 003**	**-**
Participant remaining on SAR scheme		
Share based payment charge for the year recognised in statement of comprehensive income	**(965 660)**	**-**
Individuals converted unvested SARs to Executive Share Scheme		
The associated liability for these individuals has been re-classified to the Executive Share Scheme Liability	**21 239 704**	**-**
Individuals cancelled their unvested SARs		
The associated liability has been derecognised through the statement of comprehensive income	**12 551 002**	**-**
Closing balance at 29 February 2016	**(1 309 217)**	**-**

Share appreciation rights settlement liability

5 individuals elected to exit the cash-settled share appreciation rights scheme on 1 March 2015. On exit of the scheme, a settlement amount was negotiated with each of these individuals. The terms of the settlement payment were specific to each individual and may have included an associated service period.
The settlement agreement is no longer considered to be a share based payment as the settlement amount is not based on the equity of the Group, and is therefore accounted for in terms of IAS 19 Employee Benefits.

At 1 March 2015, the associated share appreciation rights liability of R12 551 002 was derecognised (refer to reconciliation above) and an expense based on the settlement agreement was recognised during the 2016 financial year.

Expense		
Share appreciation rights settlement expense	**(24 740 812)**	-
Asset		
Share appreciation rights settlement prepayment	**1 127 641**	-
Liability		
Share appreciation rights settlement liability	**(11 898 617)**	-
Reconciliation of SAR Settlement Asset / (Liability)		
Opening balance at 1 March 2015	**-**	-
Expense for the year	**(24 740 812)**	-
Cash payment made to employees and Directors	**13 969 837**	-
Prepayment at 29 February 2016 *	**(1 127 641)**	-
Payable at 29 February 2016 *	**(11 898 617)**	-

* The prepayment has been disclosed in note 16 and the payable has been disclosed in note 21.

Calgro M3 Executive Share Scheme

The Executive Share Scheme was approved by the shareholders of Calgro M3 Holdings Limited (Holding company) in July 2015 whereby 10,215,572 shares in Calgro M3 Holdings were made available to participants of the Scheme at a subscription price of R4.08. Only individuals who were currently allocated SARs and elected to convert at least 75% of their unvested SARS into the new scheme were eligible to participate in the new scheme. 9 518 700 shares were granted to individuals during the year and 696,872 shares were not taken up. The Calgro M3 Executive Share Scheme is considered to be a modification of the SAR scheme. Under the Executive Share Scheme, participants are allocated shares in line with the scheme rules and are required to subscribe for these shares at R4.08 per share. There are no performance conditions related to this scheme, other than the service period as outlined below.

Shares issued under the scheme may not be sold by participants until the release dates stipulated in the scheme rules as outlined below.

In terms of IFRS 2 Share Based Payments, the above scheme is considered to be cash settled from the persepective of Calgro M3 Developments Limited and equity settled from the perspective of Calgro M3 Holdings Limited.

The spot price on 29 February 2016 was R18.20. The strike price or allocation price is the price at which the SAR scheme is granted to the employee and is used to calculate the benefit payable to the employee. A 30 day average spot price, measured 30 days prior to the vesting date was applied to calculate the strike price.

The volatility used in the valuation was 38.81%. The ZAR zero coupon swap curve as at the valuation date was used as the risk free rate.

Reconciliation of subscription price for shares issued:

Total amount to be received for subscription of shares	38 836 294
Cash received	(8 113 137)
Offset against 2015 bonus	(4 150 466)
Offset against exercised SARs	(13 284 003)
Balance receivable by Group and Company included under Trade and other receivables	**13 288 688**

	Number of shares granted	Service commencement date	50% trading restriction - release date 1	50% trading restriction - release date 2	Service period	Final release date	Value
Category 1	1 050 069	1-Mar-15	1-Mar-17	1-Mar-18	3 years	1-Mar-18	10 867 613
Category 2	2 090 618	1-Mar-15	1-Mar-19	1-Mar-20	5 years	1-Mar-20	42 499 581
Category 3	6 378 012	1-Mar-15	1-Mar-20	1-Mar-21	6 years	1-Mar-21	15 805 681
Total	**9 518 700**						**69 172 876**

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

	Group and Company	
	2016	2015
Expense		
Executive share scheme expense	**(47 933 172)**	-
Liability		
Executive share scheme liability	**(69 172 876)**	-
Reconciliation of Executive Share Scheme liability		
Opening balance at 1 March 2015	**-**	-
Individuals converted unvested SARs to Executive Share Scheme		
The associated liability for these individuals was re-classified from the SAR liability	**(21 239 704)**	-
Modification from the SAR Scheme to the Executive Share Scheme		
Additional expense recognised in the statement of comprehensive income at modifcation date as if terms of the Executive Share Scheme were always in place	**(12 568 744)**	-
2016 share-based payment expense		
Share-based payment charge for the year recognised in statement of comprehensive income	**(35 364 428)**	-
Closing balance at 29 February 2016	**(69 172 876)**	-

34. Employee Costs

Accounting policy

(a) Defined contribution plans

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

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

(b) Short-term benefits

The costs of short-term employee benefits include those payable within 12 months after the service is rendered, such as paid vacation leave, sick leave, and bonuses.

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

(c) Bonus plans

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

	Group		Company	
	2016	2015	2016	2015
Salary and wages	**159 093 671**	134 820 698	**154 566 954**	124 303 990
Less: amounts allocated to qualifying assets (construction contracts)	**(60 159 062)**	(57 516 067)	**(55 975 715)**	(47 671 477)
Total employee costs and share appreciation rights settlement	**98 934 608**	77 304 631	**98 591 238**	76 632 513

35. Related Parties

All subsidiaries are considered related parties to the Group and Company. Refer to note 9 for a detailed list of all subsidiaries.

All associates are considered related parties to the Group and Company. Refer to note 10 for a detailed list of all associates.

(a) Related party balances

(i) Loans to/(from) Group Companies

During the period loans have been issued to/(received from) Group Companies, refer to note 13 for details.

(ii) Receivables from Group Companies, Joint Ventures and Associates of the Holding Company

During the period, the Group and Company obtained receivables from Group Companies and Joint Ventures and Associates of the Holding Company, refer to note 16.

(iii) Receivables from Directors relating to the Executive Share Scheme

BG Blieden - vendor finance loan *	**710 810**	-	**710 810**	-
	710 810	-	**710 810**	-

* - These loans are unsecured, repayable in terms of a vendor finance agreements and bears interest at prime.

(iv) Payables to Directors relating to share appreciation rights settlement liability

FJ Steyn	**(928 423)**	-	**(928 423)**	-
CTE le Roux	**(791 002)**	-	**(791 002)**	-
DN Steyn	**(7 440 633)**	-	**(7 440 633)**	-
	(9 160 059)	-	**(9 160 059)**	-

(v) Payables to Directors with respect to the shares issued in terms of the Calgro M3 Executive Share Scheme

BP Malherbe	**(4 284 283)**	-	**(4 284 283)**	-
WJ Lategan	**(9 360 393)**	-	**(9 360 393)**	-
W Williams	**(4 426 047)**	-	**(4 426 047)**	-
WA Joubert	**(3 886 454)**	-	**(3 886 454)**	-
BG Blieden	**(2 843 241)**	-	**(2 843 241)**	-
	(24 800 418)	-	**(24 800 418)**	-

(b) Related party transactions

(i) Key management personnel compensation

	Group		Company	
	2016	2015	2016	2015
Employee benefits - Directors	**67 016 515**	30 615 808	**38 854 972**	30 615 808
	67 016 515	30 615 808	**38 854 972**	30 615 808

(ii) Transactions with Group Companies and Joint Ventures and Associates of the Holding Company

Finance income received				
MS5 Pennyville Proprietary Limited	**-**	-	**-**	(3 521 205)
CTE Consulting Proprietary Limited	**-**	(123 884)	**-**	(123 884)
Calgro M3 Holdings Limited	**-**	(57 933 753)	**-**	(57 964 195)
Aquarella Investments 265 Proprietary Limited	**(469 187)**	(1 295 660)	**(469 187)**	(1 295 660)
Fleurhof Ext 2 Proprietary Limited	**(13 977 576)**	-	**(13 977 576)**	-
Witpoortjie Calgro M3 Development Company Proprietary Limited	**(5 267 625)**	(3 096 055)	**(5 267 625)**	(3 096 055)
South Hills Development Company Proprietary Limited	**(392 362)**	(140 108)	**(392 362)**	(140 108)
	(20 106 750)	(62 589 460)	**(20 106 751)**	(66 141 107)
Finance costs paid				
CTE Consulting Proprietary Limited	**-**	63 195	**-**	63 195
PZR Pennyville Zamimphilo Relocation Proprietary Limited	**-**	-	**-**	3 183 612
MS5 Projects Proprietary Limited	**-**	-	**-**	1 452 296
CM3 Randpark Ridge Ext 120 Proprietary Limited	**-**	-	**-**	570 982
	-	63 195	**-**	5 270 085
Construction fees received				
PZR Pennyville Zamimphilo Relocation Proprietary Limited	**-**	-	**-**	(548 094)
Fleurhof Ext 2 Proprietary Limited	**(641 197 372)**	(417 232 111)	**(641 197 372)**	(417 232 111)
Aquarella Investments Proprietary Limited	**(797 086)**	(13 203 809)	**(797 086)**	(13 203 809)
Clidet No 1014 Proprietary Limited	**-**	(1 568 189)	**-**	(1 568 189)
Sabre Homes Projects Proprietary Limited	**-**	(87 217)	**-**	-
Witpoortjie Calgro M3 Development Company Proprietary Limited	**(26 184 169)**	(48 463 402)	**(26 184 169)**	(48 463 402)
Calgro Kuumba Planning & Design Proprietary Limited	**(10 405 416)**	(2 500 236)	**(10 405 416)**	(2 500 236)
Calgro M3 Private Memorial Parks Proprietary Limited	**(46 799 988)**	(4 553 797)	**(46 799 988)**	(4 553 797)
Belhar Calgro M3 Development Company Proprietary Limited	**(108 860 838)**	(17 996 640)	**(108 860 838)**	(17 996 640)
South Hills Development Company Proprietary Limited	**(125 932 956)**	(18 138 368)	**(125 932 956)**	(18 138 368)
	(960 177 826)	(523 743 769)	**(960 177 826)**	(524 204 646)
Management fees received				
MS5 Projects Proprietary Limited	**-**	-	**(237 937)**	(5 773 718)
PZR Pennyville Zamimphilo Relocation Proprietary Limited	**-**	-	**-**	(303 546)
CTE Consulting Proprietary Limited	**(5 412 733)**	(4 586 105)	**(5 412 733)**	(4 586 105)
	(5 412 733)	(4 586 105)	**(5 650 670)**	(10 663 369)
Service fees received from related parties				
Witpoortjie Calgro M3 Development Company Proprietary Limited	**-**	248 226	**-**	248 226
	-	248 226	**-**	248 226

	Group		Company	
	2016	**2015**	**2016**	**2015**
Dividends received				
CM3 Randpark Ridge Ext 120 Proprietary Limited	**-**	-	**(12 699)**	-
MS5 Pennyville Proprietary Limited	**-**	-	**(7 526 473)**	-
	-	-	**(7 539 172)**	-
Commission fees paid				
MS5 Projects Proprietary Limited	**-**	-	**3 429 682**	6 750 359
Ridgewood Estate Proprietary Limited	**1 050 000**	-	**1 050 000**	-
	1 050 000	-	**4 479 682**	6 750 359
Management fees paid				
Calgro M3 Holdings Limited	**2 900 000**	3 200 000	**2 900 000**	3 200 000
Calgro M3 Land Proprietary Limited	**7 802 733**	32 610 967	**7 802 733**	32 610 967
Business Venture Investments No 1244 Proprietary Limited	**-**	3 500 000	**-**	3 500 000
Hightrade-Invest 60 Proprietary Limited	**-**	1 000 000	**-**	1 000 000
CM3 Witkoppen Ext 131 (Pty) Ltd	**5 643 022**	-	**5 643 022**	-
PZR Pennyville Zamimphilo Relocation Proprietary Limited	**-**	-	**-**	8 000 000
MS5 Projects Proprietary Limited	**-**	-	**850 000**	5 500 000
	16 345 755	40 310 967	**17 195 755**	53 810 967
Marketing fees paid				
MS5 Projects Proprietary Limited	**-**	-	**813 273**	2 913 564
	-	-	**813 273**	2 913 564

(iii) Shares issued to Directors with respect to the Calgro M3 Executive Share scheme - Group and Company

Directors	Share based payment expense for 2016 FY *	Number of shares granted	Grant date	50% trading restriction - release date 1	50% trading restriction - release date 2
BP Malherbe	8 077 904	1 050 069	1-Mar-15	1-Mar-17	1-Mar-18
WJ Lategan	9 985 661	2 294 214	1-Mar-15	1-Mar-20	1-Mar-21
W Williams	4 616 991	1 084 815	1-Mar-15	1-Mar-20	1-Mar-21
WA Joubert	2 811 334	952 562	1-Mar-15	1-Mar-20	1-Mar-21
BG Blieden	2 669 653	696 873	1-Mar-15	1-Mar-19	1-Mar-20
	28 161 543	6 078 534			

* This amount relates to the share based payment expense recognised in the statement of comprehensive income and is not a cash consideration paid to Directors.

Refer to note 33 for further details of share based compensation benefits.
Refer to note 33 for further details on the Calgro M3 Executive Share Scheme.

36. Contingent Assets and Liabilities

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

37. Directors' Emoluments

Executive Directors

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

	Remuneration and other benefits			Pension	
	Salary and expense allowance as a Director	Cash settled SAR settlement	Performance related	On behalf of the director to a pension scheme	Total
Group and Company - 2016					
BP Malherbe	**2 895 215**	**-**	**2 060 307**	**3 000**	**4 958 522**
WJ Lategan	**2 403 218**	**-**	**2 060 307**	**107 497**	**4 571 022**
FJ Steyn	**2 263 314**	**7 440 633**	**1 648 245**	**104 903**	**11 457 095**
DN Steyn	**2 201 867**	**7 440 633**	**1 648 245**	**3 000**	**11 293 745**
BG Blieden	**1 443 882**	**-**	**746 002**	**65 528**	**2 255 412**
WA Joubert	**1 210 079**	**-**	**1 236 184**	**2 250**	**2 448 513**
W Williams	**1 308 911**	**-**	**559 502**	**2 250**	**1 870 663**
	13 726 486	**14 881 266**	**9 958 792**	**288 428**	**38 854 972**
Group and Company - 2015					
BP Malherbe	2 541 552	3 392 561	2 944 118	3 000	8 881 231
WJ Lategan	2 037 441	6 909 331	2 355 294	94 672	11 396 738
FJ Steyn	2 088 735	3 163 546	2 355 294	97 237	7 704 812
DN Steyn	2 063 319	3 163 546	2 355 294	3 000	7 585 159
BG Blieden	1 337 765	3 046 366	400 000	60 888	4 845 019
	10 068 812	19 675 350	10 410 000	258 797	40 412 959

	Group		Company	
Summary	**2016**	**2015**	**2016**	**2015**
Executive Directors	**38 854 972**	40 412 959	**38 854 972**	40 412 959
	38 854 972	40 412 959	**38 854 972**	40 412 959

Prescribed officers

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

	Date appointed as prescribed officer	Date resigned as a prescribed officer	Contract expiry
W Williams	1/3/2014	01/06/2015	1 month notice

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

2016 - Group and Company	Remuneration and other benefits		Pension	
	Salary and expense allowance as a prescribed officer	Performance related	On behalf of the prescribed officer to a pension scheme	Total
W Williams	**379 519**	**412 061**	**750**	**792 331**
	379 519	**412 061**	**750**	**792 331**

The prescribed officers' have been restated for the prior year in line with the re-assessment and restatement of the segmental reporting.

2015 - Group and Company (restated)	Remuneration and other benefits			Pension	
	Salary and expense allowance as a prescribed officer	Cash settled SAR settlement	Performance related	On behalf of the prescribed officer to a pension scheme	Total
W Williams	1 448 079	3 417 834	375 000	3 000	5 243 913
	1 448 079	**3 417 834**	**375 000**	**3 000**	**5 243 913**

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

2015 - Company (before restatement)	Short term employee benefits		
Prescribed officer 3	1 427 851	83 239	1 511 090
Prescribed officer 5	1 844 978	3 000	1 847 978
Prescribed officer 6	679 186	14 130	693 316
	3 952 015	**100 369**	**4 052 384**

Share Appreciation Right Scheme (SAR) issued to Directors:

		Movement			Value of SAR's granted	
Directors	Exercised	Settled	Converted	Feb-15 Total	Feb-16	Feb-15
BP Malherbe	(250 000)	-	(697 394)	947 394	-	5 219 710
WJ Lategan	(666 667)	-	(1 024 583)	1 691 249	-	11 781 728
FJ Steyn	(250 000)	(607 916)	-	857 916	-	4 990 694
DN Steyn	(250 000)	(607 916)	-	857 916	-	4 990 694
BG Blieden	(150 000)	-	(450 000)	600 000	-	4 056 908
	(1 716 667)	**(1 215 832)**	**(2 621 977)**	**5 554 475**	**-**	**33 818 493**

Refer to note 33 for further details on the Share Appreciation Rights Scheme.

38. Segment Reporting

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

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

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

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

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

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

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

At 29 February 2016, the Group is organised on a national basis into 1 main operating segment:

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

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

As the Group consist of only one segment namely Property Development, the information in the statement of comprehensive income and statement of financial position as listed below are provided to the CODM:

Statement of comprehensive income	**Statement of financial position**
Revenue	Goodwill
Operating profit/(loss)	Inventories
Finance cost	Construction contracts
	Borrowings

39. Going Concern

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

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

40. Events After the Reporting Period

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