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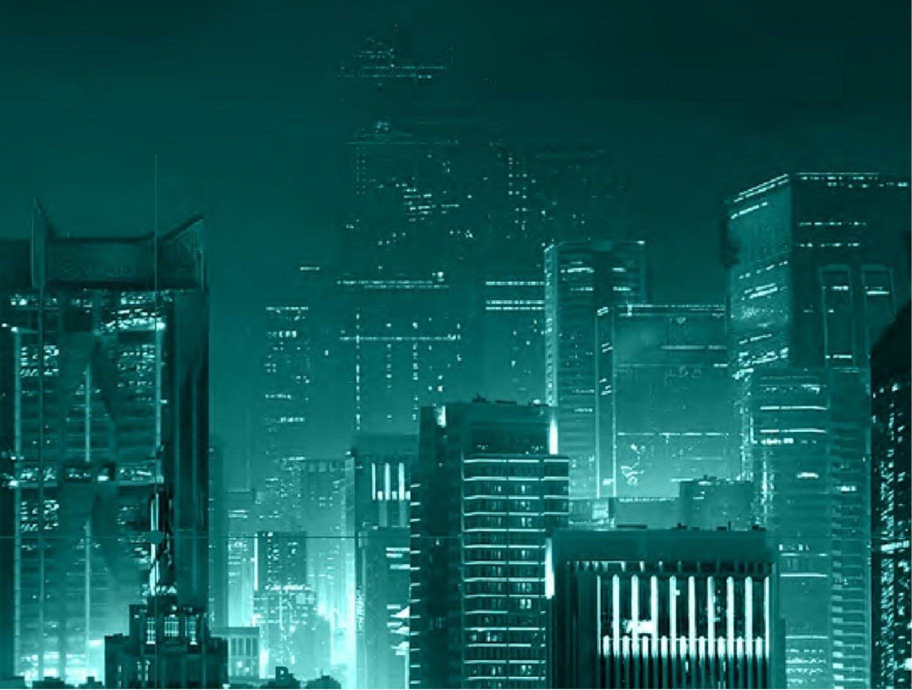
ANNUAL FINANCIAL STATEMENTS 2024

Content



Directors' responsibility

for the financial reporting year ended 30 June 2024

To the shareholders of Jasco Electronics Holdings Limited (JEHL or Jasco)

The directors are required in terms of the Companies Act of South Africa, No. 71 of 2008 as amended (Companies Act), to maintain adequate accounting records and are responsible for the content and integrity of the consolidated and separate annual financial statements and related financial information included in this report. It is their responsibility to ensure that the consolidated and separate annual financial statements fairly present the state of affairs of the company and the group as at the end of the financial year and the results of its operations and cash flows for the year then ended, in conformity with International Financial Reporting Standards.

The consolidated and separate annual financial statements have been prepared in accordance with IFRS® Accounting Standards, the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council and the Companies Act. The accounting policies and methods of computation used in the preparation of this report are consistent with those of the previous year. The directors take full responsibility for the preparation of the consolidated and separate annual financial statements.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the group and place considerable importance on maintaining a strong control environment aimed at reducing the risk of error or loss in a cost-effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk.

These controls are monitored throughout the group and all employees are required to maintain the highest ethical standards in ensuring the group's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the group is on identifying, assessing, managing and monitoring all known forms of risk across the group. While operating risk cannot be fully eliminated, the group endeavours to minimise this risk by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

Based on the information and explanations given by management, the directors are of the opinion 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 annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the group's cash flow forecast for the ensuing 12 months, from the approval of these annual financial statements and, in the light of this review and the current financial position, they are satisfied that the group has or has access to adequate resources to continue in operational existence for the foreseeable future.

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

The external auditors are responsible for auditing and reporting on the consolidated and separate annual financial statements. The consolidated and separate annual financial statements have been examined by the group's external auditors and their report is presented on pages 2 to 4 in the annual financial statements.

The consolidated and separate annual financial statements set out on pages 11 to 56, which have been prepared under the supervision of LA Prigge CA(SA), on the going-concern basis, were approved by the board and were signed on its behalf by:

JL Ranchod
Chief executive officer

LA Prigge
Chief financial officer

Midrand

22 October 2024

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Independent Auditor's Report

To the Shareholders of Jasco Electronics Holdings Limited

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated and separate financial statements of Jasco Electronics Holdings Limited (the group and company) as set out on pages 11 to 56, which comprise the consolidated and separate statements of financial position as at 30 June 2024, and the consolidated and separate statements of comprehensive income, consolidated and separate statements of changes in equity and consolidated and separate statements of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies

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

Basis for Opinion

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

Other Information

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

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

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

Responsibilities of the Directors for the Consolidated and Separate Financial Statements

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

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

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

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's and company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's and company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group and / or company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

Forvis Mazars

Forvis Mazars

Partner: Miles Fisher

Registered Auditor

Date: 23 October 2024

Address: Johannesburg

Company secretary's certification

for the year ended 30 June 2024

I, the group company secretary as at 30 June 2024, certify that the company has lodged with the Companies and Intellectual Property Commission all such returns as are required of a public company, in terms of the Companies Act, No. 71 of 2008, as amended, and that all such returns are true, correct and up to date.

J Naidoo
MCP Managerial Services (Pty) Ltd
Group company secretary
Midrand

22 October 2024

Audit and risk committee report

for the year ended 30 June 2024

Jasco's financial year ending 30 June 2024 was marked by an improvement in financial performance. We welcomed our new Chief Executive Officer of the Jasco Group, Mr Jayesh Ranchod, and saw significant progress in the implementation of the Group's turnaround strategy. The Committee extends its support to Jayesh and fully supports the newly proposed strategy for Jasco. The purpose of the strategy is to return the group to profitability and ensure long-term sustainability.

Jasco's independent audit and risk committee ("the committee") is pleased to submit its report to the shareholders for the financial year ended 30 June 2024 in accordance with section 94(7)(f) of the South African Companies Act No.71 of 2008 as amended. The Committee has complied with its obligations under the Companies Act, 2008 and adhered to the recommendations of the King IV Report on Corporate Governance, 2016, and followed its charter and annual work plan throughout the financial year ended 30 June 2024.

Introduction

The Committee's duties and objectives are governed by a formal charter which is in line with the Companies Act and King IV requirements. The appointment of all members of the Committee is subject to the shareholders' approval at each Annual General Meeting. The profiles of the members, including their qualifications are set out below.

Members

Danie du Plessis, Independent non-executive director, Joined the board: 2018

Danie is a Chartered Accountant (CA(SA)) and is a highly experienced business development professional, specialising in accounting and financial consultancy services. He has a solid foundation in finance and assurance-related practice after many years in high-level roles. He was a partner at PwC until his retirement in 2014. He is a member of a number of boards and audit committees and serves as chairman of the board of an unlisted public company.

Pumla Radebe, Lead independent non-executive director, Joined the board: 2017

Pumla is a certified chartered director and a member of the Institute of Directors. She studied BA Social Work at Fort Hare University, completed a board leadership course at GIBS and holds a diploma in Policy Development and Management from Regenesys.

She is the chairman of Khuselo Investments and Khuselo Telecommunications, and also holds an executive director position at Bungane Development consultants and Emlanjeni Development Programmes. Other directorships include Verstay, Pumlano Properties, Makeshift 1187 and Rushtail 4.

Thandeka Zondi, Independent non-executive director, Joined the board: 2017

Thandeka is a Chartered Accountant (CA(SA)), tech-entrepreneur and a seasoned executive and non-executive director. Thandeka is the founder and CEO of Thandeka Zondi and Associates, an Investment and consulting firm.

She is also an independent non-executive director on the boards of Old Mutual SuperFund's Defined Contribution Umbrella Retirement Fund, Ince, Old Mutual Insure, Thebe Investment Corporation and Masakhe Partners. She is or has been a member or chairman of the audit and risk committees of a number of these companies. Thandeka is also a previous first vice president of the Advancement of Black Accountants of Southern Africa.

Composition and meetings

The Committee consists of three independent non-executive directors who usually meet at least four times per year as per the committee's mandate and charter.

The fees paid to the Committee members are outlined in note 27 of the Annual Financial Statements. The group's chief executive officer, chief financial officer and independent external auditors attend meetings by invitation.

During the year under review, five meetings were held:

Name of member	27/09/2023	27/11/2023	11/12/2023	30/01/2024	21/05/2024
Mr DH du Plessis CA(SA)	Present	Present	Present	Present	Present
Ms T Zondi CA(SA)	Present	Present	Present	Present	Present
Ms PF Radebe CD(SA)	Present	Present	Present	Present	Present

Statutory duties

The committee is satisfied that it has performed the statutory requirements for an audit committee as set out in the Companies Act as well as the responsibilities detailed in its charter and that it has therefore complied with its legal, regulatory and other responsibilities.

There were no Reportable Irregularities brought to the attention of the Committee.

External auditor

The committee has the following responsibilities for external audit: Recommends the appointment of external auditor and oversees the external audit process and in this regard the committee must

- nominate the external auditor for appointment by the shareholders;
- approve the annual audit fee and terms of engagement of the external auditor;
- monitor and report on the independence of the external auditor in the annual financial statements;
- review the processes for any non-audit services and pre-approve non-audit services to be provided by the external auditor;
- ensure that there is a process for the committee to be informed of any reportable irregularities as defined in the Auditing Profession Act, 2005, identified and reported by the external auditor; and
- review the quality and effectiveness of the external audit process and performance against their audit plan.

Forvis Mazars, with Mr Miles Fisher as designated audit partner, acted as external auditors of the group for the year ended 30 June 2024 as well as for the previous four years.

The audit committee requested the following information from Forvis Mazars in their assessment of the suitability of their appointment as audit firm and designated individual partner:

- the latest inspection reports, decisions letters and remedial actions to address IRBA's findings on the audit firm, the individual auditor and all other engagement file reviews together with explanations where necessary. This includes any re-inspections.
- a summary as approved by the audit firm's head of risk, of internal monitoring review procedures performed, conclusions drawn, together with a description of significant deficiencies and steps taken to resolve or amend them.
- the outcome and a summary of any legal or disciplinary proceedings concluded or settled with a fine within the past 7 years.

The committee nominated and recommended the re-appointment of the external auditor, Forvis Mazars, to the shareholders in compliance with the Companies Act and the appointment of Mr JP Atwood as the designated auditor for the 2025 financial year.

The committee satisfied itself that the audit firm is accredited, and the committee further satisfied itself that Forvis Mazars was independent of the Group, which included consideration of compliance with criteria relating to independence proposed by the Independent Regulatory Board for Auditors.

The committee, in consultation with executive management, agreed to the engagement letter, terms, audit plan and budgeted audit fees, overruns and non-audit services (where applicable).

The committee ensured that the auditors did not provide any prohibited services, nor any services that include a threat of self-review. Non-audit services are pre-approved by the chairman of the committee, are generally of an assurance nature, and are not material in relation to the external audit fee.

Internal audit

The Committee has recommended the use of internal auditors on an ad-hoc basis during FY 2024. No internal audit reviews were conducted during the year.

Focus areas for the 2024 financial year

The Committee provided oversight and guidance on the following focus areas during FY 2024:

- Recapitalisation of the group in August 2023 and June 2024 through the conversion of debt due to Community Investment Holdings (CIH) to equity
- Odd-lot Offer to Jasco shareholders
- Financial support from CIH
- Refinancing of the loan from the Bank of China through a term loan from Investec Bank Ltd
- Further rationalisation of the group entities

Refer to the Directors report for more information.

Internal financial control

No material breakdowns in the internal financial control were identified or reported on.

The Committee has considered the reports of management and external audit in arriving at our conclusion that the Company's system of internal controls and risk management is effective and that the internal financial controls form a sound basis for the preparation of reliable financial statements.

Risk management

The Committee is responsible for reviewing the effectiveness of systems for internal control, financial reporting and financial risk management and considering the major findings of any internal investigations into control weaknesses, fraud or misconduct and management's response thereto. The Committee reviewed the risk and opportunities register and categorised the level of each risk, probability and the monetary value and made appropriate recommendations to the board regarding the corrective actions needed.

Combined assurance

The Committee is of the view that the framework in place for combined assurance is adequate and is in place to achieve the objective of an effective, integrated approach across the disciplines of risk management, compliance and audit.

Expertise of the financial director and finance function

The Committee has reviewed the current performance and future requirements for the financial management of the Group and concluded that the current team has the appropriate skills, experience and expertise required to fulfil the finance function.

The Committee has reviewed the performance, qualifications and expertise of the chief financial officer, Ms Liska Prigge and is satisfied with the appropriateness thereof.

Shareholder Communications

All Public shareholders are communicated with through investor relations electronic platform and through the Company's website. Due to the publication of the 2023 audited annual financial statements on 4 February 2024, the Committee reviewed the Company's application to the Companies Tribunal for an extension to the Annual General Meeting date. Jasco held its Annual General Meeting on 26 June 2024. A General Meeting of Shareholders was held on 23 August 2023.

Going concern

The Committee reviewed the documents prepared by management in which they assessed the going concern status of the Company and its subsidiaries at year-end and the foreseeable future. Management has concluded that the Group is a going concern, is solvent and liquid.

The Committee concurred with management's assessment and recommended acceptance of this conclusion to the Board.

Immediate balance sheet restructuring, effective 28 June 2024, was authorised by Shareholders of the Company, through the issue of 125,345,421 (one hundred and twenty-five million three hundred and forty-five thousand four hundred and twenty-one) ordinary shares. The corporate action improved the company's debt to equity ratio and replace the Company's current and immediately due short-term debt with permanent equity. This materially improved Jasco's liquidity position and its going concern assessment as at 30 June 2024.

Recommendation of the Annual Financial Statements for approval by the Board

The Committee recommended the Consolidated Annual Financial Statements and the Company Annual Financial Statements for approval by the Board.

2025 Financial Outlook

The Company is committed to building on the corrective actions already implemented, and the Committee is confident that Jasco will deliver improved performance in the new financial year. The Group and finance team have demonstrated resilience in dealing with external factors and internal challenges and the Committee extends its support to the executive leadership team in their ongoing efforts.

On behalf of the Committee
DH du Plessis
Chairman
22 October 2024

Report of the directors

for the year ended 30 June 2024

The directors have pleasure in submitting their report on the activities of the group and the company for the year ended 30 June 2024.

Nature of the business

The trading activities of the group companies are divided into four main business units, namely Communication Solutions, Intelligent Solutions, Power Solutions and Manufacturing.

Financial results

The results of the operations for the year are set out in the consolidated and separate annual financial statements.

Corporate actions

Technology Integrated Solutions (Pty) Ltd (“TIS”)

Effective 28 June 2023, Jasco acquired 100% of Technology Integrated Solutions (Pty) Ltd for an amount of R31 317 386 (Thirty-one million three hundred and seventeen thousand three hundred and eighty-six Rand).

TIS products and services were carved out into the appropriate group companies, Webb Industries and Jasco Power Solutions (Pty) Ltd, to ensure a reorganised and efficient integrated group structure.

With the integration of TIS into Jasco substantially completed during the 2024 financial year, TIS will be deregistered in FY2025. The wholly-owned, dormant, subsidiary of TIS, TIS Energy (Pty) Ltd was deregistered on 19 July 2024.

Jasco Systems (Pty) Ltd (“Jasco Systems”)

For various commercial reasons which includes but is not limited to the reorganisation of the group structure and to reduce financial and administrative costs, the board authorised the merger of Jasco Systems (Pty) Ltd into Jasco Enterprise (Pty) Ltd in terms of sections 113 and 116 of the Companies Act and section 44 of the Income Tax Act, with effect from 1 July 2023.

Share capital

The authorised share capital is 2 000 000 000 ordinary shares and 29 884 633 redeemable preference shares. Refer to note 15 for more information.

Odd-lot offer

As of 30 June 2023, there were a total of 3,971 ordinary shareholders (“Odd-lot Holders”) on the share register that held less than 10,000 Jasco ordinary shares of no-par value ("Jasco Shares"), comprising 96.31% of the total number of ordinary shareholders (“Jasco Shareholders”) in the Company. Conversely, the total number of Jasco Shares held by the Odd-lot Holders comprise 2,900,890 ("Odd-lot Holdings"), representing only 0.79% of the total issued Jasco Shares. Therefore, more than half of the administrative time and costs associated with the Jasco Shareholder base is incurred with respect to Jasco Shareholders that hold less than 1% of the total Shares in issue. The Jasco board of directors (the "Board") proposed the implementation of the Odd-lot Offer to facilitate the reduction in Shareholders in an equitable manner and this was approved by shareholders at a general meeting on 23 August 2023, at 16c per share.

The implementation of the odd lot offer partially achieved its objectives and Jasco now retains 3,200 shareholders.

Financial Support and Equity Injections from Major Shareholders

Significant and consistent support from the significant shareholder, CIH, has ensured that Jasco has been resilient in responding to the volatile social and economic challenges we experienced in the FY2023 and FY2024 financial years. During the financial year ended 30 June 2023, and to support Jasco's cash flow constraints, the CIH group companies afforded Jasco a 12-month payment holiday to the value of R15,133,989.

Additional financial support in the form of loans of approximately R32 million were provided during the financial year to support strategic growth areas into new products, services and to strengthen capacity at Jasco.

In March 2024, CIH injected a working capital loan of R40 million into the Group to support Jasco's liquidity and ensure that its business units are well-positioned to compete meaningfully.

Share incentive scheme

The Jasco Employee Share Incentive Trust was formed in 1993 to enable executives of the group to acquire shares in Jasco to provide them with incentives to advance the group’s interests.

All shares and options have vested in 2020, and the board of directors has taken the decision to wind down the share trust once all shares have been withdrawn by the last remaining beneficiary. Further details relating to the Jasco Employee Share Incentive Trust are set out in note 16 to the financial statements.

The last remaining beneficiary resigned in November 2023. Based on a decision by the board of directors, the allocation of shares to this beneficiary was cancelled. As such, the shares still held in treasury by the trust were cancelled by Jasco Electronics Holdings Ltd and the Jasco Employee Share Incentive Trust is in the process of being wound down.

Subsidiary companies

Details are given in note 3.

Borrowings

In terms of the Memorandum of Incorporation, the directors of the company are permitted to borrow or raise such funds as they deem necessary for the operation of the group. At the close of business on 30 June 2024, the total borrowings less cash resources was R181 510 000 (2023: R206 620 000). At 30 June 2024, the group had approved general banking facilities of R1 000 000 (2023: R1 000 000), which was undrawn (2023: undrawn). Refer to note 24 for further information.

Subsequent events

The directors are aware of the following material changes of circumstances or fact that occurred between the accounting date and the date of this report:

On 5 July 2024, the Bank of China loan was settled in full. The Bank of China loan was reduced by R20 million in June 2024, utilising a working capital loan granted by CIH Projects (Pty) Ltd during the year. The Bank of China loan was settled utilising the proceeds of a new R70 million, 3 year term loan received from Investec Private Bank Limited. The R40 million working capital loan from CIH Projects (Pty) Ltd has been subordinated in favor of Investec Bank Limited. Refer to note 18 for more information.

Dividend

Due to the accumulated loss position no dividend is declared.

Going concern

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

The board has considered all operational and financial related activity and forecasts for the ensuing 12 months, from the approval of these annual financial statements. Refer to note 30 for more information.

Special resolutions

The following special resolutions were passed at the previous annual general meeting:
- Non-executive directors' remuneration.
- Financial assistance to a related or inter-related company or companies.
- General authority to acquire or repurchase shares.

Directors

Details of the present directorate of the company are available on Jasco's website, www.jasco.co.za. In terms of the Memorandum of Incorporation of the company, Mr MJ Madungandaba and Mr MSC Bawa retire at the forthcoming annual general meeting (AGM) and are eligible for re-election.

Refer to note 27 for details on directors' service contracts.

Directors' interests in share capital

At the close of business on 30 June 2024, the interests of the directors in the issued share capital of the company amounted to:

	2024	2023
Direct - beneficial		
MSC Bawa	50,509	50,509
WA Prinsloo	-	25,000
Indirect - beneficial		
MSC Bawa	6,758,171	6,758,171
ND Munisi	-	1,845,912
MJ Madungandaba	445,726,669	152,179,659
ATM Mokgokong	250,247,612	73,282,410
WA Prinsloo	-	2,649,296
	702,782,961	**236,790,957**

Dr ATM Mokgokong and MJ Madungandaba's interest increased by 88 509 158 and 206 521 367 respectively following the recapitalisation on 24 August 2023 and 41 363 989 and 52 645 077 respectively following the capitalisation on 28 June 2024.

The company has not been informed of any other material changes in these holdings up to the date of this report.

Statements of comprehensive income

for the year ended 30 June 2024

		Group		Company	
	Note	2024 R'000	2023 R'000	2024 R'000	2023 R'000
Continuing operations					
Revenue	5	673,343	578,872	22,262	6,242
Cost of sales		(473,656)	(420,296)	-	-
Gross profit		199,687	158,576	22,262	6,242
Other income		11,307	8,307	24,269	-
Selling and distribution costs		(2,080)	(1,599)	-	-
Administrative expenses		(140,757)	(133,636)	(7,395)	(9,534)
Other expenses		(52,862)	(67,443)	(2,507)	(2,583)
Expected credit loss	28.6	(146)	(2,381)	2,478	(50,639)
Operating profit/(loss)		15,149	(38,176)	39,107	(56,514)
Finance income	6	1,741	995	439	153
Finance costs	6	(26,703)	(24,831)	(12,650)	(12,240)
(Loss)/profit before taxation	6	(9,813)	(62,012)	26,896	(68,601)
Taxation	7	(3,831)	(2,324)	(1)	-
(Loss)/profit from continuing operations		(13,644)	(64,336)	26,895	(68,601)
Loss from discontinued operations	4	-	(2,250)	-	-
(Loss)/profit for the year		(13,644)	(66,586)	26,895	(68,601)
Other comprehensive income		-	-	-	-
Total comprehensive (loss)/income for the year		**(13,644)**	**(66,586)**	**26,895**	**(68,601)**
(Loss)/profit and total comprehensive (loss)/ income for the year attributable to:					
– non-controlling interests	3	218	255	-	-
– ordinary shareholders of the parent		(13,862)	(66,841)	26,895	(68,601)
		(13,644)	**(66,586)**	**26,895**	**(68,601)**
(Loss)/profit and total comprehensive (loss)/ income for the year attributable to:					
Equity holders of the company		(13,862)	(66,841)	26,895	(68,601)
- (Loss)/profit for the year from continuing operations		(13,862)	(64,591)	26,895	(68,601)
- Loss for the year from discontinued operations		-	(2,250)	-	-
Non-controlling interest:	3	218	255	-	-
- Profit for the year from continuing operations		218	255	-	-
- Profit for the year from discontinued operations		-	-	-	-

Statements of financial position

at 30 June 2024

	Note	Group 2024 R'000	Group 2023 R'000	Company 2024 R'000	Company 2023 R'000
Assets					
Non-current assets		194,579	194,510	106,001	94,423
Plant and equipment	8	24,594	30,709	-	-
Right-of-use assets	9	105,203	97,194	-	-
Intangible assets	10	46,334	49,805	-	-
Investment in subsidiaries	3	-	-	106,001	92,282
Deferred income tax	7	17,845	16,096	-	-
Other non-current assets recognised for costs incurred to fulfil contracts	5	603	-	-	-
Other non-current assets	11	-	706	-	2,141
Current assets		214,418	278,579	90,664	77,901
Inventories	12	70,256	72,716	-	-
Contract assets	5	96	293	-	-
Trade and other receivables	13	96,467	148,413	-	482
Amounts owing by group companies	3	-	-	90,569	77,184
Taxation refundable		7,376	9,307	-	-
Short-term portion of other non-current assets	11	768	773	-	-
Cash and cash equivalents	14	39,455	47,077	95	235
Total assets		**408,997**	**473,089**	**196,665**	**172,324**
Equity and liabilities					
Shareholders' equity		58,316	6,339	115,895	26,462
Equity attributable to equity holders of the parent		46,277	(5,482)	115,895	26,462
Share capital	15.2	391,069	328,531	391,069	328,531
Treasury shares	16	-	(3,083)	-	-
Non-distributable reserves	17	-	4,397	-	-
Accumulated loss		(344,792)	(335,327)	(275,174)	(302,069)
Non-controlling interests		12,039	11,821	-	-
Non-current liabilities		131,558	103,220	-	-
Interest-bearing liabilities	18	41,144	-	-	-
Lease liabilities	9	76,268	99,819	-	-
Deferred income tax	7	720	-	-	-
Contract liabilities	5	13,426	3,401	-	-
Current liabilities		219,123	363,530	80,770	145,862
Trade and other payables	19	82,482	146,292	606	4,672
Provisions	20	6,270	1,207	-	-
Amounts owing to group companies	3	-	-	10,121	10,069
Taxation		483	117	-	-
Contract liabilities	5	26,335	62,036	-	-
Short-term borrowings	21	70,664	134,903	70,043	131,121
Lease liabilities	9	32,889	18,975	-	-
Total equity and liabilities		**408,997**	**473,089**	**196,665**	**172,324**

Statements of changes in equity

for the financial year ended 30 June 2024

	Share Capital R'000	Treasury shares R'000	Non-distri-butable reserves R'000	Retained earnings/ (loss) R'000	Total parent share holders' equity R'000	Non-con-trolling interest R'000	Total equity R'000
	Note 15	Note 16	Note 17			Note 3	
Group							
Balance as at 30 June 2022	**328,531**	**(3,083)**	**4,397**	**(268,486)**	**61,359**	**11,566**	**72,925**
Total comprehensive (loss)/income	-	-	-	(66,841)	**(66,841)**	255	**(66,586)**
Balance as at 30 June 2023	**328,531**	**(3,083)**	**4,397**	**(335,327)**	**(5,482)**	**11,821**	**6,339**
Share issue	67,260	-	-	-	**67,260**	-	**67,260**
Treasury shares - Share Incentive Trust	(4,517)	4,517	-	-	**-**	-	**-**
Cancellation of share allocation	-	(1,434)	-	-	**(1,434)**	-	**(1,434)**
Recycling of equity settled share-based payment reserve	-	-	(4,397)	4,397	**-**	-	**-**
Total comprehensive (loss)/income - (loss)/profit	-	-	-	(13,862)	**(13,862)**	218	**(13,644)**
Buy back of shares	(205)	-	-	-	**(205)**	-	**(205)**
Balance as at 30 June 2024	**391,069**	**-**	**-**	**(344,792)**	**46,277**	**12,039**	**58,316**
Company							
Balance as at 30 June 2022	**328,531**	**-**	**-**	**(233,468)**	**95,063**	**-**	**95,063**
Total comprehensive loss	-	-	-	(68,601)	**(68,601)**	-	**(68,601)**
Balance as at 30 June 2023	**328,531**	**-**	**-**	**(302,069)**	**26,462**	**-**	**26,462**
Share issue	67,260	-	-	-	**67,260**	-	**67,260**
Treasury shares - Share Incentive Trust	(4,517)	-	-	-	**(4,517)**	-	**(4,517)**
Total comprehensive profit	-	-	-	26,895	**26,895**	-	**26,895**
Buy back of shares	(205)	-	-	-	**(205)**	-	**(205)**
Balance as at 30 June 2024	**391,069**	**-**	**-**	**(275,174)**	**115,895**	**-**	**115,895**

Statements of cash flows

for the financial year ended 30 June 2024

	Note	Group 2024 R'000	Group 2023 R'000	Company 2024 R'000	Company 2023 R'000
Cash flows from operating activities		**(6,659)**	**32,805**	**(17,691)**	**(15,893)**
Cash receipts from customers		721,982	577,897	29,162	5,326
Cash paid to suppliers and employees		(709,944)	(527,483)	(34,004)	(9,567)
Cash generated from/(utilised in) operations	22.1	12,038	50,414	(4,842)	(4,241)
Interest received		1,707	721	439	153
Interest paid		(17,842)	(15,612)	(13,287)	(11,805)
Taxation paid	22.2	(2,562)	(2,718)	(1)	-
Cash flows from investing activities		**(518)**	**3,575**	**46,881**	**25,038**
Purchase of plant and equipment	22.3	(2,099)	(2,664)	-	-
Proceeds on disposal of plant and equipment		735	165	-	-
Cash flow on modification/(addition) to right-of-use assets		102	(732)	-	-
Disposal of subsidiary, net of cash disposed of	22.4	-	(59)	-	-
Cash Flow on acquisition of subsidiary	22.5	-	5,075	-	-
Non-current debtors loans repaid		-	-	(209)	26,003
Decrease in loan amounts owing by group company		-	-	47,090	(965)
Receipts from other non-current loans		744	1,790	-	-
Cash flows from financing activities		**(424)**	**(18,707)**	**(29,330)**	**(9,100)**
Interest bearing liabilities repaid	18	(29,156)	(9,288)	(29,125)	(9,100)
Interest bearing liabilities raised	18	40,000	-	-	-
Cash flow from buy back of share capital		(205)	-	(205)	-
Leases - principal payments	9	(11,063)	(9,419)	-	-
Net (decrease)/increase in cash and cash equivalents		**(7,601)**	**17,673**	**(140)**	**45**
Cash and cash equivalents at beginning of year		47,077	29,383	235	190
Revaluation of foreign cash balances		(21)	21	-	-
Net cash and cash equivalents at end of year		**39,455**	**47,077**	**95**	**235**
Cash and cash equivalents	14	39,455	47,077	95	235
Net cash and cash equivalents at end of year		**39,455**	**47,077**	**95**	**235**

Notes to the annual financial statements

for the year ended 30 June 2024

1. Corporate information

The consolidated and separate annual financial statements of Jasco Electronics Holdings Limited for the year ended 30 June 2024 were authorised for issue on 22 October 2024 in accordance with a resolution of the directors. Jasco Electronics Holdings Limited is a company incorporated in the Republic of South Africa.

2. Accounting policies

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

2.1 Basis of preparation

The consolidated and separate annual financial statements set out on pages 11 to 56 have been prepared on a historical cost basis, unless otherwise stated. The consolidated and separate annual financial statements are presented in Rand and are rounded to the nearest thousand, except where otherwise indicated.

The accounting policies set out below have been applied consistently to the periods presented in these consolidated and separate financial statements.

2.2 Statement of compliance

The consolidated and separate annual financial statements of Jasco Electronics Holdings Limited and all its subsidiaries (the group) have been prepared in accordance with IFRS Accounting Standards, International Financial Reporting Interpretations Committee ("IFRIC®") interpretation issued and effective at the time of preparing these annual financial statements, Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council and the requirements of the South African Companies Act No. 71 of 2008.

The accounting policies set out below have been applied consistently to the periods presented in these consolidated and separate financial statements.

2.3 Basis of consolidation

The consolidated annual financial statements include those of the company and its subsidiaries (refer to note 3).

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the group obtains control, and continue to be consolidated until the date that such control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. All intra-group balances and transactions, including income, expenses and dividends, are eliminated in full. A change in ownership interest of a subsidiary, without a change of control, is accounted for as an equity transaction.

Losses are attributed to the non-controlling interest even if that results in a deficit balance.

If the group loses control over a subsidiary, it derecognises the assets, including goodwill, and liabilities of the subsidiary and the carrying amount of any non-controlling interest while recognising the fair value of the consideration received and the fair value of any investment retained. Any surplus or deficit is recognised in profit and loss and the holding company's share of components previously recognised in other comprehensive income is reclassified to profit or loss.

The group treats transactions with non-controlling interests that do not result in a loss of control as transaction with equity owners of the group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interest to reflect their relative interest in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in retained earnings.

2.3.1 Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at the acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at the proportionate share of the acquiree's identifiable net assets. Acquisition costs are expensed.

Any contingent consideration to be transferred will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability will be recognised in profit or loss. If the contingent consideration is classified as equity, it shall not be remeasured until it is finally settled within equity.

Goodwill is initially measured at cost, being the excess of the consideration transferred over the group's net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the group's cash-generating units that are expected to benefit from the combination.

Where goodwill forms part of a cash-generating unit, and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

2.3.2 Investments in subsidiaries in the separate annual financial statements

Investments in subsidiaries are recognised from the date of acquisition and continue to be recognised until the date that such control ceases.

Investments in subsidiaries are carried at cost, being the consideration transferred, less any impairment in value.

2.3.3 Treasury shares

Shares in Jasco Electronics Holdings Limited held by the Jasco Employee Share Incentive Trust that are not allocated to employees, are classified in shareholders' funds as treasury shares. These shares are treated as a deduction from the issued and weighted number of shares and the cost price of the shares is deducted from the shareholders' equity in the statement of financial position.

Dividends received on treasury shares are eliminated on consolidation.

2.4 Stated capital

Ordinary shares are recognised at the consideration received net of transaction costs and classified as 'stated capital' in equity. Dividends are recognised as a liability in the company in which they are declared.

2.5 Revenue recognition

2.5.1 Operating lease income

Rental income is derived from operating leases and is recognised on a straight-line basis over the period of each lease.

The group manages a network of Hi-sites that they developed. The group renders a comprehensive range of radio site management and technical services for the widest possible range of clients in the radio communications industry.

2.5.2 Dividend income

Dividend income for the company is recognised when the right to receive payment is established and is included as part of revenue in the statement of comprehensive income.

2.5.3 Finance income

Interest income for the company is recognised using the effective interest rate method and is included as part of revenue in the statement of comprehensive income.

2.5.4 Revenue from contracts with customers

Contracts with customers are assessed individually to determine whether the products and services are distinct i.e. the product or service is separately identifiable from the other items in the contract with the customer and whether the customer can benefit from the goods or services either on its own or together with other resources that are readily available. The consideration is allocated between the goods and services in a contract based on management's best estimate of the stand-alone selling prices of the goods and services.

When a contract results in a payment being received from customers in advance of fulfilling the performance obligation, a contract liability is recognised. Similarly, when the performance obligation has been fulfilled and the customers have not been invoiced, a contract asset is recognised.

The group recognises an asset in relation to costs incurred in the fulfilment of service level agreements (SLAs).

The asset is amortised on a straight-line basis over the term of the specific contract it relates to, consistent with the pattern of recognition of the associated revenue.

Disaggregation of revenue from contracts with customers

The group's activities mainly comprise the sale of IT goods and related services, maintenance and support services, connectivity, cloud and hosting services as well as project-related services. The payment terms are based on the underlying contract with the customer, however, they are usually within 30 to 90 days from invoice date. Further details regarding the disaggregation of revenue from contracts with customers are provided below.

Administration fees

The company provides administration and management services to group companies as part of managing the group effectively.

The administration and management services fee income is recognised in the accounting period in which the services are rendered to the companies in the group based on satisfaction of performance obligations, which occurs when services are rendered to the group company, i.e. over time on a straight-line basis as it is seen as stand-ready.

Sales of goods and related services

The group sells a range of goods to its customers and recognises the revenue when control is transferred to the customer, being when the customer accepts delivery of the goods, at a point in time. The transaction price is determined as the selling prices of the goods.

In addition, the group sells goods to customers with related services included. Depending on the nature of the contract, the group applies its judgement to conclude whether the goods and services should be treated as a single performance obligation or as two separate performance obligations.

Where the group sells goods and related services to customers and these goods and services are not distinct, i.e. not separately identifiable, the contracts are treated as a single performance obligation. However, where the goods and services are distinct, i.e. separately identifiable, and the customer can benefit from the goods and services either on its own or together with other resources that are readily available, then the goods and services are treated as two separate performance obligations. The transaction price is then split based on the stand-alone selling prices of the goods and related services.

The related services sold, when considered to be distinct, are recognised over time when the services are rendered to the customer, excluding specific services below.

The group provides software asset management services to its customers which include provision of software licences, in-house hosting and managed services in the form of insight reports. Such services are provided to the customers as a bundle, where the group operates as a principal responsible for delivery of such services with revenue recognised based on the satisfaction of performance obligations, which occurs when control of goods or service transfers to a customer over the term of the contract with the customer on a straight-line basis per performance obligation as is seen as a stand-ready obligation. Depending on the nature of the contract, the group applies its judgement to conclude whether the goods and services should be treated as a single performance obligation or as two separate performance obligations. The transaction price is then split based on stand-alone selling prices.

2.5 Revenue recognition (continued)

Project-related revenue

The group delivers various projects to its customers, including designs, builds and installations of various customer driven solutions.

The group provides a service of integrating goods or services into a bundle of goods or services that represent the combined output for which a customer has contracted, the goods or services either modify or are modified by other goods or services, or are considered to be highly interdependent or interrelated. In these contracts, the goods and services are therefore not separately identifiable and not seen as separate performance obligations.

The group recognises revenue at a point in time based on performance obligations agreed with the customer. The group recognises contract assets and contract liabilities on these contracts depending on the billing milestones identified in these contracts.

Revenue from providing other project related services on an ad hoc basis is recognised in the accounting period in which the services are rendered. As these services are performed once-off at a point in time, the related revenue is recognised at the point in time, except where the contract specifies services to be rendered over a period of time.

The transaction price is determined in accordance with the amount specified in the contract.

Maintenance and support services

The group recognises revenue over time based on time lapsed as a percentage of the total time contracted with the customer as services are rendered on average equally over the time of the contract. The group recognises contract assets and contract liabilities on these contracts depending on the billing milestones identified in these contracts. Refer to note 5.

Revenue from providing other maintenance and support services on an ad hoc basis is recognised in the accounting period in which the services are rendered. As these services are performed once-off at a point in time, the related revenue is recognised at the point in time. The transaction price is determined in accordance with the SLA.

Connectivity and hosting services

The group provides a range of connectivity and hosting services to its customers which include connecting customers to their networks and hosting customers on the group’s data centre. The group recognises revenue over time as per the contract with customer. The group recognises revenue over time based equally over the duration of the contract.

Revenue recognised over time is based on the contracts with customers that cover a specific period over which these services need to be rendered. The revenue recognised over time is measured in accordance with the duration of the contract based on the satisfaction of performance obligations, which occurs when connectivity and hosting services are rendered to a customer.

Revenue from providing other connectivity and hosting services on an ad hoc basis is recognised in the accounting period in which the services are rendered. As these services are performed once-off at a point in time, the related revenue is recognised at the point in time. The standard payment terms are usually within 30 to 90 days from invoice date.

Software related licences revenue

The group sells a range of software licences to its customers, whereby the group acts as a principal in these contracts. The group recognises the revenue when control is transferred to the customer, being when the customer accepts delivery of the licence. The sale and installation of the software are seen as one performance obligation and therefore the group recognises the related revenue at a point in time.

The group also provides a range of software services to its customers which provide customers with right of access to software per SLAs that enhances office productivity. The group generally recognises revenue relating to right of access sales over time on a straight-line basis in accordance with the SLAs.

Where the group sells software licences with the right to updates and such updates are not considered critical to the functionality of the software, the group considers that such licences include two performance obligations:

1. A licence to the current version of the software product, which is recognised on a principal basis at a point in time.
2. An entitlement for future updates, which is recognised on a principal basis over time on a straight-line basis as this is seen as a stand ready obligation and this is the group’s best estimate as to how these revenues are earned.

The transaction price is determined in accordance with the specific contract with the customer. Contracts that include both the licence and the entitlement for future updates, the transaction price is allocated to each performance obligation.

As the group sells the licence to customers, the transaction price of the licence is determined as if it was a standalone transaction and the remaining balance of the contract price is then allocated to the future updates of the software.

2.6 Cost of sales

Cost of sales comprises the cost of goods and services sold, net of supplier rebates and discounts, including any allocation of the direct overhead expenses such as factory rental costs and freight and logistic costs.

2.7 Borrowing costs

There were no qualifying assets therefore all borrowing costs are recognised as an expense in the period in which they are incurred.

2.8 Foreign currency translation

Transactions in foreign currencies are recorded at the rate of exchange ruling at the transaction date.

Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the reporting date. Foreign currency gains and losses are charged to the statement of comprehensive income.

2.9 Taxation

2.9.1 Tax expenses

Current and deferred taxes are recognised as income or expenses and are included in the statement of comprehensive income. The current tax expense/income is based on taxable profit. Taxable profit differs from profit reported in the statement of comprehensive income when there are items of income or expense that are taxable or deductible in other years and it also excludes items that are never taxable or deductible under existing tax legislation. Current tax expenses/income are measured at the amount expected to be paid to/recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

2.9.2 Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a tax payable in the statement of financial position. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as a tax receivable in the statement of financial position.

2.9.3 Deferred tax assets and liabilities

Deferred taxation is provided, using the liability method, on temporary differences at the reporting date between the carrying amounts for financial reporting purposes and their tax bases.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither accounting profit/loss nor taxable profit/loss; and/or
- in respect of taxable temporary differences relating to investments in subsidiaries, associates or joint ventures, where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised, except:

- when it arises from the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither accounting profit/loss nor taxable profit/ loss; or
- in respect of taxable deductible differences relating to investments in subsidiaries, where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The group recognises the net future tax benefit related to deferred tax assets to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future. Assessing the recoverability of deferred tax assets requires the group to make significant estimates related to expectations of future taxable income.

The carrying amount of deferred tax assets in the statement of financial position are reviewed annually and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Unrecognised deferred income tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

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 laws, that have been enacted or substantively enacted at the reporting date. The measurement of the deferred tax assets and liabilities reflect the tax consequences that would follow from the manner in which the group expects to recover or settle the carrying amounts of its assets and liabilities at the reporting date. The effect on deferred taxation of any changes in taxation rates is charged to profit or loss, except to the extent that it relates to items previously charged or credited to other comprehensive income directly to equity.

Deferred tax assets and liabilities are offset for presentation in the statement of financial position where the group has a legally enforceable right to do so and the income taxes relate to the same tax authority.

2.9.4 Value-added taxation

Revenues, expenses and assets are recognised net of the amount of value-added taxation, except:

- where the value-added tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the value-added tax is recognised as part of the cost of acquisition of the asset or as a part of the expense item as applicable; and
- where receivables and payable are stated with the amount of value-added tax included.

The net amount of value-added tax recoverable from, or payable to, the taxation authority is included as part of the other receivables and payables in the statement of financial position.

2.10 Employee benefits

2.10.1 Short-term employee benefits

The cost of all short-term employee benefits is recognised during the period in which the employee renders the related service.

The provisions for employee entitlements to wages, salaries and annual leave represent the amount that the group has a present obligation to pay as a result of employees' services provided up to the reporting date.

The provisions have been calculated at undiscounted amounts based on current wage and salary rates.

2.10.2 Retirement benefits

The group contributes to defined contribution funds. Contributions to defined contribution funds are charged against income when the related services are rendered.

A defined contribution plan is a pension scheme under which the group pays fixed contributions into a separate entity. The group has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in current and prior periods. The contributions are recognised as employee benefit expenses as the related service is provided.

Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future contribution payments is available.

2.11 Provisions, contingent liabilities and commitments

Provisions are recognised when the group has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the obligation. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date.

Transactions arising from past events are classified as contingent liabilities where the group has a possible obligation whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the group, or the group has a present obligation but is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or the amount cannot be measured with sufficient reliability.

Items are classified as commitments where the group commits itself to future transactions or if the items will result in the acquisition of assets.

2.12 Plant and equipment

Plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment in value. Initial and subsequent costs are included in the asset's carrying amount or are recognised as a separate asset, as appropriate. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Plant and equipment is depreciated from the date it is available for use, on a straight-line basis, to write down their cost to their residual value over their estimated useful life. Depreciation ceases at the earlier of either the date the asset is classified as held for sale or the date the asset is derecognised.

Residual values, useful lives and the depreciation method of assets are reviewed, and adjusted prospectively if appropriate, on an annual basis. The average depreciation rate applied to the various categories of plant and equipment is as follows:

Plant and machinery	10% to 20%	Hi-sites	5% to 20%
Furniture and office equipment	10% to 33,3%	Motor vehicles	20 - 25%
Computer and manufacturing equipment	10% to 20%	Leasehold improvements	over the period of the lease

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Gains or losses on derecognition are determined by comparing the proceeds with the carrying amount. These are included in the statement of comprehensive income.

Any impairment is recognised directly in profit and loss.

2.13 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is its fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any. Internally-generated intangible assets, excluding capitalised development costs, are not capitalised and the expenditure is reflected in profit or loss in the year in which the expenditure is incurred.

Intangible assets are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets is recognised in profit or loss in the expense category consistent with the function of the intangible assets.

The amortisation rate applied to the various categories of intangible assets is as follows:

Voice transaction management application	33,3%	Customer-related intangibles	10%
Computer software	14,3%	Trade names	6,7 – 10%

Gains or losses arising from the derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

Research and development costs

Expenditure incurred in relation to research activities are expensed as incurred. Expenditure incurred in relation to development activities, whereby research findings are applied to the plan or design for production of a new product or substantial improvement of an existing product, are capitalised only if the development costs can be measured reliably, future economic benefits are probable, the group has sufficient resources to complete the asset and the product is technically and commercially feasible.

The expenditure capitalised includes the cost of materials, direct labour and an appropriate proportion of overheads that were incurred directly in the development of the product. The group develops various voice transaction management applications (note 10).

During the period of development, the asset is tested for impairment on an annual basis. Upon completion, the intangible asset is transferred to the relevant intangible category and amortised as appropriate for that asset.

2.14 Inventories

Inventories, being components, finished goods and merchandise, are valued at the lower of cost, determined on the weighted average basis, and net realisable value. The cost of finished goods includes a proportion of overhead expenses as well as direct costs.

Allowance is made for slow-moving and obsolete inventories.

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

2.15 Impairment of non-financial assets

The group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating units fair value less costs to sell and its value-in-use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

The group bases its value-in-use calculation on detailed budgets and forecast calculations which are prepared separately for each of the group's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long-term growth rate is estimated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations, including impairment on inventories, are recognised in profit or loss in those expense categories consistent with the function of the impaired asset.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the group estimates the asset's or cash-generating unit's recoverable amount.

The following criteria are also applied in assessing impairment of specific assets:

Goodwill

Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than its carrying amount, an impairment loss is

Impairment losses relating to goodwill cannot be reversed in future periods.

2.16 Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at inception date, whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

2.16.1 Group as a lessee

The group's leases include buildings, rooftops, motor vehicles and office equipment. The terms on the lease agreements are generally fixed, with a renewal period as an option.

Right-of-use assets

The group recognises right-of-use assets at the commencement date of the lease.

Right-of-use assets are measured at cost, less any accumulated depreciation and any impairment losses and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of the lease liabilities recognised and initial direct costs incurred. The right-of-use assets are depreciated over the shorter of the assets' useful lives and the lease terms. If the group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Lease liabilities

Lease liabilities are measured as the present value of the lease payments that are not paid at that date discounted at the group's incremental borrowing rate.

The group's lease liability is subsequently increased to reflect the interest on the lease liability, reduced to reflect the lease payments made and re-measured to reflect any lease modifications. Where there is a remeasurement of the lease liability, a corresponding adjustment is made to the right-of-use asset.

Variable lease payments that depend on an index or a rate are initially measured using the index or rate as at the commencement date. Changes to the lease payments are taken into account at the point in time when the lease payments actually change and the change is accounted for as remeasurement of the lease liability.

Short-term leases and leases of low-value assets

The group has elected not to recognise right-of-use assets and lease liabilities for some of low-value assets and for short-term leases. The group considers leased assets with a new purchase value of below R100 000 to be low-value assets and these relate mainly to leased office equipment. The group considers short-term leases as those leases that have a lease term of 12 months or less from commencement date and do not contain a purchase option.

The group recognises the lease payments associated with these leases as an expense on a straight-line basis.

2.16.2 Group as a lessor

Lease agreements where the group is a lessor are classified as either operating or finance leases.

Leases in which the group does not transfer substantially all the risks and benefits incidental to ownership of an underlying asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

2.16 Leases (continued)

2.16.2 Group as a lessor (continued)

Assets held under a finance lease are recognised in the statement of financial position and presented as a receivable at an amount equal to the net investment in the lease. The recognition of finance income is based on a pattern reflecting a constant periodic rate of return on the net investment in the finance lease.

If the lease agreement is classified as an operating lease, the lessor continues to present the underlying assets.

2.17 Financial instruments

Financial instruments comprise investments in equity, loans receivable, trade and other receivables (excluding non-financial assets), investments, cash and cash equivalents, restricted cash, non-current loans, current loans, as well as financial liabilities, consisting of borrowings, derivative financial liabilities and trade and other payables.

2.17.1 Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired and the group has transferred substantially all the risks and rewards of ownership.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

2.17.2 Measurement

At initial recognition, the group measures a financial liability carried at amortised cost at its fair value plus directly attributable transaction

At initial recognition, the group measures a financial asset (excluding trade receivables) at its fair value plus, in the case of a financial asset not at fair value through profit or loss (“FVPL”), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

(a) At fair value through profit or loss
Foreign currency contracts
The group’s only financial instruments carried at fair value through profit or loss were foreign currency contracts.

(b) At amortised cost
Trade receivables, lease receivables and contract assets
Trade receivables, lease receivables and contract assets, measured in accordance with IFRS 9, are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. The group and company applies the simplified approach to measuring expected credit losses ("ECL") for trade receivables, lease receivables and contract assets unless there is a significant financing component. There were no significant trade receivables, lease receivables and contract assets with financing components during the reporting period.

Other financial assets at amortised cost
The group classifies its financial assets as at amortised cost only if both of the following criteria are met: the asset is held within a business model whose objective is to collect the contractual cash flows; and the contractual terms give rise to cash flows that are solely payments of principal and interest.

Other financial assets at amortised cost include the following: Other non-current assets (note 11), amounts due by group companies (note 3) and cash and other cash equivalents (note 14).

For cash and other cash equivalents, interest is based on prevailing market rates of the respective bank accounts in which the cash and other cash equivalents are domiciled.

Other receivables are subsequently measured at amortised cost less expected credit losses under the general model.

(c) Financial liabilities
Loans from group companies, trade and other payables, other financial liabilities and lease liabilities are subsequently measured at amortised cost, using the effective interest method ("EIR").

2.17.3 Valuation techniques used to determine fair values

The fair value of financial assets carried at FVPL is determined using techniques as set out in note 28.2.

2.17.4 Impairment

The group calculates the allowance for credit losses based on ECLs for the financial assets measured at amortised cost. ECLs are a probability weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the group in accordance with the contract and the cash flows that the group expects to receive). ECLs are discounted at the original EIR of the financial asset.

The group applies the simplified approach to determine the ECL for trade receivables, lease receivables and contract assets.

For all other financial assets at amortised cost, the group recognises lifetime expected credit losses when there has been a significant increase in credit risk since initial recognition, which is determined by:

a) a review of overdue amounts; and
b) comparing the risk of default at the reporting date and at the date of initial recognition; and
c) an assessment of relevant historical and forward-looking quantitative and qualitative information.

If the credit risk on the financial asset has not increased significantly since initial recognition, the group measures the loss allowance for that financial asset at an amount equal to 12-months expected credit loss, which comprises the expected lifetime loss from the instrument were a default to occur within 12 months of the reporting date.

2.17 Financial instruments (continued)

2.17.4 Impairment (continued)

Simplified approach

The group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery.

The expected credit loss is calculated as the probability of default multiplied by the loss given default (amount that will be lost in a default event), multiplied by exposure of default. Refer to note 28.6.

To measure the ECLs, trade receivables, lease receivables and contract assets are grouped based on shared credit risk characteristics (refer to table below) and the days past due to identify non-performing receivables.

Category	*Description*
Small to medium customers	This category of customers is generally represented by small- and medium-sized enterprises. These entities are most exposed to the local markets. The credit risk assigned to these entities are medium. Probabilities of default per entity/ for entities in this category are based on historical payments and other information available on the financial condition of the entity/entities. Expected credit loss rates for entities within this category generally range between 0% and 4%.
Large customers	This category of customers is generally represented by large-sized enterprises. These entities are mostly exposed to the local and international markets. The credit risk assigned to these entities are low to medium. Probabilities of default per entity/for entities in this category are based on historical payments and other information available on the financial conditions of the entity/entities, this has been assessed to be low. Expected credit loss rates for entities within this category generally range between 0% and 5%.

The group considers an event of default has materialised, and the financial asset is credit impaired, when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay the group without taking into account any collateral held by the group or if the financial asset is more than 90 days past due unless the group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

In addition, forward-looking macroeconomic conditions and factors are considered when determining the ECLs for trade receivables, lease receivables and contract assets, namely trading conditions, as well as economic growth and inflationary outlook in the short term.

Impairment losses on financial assets are presented on the face of the statement of comprehensive income. Subsequent recoveries of amounts previously written off are credited against the same line item.

Intercompany loans

The group applies a general approach to determine the ECL for intercompany loans. The ECL is calculated using historical data (12 months and 36 months respectively) as well as forward-looking data in the form of budgets for future financial periods. The calculation of the ECL is based on each individual company within the group’s historical default rates observed over the expected life of the loans, adjusted for factors that are specific to the company, general economic conditions and an assessment of both the current and forecast direction of the market at the reporting date, including time value for money, where appropriate. This is done to allow for risk differentiation going forward and allows for risk management strategies impact being implemented.

2.18 Significant accounting judgements and estimates

The preparation of the group’s consolidated and separate financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

In the process of applying the group’s accounting policies, management has made the following judgements, estimates and assumptions, which have the most significant effect on the amounts recognised in the consolidated and separate financial statements:

2.18.1 Impairment of non-financial assets

Management is required to make judgements concerning the cause, timing and amount of impairment. In the identification of impairment indicators, management considers the impact of changes in current market, technological and economic conditions as well as other circumstances that could indicate that impairment exists. Management’s judgement is also required when assessing whether a previously recognised impairment loss should be reversed.

Where impairment indicators exist, the determination of the recoverable amount requires management to make assumptions to determine the fair value less costs to sell or value-in-use. Key assumptions on which management has based its determination of value-in-use include discount rates, projected cash flows and growth rates. The judgements, assumptions and methodologies used can have a material impact on the fair value and ultimately the amount of any impairment.

2.18.2 Determination of useful life and residual value of plant and equipment and intangible assets

The depreciation methods, estimated remaining useful lives and residual values are reviewed at least annually. The estimation of the useful lives of plant and equipment and intangible assets is based on historic performance as well as expectations about future use and therefore requires a significant degree of judgement to be applied by management.

2.18.3 Acquisition of subsidiary companies

Subsidiaries are entities that are defined as being under the control of the group. In certain cases, the assessment of control requires management to apply significant judgement. The ability of management to direct or has rights to the variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary company reflects control over the subsidiary. At acquisition fair values are determined using a discounted cash flows technique which takes into account various judgements and estimates relating to discount rates, projected cash flows and growth rates.

2.18 Significant accounting judgements and estimates (continued)

2.18.4 Deferred taxation

Management's judgement is exercised in determining the probability of future taxable profits, which will determine whether deferred tax assets should be recognised or derecognised. The utilisation of deferred tax assets will depend on whether it is possible to generate sufficient taxable income, taking into account any legal restrictions on the length and nature of the taxation asset. Key assumptions on which management has based its determination of future taxable income include projected profits and future growth rates. When deciding whether to recognise unutilised tax credits, management determines the extent to which future taxable income are likely to be available for set-off. In the event that the assessment of future profits, future tax payments and future utilisation changes, the change in the recognised deferred taxation is recognised in profit or loss.

2.18.5 Sales of goods and related services

The group enters into contracts with customers which include goods that are delivered to the customer and an ongoing service relating to the goods for a specific period as set out in the contracts. The group has applied its judgement and views these arrangements, in some instances, as a single performance obligation that needs to be met as the goods and services are not separately identifiable and the customer cannot benefit from either the goods or the services separately.

2.18.6 Leases

Determination of lease term contracts with renewal and termination options (group as a lessee)

The group determines the lease term as non-cancellable term of the lease, together with any periods covered by an option to extend or terminate the lease if it is reasonably certain to be exercised.

The group has several lease contracts that include extension and termination options. The group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. After the commencement date, the group reassesses the lease term if there is a significant event or change in circumstances that is within its control that affects its ability to exercise or not to exercise the option to renew or terminate.

Determination of the incremental borrowing rate

Where the group cannot readily determine the interest rate implicit in the leases it enters into, it uses its incremental borrowing rate to measure its lease liabilities.

The incremental borrowing rate is the rate of interest that the group would have to pay to borrow over a similar term the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

2.18.7 Going concern

The group statement of financial position has a negative net current asset value position of R4 706 190 at 30 June 2024 (2023: R84 951 808). The company statement of financial position has a positive net current asset value position of R9 893 039 at 30 June 2024 (2023: negative net current asset value of R67 960 380). The group generated losses of R13 644 695 and R66 585 525 for the 2024 and 2023 year-ends respectively and the company generated a profit of R26 893 103 for the 2024 and a loss of R68 600 989 for the 2023 year-ends respectively.

Management applied its judgement, taking into account the current financial position, future forecasted profits and future cash flows including its future obligations in terms of its borrowings in concluding that the group and company are a going concern. Changes in the assumptions regarding future cash flows and profits could affect the going concern of the group. Refer to note 28.5 which sets out the liquidity risks of the group and company.

2.19 Standards and interpretations issued and not yet effective

The followings Standards and Interpretations or amendments thereto have been issued and are not yet effective at the time of this report. Only those that may be expected to affect these financial statements have been detailed below:

Standard	Details of amendment	Effective date*
IFRS 18 Presentation and Disclosure in Financial Statements	New standard: This standard deals with the presentation and disclosure of information in general purpose financial statements; new requirements: - New mandatory totals or subtotals within the statement of financial performance; - Disclosure regarding managementdefined performance measures; - Aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements and the notes; - Operating profit must be the starting point for indirect method cash flows; - Consequential amendments to other accounting standards.	01 January 2027
IAS 21 The Effects of Changes in Foreign Exchange Rates	Amendment: Lack of Exchangeability - Specify when a currency is exchangeable into another currency and when it is not - Specify how an entity determines the exchange rate to apply when a currency us not exchangeable - Require the disclosure of additional information when a currency is not exchangeable	01 January 2025
IAS 1 Presentation of Financial Statements	Amendment: Classification of Liabilities as Current or Non-current - Classification to be based on whether the right to defer settlement by at least twelve months exists at the end of the reporting period. - Classification is unaffected by expectation of settlement. - Settlement refers to transfer of cash equity instruments, other assets or services. - Clarifies that only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.	01 January 2024

2.19 Standards and interpretations issued and not yet effective (continued)

IFRS 7 Financial Instruments: Disclosures IAS 7 Statement of Cash flows	Amendment: Supplier finance arrangements requiring disclosure - about how supplier finance arrangements affect an entity's liabilities and cash flow. - as to whether supplier finance agreements have been accessed providing extended payment terms or early payment terms for suppliers. - of the effects of exposure to liquidity risk including the impact if the supplier finance arrangements are no longer available.	01 January 2024
IFRS 16 Leases	Narrow scope amendment: Lease Liability in a Sale and Leaseback - Subsequent measurement for sale and leaseback transactions meeting the IFRS 15 requirements for sale only. - Seller-lessee to measure the lease liability in such a manner so that any gain or loss recognised relates only to rights transferred to buyer-lessor. No gain or loss must be recognised on the right of use retained.	01 January 2024
IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information	New Standard: requiring entities to disclose information about sustainability-related risks and opportunities that are useful to users relating to providing resources to the entity. - Entities are required to disclose information about sustainability-related risks and opportunities reasonably expected to affect their prospects. - Prescribes how the entity prepares and reports its sustainability-related disclosures, setting out general requirements for content and presentation thereof. - To provide an understanding of the entity's governance processes & controls, strategy to manage, identification processes & controls and performance in relation to the sustainability-related risks and opportunities and targets set.	1 January 2024 (Effective prospectively)
IFRS S2 Climate-related Disclosures	New Standard: requiring entities to disclose information about the climate-related risks (physical and transition) an entity is exposed to and the opportunities available to that may be useful to investors and capital providers. - Entities are required to disclose information about climate-related risks and opportunities reasonably expected to affect their cash flows, access to finance or cost of capital over the short-, medium- or long-term. - To provide an understanding of the entity's governance processes & controls, strategy, identification processes & controls and performance in relation to the climate-related risks and opportunities and targets set.	1 January 2024 (Effective prospectively)

**Annual periods beginning on or after, unless otherwise indicated*

The group is investigating the impact of these pronouncements and intends to apply them as they become effective, if applicable. For the most part, unless indicated above, the effect of these Standards and Interpretations are not expected to be significant.

2.20 Standards and interpretations issued that became effective during the year

The followings Standards and Interpretations or amendments thereto have been issued and became effective during the year under review:

Standard	Details of amendment	Impact
IAS 1 Presentation of Financial Statements Business Combinations	Amendment: Disclosure of Accounting Policies - Accounting policies to be disclosed where the information is material, by nature or amount. - Explains when accounting policy information is considered material. Clarifies that when an entity chooses to disclose an immaterial accounting policy, it must not obscure or affect other material or required disclosures.	This had no material impact on the group.
IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors	Amendment: Definition of Accounting Estimates - Distinguishes clearly between a change in accounting policy and a change in accounting estimate. - Revises the definition of an accounting estimate. - Provides reworded and specific examples of accounting estimates. - Clarifies that measurement techniques and inputs used in developing accounting estimates are not accounting policies.	
Practice Statement 2 Making Materiality Judgements	Amendment: Disclosure of Accounting Policies - Accounting policies to be disclosed where the information is material, by nature or amount. - Explains when accounting policy information is considered material and provides examples. - Clarifies that when an entity chooses to disclose an immaterial accounting.	
IAS 12 Income Taxes	Amendment: Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Narrows the scope of the exemption for recognition of taxable/deductible temporary differences that arise on certain transactions. The transaction should not give rise to equal taxable and deductible temporary differences. - Clarifies that deferred tax must be recognised on initial recognition of IFRS 16 leases and similar types of transactions that give rise to the recognition of an asset and a liability, such as decommissioning, restoration and similar liabilities with corresponding amounts recognised as part of the related asset.	

3. Subsidiary companies included in these results

	Number of issued shares	Effective ownership 2024 %	Effective ownership 2023 %	Rand value 2024 R'000	Rand value 2023 R'000
Trading companies					
Direct					
Datavoice (Pty) Ltd &	100	100	100	-	-
Jasco Carrier Solutions (Pty) Ltd	4,806	100	100	52,914	52,914
Jasco Enterprise (Pty) Ltd	300	100	100	27,202	13,347
Jasco Systems (Pty) Ltd &	100	100	100	-	-
Jasco Trading (Pty) Ltd	4,180	100	100	877	877
RAMM Systems (Pty) Ltd	1,000	51	51	18,985	18,985
Technology Integrated Solutions (Pty) Ltd &	100	100	100	-	-
Indirect					
Jasco Power Solutions (Pty) Ltd *	1,000	100	100		
Dormant					
Direct					
Jasco Energy and Industry Solutions (Pty) Ltd	6,406,859	100	100	5,823	5,823
Jasco Infrastructure Company (Pty) Ltd & #	-	-	100	-	-
Jasco Networks (Pty) Ltd @	-	-	100	-	136
NewTelco South Africa (Pty) Ltd	100	100	100	200	200
Indirect					
Telesto Communications (Pty) Ltd **	1,000	100	100		
				106,001	**92,282**
Amounts owing by group companies on current account - net of impairment					
- Datavoice (Pty) Ltd				1,917	789
- Jasco Carrier Solutions (Pty) Ltd				2,734	2,351
- RAMM Systems (Pty) Ltd				437	-
- Jasco Systems (Pty) Ltd				-	186
- Jasco Power Solutions (Pty) Ltd				2,111	-
- Technology Integrated Solutions (Pty) Ltd				8,059	19,038
- gross receivable				27,825	31,317
- allowance for impairment				(19,766)	(12,279)
- Jasco Trading (Pty) Ltd				75,311	54,820
- gross receivable				224,355	211,351
- allowance for impairment				(149,044)	(156,531)
				90,569	**77,184**
Amounts owing to group companies on current account					
- Jasco Energy and Industry Solutions (Pty) Ltd				(6,407)	(6,407)
- Jasco Trading (Pty) Ltd				(3,714)	(3,662)
				(10,121)	**(10,069)**

The amounts owing between group companies attract interest at a rate which is agreed upon between both parties on an annual basis and have no fixed repayment terms.
Refer to note 28.6 for the credit risk assessment relating to the amounts due by group companies

All the subsidiary companies are registered in South Africa and their principal place of business is in South Africa.
** Shares owned by Jasco Trading (Pty) Ltd*
& The carrying value of these investments are less than R1 000 each.
*** Shares owned by Jasco Enterprise (Pty) Ltd*
 # The entity was disposed of during the financial year.
@ The entity was deregistered during the financial year.

3. Subsidiary companies included in these results

Non-Controlling Interest (NCI)

Company name	Principal place of business	Effective non-controlling interest 2024 %	2023 %
RAMM Systems (Pty) Ltd	South Africa	49	49

	RAMM Systems 2024 R'000	2023 R'000
Movement in non-controlling interest		
Opening NCI	11,821	11,566
Current year profit attributable to non-controlling interest	218	255
Closing NCI	**12,039**	**11,821**
Summarised statement of profit or loss		
Revenue	45,631	39,965
Cost of sales	(21,223)	(17,433)
Operating expenses (incl. other income)	(23,970)	(22,082)
Net finance costs (incl. finance income)	316	253
Profit/(loss) before tax	754	703
Income tax expense	(309)	(183)
Total comprehensive income	**445**	**520**
Attributable to non-controlling interests	218	255
Summarised statement of financial position		
Current assets	10,672	10,597
Non-current assets	1,669	1,036
Total Assets	**12,341**	**11,633**
Equity	9,586	9,140
Current liabilities	2,434	2,493
Non-current liabilities	321	-
Total Equity and Liabilities	**12,341**	**11,633**
Summarised statement of cash flows		
Operating	(93)	2,506
Investing	(413)	(495)
Financing	(391)	(137)
Net movement in cash and cash equivalents	**(897)**	**1,874**

4. Discontinued operations

Disposals in 2024

With effect from 1 February 2024, Jasco Infrastructure Company (Pty) Ltd was sold to a third party. The financial performance and cash flow information presented are for the period ended 1 February 2024.

Disposals in 2023

With effect from 19 October 2022, MV Fire Protection Servcies (Pty) Ltd (MV Fire) was placed in voluntary liquidation due to the continued losses suffered by the subsidiary with no prospects of turning the entity around. The financial performance and cash flow information presented are for the period ended 19 October 2022 (2023 column).

Financial information relating to the discontinued operations for the period up to the date of the disposal is set out below.

	Group	
	2024	2023
	R'000	R'000
Statements of comprehensive income		
Revenue	-	3,314
Cost of sales	-	(5,557)
Gross profit	-	(2,243)
Other income	-	5,981
Selling and distribution costs	-	-
Administrative expenses	-	(5,116)
Other expenses	-	(752)
Net impairment loss on trade receivables	-	-
Operating loss	-	(2,130)
Finance income	-	-
Finance costs	-	(120)
Loss before taxation	-	(2,250)
Taxation	-	-
Loss for the period	-	(2,250)
Other comprehensive income	-	-
Total comprehensive loss for the year	**-**	**(2,250)**
Profit and total comprehensive income for the year attributable to:		
– non-controlling interests	-	-
– ordinary shareholders of the parent	-	(2,250)
	-	**(2,250)**
The profit from the discontinued operations consist of the following:		
Loss after tax - MV Fire	-	(8,079)
Profit on derecognition after tax - MV Fire	-	5,829
Total	**-**	**(2,250)**

	Group	
	2024 R'000	2023 R'000

4. Discontinued operations (continued)

Disaggregation of revenue from contracts with customers

Revenue is disaggregated by major revenue streams as documented below:

	2024 R'000	2023 R'000
Sale of goods and related services	-	3,314
At a point in time	-	3,314
Over a period of time	-	-
Total revenue from contracts with customers	**-**	**3,314**

	2024 R'000	2023 R'000
Statement of financial position at the date of disposal		
Non-current assets	**-**	**214**
Plant and equipment	-	214
Current assets	**-**	**4,541**
Inventories	-	2,262
Trade and other receivables	-	2,188
Taxation	-	32
Cash and cash equivalents	-	59
Total assets	**-**	**4,755**
Non-current liabilities	**-**	**(38,629)**
Interest-bearing liabilities	-	(21)
Amounts owing to group companies	-	(38,608)
Current liabilities	**-**	**(10,563)**
Trade and other payables	-	(10,563)
Total liabilities	**-**	**(49,192)**
Net equity	**-**	**(44,437)**

	2024 R'000	2023 R'000
Net cash flows from discontinued operations		
Net cash outflow from operating activities	-	(6,133)
Net cash outflow from investing activities	-	(13)
Net cash inflow from financing activities	-	6,621
Net increase in cash generated by the discontinued operation	**-**	**475**

	Group		Company	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000

5. Revenue

The group derives revenue from the transfer of goods and services over time and at a point in time in the following major revenue streams:

	Group 2024 R'000	Group 2023 R'000	Company 2024 R'000	Company 2023 R'000
Revenue from contracts with customers	648,623	554,219	8,284	5,321
Rental income from Hi Sites*	24,720	24,653	-	-
Dividend income *	-	-	13,978	-
Finance income - amounts owing by subsidiaries*	-	-	-	921
Total revenue	**673,343**	**578,872**	**22,262**	**6,242**

** Not in the scope of IFRS 15 - Revenue from contracts with customers.*

5.1 Disaggregation of revenue from contracts with customers

Revenue is disaggregated by major revenue streams as documented below:

	Group 2024 R'000	Group 2023 R'000	Company 2024 R'000	Company 2023 R'000
Sale of goods and related services	453,202	393,142	-	-
At a point in time	453,202	393,142	-	-
Over a period of time	-	-	-	-
Project related revenue	44,764	9,815	-	-
At a point in time	32,888	9,815	-	-
Over a period of time	11,876	-	-	-
Maintenance and support services	89,092	108,010	-	-
At a point in time	43,153	37,607	-	-
Over a period of time	45,939	70,403	-	-
Connectivity and hosting services	33,195	21,719	-	-
At a point in time	-	5,959	-	-
Over a period of time	33,195	15,760	-	-
Software related licenses	28,370	21,533	-	-
At a point in time	18,352	12,521	-	-
Over a period of time	10,018	9,012	-	-
Administration fees	-	-	8,284	5,321
Over a period of time	-	-	8,284	5,321
Total revenue from contracts with customers	**648,623**	**554,219**	**8,284**	**5,321**

5.2 Assets and liabilities related to contracts with customers

The company did not recognise any assets and liabilities related to contracts with customers.

5.2.1 Contract assets

Contract assets relate to performance obligations fulfilled but the customer has not yet been billed.

	Group 2024 R'000	Group 2023 R'000
Reconciliation of contract assets		
Opening balance at the beginning of year	293	1,039
Transferred to trade and other receivables on invoicing the customer	(293)	(1,039)
Raised in the current year	96	293
Expected credit loss	-	-
Closing balance at end of year - current	**96**	**293**

Contract assets have been considered for loss allowance and the credit risk is deemed immaterial hence no provision has been raised. Refer to note 28.6.

	Group 2024 R'000	Group 2023 R'000

5. Revenue (continued)

5.2 Assets and liabilities related to contracts with customers

5.2.2 Assets recognised from costs to fulfil a contract

The costs relate directly to the service level agreements entered into that will be used in satisfying the contract and are expected to be recovered. They were therefore recognised as an asset from costs to fulfil a contract and amortised over the period of the service level agreement.

	Group 2024 R'000	Group 2023 R'000
Opening balance	21,296	16,077
Costs incurred to fulfil contracts during the year	(1,917)	25,834
Amortisation of costs incurred to fulfil contracts during the year	(11,193)	(20,615)
	8,186	21,296
Current portion of assets recognised for costs incurred to fulfil a contract (included in Trade and other receivables - refer note 13)	7,583	21,296
Non-current portion of assets recognised for costs incurred to fulfil a contract	**603**	**-**

5.2.3 Contract liabilities

Contract liabilities relate to revenue received in advance in respect of service level agreements where the performance obligations are partially or fully unsatisfied at year-end and will be recognised as follows:

	Group 2024 R'000	Group 2023 R'000
- Within one year	26,335	62,036
- Within two years	13,426	3,401
Total contract liabilities	**39,761**	**65,437**
Reconciliation of contract liabilities:		
Opening balance at beginning of year	65,437	43,286
Recognised as revenue in current year	(67,565)	(47,410)
Received in the current year	41,889	69,561
Closing balance at end of year	**39,761**	**65,437**

Contract liabilities decreased due to less prepayments made by customers close to the financial year-end.

6. (Loss)/profit before taxation from continuing operations

The operating (loss)/profit is stated after allowing for the following:

	Group 2024 R'000	Group 2023 R'000	Company 2024 R'000	Company 2023 R'000
Income				
Foreign exchange gains arising from financial instruments	4,449	5,172	-	-
– realised	2,657	4,005	-	-
– unrealised	1,792	1,167	-	-
Rental income	1,113	1,555	-	-
Finance income	1,741	995	439	153
- Finance income from financial assets at amortised cost	1,741	995	439	153
– bank interest	1,659	634	430	153
– other loans	82	361	9	-
Reversal of impairment on loan to the Jasco Employee Share Incentive Trust	-	-	2,478	-
Other	4,791	1,025	1,703	-
Profit on disposal of plant and equipment	16	82	-	-
Profit on deregistration of subsidiary	-	-	20,088	-

	Group		Company	
	2024	2023	**2024**	2023
	R'000	R'000	**R'000**	R'000

6. (Loss)/profit before taxation from continuing operations (continued)

	Group 2024 R'000	Group 2023 R'000	Company 2024 R'000	Company 2023 R'000
Cost of sales				
Cost of inventory expensed	386,024	322,394	-	-
Other direct purchase cost	5,726	15,605	-	-
Cost of conversion	33,973	32,169	-	-
Labour cost	47,933	50,128	-	-
Expenditure				
Administration, managerial and secretarial fees paid to subsidiaries	-	-	3,229	3,185
Administration, managerial and secretarial fees paid to other parties	3,585	2,333	-	-
Auditors' remuneration	5,576	7,029	1,095	1,700
Consulting fees	6,435	8,303	6	-
Amortisation of intangible assets (refer note 10)	3,471	6,149	-	-
Depreciation of plant and equipment (refer note 8)	6,047	5,173	-	-
Depreciation of right-of-use assets (refer note 9)	20,489	17,762	-	-
Finance costs of other financial liabilities	26,703	24,831	12,650	12,240
• Finance costs	14,776	13,076	12,650	12,240
– bank loans and overdrafts	2	1		
– corporate bond and term loan	12,174	12,174	12,618	12,174
– other loans	2,043	553	-	-
– other	557	348	32	66
• Finance charges	11,927	11,755	-	-
– lease liabilities	11,926	11,740	-	-
– instalment sale agreements	1	15	-	-
Foreign exchange losses arising from financial instruments	3,676	5,363	-	-
– realised	2,463	3,571	-	-
– unrealised	1,213	1,792	-	-
Impairment of goodwill (refer note 10)	-	13,641	-	-
Impairment of loans to subsidiaries (note 3)	-	-	-	50,000
Impairment of loan to the Jasco Employee Share Incentive Trust (refer note 11)	-	-	-	1,604
Insurance expense	2,717	2,315	-	-
Lease charges on low-value assets and short-term leases	3,644	2,025	-	-
– rental premises	3,141	1,468	-	-
– equipment	5	73	-	-
– motor vehicles	498	484	-	-
Loss on disposal of plant and equipment	1,438	154	-	-
Professional fees relating to the delisting	-	1,495	-	1,495
Recruiting costs	2,957	-	-	-
Staff costs	160,968	156,847	2,891	2,849
• Short term benefits	149,699	145,165	2,891	2,849
– non-executive directors	2,891	2,849	2,891	2,849
– executive directors	6,546	5,376	-	-
– executive management	14,564	15,882	-	-
– other staff (including other benefits)*	125,698	121,058	-	-
• Post-employment benefits - total amounts contributed to defined contribution funds	11,269	11,682	-	-
– executive directors	523	217	-	-
– executive management	1,244	1,589	-	-
– other staff	9,502	9,876	-	-

* R53 129 000 (2023: R54 999 000) is included as part of cost of sales

Notes to the annual financial statements continued

for the year ended 30 June 2024

	Group		Company	
	2024	2023	2024	2023
	R'000	R'000	R'000	R'000
7. Taxation				
South African normal taxation				
Current	3,456	1,626	-	-
– current year charge	3,452	1,634	-	-
– prior year under/(over) provision	4	(8)	-	-
Deferred	(1,028)	(1,631)	-	-
– temporary differences	(1,166)	(1,631)	-	-
- prior year under/(over) provision	138	-	-	-
Foreign taxes	1,402	2,329	-	-
Security Transfer Tax	1	-	1	-
Total normal tax	**3,831**	**2,324**	**1**	**-**
The reconciliation of the effective rate of the tax charge to the company tax rate is as follows:	%	%	%	%
Standard taxation rate	27.0	27.0	27.0	27.0
Non-deductible expenses	(2.2)	(6.5)	-	(1.2)
Delisting cost	-	(0.6)	-	(0.6)
Consulting fees	(0.1)	-	-	-
Donations, penalties and fines	(0.2)	-	-	-
Impairment of loan receivable from Trust	-	-	-	(0.6)
Impairment of goodwill	-	(5.4)	-	-
Depreciation and amortisation	(1.3)	4.7	-	-
Other	(0.6)	(5.2)	-	-
Non-taxable income	0.2	2.5	(36.7)	-
Dividend received	-	-	(14.0)	-
Profit on disposal/deregistration of subsidiary	-	2.5	(20.2)	-
Reversal of impairment of loan receivable from Trust	-	-	(2.5)	-
Accounting interest received	0.2	-	-	-
Unrecognised tax losses	(34.9)	(23.2)	9.7	(6.1)
Change in estimate from prior year	(1.5)	-	-	-
Prescribed foreign tax credits	(14.3)	(3.6)	-	-
Differences in capital gains rates	(12.9)	0.1	-	-
Differences in corporate tax rates	(0.4)	0.1	-	-
Effective taxation rate	**(39.0)**	**(3.6)**	**-**	**19.7**

	Group		Company	
	2024	2023	**2024**	2023
	R'000	R'000	**R'000**	R'000
7. Taxation (continued)				
Deferred income tax asset/(liability)				
Beginning of year	16,096	14,465	-	-
Income statement movement	1,029	1,631	-	-
End of year	**17,125**	**16,096**	**-**	**-**
Deferred tax asset	17,845	16,096	-	-
– less than 12 months	14,995	12,843	-	-
– greater than 12 months	2,850	3,253	-	-
Deferred tax liability	(720)	-	-	-
– less than 12 months	(720)	-	-	-
– greater than 12 months	-	-	-	-
Net deferred tax asset	**17,125**	**16,096**	**-**	**-**
Made up as follows				
– amortisation of intangibles	(1,509)	(2,445)	-	-
– income received in advance	10,898	17,909	-	-
– section 24C allowance	(127)	(6,510)	-	-
– accelerated depreciation	(1,068)	(1,361)	-	-
– contingent consideration	(166)	(319)	-	-
– deferred gains and losses on foreign currency contracts	22	(29)	-	-
– impairment of receivables	609	671	-	-
– right of use assets	(28,198)	(26,164)	-	-
– lease liabilities	25,604	28,311	-	-
– prepayments	2,020	(2,141)	-	-
– provisions	3,554	2,288	-	-
– retentions	-	(3)	-	-
– taxation losses	5,486	5,889	-	-
	17,125	**16,096**	**-**	**-**
Estimated taxation losses available for set off against future taxable profits	198,244	209,879	57,037	62,889
Taxation losses which could be recognised as an asset	53,526	56,667	15,400	16,980
Less deferred tax asset not recognised	(48,040)	(50,778)	(15,400)	(16,980)
Asset recognised - tax losses	**5,486**	**5,889**	**-**	**-**
Estimated capital taxation losses available for set off against future taxable capital profits	104,132	116,231	88,800	100,899

8. Plant and equipment

	Leasehold improvements R'000	Plant and machinery R'000	Hi sites R'000	Furniture fixtures and office equipment R'000	Motor vehicles R'000	Computer and manufacturing equipment R'000	**Total plant and equipment R'000**
Group							
2024							
Net book value – beginning of year	**1,185**	**18,668**	**2,112**	**6,325**	**693**	**1,726**	**30,709**
– cost	9,458	65,731	12,918	32,680	1,913	8,826	131,526
– accumulated depreciation and impairment	(8,273)	(47,063)	(10,806)	(26,355)	(1,220)	(7,100)	(100,817)
Current year movements	**(216)**	**(3,571)**	**1**	**(1,836)**	**(307)**	**(186)**	**(6,115)**
– additions	269	409	237	442	-	742	2,099
– net book value of disposals	-	(793)	-	(252)	(149)	(76)	(1,270)
– impairment raised	-	(887)	-	-	-	(10)	(897)
– depreciation	(485)	(2,300)	(236)	(2,026)	(158)	(842)	(6,047)
End of year	**969**	**15,097**	**2,113**	**4,489**	**386**	**1,540**	**24,594**
Made up as follows							
– cost	9,727	58,194	13,155	31,742	1,694	6,639	121,151
– accumulated depreciation and impairment	(8,758)	(43,097)	(11,042)	(27,253)	(1,308)	(5,099)	(96,557)
Net book value	**969**	**15,097**	**2,113**	**4,489**	**386**	**1,540**	**24,594**
2023							
Net book value – beginning of year	**1,894**	**17,067**	**2,154**	**7,620**	**126**	**1,318**	**30,179**
– cost	9,754	66,441	12,797	40,690	1,552	8,546	139,780
– accumulated depreciation and impairment	(7,860)	(49,374)	(10,643)	(33,070)	(1,426)	(7,228)	(109,601)
Current year movements	**(709)**	**1,601**	**(42)**	**(1,295)**	**567**	**408**	**530**
– additions	33	824	224	804	-	779	2,664
– net book value of disposals	(211)	(70)	(48)	(43)	-	(67)	(439)
– acquisition of subsidiary	-	2,573	-	395	691	363	4,022
– loss of control of subsidiary	-	(66)	-	(75)	(75)	-	(216)
– impairment raised	-	-	-	(262)	-	-	(262)
– depreciation	(531)	(1,660)	(218)	(2,114)	(49)	(667)	(5,239)
End of year	**1,185**	**18,668**	**2,112**	**6,325**	**693**	**1,726**	**30,709**
Made up as follows							
– cost	9,458	65,731	12,918	32,680	1,913	8,826	131,526
– accumulated depreciation and impairment	(8,273)	(47,063)	(10,806)	(26,355)	(1,220)	(7,100)	(100,817)
Net book value	**1,185**	**18,668**	**2,112**	**6,325**	**693**	**1,726**	**30,709**

Security pledged

Certain motor vehicles and equipment are secured as per note 18 for the related financing.

A general notarial bond of R100 million has been registered over the moveable assets as security for the Bank of China term loan. This bond was cancelled subsequent to year-end following the settlement of the loan, refer to note 18.

9. Right-of-use assets and lease liabilities

9.1 Right of use assets

	Buildings and property R'000	Motor vehicles R'000	Furniture fixtures and office equipment R'000	**Total R'000**
Group				
2024				
Net book value – beginning of year	**96,781**	**413**	**-**	**97,194**
– cost	130,290	1,327	1,839	133,456
– accumulated depreciation	(33,509)	(914)	(1,839)	(36,262)
Current year movements	**(27,472)**	**323**	**35,158**	**8,009**
– additions	-	682	39,587	40,269
– lease modification	(11,771)	-	-	(11,771)
– depreciation	(15,701)	(359)	(4,429)	(20,489)
End of year	**69,309**	**736**	**35,158**	**105,203**
Made up as follows				
– cost	118,519	2,009	41,426	161,954
– accumulated depreciation	(49,210)	(1,273)	(6,268)	(56,751)
Net book value	**69,309**	**736**	**35,158**	**105,203**
2023				
Net book value – beginning of year	**18,923**	**702**	**-**	**19,625**
– cost	43,972	1,518	2,103	47,593
– accumulated depreciation	(25,049)	(816)	(2,103)	(27,968)
Current year movements	**77,858**	**(289)**	**-**	**77,569**
– additions	97,832	-	-	97,832
– lease modification	(2,501)	-	-	(2,501)
– depreciation	(17,473)	(289)	-	(17,762)
End of year	**96,781**	**413**	**-**	**97,194**
Made up as follows				
– cost	130,290	1,327	1,839	133,456
– accumulated depreciation	(33,509)	(914)	(1,839)	(36,262)
Net book value	**96,781**	**413**	**-**	**97,194**

The lease modification in 2024 relates to a change in the lease of Jasco Trading head office and Jasco Manufacturers.
On 24 August 2023, the outstanding rental payments for Jasco Trading Head office were converted into equity, accordingly the carrying value of the right-of-use asset and related lease liability decreased to reflect the new payment profile in the 2024 financial year. On 29 February 2024, CIH Project No 55 (Pty) Ltd confirmed that there will be no escalation for rental for the 2024 financial year, accordingly the carrying value of the right-of-use asset and related lease liability decreased to reflect the new payment profile. On 28 June 2024, the outstanding rental payments were converted into equity and, CIH Project No 55 (Pty) Ltd confirmed that there will be no escalation in rental for the 2025 financial year, accordingly the carrying value of the right-of-use asset and related lease liability decreased to reflect the new payment profile in the 2025 financial year. The payment holiday is in terms of the subordination of lease payments to the Investec Bank Limited loan.

With effect from 31 August 2023, Jasco Manufacturing issued the landlord with the 12-month notification that cancels the lease with effect from 31 August 2024. During August 2024, the lease was renewed for 36 months.

The additions to furniture, fixtures and office equipment consists out of specialised equipment acquired for the SABC contract. The contract was entered into as part of the SABC's digitization project of their historic footage. During the initial contract calculations done, the estimated hours per item was determined. Based on this, the right-of-use assets are depreciated per hour of digitisation based on the hours worked for the month and the hours remaining at the end of the previous month. The total hours for the project for all assets was 300,000 of which a total of 266,957 hours are remaining at 30 June 2024.

	Group	
	2024 R'000	2023 R'000
9. Right-of-use assets and lease liabilities (continued)		
9.2 Lease Liabilities		
Principal amounts owing in respect of lease agreement		
Total	**109,157**	**118,794**
- gross minimum lease payments	155,662	170,162
- finance charges	(46,505)	(51,368)
– current lease liabilities	(32,889)	(18,975)
Non-current lease liabilities	**76,268**	**99,819**
Reconciliation of liabilities arising from financing activities		
Balance at 1 July	118,794	24,710
New leases obtained	29,988	97,100
Repayments	(14,717)	(12,255)
Principal repayments	(11,063)	(9,419)
Interest repayments	(3,654)	(2,836)
Finance charges	11,926	11,740
Change in liability on lease modification	(36,492)	(2,501)
Re-estimation adjustment	(342)	-
Total	109,157	118,794
The maturity analysis of the cash flows of the lease liabilities is as follows:		
– one year	28,072	29,696
– after one year, within five years	77,337	88,626
– after five years	50,253	51,840
Total	**155,662**	**170,162**

An average rate of 10.13% (2023: 10.13%) was applied across the group on all leases. The disclosed leases have lease terms that end between period October 2023 and June 2032.

10. Intangible assets

	Goodwill R'000	Trade names R'000	Voice transaction management applications R'000	Computer software R'000	Customer related intangible assets R'000	**Total intangible assets R'000**
Group						
2024						
Net book value – beginning of year	**40,744**	**-**	**-**	**5,189**	**3,872**	**49,805**
– cost	68,583	8,551	-	16,665	16,262	110,061
– accumulated amortisation and impairment	(27,839)	(8,551)	-	(11,476)	(12,390)	(60,256)
Current year movements	**-**	**-**	**-**	**(1,148)**	**(2,323)**	**(3,471)**
– amortisation	-	-	-	(1,148)	(2,323)	(3,471)
End of year	**40,744**	**-**	**-**	**4,041**	**1,549**	**46,334**
Made up as follows						
– cost	68,332	8,551	-	16,302	16,262	109,447
– accumulated amortisation and impairment	(27,588)	(8,551)	-	(12,261)	(14,713)	(63,113)
Net book value	**40,744**	**-**	**-**	**4,041**	**1,549**	**46,334**
2023						
Net book value – beginning of year	**41,355**	**300**	**1,957**	**7,215**	**6,196**	**57,023**
– cost	56,163	8,551	35,372	19,704	23,164	142,954
– accumulated amortisation and impairment	(14,808)	(8,251)	(33,415)	(12,489)	(16,968)	(85,931)
Current year movements	**(611)**	**(300)**	**(1,957)**	**(2,026)**	**(2,324)**	**(7,218)**
– acquisition of subsidiary	13,030	-	-	-	-	13,030
– amortisation	-	(300)	(1,957)	(1,575)	(2,324)	(6,156)
– impairment and scrapping	(13,641)	-	-	(451)	-	(14,092)
End of year	**40,744**	**-**	**-**	**5,189**	**3,872**	**49,805**
Made up as follows						
– cost	68,583	8,551	-	16,665	16,262	110,061
– accumulated amortisation and impairment	(27,839)	(8,551)	-	(11,476)	(12,390)	(60,256)
Net book value	**40,744**	**-**	**-**	**5,189**	**3,872**	**49,805**

The voice transaction management applications consist of costs capitalised during the development of various voice transaction management applications. These intangibles have finite useful lives and are amortised over a period of three years.

The customer-related and trade name intangible assets relate to the customer contracts and relationships acquired in the RAMM acquisitions. These intangibles are amortised over a period of five to ten years.

10. Intangible assets (continued)

Goodwill

As at the reporting date, the goodwill was tested for impairment using a value-in-use approach.

Key assumptions

The cash flow projections, are discounted to the present value, using pre-tax discount rates appropriate to the cash-generating unit the asset belongs to. Revenue, gross margins and profit before tax for the first year is based on budgets approved by the board of directors. Thereafter the revenue growth assumption is based on an inflationary increase. Gross margins and profit before tax are increased over the forecast period for anticipated efficiency improvements on future cash flow projections. A long term growth rate of 1,0% (2023: 1,0%) was assumed into perpetuity.

The discount rate calculation is based on the specific circumstances of the group and the specific CGU and has decreased from 2023 due to the decrease in the group's weighted average cost of capital. Growth rate estimates are conservatively applied to each unit having considered both industry expected growth rates as well as internal targets. The group are not expecting to exceed the long-term average growth rates of the industry.

The goodwill values and specific key assumptions relating to each cash-generating unit is as follows:

2024	Carrying value R'000	Pre-tax discount rate %	Gross profit margin %	Valuation R'000
Carrier Solutions	32,370	18.13%	62.0%	43,361
RAMM Technologies	8,374	19.15%	57.2%	41,785
	40,744			**85,146**
2023				
Carrier Solutions	32,370	19.21%	66.6%	87,123
RAMM Technologies	8,374	21.78%	62.0%	15,031
	40,744			**102,154**

Sensitivity analysis

The value-in-use calculation is most sensitive to the gross profit margin, discount rates and growth rates used to extrapolate cash flows beyond the financial forecast period.

Management has performed a sensitivity analysis for the goodwill balances. The goodwill sensitivity tests performed for a 1% change respectively in the growth rate, discount rate and gross margin percentage have an impact on the net present value of the future cash flows. However these do not result in a change in the carrying value of the goodwill balance.

A reasonable possible change in any of the key assumptions would not result in any additional impairment. Set out below is the change in the discounted cash flows when applying a 1% change in the key assumptions.

Key assumption	GP margin		Growth rate		Discount rate	
(Amounts in R'000)	1%	(1%)	1%	(1%)	1%	(1%)
Carrier Solutions	2,365	(2,365)	4,620	(3,917)	(6,415)	7,562
RAMM Technologies	7,627	1,297	6,687	2,498	1,982	7,221

Impairment

Due to the continued losses suffered by the Manufacturing business unit, the goodwill relating to it was impaired in 2023. Based on the slower than anticipated growth in TIS, a conservative decision was taken to impair the goodwill acquired at acquisition. No impairment was recognised in 2024.

	Group 2024 R'000	Group 2023 R'000	Company 2024 R'000	Company 2023 R'000
11. Other non-current assets				
11.1 Loan to the Jasco Employee Share Incentive Trust	-	-	-	2,141
Loan	-	-	-	12,608
Allowance for impairment	-	-	-	(10,467)
The loan attracted interest at a variable rate as per the SARS Interest Rates - Table 3, which was 9.25% (2023: 9.25%) at the reporting date.				
11.2 Other loans	-	706	-	-
Total	768	1,479	-	-
– loan	768	1,479	-	-
– allowance for impairment	-	-	-	-
Current portion transferred to current assets	(768)	(773)	-	-
The balance relates to the contingent consideration for the disposal of Jasco Property Solutions in 2022 and PTM in 2021.				
Non-current	**-**	**706**	**-**	**2,141**
Refer to note 28.6 for the credit risk assessment.				
12. Inventories				
Raw materials	8,417	12,972	-	-
Work in progress	1,308	929	-	-
Finished goods and merchandise	60,531	58,815	-	-
– at cost	66,416	63,798	-	-
– provision for obsolete stock	(5,885)	(4,983)	-	-
	70,256	**72,716**	**-**	**-**
Inventory expensed, included in cost of sales	387,742	328,622	-	-
– inventory expensed during the year	386,024	326,037	-	-
– inventory written off during the year	1,718	2,585	-	-
A general notarial bond of R100 million has been registered over the moveable assets as security for the Bank of China term loan. This bond was cancelled subsequent to year-end following the settlement of the loan, refer to note 18.				
13. Trade and other receivables				
Financial instruments				
Trade receivables	73,209	106,293	-	-
– trade receivables	76,967	110,435	-	-
– impairment allowance	(3,758)	(4,142)	-	-
Deposits	1,141	1,085	-	-
Other receivables	54	884	-	-
Non-financial instruments				
Costs incurred to fulfil contracts (refer to note 5)	7,584	21,296	-	-
Prepayments	2,690	14,918	-	-
Retentions	-	11	-	-
VAT receivable	1,770	1,227	-	482
Other receivables #	10,019	2,550	-	-
Financial assets at fair value through profit or loss				
Foreign currency contracts	-	149	-	-
	96,467	**148,413**	**-**	**482**

 # Other receivables relates mainly to creditors with debit balances that were reclassified.

The trade receivables of the major subsidiaries were ceded as security for the Bank of China term loan. Refer to note 18.

Refer to note 28.6 for the credit risk assessment.

	Group		Company	
	2024 R'000	2023 R'000	**2024 R'000**	2023 R'000
14. Cash and cash equivalents				
Current accounts	24,708	43,586	95	235
Call accounts	14,680	3,364	-	-
Cash on hand	67	127	-	-
	39,455	**47,077**	**95**	**235**
General banking facilities				
The following general banking facilities are held by ring-fenced subsidiaries				
- Nedbank (RAMM Systems)	1,000	1,000	-	-

Cash at banks earn interest at floating rates based on daily bank deposit rates.

The carrying amount of the cash and cash equivalents approximates the fair value due to the short term nature thereof.

Refer to note 28.6 for the credit risk assessment.

15. Share capital

15.1 Authorised

2 000 000 000 (2023: 750 000 000) ordinary shares with no par value
29 884 633 redeemable preference shares with no par value

15.2 Issued

	Group 2024 R'000	Group 2023 R'000	Company 2024 R'000	Company 2023 R'000
787 454 966 ordinary shares				
Beginning of year	328,531	328,531	328,531	328,531
New shares issued	67,260	-	67,260	-
Share capital redemption	(205)	-	(205)	-
Share capital buy back	(4,517)	-	(4,517)	-
End of year	**391,069**	**328,531**	**391,069**	**328,531**

In 2024, the issued ordinary share capital increased from 367 444 716 to 669 631 903 ordinary shares following the capitalisation that concluded on 24 August 2023 increasing equity by R47 204 884. The issued ordinary share capital increased further to 794 977 324 ordinary shares following the capitalisation that concluded on 28 June 2024, increasing equity by R20 055 267. The cancellation of shares from the Jasco Employee Share Incentive Trust of 7 522 358 decreased the share capital issued to 787 454 966.

16. Treasury shares

	Group 2024 R'000	Group 2023 R'000	Company 2024 R'000	Company 2023 R'000
The Jasco Employee Share Incentive Trust owns zero (2023: 4 873 062) unallocated ordinary shares	-	3,083	-	-
Treasury shares at cost	**-**	**3,083**	**-**	**-**

Refer to note 2.3.3 for a description relating to treasury shares.
Refer to the Directors Report.

	Group		Company	
	2024	2023	**2024**	2023
	R'000	R'000	**R'000**	R'000

17. Non-distributable reserves

Equity settled share-based payment reserve (note 17.1)				
– beginning of year	4,397	4,397	-	-
– arising during the year	271	-	-	-
– recycled to retained earnings	(4,668)	-	-	-
	-	**4,397**	**-**	**-**

17.1 Equity settled share-based payments

Jasco Employee Share Incentive Trust

The Jasco Employee Share Incentive Trust was formed in 1993 to enable executives of the group to acquire shares in Jasco to provide them with incentives to advance the group's interests. The maximum number of shares and/or options that may be issued may not exceed 53 478 714 (2023: 53 478 714) shares, being 15% of the issued share capital at the inception of the Trust and including all subsequent capitalisation and rights issues. The maximum number of shares and/or options allowed for any one person is 17 023 501 (2023: 17 023 501). In terms of the scheme rules, 50% of the shares/options issued may be traded after two years, 75% after three years and 100% after four years. The shares/options vest at the beginning of the trading period. The options lapse after five years.

The last remaining beneficiary resigned in November 2023. Based on a decision by the board of directors, the allocation of shares to this beneficiary was cancelled. As such, the shares still held in treasury by the trust were cancelled by Jasco Electronics Holdings Ltd and the Jasco Employee Share Incentive Trust is in the process of being wound down.

	2024	2023
Number of ordinary shares reserved	-	53,478,714
Less: total number of shares allocated	-	2,649,296
– beginning of year	2,649,296	2,649,296
– net cancelation of allocation during the year	(2,649,296)	-
Number of available shares	**-**	**50,829,418**

Summary of shares issued

Date issued	Number	Price per share (c)	Shares issued by trust not yet withdrawn **2024**	Shares issued by trust not yet withdrawn 2023
13 June 2016	2,163,699	81	-	834,881
02 June 2015	9,146,118	55	-	1,626,915
5 February 2014	1,470,000	72	-	187,500
	12,779,817		-	2,649,296

Expense

All shares had vested in 2020, accordingly, no further expenses have been recognised.

	Group		Company	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
18. Interest bearing liabilities				
Term loan: Bank of China	70,043	99,804	70,043	99,804
Working capital loan: CIH Projects (Pty) Ltd	41,144	-	-	-
– gross minimum instalments	58,432	-	-	-
– finance charges	(17,288)	-	-	-
Principal amounts owing in respect of instalment sale agreements	-	32	-	-
– gross minimum instalments	-	32	-	-
Total	**111,187**	**99,836**	**70,043**	**99,804**
Current portion transferred to short term borrowings (refer note 21)	(70,043)	(99,836)	(70,043)	(99,804)
– instalment sale agreements	-	(32)	-	-
– term loan	(70,043)	(99,804)	(70,043)	(99,804)
Non-current	**41,144**	**-**	**-**	**-**

Particulars

Under the Bank of China loan, the company (including the major subsidiaries) was required to comply with certain financial covenants conditions.
Following the recapitalisation on 24 August 2023 and 28 June 2024, the debt to equity ratio improved to 89%.
The loan was secured by a cession of the debtors of the major subsidiaries of the group and a general notarial bond of R100 million over the movable assets. Subsequent to year-end, the security was released on the settlement of the outstanding value. This loan was settled after year end and replaced by a term loan with Investec Bank Ltd.

With effect from, 28 March 2024, Jasco received a working capital loan from CIH Projects (Pty) Ltd. This loan bears interest at the prime rate and has a final repayment date of 30 June 2026. R20 million of this loan was utilised to settle a portion of the Bank of China loan.

As of 5 July 2024, the Bank of China loan was settled following a new loan agreement entered into with Investec Bank Limited. This loan bears interest at the prime overdraft rate, is repayable in equal instalments monthly over 36 months, with a final settlement value of R21 million.
Under the Investec loan, the company (including the major subsidiaries) is required to comply with the following financial covenants conditions:

- the Gross Debt to EBITDA Ratio shall not exceed 2.00 times; and
- the Debt Service Cover Ratio shall be greater than 1.25 times;
- the aggregate value of the Group's Trade receivables shall exceed the Investec Debt Balance by 1 time.

18. Interest bearing liabilities (continued)

Reconciliation of interest bearing liabilities arising from financing activities

Group

	Bank of China	CIH Projects (Pty) Ltd	Instalment sale agreement	Total
2024				
Balance at 30 June 2023	99,804	-	32	99,836
Loans obtained	-	40,000	-	40,000
Repayments	(42,380)	-	(32)	(42,412)
Capital repayments	(29,125)	-	(31)	(29,156)
Interest repayments	(13,255)	-	(1)	(13,256)
Finance charges	12,619	1,144	-	13,763
Balance at 30 June 2024	**70,043**	**41,144**	**-**	**111,187**
Current liabilities	70,043	-	-	70,043
Non-current liabilities	-	41,144	-	41,144
2023				
Balance at 30 June 2022	108,469	-	240	108,709
Repayments	(20,839)	-	(204)	(21,043)
Capital repayments	(9,100)	-	(188)	(9,288)
Interest repayments	(11,739)	-	(16)	(11,755)
Finance charges	12,174	-	17	12,191
Disposal of subsidiary	-	-	(21)	(21)
Balance at 30 June 2023	**99,804**	**-**	**32**	**99,836**
Current liabilities	99,804	-	32	99,836
Non-current liabilities	-	-	-	-

Company

	Bank of China	Total
2024		
Balance at 30 June 2023	99,804	99,804
Repayments	(42,380)	(42,380)
Capital repayments	(29,125)	(29,125)
Interest repayments	(13,255)	(13,255)
Finance charges	12,619	12,619
Balance at 30 June 2024	**70,043**	**70,043**
Current liabilities	70,043	70,043
Non-current liabilities	-	-
2023		
Balance at 30 June 2022	108,469	108,469
Repayments	(20,839)	(20,839)
Capital repayments	(9,100)	(9,100)
Interest repayments	(11,739)	(11,739)
Finance charges	12,174	12,174
Capitalised initial costs	-	-
Balance at 30 June 2023	**99,804**	**99,804**
Current liabilities	99,804	99,804
Non-current liabilities	-	-

	Group		Company	
	2024	2023	**2024**	2023
	R'000	R'000	**R'000**	R'000

19. Trade and other payables

	Group 2024 R'000	Group 2023 R'000	Company 2024 R'000	Company 2023 R'000
Financial instruments				
Trade payables	58,654	99,139	-	2,845
Non-financial instruments				
Accrued expenses	3,970	31,725	154	1,827
Payroll related accruals	10,444	11,277	-	-
VAT Payable	2,410	778	452	-
Other payables >	6,923	3,331	-	-
Financial liabilities at fair value through profit or loss				
Foreign currency contracts	81	42	-	-
	82,482	**146,292**	**606**	**4,672**

Trade payables are non-interest bearing and are normally settled on 30 to 90 day terms.

Amortised cost approximates the fair value due to the short term nature of the financial instruments.

> Other payables mainly relates to debtors with credit balances that were reclassified

20. Provisions

	Group 2024 R'000	Group 2023 R'000	Company 2024 R'000	Company 2023 R'000
Bonus				
Beginning of year	659	3,164	-	-
Arising during year	6,116	672	-	-
Utilised during year	(853)	(3,169)	-	-
Unused amount reversed	(206)	(8)	-	-
End of year	5,716	659	-	-
Warranties				
Beginning of year	150	150	-	-
Arising during year	128	-	-	-
End of year	278	150	-	-
Other				
Beginning of year	398	271	-	-
Arising during year	370	476	-	-
Utilised during year	(492)	(304)	-	-
Unused amount reversed	-	(45)	-	-
End of year	276	398	-	-
Total provisions				
Beginning of year	1,207	3,585	-	-
Arising during year	6,614	1,148	-	-
Utilised during year	(1,345)	(3,473)	-	-
Unused amount reversed	(206)	(53)	-	-
End of year	**6,270**	**1,207**	**-**	**-**

The bonus provision is recognised when the group is contractually obliged or when there is a past practice that has created a constructive obligation. The bonus expense is determined based on the CEO's recommendation, having considered the financial performance of the respective business unit and is subject to the approval of the remuneration committee.

The warranty provision is for product warranties given to customers on the sale of certain products. Other provisions include provisions for contractual future service obligations.

The utilisation of these provisions are uncertain but expected to occur within a year.

	Group		Company	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000

21. Short term borrowings

	Group 2024 R'000	Group 2023 R'000	Company 2024 R'000	Company 2023 R'000
Short term borrowings comprise:				
– current portion of non-current interest-bearing liabilities (refer note 18)	70,043	99,836	70,043	99,804
- insurance payment plan	621	750	-	-
- Vendor Loan - TIS acquisition	-	31,317	-	31,317
- project funding	-	3,000	-	-
	70,664	**134,903**	**70,043**	**131,121**

Amortised cost approximates the fair value due to the short term nature of the financial instruments.
The project funding consisted of short term loans obtained for the financing of some of the projects in the Webb Industries business unit. The loan bears interest at 15% and was repayable by 31 December 2022.

22. Notes to the statements of cash flows

22.1 Reconciliation of (loss)/ profit before taxation to cash generated from operations

	Group 2024 R'000	Group 2023 R'000	Company 2024 R'000	Company 2023 R'000
(Loss)/ profit before income tax	(9,813)	(64,262)	26,896	(68,601)
- continuing operations	(9,813)	(62,012)	26,896	(68,601)
- discontinued operations	-	(2,250)	-	-
Adjustments for:				
- amortisation of intangibles	3,471	6,149	-	-
- depreciation of plant and equipment	6,047	5,174	-	-
- depreciation of right-of-use assets	20,489	17,762	-	-
- recycling of non distributable reserve	-	-	-	-
- impairment of loans to subsidiaries	-	-	-	50,000
- impairment of goodwill	-	13,640	-	-
- impairment of the loan to the Jasco Share Incentive Trust	-	-	(2,478)	1,603
- impairment of fixed assets	897	262	-	-
- provisions raised/(reversed)	4,846	(2,545)	-	-
- unrealised foreign exchange gains	(1,792)	(1,167)	-	-
- unrealised foreign exchange losses	1,213	1,792	-	-
- net loss on sale of plant and equipment	535	72	-	-
- scrapping of intangibles	-	416	-	-
- net profit on deregistration of subsidiary	-	-	(20,089)	-
- net profit on sale of shares	(40)	-	-	-
- net interest and dividend paid/(received)	24,962	23,836	(1,767)	11,166
- discontinued operations	-	(5,580)	-	-
amortisation of intangibles	-	7	-	-
depreciation of plant and equipment	-	65	-	-
scrapping of intangibles	-	35	-	-
movement in provisions	-	(181)	-	-
net loss on sale of plant and equipment	-	203	-	-
net profit on disposal of subsidiary	-	(5,829)	-	-
net finance cost	-	120	-	-
Cash flows from operations before working capital changes	**50,815**	**(4,451)**	**2,562**	**(5,832)**
Working capital changes	(38,777)	54,865	(7,404)	1,591
- decrease in inventories	2,241	5,747	-	-
- decrease/(increase) in trade and other receivables, including contract and other assets	36,987	(18,649)	482	130
- increase in amounts owing by subsidiaries	-	-	(3,873)	(125)
- (decrease)/increase in trade and other payables, including contract liabilities	(78,005)	67,767	(4,065)	1,015
- increase in amounts owing to subsidiaries	-	-	52	571
Cash generated from/(utilised in) operations	**12,038**	**50,414**	**(4,842)**	**(4,241)**

	Group		Company	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
22. Notes to the statements of cash flows (continued)				
22.2 Taxation paid				
Net taxation refundable at beginning of year	9,190	10,459	-	-
Net acquisition/disposal of subsidiaries/business operations	-	(31)	-	-
Amounts charged per statement of comprehensive income, excluding deferred taxation	(4,859)	(3,956)	(1)	-
Net taxation refundable at end of year	(6,893)	(9,190)	-	-
Cash amounts paid	**(2,562)**	**(2,718)**	**(1)**	**-**
22.3 Purchase of plant and equipment				
Plant and machinery	(409)	(824)	-	-
Hi Sites	(237)	(224)	-	-
Furniture and office equipment	(442)	(804)	-	-
Computer and manufacturing equipment	(742)	(779)	-	-
Leasehold improvements	(269)	(33)	-	-
Total purchase of plant and equipment	**(2,099)**	**(2,664)**	**-**	**-**
22.4 Disposal of subsidiaries				
Plant and equipment	-	214	-	-
Inventories	-	2,263	-	-
Accounts receivable	-	2,188	-	-
Accounts payable	-	(10,563)	-	-
Current taxation	-	31	-	-
Interest bearing liabilities	-	(21)	-	-
Net cash and cash equivalents	-	59	-	-
Profit on disposal	-	5,829	-	-
Total purchase price	-	-	-	-
Exclude: net cash and cash equivalents disposed of	-	(59)	-	-
Exclude: deferred payment (refer to note 11)	-	-	-	-
Cash flow on disposal net of cash disposed of	**-**	**(59)**	**-**	**-**

In 2023, the group placed MV Fire Protection Services (Pty) Ltd into liquidation. Refer to note 4 for more information.

	Group		Company	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
22.5 Acquisition of subsidiary				
Investment in subsidiary, at cost*	-	-	-	-
Plant and equipment	-	(4,020)	-	-
Intangible assets	-	(13,030)	-	-
Inventories	-	(6,574)	-	-
Accounts receivable	-	(9,579)	-	-
Accounts payable	-	6,961	-	-
Amount owing to group companies on loan accounts	-	-	-	(31,317)
Net cash and cash equivalents	-	(5,826)	-	-
Total purchase price	-	(32,068)	-	(31,317)
Exclude: net cash and cash equivalents acquired	-	5,826	-	-
Exclude: deferred payment	-	31,317	-	31,317
Cash flow on acquisition, net of cash acquired/disposed of	**-**	**5,075**	**-**	**-**

Refer to note 3 for more information on the acquisition of the 100% interest in Technology Integrated Solutions (Pty) Ltd.

** Less than R1,000*

	Group		Company	
	2024 R'000	2023 R'000	**2024 R'000**	2023 R'000

23. Lease agreements

23.1 Short-term leases and low-value assets

	Group 2024 R'000	Group 2023 R'000	Company 2024 R'000	Company 2023 R'000
Future minimum rentals for premises and office equipment under non-cancellable leases payable within:				
– one year	-	2,328	-	-
– after one year, within five years	-	4,386	-	-
– after five years	-	-	-	-
Total	**-**	**6,714**	**-**	**-**

23.2 Operating lease income

	Group 2024 R'000	Group 2023 R'000	Company 2024 R'000	Company 2023 R'000
Future minimum rentals under non-cancellable leases receivable within:				
– one year	-	8,628	-	-
– after one year, within five years	-	5,228	-	-
– after five years	-	-	-	-
Total	**-**	**13,856**	**-**	**-**

The operating lease income is derived from rental agreements with customers utilising the group's network of Hi sites and rooftops under management.

24. Borrowings

The group's borrowings are not limited by its memorandum of incorporation and are at the directors' discretion, subject to the existing loan covenants.

25. Retirement benefits

All employees of the group, other than those required by legislation to be members of an industrial fund, are members of a comprehensive pension and/or provident fund, which provides comparable retirement, death and disability benefits. The funds are registered with, and are governed by, the Pension Funds Act, 1956. As they are defined contribution funds, whereby the benefits are determined solely by the contributions thereto, together with resultant investment earnings on those contributions, the funds are independent of the finances of the group and there is no responsibility for any future unfunded obligations arising therefrom. Refer to note 6 for the company contributions made.

26. Related parties

The subsidiaries of the group are identified in note 3. The ultimate holding company is Community Investment Holdings (Pty) Ltd.

All purchasing and selling transactions with related parties are concluded in the ordinary course of business. Outstanding balances at year end are unsecured, bear interest at 5.75% (2023: 5.75%) and settlement occurs in cash.

Amounts owing between subsidiaries are set out in note 3.

Directors' emoluments are disclosed in note 27.

Administration, managerial and secretarial fees between related parties are disclosed in notes 5 and 6.

	Company	
	2024 R'000	2023 R'000
Administration fees received from subsidiaries (refer to note 5)		
Datavoice (Pty) Ltd	1,667	789
Jasco Carrier Solutions (Pty) Ltd	2,377	2,351
Jasco Power Solutions (Pty) Ltd	1,836	186
Jasco Trading (Pty) Ltd	2,024	1,995
RAMM Systems (Pty) Ltd	380	-
	8,284	**5,321**
Administration fees paid to subsidiaries (refer to note 6)		
Jasco Trading (Pty) Ltd	3,229	3,185
Finance income from amounts owing by subsidiaries received (refer to note 5)		
Jasco Employee Share Incentive Trust	-	921

	Group	
	2024 R'000	2023 R'000
Loans from other related parties		
- Project funding loan from Muzibix (Pty) Ltd (refer to note 21)	-	3,000
- Vendor loan financing from CIH Projects No 10 (Pty) Ltd (refer to note 3)	-	31,317
- Working capital loan from CIH Projects (Pty) Ltd (refer to note 18)	41,144	-
	41,144	**34,317**

In 2024, a dividend in specie of R13 854 744 was received from Jasco Systems (Pty) Ltd following the merger of the entity with Jasco Enterprise (Pty) Ltd and R122 954 from Jasco infrastructure Company (Pty) Ltd prior to the sale thereof.

No other transactions were entered into between the holding company and its subsidiaries.

Key management personnel comprises directors, prescribed officers and executive management. Refer to notes 6 and 27 for the required disclosures.

27. Directors’ and prescribed officers' emoluments

	Short term benefits						
	Fees for services as a director R	Basic salary R	Sums paid by way of expense allowance R	Contri-butions under any other benefit scheme $ R	Total short term benefits R	Contri-butions to defined contribution funds R	**Total R**
2024							
Non-executive							
(paid by Jasco Electronics Holdings Limited)							
Dr ATM Mokgokong	534,198	-	-	-	534,198	-	534,198
MJ Madungandaba	518,670	-	-	-	518,670	-	518,670
DH du Plessis	410,180	-	-	-	410,180	-	410,180
MSC Bawa	402,565	-	-	-	402,565	-	402,565
TP Zondi	311,611	-	-	-	311,611	-	311,611
PF Radebe	402,565	-	-	-	402,565	-	402,565
Dr ND Munisi	311,610	-	-	-	311,610	-	311,610
(paid by Jasco Trading (Pty) Ltd)							
AMF Da Silva* @	-	-	-	-	-	-	-
	2,891,399	**-**	**-**	**-**	**2,891,399**	**-**	**2,891,399**
Executive							
(paid by Jasco Trading (Pty) Ltd)							
LA Prigge	-	1,810,157	6,594	21,126	1,837,877	224,642	2,062,519
WA Prinsloo#	-	1,179,803	18,083	209,839	1,407,725	-	1,407,725
JL Ranchod %	-	1,911,650	41,604	21,553	1,974,807	298,350	2,273,157
	-	**4,901,610**	**66,281**	**252,518**	**5,220,409**	**522,992**	**5,743,401**
Total directors	**2,891,399**	**4,901,610**	**66,281**	**252,518**	**8,111,808**	**522,992**	**8,634,800**
2023							
Non-executive							
(paid by Jasco Electronics Holdings Limited)							
Dr ATM Mokgokong	526,419	-	-	-	526,419	-	526,419
MJ Madungandaba	511,117	-	-	-	511,117	-	511,117
DH du Plessis	404,207	-	-	-	404,207	-	404,207
MSC Bawa	396,702	-	-	-	396,702	-	396,702
TP Zondi	307,073	-	-	-	307,073	-	307,073
PF Radebe	396,702	-	-	-	396,702	-	396,702
Dr ND Munisi	307,073	-	-	-	307,073	-	307,073
(paid by Jasco Trading (Pty) Ltd)							-
AMF Da Silva* @				210,000	210,000	-	210,000
	2,849,293	**-**	**-**	**210,000**	**3,059,293**	**-**	**3,059,293**
Executive							
(paid by Jasco Trading (Pty) Ltd)							
LA Prigge	-	1,745,007	5,971	180,444	1,931,422	216,558	2,147,980
WA Prinsloo#	-	3,234,998	38,445	170,774	3,444,217	-	3,444,217
	-	**4,980,005**	**44,416**	**351,218**	**5,375,639**	**216,558**	**5,592,197**
Total directors	**2,849,293**	**4,980,005**	**44,416**	**561,218**	**8,434,932**	**216,558**	**8,651,490**

* AMF da Silva is an alternative non-executive director to MJ Madungandaba.
# WA Prinsloo was on fixed term contract that would expire on 31 March 2026. WA Prinsloo resigned November 2023.
% JL Ranchod was appointed 1 February 2024. As part of the appointment, he will earn a takeon bonus of R 1,326,000 on successful completion of a 6-month probation period. This amount has been provided for in June 2024.
@ Remuneration received in terms of consultancy agreement.
$ Included in other benefits are contributions to funeral fund, UIF and SDL, leave pay-out, travel allowance and consultancy fees.

28. Financial instruments

The group’s principal financial instruments, other than foreign currency contracts, comprise loans, short-term borrowings, bank balances and cash. The main purpose of these financial instruments is to raise finance for the group’s operations and capital projects. The group has various other financial instruments, such as trade receivables and trade payables, which arise directly from its operations.

The group also enters into foreign currency contracts. The purpose is to manage the currency risk arising from the group’s operations and its sources of finance.

		Group		Company	
	Note	2024 R'000	2023 R'000	2024 R'000	2023 R'000
Amortised cost					
Non-current financial assets					
Other non-current assets	11	-	706	-	2,141
Current financial assets					
Amounts due by group companies	3	-	-	90,569	77,184
Trade and other receivables - financial instruments	13	74,404	108,262	-	-
Cash and cash equivalents	14	39,455	47,077	95	235
Short-term portion of other non-current assets	11	768	768	-	-
Contract assets	5	96	293	-	-
Non-current financial liabilities					
Interest-bearing liabilities	18	41,144	-	-	-
Current financial liabilities					
Amounts due to group companies	3	-	-	10,121	10,069
Trade and other payables - financial instruments	19	58,654	99,139	-	2,845
Short-term borrowings	21	70,664	134,903	70,043	131,121
Fair value through profit or loss					
Current financial assets					
Foreign currency contracts	13	-	149	-	-
Current financial liabilities					
Foreign currency contracts	19	81	42	-	-

The main risks arising from the group’s financial instruments are interest rate risk, liquidity risk, foreign currency risk and credit risk. The board reviews and agrees policies for managing each of these risks, which are summarised below.

28.1 Capital management

The primary objective of the group’s capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The group manages its capital structure and makes adjustments to it, in light of changing economic conditions. To maintain or adjust the capital structure, the group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. There were no changes in the group's approach to capital management during the year.

The group optimises the management of its capital through a centralised treasury structure. This structure is managed under the supervision of the group chief financial officer. Key responsibilities of the group treasury includes:
- Centralised cash management;
- Group funding requirements.

Funding to subsidiaries is provided through loans. Loans between group companies are considered to be part of the capital structure and bear interest at a rate agreed between the parties on an annual basis.

Though not formally documented, the group has a target debt-to-equity ratio (excluding lease liabilities) of 1:1. The group currently has a debt-to-equity ratio of 124.07% (2023: 471.7%). This is in line with plans of moving towards the target debt-to-equity ratio.

Jasco Electronics Holdings Limited's share capital consists of 795 million shares (2023: 367 million, note 15). The group makes use of the Jasco employee share trust to fulfil its share-based payment obligations. These shares are disclosed as treasury shares (note 16).

The group's net debt is calculated as follows:

	2024 R'000	2023 R'000
Non-current interest-bearing liabilities	41,144	-
Short-term borrowings	70,664	134,903
Cash and cash equivalents	(39,455)	(47,077)
Net debt as at end of year	72,353	87,826

The group has specific financial covenants in place with various financial institutions. Refer to note 18.

28. Financial instruments (continued)

28.2 Fair values

The fair values of the recognised financial instruments are not materially different from the carrying amounts reflected in the statement of financial position.

The fair value of financial instruments, excluding foreign currency contracts, has been calculated by discounting the expected future cash flows at prevailing interest rates. The fair value of foreign currency contracts have been determined using valuation techniques with market observable inputs. The most frequently applied valuation techniques include forward pricing models using present value calculations. The model incorporate various inputs including the foreign exchange spot and forward rates, forward rate curves of currency basis spreads between the respective currencies, and forward rate curves of the underlying commodity.

The group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:
Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities
Level 2: other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly
Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.
At 30 June 2024 and 2023, the group's only financial instruments carried at fair value were foreign currency contracts. These were classified as level 2.

	2024 R'000	2023 R'000
Foreign currency contracts asset	-	149
Foreign currency contracts liability	81	42

28.3 Foreign currency risk

The group incurs currency risk as a result of transactions which are denominated in a currency other than the group's functional currency. The currencies, giving rise to currency risk, in which the group primarily deals, are Pound sterling, US dollar, Australian Dollar and Euro.

The group entities hedge trade payables and trade receivables, denominated in foreign currencies, by entering into foreign currency contracts. It is the group's policy not to enter into foreign currency contracts until a firm commitment is in place. The forward currency contract must be in the same currency as the hedged item.

It is the group's policy to negotiate the terms of the hedge derivatives to match the terms of the hedged items to maximise hedge effectiveness. The group does not apply hedge accounting as per IFRS 9.

At year-end, the group had foreign denominated trade receivables and trade payables amounting to:

	Foreign amount		Rand amount	
	2024 '000	2023 '000	2024 R'000	2023 R'000
Group				
Trade and other receivables			14,843	18,507
Foreign currency:				
– US dollar	827	979	14,781	18,497
– Euro	3	-	57	10
– Kenyan Shilling	37	-	5	-
Trade and other payables			15,929	26,999
Foreign currency:				
– Pound sterling	-	27	-	650
– US dollar	419	942	7,565	17,799
– Euro	429	415	8,364	8,550

The following table demonstrates the sensitivity of the group's profit before tax to a reasonable possible change in exchange rates based on management's most recent expectations, with all other variables held constant:

	Increase/ (decrease) in basis points	Group	
		2024 '000	2023 '000
– Pound sterling	10c	-	(5)
	–10c	-	5
– US dollar	10c	(6)	(64)
	–10c	6	64
– Euro	10c	(59)	(56)
	–10c	59	56
– Kenyan Shilling	10c	4	-
	–10c	(4)	-

28. Financial instruments (continued)

28.4 Interest rate risk

The group's exposure to market risk for changes in interest rates relates to the group's debt.
The group generally adopts a policy of ensuring that its exposure to changes in interest rates is on a variable rate basis.

The following table sets out the carrying amount, by maturity, of the group's financial instruments that are exposed to interest rate risk:

	Total R'000	Within 1 year R'000	1 to 2 years R'000	2 to 3 years R'000	after 3 years R'000
Group					
2024					
Interest bearing liabilities	(111,808)	(70,664)	-	(41,144)	-
Lease liabilities	(109,157)	(17,011)	(10,355)	(20,205)	(61,586)
Net cash and cash equivalents	39,455	39,455	-	-	-
	(181,510)	**(48,220)**	**(10,355)**	**(61,349)**	**(61,586)**
2023					
Interest bearing liabilities	(103,586)	(103,586)	-	-	-
Vendor funding	(31,317)	(31,317)	-	-	-
Lease liabilities	(118,794)	(18,975)	(20,314)	(7,837)	(71,668)
Net cash and cash equivalents	47,077	47,077	-	-	-
	(206,620)	**(106,801)**	**(20,314)**	**(7,837)**	**(71,668)**
Company					
2024					
Amounts owing by subsidiaries	90,569	90,569	-	-	-
Cash and cash equivalents	95	95	-	-	-
Term loan	(70,043)	(70,043)	-	-	-
	20,621	**20,621**	**-**	**-**	**-**
2023					
Amounts owing by subsidiaries	77,184	77,184	-	-	-
Loan to Jasco Employee Share Incentive Trust	2,141	2,141	-	-	-
Cash and cash equivalents	235	235	-	-	-
Vendor funding	(31,317)	(31,317)	-	-	-
Term loan	(99,804)	(99,804)	-	-	-
	(51,561)	**(51,561)**	**-**	**-**	**-**

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the group's profit before tax through the impact on variable rate borrowings and no other impact on equity:

		Group		**Company**	
	Increase/ (decrease) in basis points	**2024 R'000**	2023 R'000	**2024 R'000**	2023 R'000
(Loss)/profit before tax	1%	(1,815)	(2,066)	206	(516)
	–1%	1,815	2,066	(206)	516

28.5 Liquidity management

The group is exposed to liquidity risk as a result of incurring liabilities, giving rise to the risk of becoming unable to settle obligations as they become due. The group manages this risk through the management of working capital and its cash flows.

The cash flows from trade receivables and trade payables are reasonably well matched in that payments are made to suppliers on the same terms and conditions given to customers.

28. Financial instruments (continued)

28.5 Liquidity management

The table below summarises the maturity profile of the group's financial instruments at year-end* :

	Net balance R'000	Future interest R'000	**Total cash flow R'000**	On demand R'000	Less than 3 months R'000	3 to 12 months R'000	12 to 24 months R'000	Thereafter R'000
Group								
2024								
Trade and other receivables	**74,404**	-	**74,404**	38,672	35,732	-	-	-
Net cash and cash equivalents	**39,455**	-	**39,455**	24,775	14,680	-	-	-
Interest bearing loans and borrowings	**(111,808)**	17,423	**(129,231)**	-	(70,799)	-	-	(58,432)
Lease liabilities (refer to note 9)	**(109,157)**	46,505	**(155,662)**	-	(5,270)	(22,802)	(19,903)	(107,687)
Trade and other payables	**(58,654)**	-	**(58,654)**	-	(58,654)		-	-
Derivative financial instruments	**(81)**	-	**(81)**	-	(81)	-	-	-
	(165,841)	63,928	**(229,769)**	63,447	(84,392)	(22,802)	(19,903)	(166,119)
2023								
Trade and other receivables	**108,262**	-	**108,262**	54,399	53,863	-	-	-
Net cash and cash equivalents	**47,077**	-	**47,077**	38,713	3,364	5,000	-	-
Interest bearing loans and borrowings	**(134,903)**	18,899	**(153,802)**	-	(38,151)	(19,537)	(96,114)	-
Lease liabilities (refer to note 9)	**(118,794)**	51,367	**(170,161)**	-	(7,460)	(22,235)	(29,124)	(111,342)
Trade and other payables	**(99,139)**	-	**(99,139)**	-	(99,139)		-	-
Derivative financial instruments	**107**	-	**107**	-	107	-	-	-
	(197,390)	**70,266**	**(267,656)**	**93,112**	**(87,416)**	**(36,772)**	**(125,238)**	**(111,342)**
Company								
2024								
Amounts owing by subsidiaries	**90,569**	-	**90,569**	-	-	90,569	-	-
Net cash and cash equivalents	**95**	-	**95**	95	-	-	-	-
Interest bearing loans and borrowings	**(70,043)**	132	**(70,175)**	-	(70,175)	-	-	-
Trade and other payables	**-**	-	**-**	-	-	-	-	-
	20,621	132	**20,489**	95	(70,175)	90,569	-	-
2023								
Loan to Jasco Employee Share Incentive Trust	**12,608**	(1,166)	**13,774**	-	-	13,774	-	-
Amounts owing by subsidiaries	**77,184**	-	**77,184**	-	-	77,184	-	-
Net cash and cash equivalents	**235**	-	**235**	235	-	-	-	-
Interest bearing loans and borrowings	**(131,121)**	18,660	**(149,781)**	-	(37,249)	(16,418)	(96,114)	-
Trade and other payables	**(2,845)**	-	**(2,845)**	-	(2,845)	-	-	-
	(43,939)	**17,494**	**(61,433)**	**235**	**(40,094)**	**74,540**	**(96,114)**	**-**

** The amounts disclosed are the undiscounted amounts.*

28. Financial instruments (continued)

28.6 Credit risk management

Amounts due by group companies

Management assesses the liquidity and solvency of the borrowers before granting loans.
In assessing the expected credit loss on related party receivable balances, the following was considered:
- Whether the borrower has sufficient available highly liquid current assets to repay the outstanding intercompany loan if the loan was demanded at reporting date. If the company has sufficient highly liquid currents assets then the probability of default is considered to approximate 0%.

- If it was determined that the borrower does not have sufficient highly liquid current assets to repay the loan if demanded at the reporting date, the borrower is assumed to partake in a "fire sale" in order to repay the loans (assuming worst case that the borrower is sold for a value equal to its net asset value), then the borrower would result in enough cash being generated in order to pay its intercompany loans.

Based on the above assessment, no additional impairment provision was recognised relating to the amounts receivable in the 2024 financial year.

Other non-current assets

	Group		Company	
	Other loans (note 11.3)		Loan to the Jasco Employee Share Incentive Trust (note 11.1)	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
Reconciliation of loss allowance				
- Loss allowance at the beginning of the year	-	-	(10,467)	(8,863)
- Utilised during the year	-	-	8,300	-
- Reversed during the year	-	-	2,167	-
- Raised during the year	-	-	-	(1,604)
Loss allowance at the end of the year	**-**	**-**	**-**	**(10,467)**

Other loans
The group applies the general approach to determine the ECL allowance on loan receivables. The loan receivable has been assessed for impairment, and management is of the opinion that the risk of default on the loan is low and therefore any impairment loss would be immaterial.

Loan to the Jasco Employee Share Incentive Trust
The company applies the general model approach to measure expected credit losses on the loan receivable from the trust for impairment. The impairment provision is calculated as the difference between the fair value of the Trust's net assets and the loan.

The impairment allowance was partially utilised during the year and the remaining impairment allowance was reveresed. This relates to the waiver of the loan during the wind-down and termination of the Trust after the last remaining beneficiary left the employment of Jasco.

The directors are of the opinion that after the allowance for impairment, the loan is fairly stated.

Trade receivables and contract assets

	Group		Company	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
The movements in the allowance for impairment of the trade and other receivables were as follows:				
At the beginning of the year	4,143	2,094	-	-
Charge for the year @	35	2,548	-	-
Amounts written off	(418)	(170)	-	-
Unused amounts reversed @	-	(329)	-	-
At the end of the year	**3,760**	**4,143**	**-**	**-**

@ The impairment loss and reversal of impairment are disclosed on the statement of comprehensive income.

Each customer is analysed individually for creditworthiness before terms and conditions are offered. Customer credit limits are set for each customer based on the results of internal or external assessment. The compliance with credit limits by customers are regularly monitored by the management of the respective subsidiaries.

There is no credit risk in relation to cash sales as settlement is made upon the conclusion of the sale and therefore mitigating credit risk.

There have been no significant changes in the credit risk management policies and processes since the prior reporting period. The group measures the loss allowance for trade receivables by applying the simplified approach which is prescribed IFRS 9 - by using the provision matrix.

Management regularly reviews the trade receivables age analysis and follows up on long-outstanding amounts. The group makes use of debt collectors in instances where it has exhausted all internal avenues to recover amounts owing.

28. Financial instruments (continued)

28.6 Credit risk management (continued)

Trade receivables and contract assets (continued)

The group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. The group considers an event of default has materialised, and the financial asset is credit impaired, when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay the group without taking into account any collateral held by the group or if there are indicators that there is no reasonable expectation of recovery or the failure of a debtor to engage in a repayment plan with the group, and a failure to make payment for a period of greater than 90 days past due.

The expected credit losses (ECL) has been developed by making use of past default experience of debtors but also incorporates forward-looking information such as the outlook of the customer and the general economic conditions of the industry as at the reporting date.

ECLs are calculated by applying the loss ratio to the aged balance of trade receivables and contract assets. The loss ratio is calculated according to the ageing of the trade receivables and contract assets. Management assesses each customer individually and makes a judgement of whether amounts owing as per the different ageing group for that specific customer is recoverable. The group trade receivables terms are generally between 30 days - 90 days and the provision matrix takes this fact into account.

The loss allowance provision is determined as follows:

Trade receivables

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	More than 120 days past due	Total
2024						
Expected loss rate	0.0%	0.1%	0.3%	4.9%	57.0%	
Gross carrying amount	42,053	21,007	6,770	710	6,427	**76,967**
Loss allowance	(18)	(18)	(23)	(35)	(3,664)	**(3,758)**
Net carrying amount	**42,035**	**20,989**	**6,747**	**675**	**2,763**	**73,209**
2023						
Expected loss rate	0.1%	0.1%	4.4%	5.0%	46.4%	
Gross carrying amount	60,178	36,945	3,825	1,208	8,279	**110,435**
Loss allowance	(37)	(37)	(168)	(60)	(3,840)	**(4,142)**
Net carrying amount	**60,141**	**36,908**	**3,657**	**1,148**	**4,439**	**106,293**

The decrease in the loss allowance relates mainly to the decrease in current amounts receivable at year end.

There was no loss allowance recognised on contract assets as these are recoverable with 12 months. Management assessed the ability of the customers to pay amount when invoiced and management believes the amount are recoverable. Due to the fact that the amounts are recoverable within 12 months, the discounting of the amounts are considered to be immaterial.

Impairment losses on trade receivables and contract assets are presented on the statement of comprehensive income. Subsequent recoveries of amounts previously written off and reversal of impairment of asset are credited against the same amount.

The maximum exposure to credit risk is represented by the carrying value of each financial asset in the statement of financial position. At year-end, management considered that it had sufficient provisions to cover any significant risk exposure in relation to trade receivables.

Other receivables

The group applies the simplified approach on a similar basis as trade receivable to measure expected credit losses for other receivables. After the IFRS 9 assessments were conducted by the group, the expected credit loss on other receivables was not determined to be material.

Cash and cash equivalents

The group limits its counterparty exposure arising from bank accounts/call deposits by only dealing with well-established financial institutions of high credit standing. The credit risk was concluded to be low as the funds are held in financial institutions which have been guaranteed by the reserve bank and this reduced the group's credit risk. No expected credit losses have been provided for in the current financial year.

Credit rating based on the latest Moody's domestic long-term issuer default ratings

	Group		Company	
	2024 R'000	2023 R'000	**2024 R'000**	2023 R'000
zaAA	39,318	40,972	24	166
Other - unrated	137	280	71	69
	39,455	**41,252**	**95**	**235**
Expected credit loss recognised in statement of comprehensive income				
Amounts due by group companies	-	-	-	(49,036)
Loan to Jasco Share Incentive Trust	-	-	2,478	(1,603)
Trade receivables	(146)	(2,381)	-	-
	(146)	**(2,381)**	**2,478**	**(50,639)**
Continuing operations	(146)	(2,381)	2,478	(50,639)
Discontinued operations	-	-	-	-
	(146)	**(2,381)**	**2,478**	**(50,639)**

29. Events after the reporting period

Settlement of the Bank of China loan and signing an agreement with Investec.

On 5 July 2024, the Bank of China loan was settled in full. The Bank of China loan was replaced with an Investec loan entered into on 2 July 2024. The Bank of China loan was settled using R20 million of funds extended by CIH Projects (Pty) Ltd during the 2024 year and the remaining funds were from the Investec loan entered into. The company also entered into a working capital facility with Investec for the R20 million utilised to pay the Bank of China to ensure the necessary funds can be accessed when necessary. The R40 million working capital loan from CIH Projects (Pty) Ltd has been subordinated in favor of Investec Bank Limited.

The directors are not aware of any other significant subsequent events.

30. Going concern

We draw attention to the fact that on 30 June 2024, the group and company had accumulated losses of R344 794 330 (2023: R335 328 718) and R275 175 896 (2023: R302 069 000) respectively, with the group making a loss of R13 644 695 (2023: R66 585 525) and the company a profit of R26 893 103 (2023: loss of R68 601 000).

The group’s current liabilities exceed its current assets by R4 706 190 (2023: R84 951 000) and the company's current assets exceed currently liabilities in 2024 by R9 893 039 (the company’s current liabilities exceeded its current assets by R67 961 000 in 2023).

The directors believe there is sufficient financing available to continue the business of the group, accordingly, these financial statements have been prepared on a going-concern basis.

Group company secretary

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