



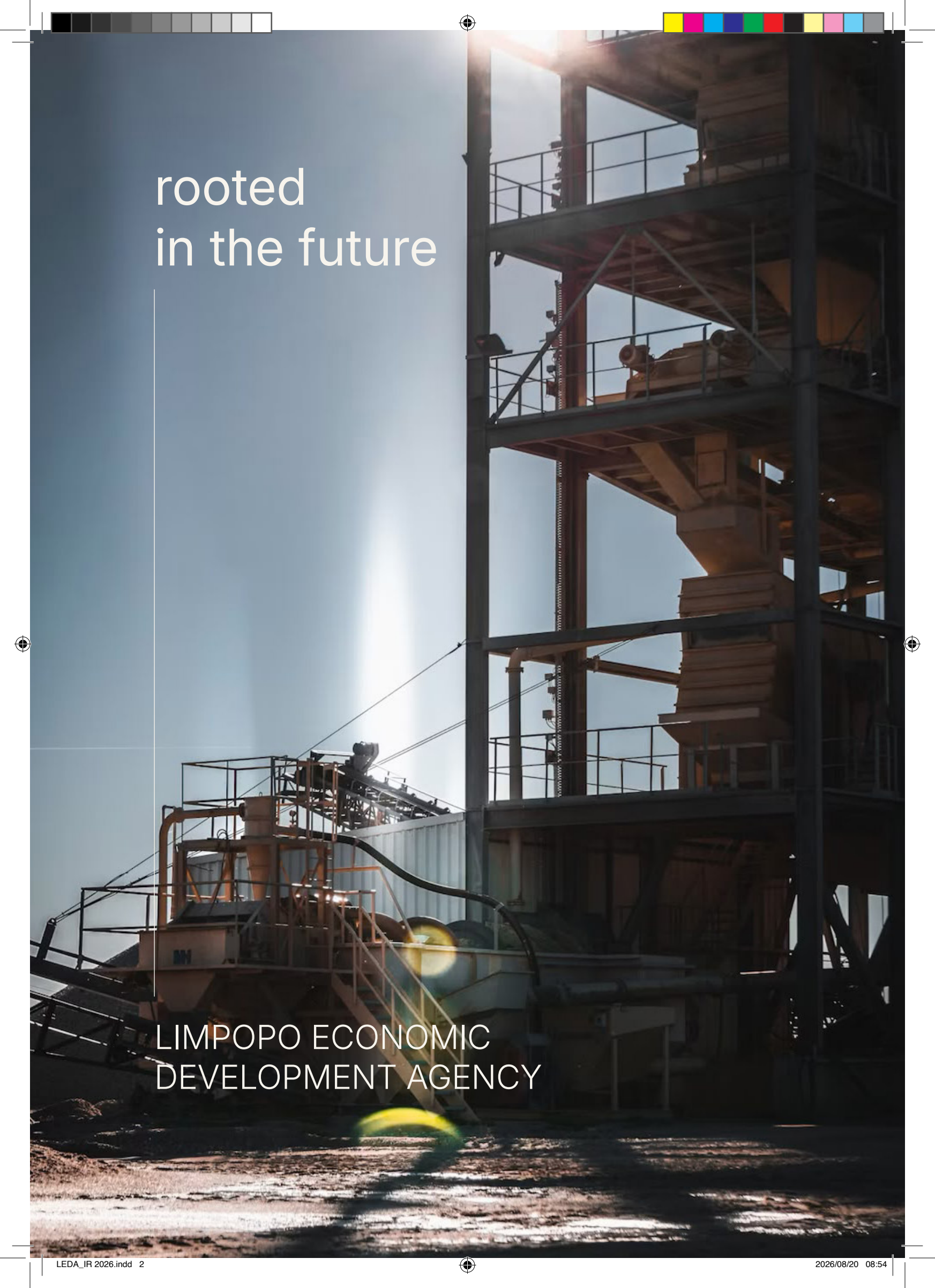
Integrated Annual report

2025/26



LEDA
LIMPOPO ECONOMIC
DEVELOPMENT AGENCY
AN AGENCY OF THE LIMPOPO
PROVINCIAL GOVERNMENT
REPUBLIC OF SOUTH AFRICA

ROOTED IN THE FUTURE



rooted
in the future

LIMPOPO ECONOMIC
DEVELOPMENT AGENCY

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General Information

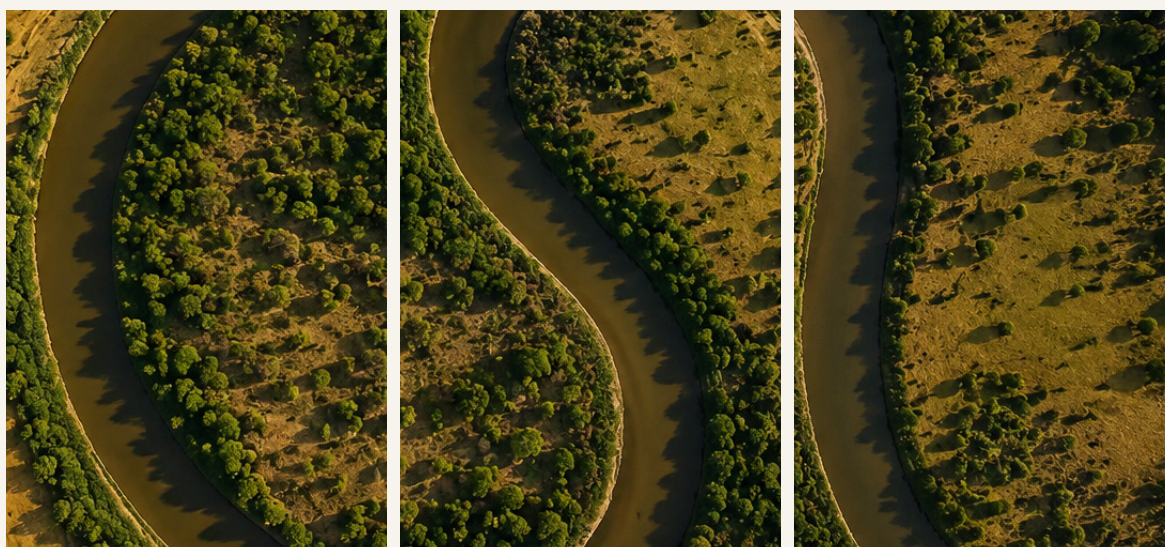
Introduction

Our province of Limpopo can be viewed as a fount of available resources and a jewel of opportunity set in the crown of our beloved country South Africa. Limpopo is a predominantly rural province, however it boasts of considerable natural resources in mining, a near perfect climate for a well-developed and investment geared agricultural sector, as well as massive opportunities in large scale industrialisation, manufacturing and information and communication technology sectors.

Limpopo at a glance has:

- Political and social stability.
- Dynamic market economy with a sustained economic growth.
- Advantages of the geographic location, bordering Botswana, Zimbabwe and Mozambique.
- Development infrastructure: Trans-Limpopo Corridor which links the province with the commercial hub of Johannesburg and the Polokwane International Airport.
- The cost of doing business in Limpopo is favourable.
- World class telecommunication and banking sector.

With these attributes it is no wonder that LEDA's vision of being a "A leader in sustainable innovative economic growth and development" is a lofty goal and one that due to our efforts and strategic partnerships with government, employees, communities, businesses and investors, both national and international, we will achieve together.



GENERAL INFORMATION

Why was LEDA created?

Limpopo's need for industrialisation was a critical priority, thus Government took the initiative to create a special purpose vehicle that would carry out the province's set vision of facilitating inclusive economic growth.

The need for enhanced efficiency and effective delivery of what was required as set out by Government's mandate, led to the combination of four agencies into one. These were the Trade and Investment Limpopo (TIL), the Limpopo Business Support Agency (LIBSA), the Limpopo Agribusiness Development Corporation (LADC) and the Limpopo Economic Development Enterprise (LimDev). Thus ensuring that all efforts to industrialise Limpopo was concentrated by means of one agency with multiple outcomes instead of four agencies working towards agency specific goals, where opportunities and resources are not leveraged on for maximum return due to inherent silo structures.

How was LEDA created?

Since LEDA reports into Government, specific legislation was involved in creating it. These were streamlining organisational bodies towards implementable strategy with actions driven by values with the ultimate goal of industrialisation of the Limpopo Province.

To achieve Government's goal to create Limpopo Economic Development Agency's (LEDA) core mandate, certain legislative frameworks were utilised, that needs to be read in conjunction with the Constitution, namely.

The Limpopo Development Corporation Act (Act 5 of 1994) as amended by the Limpopo Economic Development Agency Act (Act 5 of 2016) (LEDAA):

LEDA Board (used interchangeably with the Accounting Authority) is appointed by the MEC – as a statutory body – to exercise fiduciary responsibility over the Limpopo Economic Development Agency. The current establishment form of LEDA was pronounced in February • 2010, when the Premier, in the State of the Province Address, announced the amalgamation of four historical agencies. The formalisation of the establishment of LEDA took place in December 2012.

It was envisaged that the new agency approach, in the form of LEDA, should provide an integrated platform for the full implementation of economic development activities, and directly stimulate "Industrialisation" in the province. Importantly, the integration of all economic agencies should be based on a singular approach to policy issues and relevant business strategies. It was understood that the stimulation of "industrialisation" requires a public entity that has the capability to address challenges presented by the inherent nature of legacy economic underdevelopment in the province.

In this regard, LEDA would constitute a key structural intervention to support the provincial government in stimulating and diversifying the industrial base, thereby enhancing provincial economic capacity and capability, and lessening the dependence on the export of raw materials.

LEDA should serve as the custodian of policy coordination and implementation, thereby assisting government in identifying specific high-impact projects that will accelerate and sustain the growth of the provincial economy and create productive and sustainable employment.

The Public Finance Management Act 1 of 1999 as amended (PFMA), together with its regulations as published:

In terms of which the Limpopo Economic Development Agency is listed as a schedule 3D Provincial Government Business Enterprise, accountable to the MEC: Economic Development, Environment and Tourism (LEDET) as shareholder representative, and the Provincial Legislature. As such, all prescripts and regulations arising from the PFMA are applicable to its governance and operations.

The Companies Act (Act 71 of 2008, as amended):

The Limpopo Economic Development Agency, with effect from 5 September 2013, amended its Memorandum of Incorporation to that of a "State-Owned Company with limited liability", so as to comply with Section 11(3) of the Companies Act. As a wholly owned entity of the Provincial Government, the Board of the Limpopo Economic Development Agency is the Accounting Authority in terms of the PFMA and provides strategic direction and leadership to enhance shareholder value and ensure the long-term sustainable development and growth of the Entity.

The Board is supported by the Chief Executive Officer and Executive Management Team in implementing the approved strategic and corporate plans and policies. In this regard, the Limpopo Economic Development Agency seeks to operate on sound business principles and practices, and to this end, strives at all times to comply with the principles contained in the King Code on Corporate Governance in South Africa (2016) (King IV).

What are LEDA's targeted sectors for trade and investment?

LEDA's mission is to stimulate and accelerate economic growth, development and job creation. To this end, LEDA has targeted sectors that have been identified as providing the most scope for investment opportunities, expansion on current projects and re-purposing assets. These are:



Mineral
Beneficiation



Agro-
Processing



Public
Transport



Land &
Property
Infrastructure



Housing
Finance



Broadband
Infrastructure



Life Insurance



Skills
Development



Special
Economic
Development



SMME & Cooperatives Support

In addition, LEDA's value of diversity, means that the institution displays respect for different cultures and different perspectives and encourages different views while engaging with an attitude of tolerance towards others. Due to this intrinsic value, LEDA has displayed commitment to the rural/urban balance required for the organisation's main focus, as business objectives and community needs are not always similar. Therefore, the determining factor for LEDA is the type of investment and economic impact it will have on the community.

This encourages local municipalities to offer package of investment incentives to potential investors negotiated on bilateral basis between the investors. For example: land at a discount price or services such as water and electricity that can be negotiated on a bilateral basis at more cost-effective pricing.

Agriculture, especially fruits, offers many opportunities for agro-processing. The province also has abundant wildlife, making game farming and private game farms major growth industries. Kruger National Park, one of the world's leading game reserves, occupies the eastern border of Limpopo.

Mining, finance and government services are the leading contributors to the provincial GDP.

It is expected that Limpopo Province's GDP will grow at an average annual rate of 3.88% from 2020 to 2025. South Africa as a whole is forecasted to grow at an average annual growth rate of 2.69%, which is lower than that of the Limpopo Province.



GENERAL INFORMATION

What is Limpopo province's economic growth forecast?

The district municipalities of Limpopo province, within the time frame of 2010 to 2020, share and growth forecast shows that it is expected that the Province's GDP will grow at an average annual rate of 3.88% from 2020 to 2025. When compared to South Africa as a whole it is forecasted to grow only by an average annual growth rate of 2.69%, thus notably lower than that of the Limpopo Province.

In 2025, Limpopo's forecasted GDP will be an estimated R 253 billion or 7.6% of the total GDP of South Africa. Limpopo increased in importance from ranking sixth in 2020 to fourth in 2025, with a contribution to the South Africa GDP of 7.6% in 2025 compared to the 7.1% in 2020. At a 3.88% average annual GDP growth rate between 2020 and 2025, Limpopo ranked the highest compared to the other regional economies.

GENERAL INFORMATION

What drives LEDA forward?

Vision



An organisation's values should be the bedrock of why it exists, how behavioural norms are defined, and how decisions are made in order to achieve goals and fulfil the vision. LEDA's vision is to be:

"A leader in sustainable innovative economic growth and development."

Mission



In order to achieve this vision, LEDA's mission is to accelerate economic growth, development and job creation through:

Industrialisation
Promotion and facilitation of trade, investment and finance

Creation and support of sustainable enterprises; and Continual innovation.

Values



The above vision and mission are only achievable if there is a careful integration of values with the strategy, mission, and goals of LEDA, as it has a direct and measurable impact on scalability and profit.

LEDA subscribes to the following internal values which are in line with the Batho-Pele principles:

LEDA Value Statement

What It Means in Practice

Accountability

The obligation to account. To take responsibility for one's actions.

Excellence

To be results-oriented and cost-effective; to ensure superior performance; to strive for client stakeholder satisfaction.

Integrity

To be professional, have a commitment to ethics and focus on justice and fairness. To be honest, trustworthy, open and loyal.

Transparency

The obligation to act in an open and transparent manner.

Diversity

To display respect for different cultures and different perspectives. To encourage different views. To display tolerance towards others. A commitment to employment equity and the rural/urban balance required for the organisation's main focus.

These specifically emphasised values identified require targeted management intervention to ensure that they are visible and "lived", while they should also be assessed as part of LEDA's performance management approach, under direction of the Chief Executive Officer.

GENERAL INFORMATION

THE ROLE THAT LEDA PROVIDES

LEDA as the policy-implementing arm of the province, and Limpopo Department of Economic Development, Environment and Tourism (LEDET), role is defined as follows:

1. Providing business intelligence, as well as research and development (R&D) towards innovative solutions:

Using scientific impact assessment tools and approaches to develop scenarios and business intelligence; monitor and evaluate the impact of projects; and provide capacity support in areas of development, such as economic development research. Being a first point of call, in terms of business and market intelligence.

2. Conceptualising economic programmes and drivers:

Unpacking policy directives, as well as understanding what is unique to the region and will stimulate growth. Supporting integrated region- wide planning on economic development, as well as investment planning and advancement. Understanding the provincial value proposition and its comparative global competitiveness.

3. Identifying and packaging development opportunities and leveraging partnerships:

Developing bankable business and/or project plans to best attract and leverage private sector and other partnerships and investment to targeted projects; and providing a framework for both government's involvement and its exit/handover strategy and approach with regard to identified projects and programmes. Optimising and leveraging that which other partners are doing in a particular space.

4. Supporting local economic development (LED) capabilities (where LED is by definition localised):

Providing a regional view and supportive framework to LED in terms of how it might integrate with, and benefit from a regional focus and strategic framework, while identifying and leveraging opportunities for collaboration.

5. Customising support for priority economic sectors and subsectors:

Understanding the value chain of the sectors targeted for support, followed by clearly targeting support towards industrialisation and the growth of labour-intensive industries. Focusing only on sectors that are most likely to benefit from the impact and be consistent in terms of growth and development. Understanding the unique selling point of Limpopo. Driving Limpopo's global competitiveness and understanding the global value chain.

6. Coordinating and managing the implementation of strategic infrastructure and economic interventions:

Acting as a "Centre of Excellence", providing capacity, capability and competence in project and programme management, project planning, project oversight and management of development interventions.

7. Facilitating trade and investment:

Sourcing and facilitating funding for investment projects in the province; supporting business expansion and retention; supporting and driving enterprise development; and attracting new industries to the province.

Governance

Foreword by the

Member of the executive council

Dr Tshitereke Matibe, MEC

The Limpopo Economic Development Agency (LEDA) remains one of the Province's most important instruments for driving inclusive economic growth, attracting investment, supporting enterprise development, and creating sustainable employment opportunities.

As Shareholder, I am pleased to present this Annual Report, which reflects the Agency's performance, achievements, and challenges during the reporting period.

This report is beyond a statutory compliance requirement, it is an account of LEDA's commitment to delivering on its developmental mandate and creating lasting value for the people of Limpopo. It demonstrates the Agency's continued efforts to position our province as a competitive investment destination while advancing economic transformation and improving livelihoods.

The year under review unfolded within a constrained economic environment that demanded resilience, innovation, and disciplined execution. Despite these challenges, LEDA continued to implement programmes that promoted industrial development, facilitated investment, supported enterprise growth, and strengthened strategic sectors such as agriculture, mining, manufacturing, and tourism. Through these interventions, the Agency continued to unlock economic opportunities and contribute meaningfully to provincial development.

One of the most notable achievements during the year was the successful hosting of the Limpopo Investment Conference, which secured investment pledges exceeding R170 billion. This milestone reinforces growing investor confidence in our province and strengthens Limpopo's position as an emerging investment destination. The priority now is to convert these commitments into bankable projects that stimulate industrialisation, create employment, and deliver tangible economic benefits to our communities.



One of the most notable achievements during the year was the successful hosting of the Limpopo Investment Conference, which secured investment pledges exceeding R170 billion. This milestone reinforces growing investor confidence in our province and strengthens Limpopo's position as an emerging investment destination. The priority now is to convert these commitments into bankable projects that stimulate industrialisation, create employment, and deliver tangible economic benefits to our communities.

Equally encouraging has been the continued strengthening of our public entities. Great North Transport has made significant progress towards modernising the province's public transport system through the acquisition of 71 new buses, an investment that will improve mobility, expand economic participation, and enhance service delivery across Limpopo.

The ongoing expansion of broadband connectivity through Limpopo Connexion also represents a strategic investment in the future of our province. By extending digital infrastructure to underserved communities, we are narrowing the digital divide and creating opportunities for young people to access information, education, entrepreneurship, and participation in the digital economy. Accelerating this rollout remains essential to ensuring that no community is left behind.

Central to LEDA's mandate is the creation of sustainable employment. This objective cannot be achieved without strengthening support for small, medium and micro enterprises (SMMEs) and cooperatives. These businesses remain the backbone of our provincial economy, and LEDA must continue expanding access to finance, enterprise development programmes, business incubation, and market opportunities. By empowering entrepreneurs, particularly young people, women, and historically disadvantaged groups, we build a more inclusive and resilient provincial economy.

While the progress recorded during the year is commendable, the report also highlights areas requiring continued attention. Challenges relating to project implementation, programme performance, and the efficient utilisation of resources remain matters that demand focused intervention. Strengthening

operational efficiency, improving execution, and enhancing accountability will be essential in ensuring that LEDA consistently delivers on its strategic objectives.

Going forward, the Shareholder expects the Agency to intensify its efforts in attracting and retaining investment, maximising the utilisation of industrial infrastructure, strengthening support for SMMEs and cooperatives, and expanding economic participation for youth, women, and historically disadvantaged communities. These priorities must be underpinned by sound governance, effective internal controls, prudent financial management, and an unwavering commitment to ethical leadership.

I extend my appreciation to the Board, management, and employees of LEDA for their dedication throughout the reporting period. I encourage them to build on the progress achieved, address identified shortcomings with urgency, and continue fostering partnerships that advance the province's development agenda.

I remain confident that LEDA will continue to serve as a catalyst for economic transformation, investment, industrialisation, and job creation as we work together to build a prosperous Limpopo that works for all.



Mr. Tshitereke Matibe, MPL
MEC: Limpopo Department of Economic Development, Environment and Tourism

Statement by the

INTERIM BOARD CHAIR

Mr Silence Makhubele, Interim Board Chair

It is my privilege to present this Annual Report on behalf of the LEDA Board, reflecting on a year defined by decisive leadership, strengthened oversight, and a renewed commitment to long-term sustainability.

The Board has continued to exercise its fiduciary and oversight responsibilities with diligence, ensuring that the organisation remains aligned with its mandate, complies with governance principles, and delivers value to its stakeholders.

Throughout the year, we have maintained a strong focus on accountability, risk management, and performance monitoring, while actively guiding the strategic direction of the entity in a challenging and dynamic operating environment.

We extend our sincere appreciation to the Honourable MEC, Tshitereke Matibe, for the unwavering support, strategic guidance, and confidence placed in the Board and management. This partnership remains critical in ensuring that the entity contributes meaningfully to the broader socio-economic priorities of the province.

A key milestone during the year under review was the appointment of Mr. Jason Ngobeni as Chief Executive Officer. The Board is confident that Mr. Ngobeni's leadership will usher in a new era of innovation, stability, and operational excellence.

His appointment reflects the Board's commitment to strengthening executive capacity and driving the organisation toward achieving its strategic objectives.

Central to the Board's strategic agenda is the firm commitment to placing the organisation on a path to self-sustainability.

In this regard, we have emphasised improved revenue generation, operational efficiencies, and the reduction of reliance on external funding. This approach is essential to ensuring the long-term resilience and independence of the entity.



We are particularly encouraged by the success of the 5th Limpopo Investment Conference, which secured investment pledges amounting to R170 billion. This achievement is a testament to the province's growing attractiveness as an investment destination and reflects the collaborative efforts of government, the private sector, and key stakeholders.

The Board applauds this milestone and remains committed to supporting initiatives that unlock economic growth and development opportunities.

While notable progress has been made, the Board remains concerned about the performance of certain subsidiaries that are not meeting expectations. We have therefore intensified our oversight and directed management to implement targeted turnaround strategies.

It is imperative that all subsidiaries operate efficiently, remain financially viable, and contribute positively to the overall mandate of the organisation. Improved performance, strengthened governance, and accountability across all entities are non-negotiable going forward.

We will continue to prioritise initiatives that stimulate much-needed job creation across the province. In this regard, the support and development of small, medium and micro enterprises (SMMEs) remain at the core of this entity's mandate.

Recognising their critical role in driving economic growth and employment, the Board has resolved to intensify efforts to expand access to business funding, ensuring that more entrepreneurs are empowered and supported to grow sustainable enterprises.

In closing, I wish to express my gratitude to my fellow Board members, management, and staff for their dedication and resilience. Together, we will continue to steer the organisation toward sustainable growth, enhanced performance, and meaningful impact.



Mr Silence Makhubele
Interim Board Chair

Group Chief Executive Officer's

OVERVIEW

Mr Jason Ngobeni, Group CEO

It is my privilege to present the Annual Report for the 2025/26 financial year, a period characterised by resilience, disciplined execution, and measurable progress across the Group and its subsidiaries.

The year under review unfolded within a challenging socio-economic environment, requiring agility, innovation, and prudent resource management.

Despite these pressures, the Group remained steadfast in advancing its mandate of driving economic development, strengthening service delivery, and creating sustainable value for the people of Limpopo.

A key strategic priority for the Group is the transition towards a self-sustainable development model. This transition is not merely a strategic intention, but a structured, ongoing process that is being systematically embedded across the entire organisation.

It involves integrating sustainability principles into core operations, decision-making processes, and long-term planning frameworks.

This initiative extends across all subsidiaries within the Group. Each entity is required to align its operational practices, resource management approaches, and performance metrics with the Group's overarching sustainability objectives.

To support this, appropriate governance structures, compliance mechanisms, and monitoring systems have been established to ensure accountability and track progress.



Subsidiaries are expected to adopt innovative and efficient practices that reduce reliance on external resources, optimise internal capabilities, and enhance financial and operational resilience.

Ultimately, the move towards self-sustainability is aimed at strengthening the Group's long-term viability, improving competitiveness, and ensuring responsible operation within its broader economic and environmental context.

A key highlight of the year has been the performance of our subsidiaries, each contributing meaningfully to the Group's overall impact:

Great North Transport (GNT) continued to fulfil its critical mandate of providing accessible, affordable, and reliable public transport services to the citizens of Limpopo. During the year, the entity improved operational efficiency and service reliability through targeted interventions in fleet management and route optimisation. A major milestone was the implementation of a fleet modernisation programme, resulting in the procurement of 71 new buses.



GOVERNANCE



This investment is expected to enhance performance, reduce maintenance costs, and improve commuter experience. The new buses will be allocated across all nine depots based on operational needs to ensure optimal utilisation and improved service coverage.

Corridor Mining Resources (CMR) made significant progress in advancing its growth strategy. The company initiated a capital-raising programme to fund the Fumani Greenstone and Rock Island underground mining projects, both of which have demonstrated strong potential supported by positive exploration results and feasibility studies conducted using internal resources.

The process attracted strong interest from credible investors, and engagements had progressed to the due diligence phase by year-end, with finalisation anticipated in the first quarter of the next financial year. Successful completion will enable the commencement of project development and support long-term growth and sustainability. Risima Housing Finance achieved significant progress in expanding access to housing finance,

with a particular focus on historically underserved communities. Through strategic partnerships and innovative funding solutions, the entity strengthened its ability to support inclusive and sustainable human settlements.

These initiatives have enhanced access to affordable housing and enabled broader participation in the housing market. Risima continues to be a key revenue-generating asset within the Group, making a substantial contribution to financial sustainability while advancing financial inclusion and supporting socio-economic development.

New Era Life has been pursuing efforts to preserve its operating position; however, following the outcome of a recent tribunal case, its underwriting licence was permanently withdrawn.

The company is currently undergoing a Section 50 transfer process, as prescribed by the Prudential Authority of the South African Reserve Bank. This process involves the transfer of its insurance book to another underwriter and remains ongoing.

GOVERNANCE

Special Economic Zones (SEZs), namely Tubatse-Fetakgomo and Musina-Makhado, remain instrumental in driving industrialisation and investment promotion. Significant progress was made in land acquisition, a critical step towards operationalising these strategic zones.

In addition, a key milestone was achieved with the submission of the application to Cabinet for the designation of the Tubatse-Fetakgomo SEZ. Approval of this application will be pivotal in formalising the zone, boosting investor confidence, accelerating infrastructure development, and advancing economic growth and job creation.

Limpopo Connexion played a pivotal role in advancing digital transformation within the public sector by improving ICT infrastructure and enhancing connectivity.

The establishment of the ICT Hub in Seshego marks a significant development, serving as a strategic platform for digital skills development, training, and technology-driven programmes, particularly for youth.

The hub aims to bridge the digital divide, foster innovation, and create opportunities for entrepreneurship, employment, and participation in the digital economy.

Collectively, these subsidiaries have demonstrated resilience and strong alignment with the Group's strategic objectives, contributing meaningfully to economic growth and development in the province.

We significantly expanded our loan book, increasing it from R3 million in the previous financial year to R10 million during the year under review. This growth reflects our strengthened support for SMMEs and our commitment to fostering enterprise development.

As a result, we have contributed to increased job creation and are encouraged by the positive impact on the provincial economy. Finally, I wish to express my sincere appreciation to the Board of Directors, under the leadership of the Chairperson, Mr Chris Lithole, for their strategic guidance, fiduciary oversight, and unwavering support.

Their leadership has been instrumental in ensuring strong governance and accountability in a complex operating environment.

I also extend my gratitude to the MEC for LEDET, Hon. Tshitereke Matibe, for continued support, strategic direction, and commitment to strengthening the Group's role in advancing provincial economic priorities.

My appreciation further goes to our employees for their dedication and professionalism, and to our stakeholders, partners, and communities for their continued trust and collaboration.

In closing, the 2025/26 financial year has reaffirmed our resilience and strengthened our resolve. We remain committed to driving inclusive economic growth, fostering innovation, and contributing meaningfully to the development of Limpopo Province.



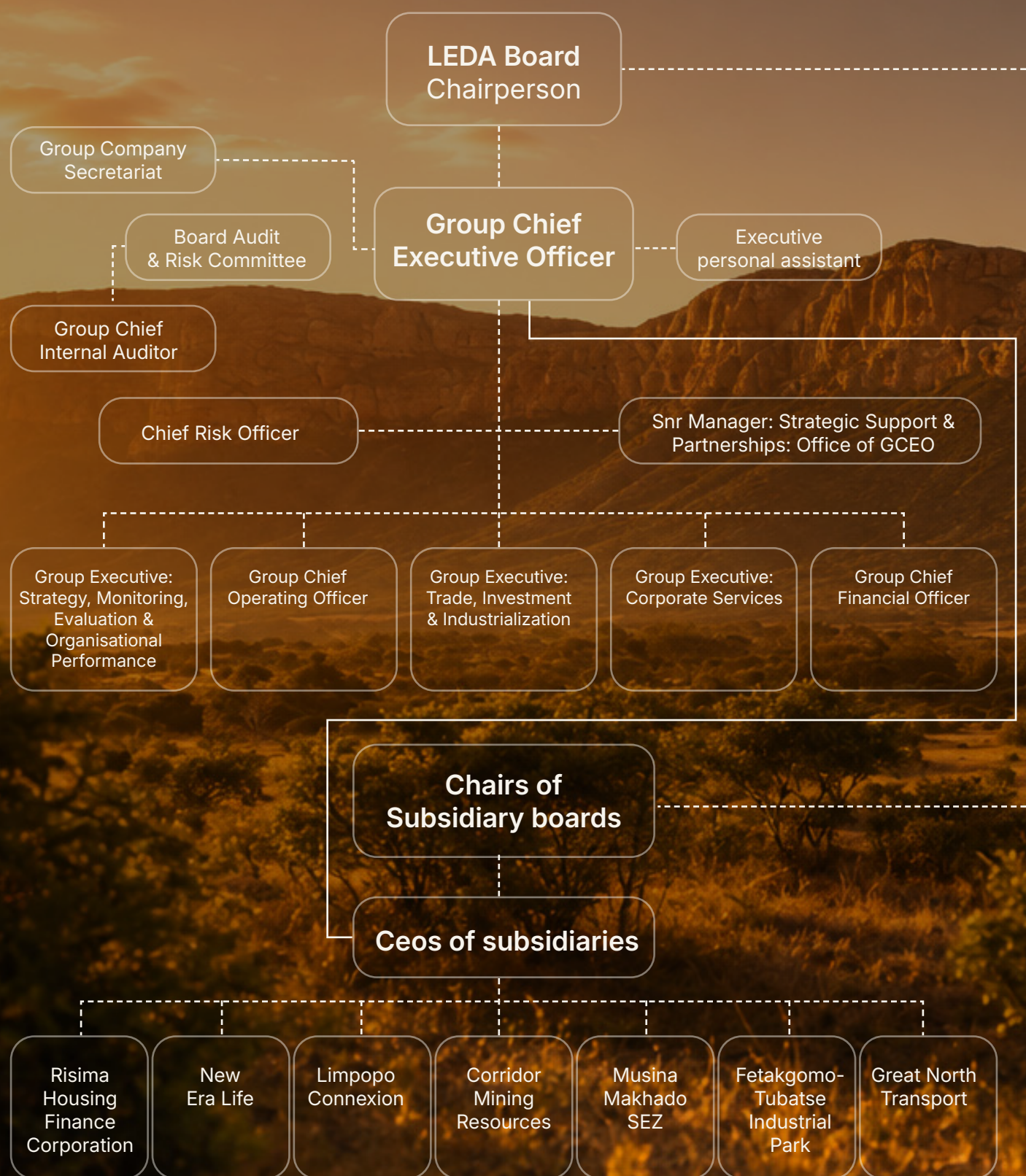
Mr Jason Ngobeni
Group Chief Executive Officer



GOVERNANCE



Institutional framework



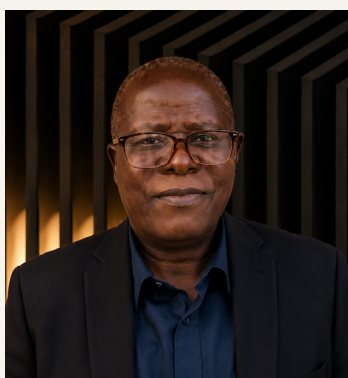
Board of Directors



Silence Makhubele
Interim Board Chair

Qualifications

- Matric - phala high school
- Ba law - unlim
- LLb - unlim
- School for legal practice - polokwane
- LL.M labour/industrial law employment
- Law): unlim
- Admitted as attorney of the high court
- Admitted as a conveyancer



**Thifhelimbilu
Christopher Lithole**
Former Chairman
Resigned



Princess Beatrice Tsakane
Vice-Chairperson

Qualifications

- Masters of Philosophy in Management (M.Phil) UCAM
- Enterprise in Economic Certificate (Harvard University)
- Masters of Business Administration (MBA) (In progress)MANCOSA
- Bachelor of Education: University of Witwatersrand
- Higher Diploma in Education: University of Witwatersrand
- Bachelor of Science (B.SC) University of Fort Hare



Jason Ngobeni
Group Chief
Executive Officer

Qualifications

- Masters in Business Administration (MBA)
- BCom Honours
- BCom
- Diploma in State Finance



Thakhani Makhuvha
Former Group Chief
Executive Officer
Term expired

Qualifications

- Mcom financial management
- Bcompt honours
- Bcom accounting
- Leadership development programme
- Senior business rescue practitioner



Ama Mmakosha Mahafha
Non-Executive Director

Qualifications

- LLB Degree (Bachelor of Law) - University of Limpopo



Reneiloe Rosemarry Molapo
Non-Executive Director

Qualifications

- Post Graduate in Public Management from Regeneys (2006)
- Post Graduate in Public Governance from Wits (Final year)
- B.A(Bachelor of Arts) from UL (1996)
- HED (Higher Education Diploma) from UL (1997)



Magadagela Ndiambani
Non-Executive Director

Qualifications

- **Executive Development Programme(EDP)**Darden School of Business (USA) in progress
- Chartered Accountant CA (SA), South African Institute of Chartered Accountant(SAICA)2010
- Bcom (Honors) Accounting, UNISA, 2007
- Matric, Prestige College 2001



Alan Vukosi Baloyi
Non-Executive Director

Qualifications

- Executive Development Programme NQF8: Unisa (SBAL)
- Management Development Programme NQF 7: University of Witwatersrand
- Certificate in Business Management NQF6: University of Potchefstroom
- Certificate in Business Planning: Pretoria Technikon



Ms Ngwako PC Serumula
Group Company Secretary

Qualifications

- Admitted Attorney
- LLM
- LLB
- Certificate in Legal Practice
- Certificate in Commercial Law Programme

Executive Management



Ms Lutendo Mavhusha
Group Chief Financial Officer

Qualifications

- Bcom in accounting
- Ca(sa)
- Pg dip applied accounting science
- hon bachelor of accounting science
- Bachelor of commerce accounting
- computer literacy 2024/25 Integrated annual report | leda



Dr Ntsewa Mokobane
Interim CEO: GNT

Qualifications

- Doctorate Degree (PHD)
- Master of Information Technology Governance
- BCom Honours – Internal Auditing
- BCom – Internal Auditing
- Secondary Teachers Diploma
- Certified Internal Auditor (CIA)
- Certified Information Systems Auditor (CISA)
- Certified Data Privacy Solutions Engineer (CDPSE)
- Certified Government Auditing Professional (CGAP)
- Certified Financial Services Auditor (CFSA)
- Certification in Control Self-Assessment (CCSA)



Mr MS Nchabeleng
Group Executive Manager: SMEOP



Ms PM Moshidi
Executive Manager: Corporate Services



Mr SH Maphutha
Interim Executive Manager: Infrastructure Business Unit



Dr M Mokoele
CEO: Great North Transport



Advocate T Raophala
Group Chief Risk Officer and Compliance

GOVERNANCE

CEO's of Subsidiaries



Dr S Nokaneng
CEO: Risima Housing Corporation



Mr Dan Moloba
CEO: Corridor Mining Resources



Mr G Maswime
CEO: MMSEZ



Ms Rolda Ledwaba
CEO: Limpopo Connexion (Interim)



Mr M Majake
CEO: New Era Life



Ms T Bologo
Interim CEO: Musina-Makhado SEZ
Resigned



Mr Solly Kgopong
Interim CEO:
Fetakgomo-Tubatse Industrial Park



Dr Ntsewa Mokobane
Interim CEO: GNT

Governance Report

Limpopo Economic Development Agency (LEDA) is a schedule 3D public entity in terms of the Public Finance Management Act, 1 of 1999 (PFMA). It is led by a Board of Directors whose duties and responsibilities as individuals and as a collective are determined and directed by sections 72 to 78 of the Companies Act, 71 of 2008 as amended, Chapter 6 of the PFMA, the Limpopo Economic Development Agency Act No 5 of 2016 and common law.

Leda has endorsed the principles as set out in the protocol on corporate governance and, where applicable, the king iv code on corporate governance, and has endeavoured to comply with the principles incorporated in the code of corporate practices and conduct.

As a custodian of substantial assets generated through the contribution of generations of south african workers, leda has a responsibility to conduct its affairs with diligence, integrity, transparency, ethical conduct and in an exemplary manner. Leda's investment activities and achievements contribute to the wellbeing of workers, present and future generations of pensioners and their beneficiaries.

1. Executive authority

Leda executive authority of leda is the member of the executive council for the department of economic development, environment and tourism, who in terms of section 5(1) of the leda act, constitutes the board consisting of executive and non-executive directors, and enters into annual performance agreements with such directors.

2. Parliamentary oversight

The standing committee on public accounts (scopa) considers and evaluates the financial statements, business performance, and audit reports submitted by the auditor general. The portfolio committee on economic development provides quarterly oversight on the performance of leda against its key performance indicator.

3. Board of directors: its composition and role

The board of leda consists of seven non-executive directors, two government representatives, from the shareholder (ledet) and limpopo provincial treasury respectively, and the ceo, the coo and the cfo as executive directors. It comprises technical, financial, investment, commercial, legal and social expertise to fulfil its fiduciary duties. The board is considered independent and diversified in gender, race and age. It has the required

knowledge, balance of skills and experience to guide the corporation's strategy and governance. All directors jointly have a fiduciary duty to exercise due care, diligence and skill in carrying out their responsibilities. It is committed to applying the core governance principles of fairness, accountability, responsibility, transparency, integrity and competency in dealings with its stakeholders.

The board considers good corporate governance as fundamentally necessary for achieving the leda's mission, mandate, financial objectives and corporate responsibilities. It is empowered by the leda act no 5 of 2016 to determine the strategic direction of leda and oversee the implementation and execution of the strategy by management.

All members of the board are responsible for ensuring that leda achieves and maintains the highest level of ethical conduct through approving and overseeing an implementable strategy.

The board is accountable to the shareholder for the activities and performance of leda. It is committed to executing its mandate ethically, establishing and inculcating a culture of ethical behaviour among all employees and stakeholders. It embraces the principles of the king iv report on corporate governance for south africa 2016 and has developed a compliance framework and manual, a code of conduct and a code of ethics. These obligate the board and employees to adhere to legislation, best practice principles and high standards of integrity. The board and employees are further obliged to treat clients with prudence and communicate with stakeholders fairly and honestly.

The Board must effectively represent and promote the interests of LEDA and its stakeholders by leading ethically and taking account of the entity's core purpose, risks and opportunities, strategy, business model, performance and sustainable development.

GOVERNANCE

4. Board charter

The charter regulates how the board exercises its full control over significant matters of the organisation and sets out the responsibilities and duties of the board. The board charter is reviewed as and when necessary to ensure that the content remains relevant to leda's business objectives and the best governance practice.

5. Committees of the board

The board has established committees to assist it in discharging its duties. The company has four statutory committees as required by the companies act 71 of 2008 (as amended) and recommended by king iv report on corporate governance for south africa 2016. The statutory committees are as follows: audit & risk, human resources & remuneration, nomination & governance, and social & ethics, as well as other committees such as credit & investment and procurement committees. The roles of the committees are embedded in their charters.

6. Conflict of interest management

Conflict of interest is managed through the code of conduct. Conflict of interest is of concern to external stakeholders. These conflicts of interest or personal relationships with external entities, actual or perceived, may cause considerable reputational and ethical damage to leda and erode stakeholder trust. Aware that failure to disclose conflicts/ interests may lead to moral failure, the board addressed these concerns and perceptions through transparent and proactive communication. Ethical business conduct preserves trust between the leda and its key stakeholders (clients, employees, shareholders, and community). The board mandated the social and ethics committee to develop an ethics strategy to ensure effective management of ethics risks.

7. Assurance

7.1. Risk management

The companies act 71 of 2008 (as amended) directs to the establishment of the audit committee as a statutory committee of the board. The independent committee oversees the monitoring and control systems and is accountable to the board. The committee does not assume management functions, which remains the responsibility of the executive management and all members of staff. The committee has a role in ensuring, amongst others, that the disclosure of risks is comprehensive, timely and relevant and that the internal control systems are operating effectively.

7.2. Internal audit

Leda's internal audit function has a specific mandate from the audit committee: to independently appraise the adequacy and effectiveness of risk management processes, internal controls, and governance processes. The outcomes of the audits are then presented to the audit committee. The formulation of the internal audit plan is based on the results of the group-wide risk assessment and the approved group strategy. The internal audit plan is revised annually considering the latest risk assessments, internal and external emerging strategic issues and the outcomes of external audits performed. This process ensures that the internal audit function concentrates its efforts on addressing the identified risks within leda, promoting a robust and proactive approach to risk management and compliance.

7.3. Whistleblow

During the year under review, management of the leda hotline was entrusted to an independent external service provider. In this period, only one report was received pertaining to allegations of fraud and corruption.

7.4. Fraud and prevention

The principles of zero tolerance and fraud and corruption was further emphasised and embodied in the approved group leda fraud and corruption policy plan and the approved whistle blowing policy. During the year under review the leda hotline was managed by an independent external service provider. In this period, no reports on allegations of fraud and corruption were received.

7.5. Conflict of interest

The code of conduct and provisional ethics makes provision of the management of any conflict of interest that may arise.

7.6. Code of conduct

Leda is committed to the highest standards of conduct and business ethics. The board of leda approved the group leda code of conduct and professional ethics which promote the highest standard of ethical culture in the organisation and regulates how disclosure of both personal and financial interest should be conducted from board level to top-down approach. Leda's success is built on integrity. Management, as part of internal controls, ensures that all employees adhere to the appropriate code of conduct, thereby enhancing the company's reputation. Leda strives to prevent any situation that may compromise these principles in dealing with customers, suppliers and other stakeholders.

7.7. Stakeholder management

The board has increased the leda's stakeholder engagements. In this regard, the board has introduced biannual board-to-board and committee-to-committee meetings with clients, informal and formal arrangements with the office of the shareholders representatives and employee engagements to address expectations and deliverables and restore confidence and trust.

7.8. External audit assurance

The shareholder confirmed the reappointment of the auditor-general south africa as external auditors of the leda for 2023/24 and authorised the audit and risk committee to determine the terms of engagement and fees.

The work of the external auditors complements the work done by internal assurance providers.

8. Delegation of authority

The approved delegation of authority is reviewed at least annually or as required to ensure alignment with the changing business environment and circumstances.

9. Risk management

The board reviewed and adopted the group leda risk management strategy in alignment with the mandates of national and provincial treasury risks management framework of 2021, which governs and regulate the management of risks governance in the public service. The strategy promotes and instil the culture of the risk management across the group namely, the identification of risks into group wide enterprise risks register managed at an executive level and the group strategic to ten risks profile plan which the board plays an oversight role in ensuring the mitigation of the identified and profiled group risks. It also approved the inclusion of wide enterprise risk management as a performance indicator in the annual performance plan of the entity to promote monitoring in the annual performance plan to promote monitoring and evaluation in a structured approach.

10. Remuneration governance

As directed by national treasury guidelines, the board considered the revised remuneration policy and recommended it for approval by the shareholder. The board ensures implementation of the remuneration policy and monitors its application by the company.

11. Compliance governance

The audit and risk committee as well as the credit and investment committee, consider compliance reports quarterly and recommends approval by the board.

12. Corporate performance and reporting

According to the annual performance targets, the board approved and rated the balanced corporate scorecard for 2025/26. The scorecard included:

- Information on leda performance outcomes and outputs for financial sustainability, the impact of economic development projects, support of smmes and co-operatives, an improvement in ethical behaviour and leadership.
- Transformation.
- The six capitals.

Management presented quarterly reports to the board to monitor the progress on attaining set goals, objectives and targets.

The board also approved and submitted the annual budget and the shareholder's compact for 2025/26 together with the annual performance plan for 2025/26 and strategic plan for 2025/26 – 2029/30 to the shareholder.

13. Board meetings

The board, through the office of the company secretary, develops an annual work plan that covers its mandate and sets meeting dates and agendas. Meetings are scheduled a year in advance and special meetings are convened as required on notice. Directors who cannot physically attend meetings can participate through telephone conference calls or other electronic means, as prescribed by the companies act. Executive management committee members attend meetings by invitation to report on relevant matters.

For the 2024/25 financial year, the Board held the following meetings:

14. Board Attendance 2024/25 (Board Meetings/Workshops)

14.1. LEDA Board

Member	Total Attended	% Attended
Mr TC Lithole (Chair)	24	100%
Ms BT Nkambule (Deputy Chair)	18	75%
Mr ZS Makhubele	20	83%
Ms N Magadagela	17	71%
Mr AV Baloyi	24	100%
Adv. AM Mahafha	19	79%
Ms RR Molapo	16	67%

14.2. Board Audit & Risk Committee

Member	Total Attended	% Attended
Ms N Magadagela (Chair)	8	80%
Mr ZS Makhubele	10	100%
Adv. AM Mahafha	8	80%
Mr J Maele	4	40%

14.3. Board Remuneration & Human Resource Committee

Member	Total Attended	% Attended
Adv. AM Mahafha (Chair)	8	100%
Ms RR Molapo	8	100%
Mr AV Baloyi	7	88%
Mr TC Lithole	7	88%

14.4. Board Nominations & Governance Committee

Member	Total Attended	% Attended
Mr TC Lithole (Chairman)	5	100%
Ms BT Nkambule	5	100%
Ms N Magadagela	3	60%
Mr AV Baloyi (w.e.f. 1 Feb 2026)	1	20%

GOVERNANCE

14.5. Board Credit & Investment Committee

Member	Total Attended	% Attended
Mr AV Baloyi (Chair)	9	100%
Ms BT Nkambule	9	100%
Ms N Magadagela	7	78%
Mr TC Lithole	8	89%

14.6. Board Social & Ethics Committee

Member	Total Attended	% Attended
Mr S Makhubele (Chair)	4	100%
Adv. A Mahafha	4	100%
Ms R Molapo	2	50%

14.7. Board Procurement Committee

Member	Total Attended	% Attended
Ms T Nkambule (Chairman)	3	100%
Ms R Molapo	2	67%
Mr S Makhubele	3	100%

14.8. Risima Board Meetings/Workshops

Member	Total Attended	% Attended
Mr SC Nkademeng (Chair)	12	100%
Ms S Shaikh (Deputy Chair)	12	100%
Adv. LN Tshisikule	12	100%
Dr N Mphephu	11	92%
Ms RR Molapo	7	58%
Mr ZS Makhubele	4	33%
Mr J Mpjane	12	100%

14.9. Great North Transport (SOC) Ltd

Member	Total Attended	% Attended
Dr KM Ramukumba (Chairman)	8	44%
Ms KM Motshekgwa (Deputy Chair)	15	83%
Mr ZS Makhubele	10	56%
Mr R Maharaj	18	100%
Ms RR Molapo	4	22%
Ms MM Ramadwa	16	89%
Ms DE Tshivhase	15	83%
Adv. LN Tshisikule	7	39%

14.10. New Era Insurance Company (SOC) Ltd

Member	Total Attended	% Attended
Ms FP Mugivhi (Chair)	29	100%
Ms L Mabunda (Deputy Chair)	29	100%
Ms N Magadagela	25	86%
Mr S Mashita	29	100%
Mr F Magidi	16	55%
Mr J Malele	4	14%

14.11. Limpopo Connexion (SOC) Ltd

Member	Total Attended	% Attended
Mr M Phasha (Chair)	22	100%
Ms C Madzivhandila (Deputy Chair)	19	86%
Dr M Tsedu	18	82%
Mr AV Baloyi (w.e.f. 1 Apr 2025)	10	45%

14.12. Corridor Mining Resources Company (SOC) Ltd

Member	Total Attended	% Attended
Mr J Motswaledi (Chair)	9	90%
Mr P Ragimana (Deputy Chair)	10	100%
Ms L Mabunda	10	100%
Adv. AM Mahafha	9	90%
Adv. TR Malatji	10	100%
Mr T Tshikundamalema	10	100%

14.13. Musina-Makhado Special Economic Zone (SOC) Ltd

Member	Total Attended	% Attended
Dr KM Ramukumba (Chair)	8	57%
Ms M Moatshe (Deputy Chair)	14	100%
Ms MA Mphahlele	14	100%
Mr AMR Mahosi	14	100%
Dr T Madzivhandila	12	86%
Mr MI Mamabolo	11	79%
Mr ST Nkoana	14	100%
Ms BT Nkambule	13	93%
Mr MP Kutama	14	100%
Mr M Muavhe	14	100%
Dr N Mphephu	5	36%

14.14. Fetakgomo Tubatse Industrial Park (SOC) Ltd

Member	Total Attended	% Attended
Mr MI Rathumbu (Chair)	6	100%
Mr NB Mokobane (Deputy Chair)	5	83%
Mr M Molefane	3	50%

Performance Information

Outcomes and Interventions

For the period under review, this section addresses the seven strategic outcomes that LEDA is actively pursuing and achieving

Since LEDA is at the fore front of being a world class institution, the decision was made to set out a five-year strategic plan till 2025 in place that will serve to industrialise the province by focusing on three areas, namely:

- Economic development
- Trade and investment, and
- Finance

To determine whether an outcome has been achieved, LEDA established six Success Factors that are important:

1. Building capacity of the Board and staff
2. Enhance financial sustainability
3. Create new awareness of products and services
4. Manage risk
5. Increase the product and performance portfolio
6. Conducting research and innovation

These success factors hinge on LEDA's Board, Executives and staff, our strategic partners support and buy-in, revising and implementing a secure infrastructure that is efficient and effective. Most importantly all of these will contribute towards diversifying LEDA's income stream, with the aim of being financially independent.

It is with this aim that LEDA's strategic framework and the seven Outcomes inform the alignment to the delivery structure of the Limpopo Economic Development Agency and the development of outputs, performance indicators and annual and quarterly performance metrics, where each pillar of the organisation have provided an outcome in the form of LEDA's subsidiaries.



Legislative mandates

Policy mandates

Our Mandate

The three pillars of the LEDA Act mandate (Act 5 of 2016) are: Economic development; Trade and Investment; and Finance

Our Vision

A leader in sustainable, innovative economic growth and development.

Our Mission

To accelerate economic growth, development and job creation through:

1. Industrialisation;
2. Promotion and facilitation of trade, investment and finance;
3. Creation and support of sustainable enterprises; and
4. Continual innovation.

Our Values

- Accountability
- Excellence
- Integrity
- Transparency
- Diversity

Our Impact

Inclusive economic growth through industrialisation.

Our Outcomes & Interventions

A leader in sustainable, innovative economic growth and development.

1. Mineral beneficiation projects contributing towards increasing Limpopo GDP from R400bn to ±R450bn

- New mineral beneficiation projects brought online
- Research, feasibility and investment packaging
- Investment attraction
- Investment facilitation
- Investment operationalisation and support

2. Agro-processing projects contributing towards increasing Limpopo GDP from R400bn to ±R450bn

- New primary agriculture and agro-processing projects brought online
- Research, feasibility and investment packaging
- Investment attraction
- Investment facilitation
- Investment operationalisation and support

3. Innovative digital solutions to solve socio-economic problems and other solutions

- Establishment of science and technology park
- Develop innovative economic development projects aligned to the 4IR strategy
- Digital solutions developed

4. Increased Domestic Direct Investment and Foreign Direct Investment

- Roll-out of trade and investment strategy
- Investor road show
- Strategic partnerships
- Investor summit (Limpopo)

5. Increased financing of SMMEs and Cooperatives and Youth Entrepreneurship development

- Repayment of dues for loans advanced
- Targeted procurement
- Enterprise support and development
- Skills development and capacitation
- Youth start-up development

6. Increased Return on Investment and profit streams from LEDA Group

- Improve return on investment in subsidiaries and net profit percentage and returns from associates
- Add facilitation fee driven profits to dividend driven profits
- Asset full lifecycle management and asset register compliance
- Oversight and monitoring of subsidiaries and investments
- Investment portfolio management

7. A well capacitated and performing organisation

- Meeting performance targets
- Optimised operating model, organisational structure and business processes
- Improved internal control environment and financial management
- Compliance with legislation and policy
- Human capital management and development
- Use of technology
- LEDA Values



Performance Information



Agribusiness Annual Report

The Agribusiness Unit successfully achieved its annual performance targets for the financial year ending 31 March 2026.

During the period under review, the Unit facilitated the implementation and finalisation of key strategic projects aimed at revitalising agricultural infrastructure, strengthening agro-processing capacity, and promoting inclusive economic growth across the province.

Performance Highlights

- Successful facilitation and conclusion of two major projects
- Advancement of high-impact agro-processing initiatives
- Strengthening of public-private partnerships
- Progress in revitalising underperforming agricultural assets
- Contribution to job creation and rural economic development

Zebediela Citrus Estate Revitalisation

The Agribusiness Unit facilitated the appointment of a strategic partner, WIPHOLD NGO Trust, in partnership with the Bjatladi Community Property Association (BCPA), to revitalise the Zebediela Citrus Estate.

A 30-year agreement valued at R500 million was signed in March 2026, marking a significant milestone in restoring the estate's productivity.

Key Outcomes:

- Expected creation of over 700 employment opportunities
- Stimulation of local economic development
- Restoration of agricultural productivity

Project implementation is currently underway, with Agribusiness and the Limpopo Department of Agriculture and Rural Development (LDARD) providing oversight and technical support.

The Unit will extend this revitalisation model to other struggling Community Property Associations (CPAs) within the province.



PERFORMANCE INFORMATION

Sectoral Distribution

The funded portfolio by sector was distributed as follows:

- Municipal service providers: R6.36 million
- Government service providers: R4.64 million

Gender and Youth Funding



R5.02 million
Female-owned MSMEs
(12 businesses)



R5.97 million
Male-owned MSMEs
(10 businesses)

In terms of youth development:

- 8 youth-owned MSMEs received funding amounting to R3.98 million, distributed across:
 - Capricorn District: R2.70 million (5 MSMEs)
 - Sekhukhune District: R0.98 million (2 MSMEs)
 - Vhembe District: R0.30 million (1 MSME)

Loan Book Performance and Collections

The Unit achieved total collections of R10.4 million, representing 95% of the disbursed loan value. Of this amount:

R7.2 million
(69%) was collected from
current-year disbursements



The balance relates to
recoveries from historic debt

The overall collection rate improved to 8% of the total loan book balance of R134 million, with 100% of the current loan book deemed collectable.

To further strengthen recoveries, internal legal processes and the outsourcing of collection activities to panel law firms have been initiated.

Operational Challenges and Outlook

The Unit continues to face capacity constraints due to limited human resources. However, the implementation of a revised organisational structure and staff placement plan is expected to enhance operational efficiency and expand service delivery.

This will enable the Unit to increase its visibility and establish a stronger presence across all five districts of Limpopo Province.

PERFORMANCE INFORMATION

1.1. 2025/26 Quarterly performance overview

The 2025/26 Annual Performance Plan (APP) comprises of twenty-two (22) key performance indicators (KPIs). Each KPI has specific performance targets, assessed on a quarterly and/or annual basis.

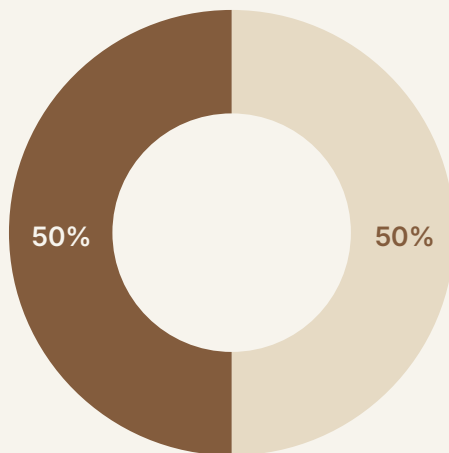
Over the four (4) quarters of the financial year, 2025/26, the targets varied in that in the both the first and second quarters LEDA had ten (10) targets per quarter, eleven (11) targets in the third quarter, and twenty-one (21) targets in the fourth quarter. The third quarter targets included one (1) annual target measuring the Rand value of pledged investments, while the fourth (4) quarter included additional nine (9) annual targets, eight (8) of which contributed to the Group's performance decline as they were not met, resulting in a fifty-two percent (52%) achievement rate as illustrated in the pie charts below.

i) The pie charts below illustrate the group's performance over these four (4) quarters.

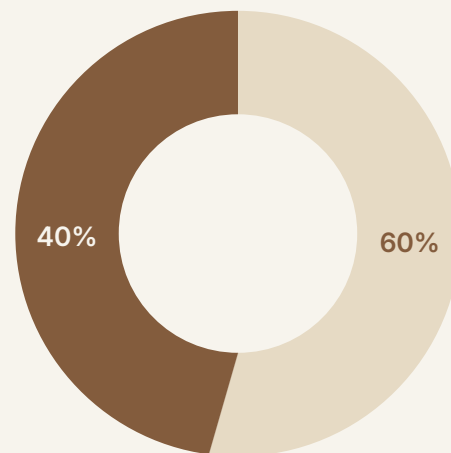
Target fully achieved

Target not achieved

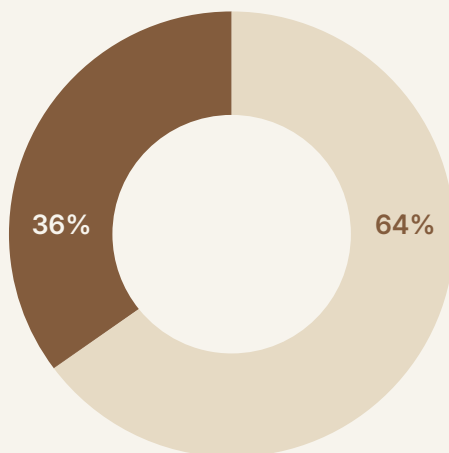
Q1 Target Achievement Rate



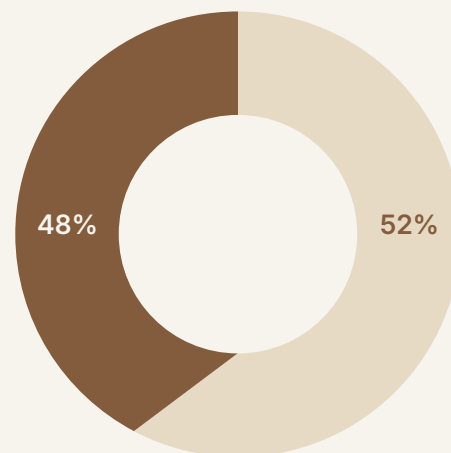
Q1 Target Achievement Rate



Q1 Target Achievement Rate



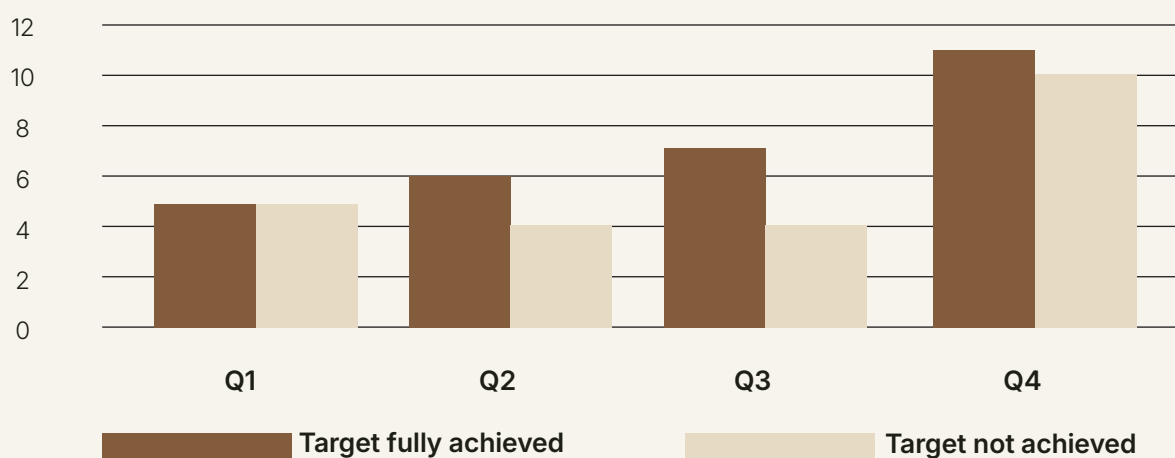
Q1 Target Achievement Rate



ii) This decline in the fourth quarter is attributable to the following ten (10) targets, eight (8) of which are annual targets

No	Target	Division/Entity	Reporting cycle	
			Quarterly	Annual (Q4)
1	Achieve unqualified audit opinion	Agency		✓
2	Collect 75% of rent receivable	Agency		✓
3	Collect 75% of loans payable	Agency		✓
4	Create 7500 job opportunities	Agency	✓	
5	Procurement budget spent on enterprises owned by targeted groups, i.e. people with disability and women	Agency	✓	
6	Explore 2 mineral deposits for beneficiation	Agency		✓
7	Achieve 125% Net Combined Ratio	NEL		✓
8	Achieve Cost to Income Ratio at 1:1	CMR		✓
9	Spend 95% of Capital Expenditure Budget	FTIP		✓
10	Spend 95% of Capital Expenditure Budget	MMSEZ		✓

iii) The bar graph below reflects the quarter-on-quarter performance comparison from Q1 –Q4 of the 2025/26 financial year in terms of targets achieved and targets not achieved.



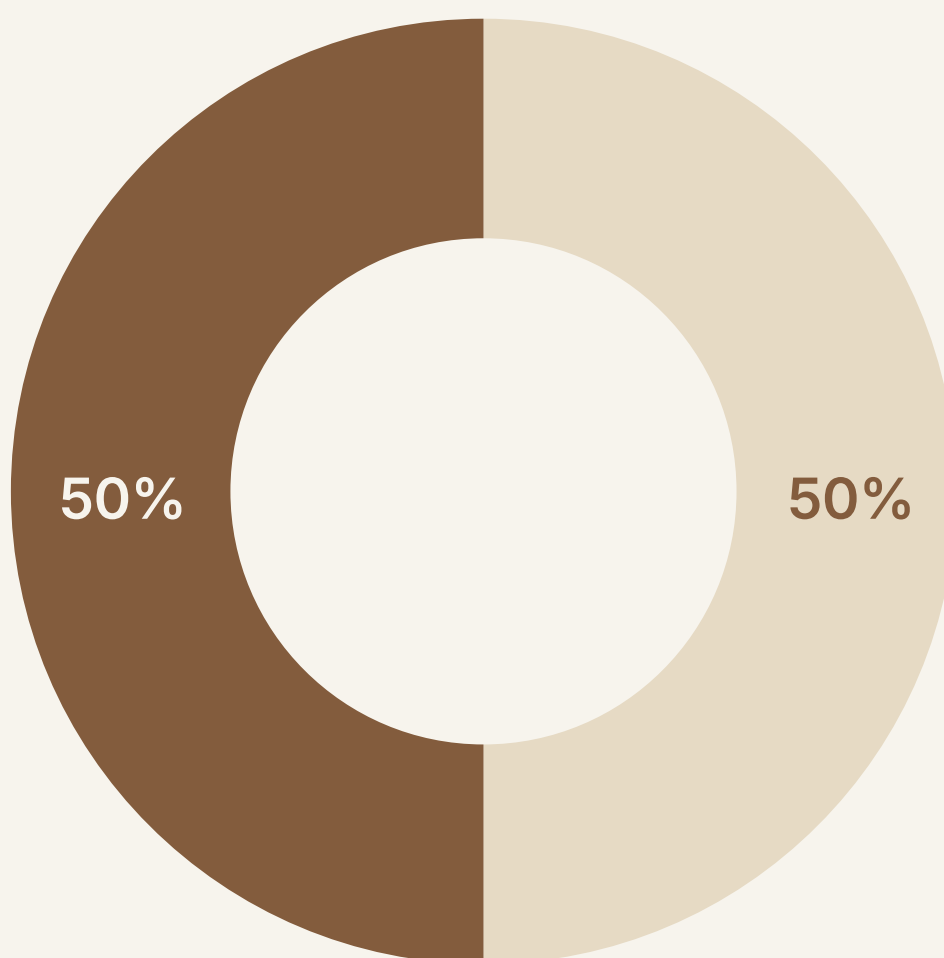
PERFORMANCE INFORMATION

1.2. 2025/26 Annual Performance Report (APR)

In the 2025/26 financial year, LEDA set twenty-two (22) key performance indicators (KPIs), each with quarterly and annual performance targets. As of the 31st of March 2026, the Group's consolidated performance in the four (4) quarters shows that eleven (11) targets were fully achieved and eleven (11) were not achieved, as shown in the detailed 2025/26 annual performance report below, resulting in an overall annual achievement rate of fifty percent (50%).

i) The Group's annual achievement rate is fifty percent (50%)

2025/26 Annual Achievement Rate



Target fully achieved

Target not achieved

1.3. ANNUAL PERFORMANCE REPORT SUMMARY TABLE

Targets fully achieved			Targets not achieved		
Indicator	2025/26 Target	2025/26 Actual	Indicator	2025/26 Target	2025/26 Actual
Number of Agro-processing projects facilitated	Facilitate 2 Agro-processing project	2	Number of mineral beneficiation projects facilitated	Explore 2 mineral deposits for beneficiation	0
Rand value of investments pledged	R120 billion	R170 038 188 625	Number of job opportunities created through facilitation by LEDA Group	25 000	98
Rand value of loans to enterprises, approved	R6 million	R10 992 130.56	Procurement Budget Spent on Enterprises owned by targeted groups	Women: 40% Youth: 30% People with Disability: 7% Military Veterans: 2%	Women: 53.42% Youth: 48.29% People with Disability: 0.13% Military Veterans: 0.70%
Number of enterprises supported	Support 200 enterprises (per 2-year cycle)	227	LEDA Group audit outcome achieved	Achieve unqualified audit outcome	Qualified audit outcome
Number of Youth owned enterprises supported	50	58	Net combined ratio	Achieve 125% net combined ratio	122%
Number of military veterans owned enterprises supported	Support 25 military veterans' enterprises	25	Number of passengers transported	5.8 million	5 475 967
Rand value of home loans approved	R100 million	R114 839 764	Cost to income ratio (CMR)	01:01	1:0.66
Number of skills programs implemented (Business & Technical Training)	12	28	Percentage capital expenditure budget spent (FTIP)	Spend 95% of budget	85%
Number of beneficiaries of business & technical skills training	7 300	8 127	Percentage capital expenditure budget spent (MMSEZ)	Spend 95% of budget	18%
Cost to income ratio (LCX)	01:01	0.64:1	Percentage of the rental income collected (current year rental)	Collect 75% of rent receivable	74.23%
Return on investment (RISIMA)	6%	15%	Percentage of loans collected (loans since 01/01/2022/23)	Collect 75% of loans payable	9%
Total		11	Total		11

PERFORMANCE INFORMATION

2. Purpose

The purpose is to present the annual performance assessment report in respect of the 2025/26 annual performance plan (app). This is line with the requirements outlined in section 5.3.1. Of the treasury regulations (2005), issued under the public finance management act (pfma), act no. 1 Of 1999.

3. Legislation

Leda is required to submit its annual performance report, in line with its 2025/26 shareholders agreement and the limpopo economic development act (leda act), act no.5 Of 2016.

The legal requirement related to the production of quarterly performance reports (qprs) is reflected in the treasury regulations (2005), section 5.3.1 Which stipulates that the accounting officer of an institution must establish procedures for quarterly reporting to the executive authority to facilitate effective performance monitoring, evaluation and corrective action, issued under the public finance management act (pfma), act no. 1 Of 1999, which directs that:

General responsibilities of accounting authorities. — (1) An accounting authority for a public entity—

- (A) must ensure that the public entity has and maintains—
- (l) effective, efficient and transparent systems of financial and risk management and internal control.

4. Background

Leda guided by the department of planning, monitoring and evaluation (dpme) revised framework for strategic plans and annual performance plans (2019) developed its 2025/30 strategic plan (sp) and the 2025/26 app, both approved-on the 31st of march 2025.

The 2025/26 app was meant to implement the 2025/30 sp, which derived its mandate from the three (3) priorities of the seventh (7th) administration as follows:

- To ensure an inclusive economic growth and job creation,
- To reduce poverty and tackle high cost of living, and
- To build a capable, ethical, and developmental state.

A total of nine (9) strategic outcomes were established and subsequently translated into quarterly and annual outputs within the 2025/26 annual performance plan (app).

The nine (9) strategic outcomes as outlined in the 2025/30 strategic plan are as follows:

- Outcome 01: contribution of mineral beneficiation projects in limpopo
- Outcome 02: contribution of agro-processing projects in limpopo
- Outcome 03: promotion of domestic and foreign direct investment
- Outcome 04: creation of job opportunities
- Outcome 05: increased financing and support of enterprises
- Outcome 06: increased housing finance
- Outcome 07: development of skills for the economy
- Outcome 08: positive audit outcome
- Outcome 09: efficient economic development.

Set out below is the detailed 2025/26 annual performance report covering the nine (9) strategic outcomes mentioned above.

PERFORMANCE INFORMATION

5. DETAILED 2025/26 ANNUAL PERFORMANCE REPORT

Outcome	Delivery Agent	Output	Output Indicator	Annual Target	Actual 2025/26	Reason for Deviation	Corrective Action
Outcome 01: Contribution of mineral beneficiation projects in Limpopo	CMR, TII, MMSEZ, and FTIP.	Produce goods from minerals	Number of mineral beneficiation projects facilitated	Explore 2 mineral deposits for beneficiation	Target not achieved 0	Insufficient internal mineral beneficiation technical skills and budget.	The target is revised to focus on the development of a concept document and pre-feasibility study for the establishment of mineral beneficiation projects.
Outcome 02: Contribution of Agro-processing projects in Limpopo	Agribusiness	Manufacture products through Agro processing	Number of Agro-processing projects facilitated	Facilitate 2 Agro-processing projects	Target achieved 2	N/A	N/A
Outcome 03: Promotion of domestic and foreign direct	TIP	Promote investment through pledges from investors	Rand value of investments pledged	R120 billion	Target achieved R170 038 188 625	More investors expressed interest in investing in the Limpopo province.	N/A
Outcome 04: Creation of job opportunities	LEDA Group	Job opportunities created	Number of job opportunities created through facilitation by LEDA Group	Create 25 000 jobs	Target not achieved 98	The slow growth of the economy affected all the sectors especially the MSMEs through which LEDA facilitates the creation of more job opportunities.	Intensify the drive for mobilization of investors to invest into the economy of the Limpopo through such LEDA-led platforms/ initiatives as the Limpopo Investment Conference.
Outcome 05: Increased financing and support of enterprises	LEDA Group	Loans advanced to SMME's, Cooperatives, Youth enterprises, and military veterans	5.1. Rand value of loans to enterprises, approved	R6 million approved	Target achieved R10 992 130.56	The target was exceeded due to the acceptance of LEDA Cessions by government departments and municipalities.	N/A
	EDFD	Support to local enterprises	5.2. Number of enterprises supported	Support 200 enterprises (per 2-year cycle)	Target achieved 227	LEDA stakeholders in the province requested for additional enterprises to be included on the Agency's incubation programme, increasing the number(target) by 27.	N/A
	EDFD	Support to local enterprises	5.3. Number of Youth owned enterprises supported	Support 50 youth enterprises	Target achieved 58	Collaboration with external stakeholder partners led to the support of additional youth owned enterprises being assisted, increasing the number(target) by 8.	N/A
	EDFD	Support to local enterprises	5.4. Number of military veterans owned enterprises supported	Support 25 military veterans' enterprises	Target achieved 25	N/A	N/A

PERFORMANCE INFORMATION

Outcome	Delivery Agent	Output	Output Indicator	Annual Target	Actual 2025/26	Reason for Deviation	Corrective Action
Outcome 05: Increased financing and support of enterprises	EDFD & FINANCE	Support to local enterprises	5.5. Procurement Budget Spent on Enterprises owned by targeted groups	Procurement Budget Spent on Enterprises owned by targeted groups Women: 40%, Youth : 30%, People with Disability: 7% Military Veterans: =2%	Target not achieved ▪ Women: 53.42%, ▪ Youth: 48.29% ▪ People with Disability: 0.13% ▪ Military Veterans: 0.70%	Military veterans -Although the entity achieved 100% of its target in providing support to 25 Military Veteran Enterprises, the support provided under the Enterprise Development programme is primarily non-financial in nature. The Enterprise Development interventions focus on capacity building, training, mentorship, and general business development to enhance the sustainability and competitiveness of the enterprises. These interventions do not directly involve procurement transactions. People with disability - there is currently a limited number of registered and compliant businesses owned by persons with disabilities on the Central Supplier Database (CSD), and there is reluctance due to concerns that doing business with the state may jeopardize their eligibility for the disability grant provided by SASSA.	Implementation of targeted support programmes to Military Veterans owned enterprises with compliance requirements, including registration on the Central Supplier Database (CSD), tax compliance, and business formalization. For a Military Veteran Enterprise to be recognised and reported as such in procurement activities, it must be registered on the Military Veterans Database (MVA Database); and registered on the Central Supplier Database (CSD), with its CSD profile correctly reflecting its status as a "Military Veteran" enterprise. LEDA will engage with associations representing persons with disability to effectively align demand and supply, as well as to improve market reach and awareness.
Outcome 06: Increased housing finance	MMSEZ	Loans advanced toward housing finance	Rand value of home loans approved	R100 million	Target achieved R114 839 764	Increased marketing of Risima's products in newly opened regions.	N/A
Outcome 07: Development of Skills for the Economy	LAND & PROPERTY DEVELOPMENT	Skills training programs	7.1. Number of skills programs implemented (Business & Technical Training)	Implement 12 skills programs (7 Business Training and 5 Technical Training)	Target achieved 28	Strengthened skills development partnerships and actively collaborated with both the public and private sector stakeholders, increasing the number by 16.	N/A
	EDFD	Business and Technical skills training	7.2. Number of beneficiaries of business & technical skills training	7 300	Target achieved 8 127	Strengthened skills development partnerships and actively collaborated with both the public and private sector stakeholders. increasing the number by 442.	N/A

PERFORMANCE INFORMATION

Outcome	Delivery Agent	Output	Output Indicator	Annual Target	Actual 2025/26	Reason for Deviation	Corrective Action
Outcome 08: Positive audit outcome	LEDA Group	External audit opinion	LEDA Group audit outcome achieved	Achieve unqualified audit outcome	Target not achieved Qualified audit outcome	- Submission of Consolidated and separate AFS on 31 May. - AFS System related challenges (Caseware). - System conversion GNT - Lack of framework refresher trainings due to financial constraints	- IFRS support during the audit. - Implementation of the approved action plan. - Capacitation of the Finance Unit - SCM – Capacitation of the SCM unit and continuous training of officials.
Outcome 09: Efficient Economic Development	GNT	Sustainable GNT	9.1. Number of passengers transported	5.8 million	Target not achieved 5 475 967	Insufficient number of buses on the road.	Ensure that a sufficient number of buses are operational and on the road.
	NEL	Sustainable NEL	9.2. Net combined ratio	Achieve 125% net combined ratio	Target achieved 0.64:1	New Era Life hasn't been able to generate sufficient revenue; this is the main reasons for the deviation.	NEL is executing the Section 50 to mitigate the issues of revenue. NEL is working to conclude the processes in July 2026.
	LCX	Sustainable LCX	9.3. Cost to income ratio	1:1	Target achieved 15%	Grant funding was received in Q4.	N/A
	RISIMA	Sustainable Risima	9.4. Return on investment	6%	Target not achieved 1:0.66	Adequate loan disbursement, increase in collections and cost containment. The delay in the construction and operation of the dump treatment facility.	N/A
	CMR	Sustainable CMR	9.5. Cost to income ratio	1:1	Target not achieved 1:0.66		CMR to provide strategic support to the partners with the execution of the project plan, which encompasses a range of activities, including, but not limited to: 1. Providing support to the strategic partner through effective stakeholder management to mitigate potential disruptions that could delay the project. 2. Ensure CMR comply to prevent the regulator from halting operations on site due to non-compliance.

Outcome	Delivery Agent	Output	Output Indicator	Annual Target	Actual 2025/26	Reason for Deviation	Corrective Action
	FTIP	Sustainable FTIP	9.6. Percentage capital expenditure budget spent	Spend 95% of budget	Target not achieved 85%	- Delays in the implementation of the infrastructure projects due to capacity challenges in the Infrastructure and Procurement business units. - Not achieved due to delays in the approval of the Traffic Impact Assessment which had a bearing on the construction of the guard house. - Slow rate of progress in the implementation of the projects by the PSPs and the Contractor.	- FTIP is busy with the process of the appointment of an implementing agent to enhance internal capacity. - LEDA has received funding for the appointment of key staff in critical positions in both Infrastructure and Procurement, Business units to capacitate both the FTSEZ & MMSEZ. - SANRAL has approved the TIA and the PSP has been able to continue with the Detailed Designs. - Monthly progress meeting is held to fast track the projects implementation.
	MMSEZ	Sustainable MMSEZ	9.7. Percentage capital expenditure budget spent	Spend 95% of budget	Target not achieved 18%	Delays in the Implementation of the Infrastructure Programme where only two of the six planned progressed to the Construction Phase	Planning Improvements are being put in place. Appointment of 6 professionals to assist with the execution of the Infrastructure programme is underway.
	LAND & PROPERTY DEVELOPMENT	Collection of rental income	9.8. Percentage of the rental income collected (current year rental)	Collect 75% of rent receivable	Target not achieved 74.23%	Late rental payments by tenants.	The Finance, Legal, and Property & Development divisions will conduct regular follow-up meetings to assess the rental collections.
	EDFD	Collection of loans advanced to enterprises	9.9. Percentage of loans collected (loans since 01/01/2022/23)	Collect 75% of loans payable	Target not achieved 9%	Inadequate human capital in the Debt Collection Unit and Legal Services Division.	LEDA, through Legal Services, has commenced outsourcing of default debt collection through legal firms on the LEDA panel.

PERFORMANCE INFORMATION

3.2 Lebowakgomo Abattoir and Mashashane Hatchery

During the year under review, the appointed operator successfully commissioned the Lebowakgomo Abattoir and Mashashane Hatchery.

Key Achievements:

- Issuance of an operating licence to the abattoir by LDARD
- Conclusion of grower contracts with broiler farmers
- Commencement of production activities
- Successful refurbishment and operation of the ammonia plant

These developments contribute to strengthening the poultry value chain and enhancing agro-processing capacity in the region.



Vhembe Fresh Produce Market Packhouse

LEDAR concluded the operator appointment process, including obtaining Section 54 approval to participate as an equity partner in the operationalisation of the Vhembe Fresh Produce Packhouse located in Tshakhuma (Makhado Local Municipality).

Anticipated Impact:

- Promotion of agro-processing in a high-production agricultural hub
- Improved market access for local farmers
- Job creation across the agricultural value chain

Implementation is scheduled for the 2026/27 financial year.

Tshivhase Mukumbani Tea Estate Diversification

LEDAR successfully secured strategic partners and investors to support the diversification of the Tshivhase Mukumbani Tea Estate.

Project Focus:

- Introduction of high-value agricultural commodities
- Enhancement of sustainability and long-term profitability

Implementation will commence in the 2026/27 financial year, subject to approval of the Section 54 application.

PERFORMANCE INFORMATION

Dendron Potato Processing Plant

The Agribusiness Unit, through LEDA, is a key stakeholder in a partnership aimed at establishing a state-of-the-art Potato Processing Plant in Dendron (Molemole Local Municipality).

The project is valued at R3.75 billion and represents a major agro-industrial investment.

Progress to Date:

- Completion of a bankable business plan, led by Potato SA
- Co-funding secured from multiple stakeholders

Key Stakeholders:

- Potato SA
- LEDA
- National Department of Agriculture
- Limpopo Department of Agriculture and Rural Development
- Department of Trade, Industry and Competition (DTIC)
- Land Bank
- Agricultural Development Agency (AGDA)
- Industrial Development Corporation (IDC)
- Private sector partners (Famous Brands, McCain, Nature's Garden)
- Commercial and local farmers
- Foreign Direct Investors (FDIs)

The project is scheduled for implementation in the 2026/27 financial year and is expected to significantly benefit local producers and stimulate agro-processing in the province.

The Agribusiness Unit has made notable progress in advancing agricultural development, supporting agro-processing initiatives, and revitalising key agricultural assets within the province.

These efforts contribute to:

- Sustainable economic growth
- Job creation and rural development
- Improved agricultural productivity
- Enhanced market access for local farmers

The strong project pipeline for the 2026/27 financial year positions the Unit to further accelerate agribusiness development and strengthen the province's agricultural economy.

Trade and investment promotion

During the 2025/26 financial year, the Limpopo Economic Development Agency (LEDA) intensified its efforts to promote trade, exports, and investment as key drivers of economic growth and industrial development in Limpopo Province.

Through targeted market access initiatives, enterprise development programmes, investment facilitation interventions and strategic partnerships, LEDA supported businesses to access new markets, enhance their competitiveness, and attract investment into the province.

The Agency's interventions yielded tangible outcomes, including increased business exposure to domestic and international markets, export capacity development, investment attraction, and the creation of opportunities for sustainable economic growth.

Exhibitions and Market Access Initiatives

LEDA implemented an extensive market access programme aimed at connecting Limpopo businesses with buyers, distributors, investors, and strategic partners across local, regional, and international markets. These initiatives provided participating enterprises with opportunities to showcase products and services, establish business networks and secure new commercial opportunities.

During the year under review, LEDA facilitated business participation in a number of trade fairs and exhibitions, including:

- Decorex Johannesburg – 13 companies.
- Decorex Cape Town – 3 companies.
- Zimbabwe International Trade Fair (ZITF) – 15 companies.
- Ongwediva Trade Fair, Namibia – 10 companies.
- CANEX/Intra-Africa Trade Fair, Algeria – 14 companies.
- Organic and Natural Products Expo, Johannesburg – 15 companies.
- Hostex 2026, Johannesburg – 17 companies.
- Proudly South African Buy Local Summit and Exhibition – 3 companies.
- Marula Festival Exhibition, Phalaborwa – 12 businesses.
- Ambiente Trade Fair, Germany – participation facilitated for two (2) companies.
- Seychelles Trade Fair – participation facilitated for one (1) company.

These exhibitions created valuable opportunities for market penetration and business development. The programme contributed significantly towards increasing the visibility and competitiveness of Limpopo products in local and international markets.

Export Development and Enterprise Training

Developing export-ready enterprises remained a strategic focus area for LEDA during the 2025/26 financial year. Through the Export Development Programme, the Agency implemented a series of training and capacity-building interventions aimed at equipping businesses with the knowledge and skills required to compete in global markets.



Training programmes focused on:

- Export readiness assessments.
- Product development and market positioning.
- Export regulations and compliance requirements.
- Packaging and labelling standards.
- Quality assurance and certification requirements.
- Trade documentation and customs procedures.
- International market access opportunities.

During the year under review, 128 businesses from across all districts of Limpopo Province were trained and capacitated through export development programmes. The interventions enhanced the readiness of participating businesses to access regional and international markets, while improving compliance with export standards and market requirements.

In addition, LEDA provided specialised export advisory services and regulatory support to businesses seeking to enter foreign markets. These interventions assisted enterprises to better understand export procedures, reduce compliance barriers, and improve their competitiveness in international trade.

The export development programme continues to contribute towards building a pipeline of export-ready enterprises capable of increasing Limpopo's participation in national, regional, and international value chains.

Investment Promotion and Facilitation

LEDA continued to position Limpopo as a preferred investment destination through investment facilitation, investor support services, and strategic stakeholder engagement.

A key milestone during the reporting period was the continued operationalisation of the InvestSA One Stop Shop (OSS) in Limpopo. The facility provides streamlined investor support services by bringing together key government departments and agencies under one platform to facilitate business registrations, permits, licences and investment-related approvals.

The One Stop Shop enhances the ease of doing business in the province and serves as a critical mechanism for attracting and retaining domestic and foreign investment.

LEDA further facilitated engagements with local and international investors, providing investment support, information services, and project facilitation to encourage investment into priority sectors of the provincial economy.

PERFORMANCE INFORMATION



Limpopo Investment Conference 2025

One of the most significant achievements during the year under review was the successful hosting of the Limpopo Investment Conference (LIC) 2025, which brought together government leaders, investors, development finance institutions, industry leaders, and business stakeholders from South Africa and abroad.

The conference provided a platform to highlight strategic investment opportunities across key sectors of the provincial economy, including mining, energy, manufacturing, agriculture, tourism, logistics, infrastructure, and the digital economy. It also strengthened collaboration between the public and private sectors in advancing Limpopo's industrialisation agenda.

The conference resulted in investment commitments and pledges valued at R170 billion, reaffirming investor confidence in Limpopo as a competitive and attractive investment destination. The pledged investments are expected to contribute significantly to economic growth, industrial expansion, infrastructure development, and job creation throughout the province over the medium to long term.

The success of the conference demonstrated the effectiveness of LEDA's investment promotion strategy and highlighted the importance of strategic partnerships in driving sustainable economic development.

Conclusion

The 2025/26 financial year marked considerable progress in LEDA's efforts to promote trade, exports, and investment in Limpopo Province. Through targeted market access initiatives, export development programmes, investor facilitation services and the successful hosting of the Limpopo Investment Conference, the Agency strengthened the competitiveness of local businesses and enhanced the province's investment profile.

Notable achievements included the participation of businesses in local and international exhibitions, the training of 128 enterprises through export development programmes, the operational support of the InvestSA One Stop Shop, and the attraction of R170 billion in investment commitments through the Limpopo Investment Conference.

These interventions continue to support inclusive economic growth, industrialisation, job creation, and the development of globally competitive enterprises, contributing meaningfully to the long-term economic transformation of Limpopo Province.

PERFORMANCE INFORMATION

Musina-Makhado (MMSEZ) Special Economic Zone Performance

The Musina-Makhado Special Economic Zone (MMSEZ) made notable progress during the 2025/26 financial year, with a strong focus on infrastructure recovery, investment attraction, and strengthening governance.

Infrastructure development was successfully reactivated following a prolonged standstill since the 2022/23 financial year.

Key milestones achieved include the securing of land development rights for the North Site, approval of township establishment, and completion of design reviews for six priority infrastructure projects.

While only two projects progressed to construction due to stringent regulatory compliance requirements, the remaining four are expected to commence by the second quarter of the 2026/27 financial year.

MMSEZ exceeded its Annual Performance Plan (APP) target by securing over R1 billion in investment commitments, driven by strong interest in the logistics and mineral beneficiation sectors.

A significant milestone was the signing of a Memorandum of Understanding (MOU) with Basalt Africa for the development of a mineral wool manufacturing plant, supporting localisation, value addition, and industrialisation within the province.

From an organisational perspective, MMSEZ strengthened governance and operational capacity through key leadership appointments, targeted recruitment, and employee engagement initiatives aimed at improving organisational culture and performance.

However, challenges remain, particularly in finalising critical appointments and addressing ongoing reputational pressures.

The media environment during the reporting period remained largely negative, with coverage focusing on project delays, governance concerns, and environmental issues.

This underscores the need for enhanced reputation management, proactive stakeholder engagement, and strengthened strategic communication to rebuild investor confidence and public trust.

During this financial year under review, MMSEZ made progress in securing land development rights, finalising township establishment (approved in Q3), and reviewing infrastructure designs, while also working to rebuild investor confidence.

Although land has been secured and transferred, some administrative processes at the Deeds Office remain outstanding.



Six infrastructure projects were prioritised, with designs aligned to budget and improved technical feasibility. Two projects have been handed over for construction, while four are delayed due to regulatory compliance, with completion expected in Q2 of 2026/2027.

MMSEZ secured over R1 billion in combined FDI and DDI, with a strong investment pipeline in logistics and mineral beneficiation. A key highlight was the MOU signed with Basalt Africa for a mineral wool manufacturing plant, supporting local beneficiation and industrialisation.

The organisation has 35 employees, including 19 permanent staff, 3 executives, and 13 interns. A CEO has been appointed, while the CFO position remains vacant. The entity is also dealing with litigation, including an EIA-related matter.

MMSEZ continues to face a challenging media environment, with concerns around project delays, governance, and environmental issues. Key risks include infrastructure delays, reputational challenges, regulatory constraints, and critical vacancies.

Looking ahead, priorities include accelerating construction, strengthening stakeholder engagement, improving communication and media management, and enhancing internal systems.

Overall, MMSEZ has shown recovery momentum, exceeding investment targets, but must improve execution efficiency and reputation management to achieve its goal of becoming a credible, investment-ready SEZ.



PERFORMANCE INFORMATION

Fetakgomo Tubatse

Special Economic Zone (FTSEZ)

The 2025/26 financial year represented a pivotal period in the development of the proposed Fetakgomo Tubatse Special Economic Zone (FTSEZ), with substantial progress achieved in critical areas required for the successful implementation of the project. The province continued to advance its vision of establishing the FTSEZ as a world-class industrial hub that will drive economic growth, industrial diversification, investment attraction, and job creation in Limpopo.

Strategically located within one of the world's richest mineral belts, the FTSEZ is expected to play a transformative role in advancing South Africa's industrialisation agenda through the promotion of mineral beneficiation, renewable energy development, advanced manufacturing, logistics, and green industrialisation. The project is designed to unlock greater value from the region's abundant mineral resources while supporting sustainable economic development and enhancing the competitiveness of local industries.

During the reporting period, the Fetakgomo Tubatse Industrial Park (FTIP), as the implementing entity, focused on ensuring implementation readiness through coordinated infrastructure planning, investor facilitation, institutional strengthening, and stakeholder engagement. These efforts were aimed at creating an enabling environment for both domestic and international investors while laying the foundation for future industrial operations within the Zone.

Progress Towards FTSEZ Designation

One of the most significant achievements during the year was the completion of the processes required for the designation of

the proposed FTSEZ. By the end of the financial year, the designation application had been fully prepared and was ready for presentation to the National Cabinet for consideration.

This milestone represents a critical step towards obtaining formal SEZ status, which will provide the project with access to various investment incentives and regulatory benefits designed to attract large-scale industrial investment. The designation will also strengthen the province's ability to position the FTSEZ as a preferred destination for investors seeking opportunities within South Africa's growing green economy and manufacturing sectors.

Infrastructure Development and Readiness

The reporting period saw significant progress in advancing strategic infrastructure projects that are essential for the operationalisation of the FTSEZ. The security infrastructure and perimeter fencing project reached 94% completion by year-end, demonstrating substantial progress in preparing the site for future development activities. Once completed during the second quarter of the 2026/27 financial year, the project will provide enhanced security, asset protection, and access control measures required for attracting major industrial investors.

Further progress was recorded in the planning and design of bulk infrastructure services. The ICT Master Plan was successfully completed, providing a comprehensive framework for digital connectivity and smart infrastructure development within the Zone. In addition, the designs for external roads and stormwater management infrastructure were finalised, creating a strong foundation for the development of a fully serviced industrial precinct capable of accommodating large-scale industrial operations.

In the energy sector, Eskom completed the bulk electricity designs and commenced construction activities to ensure the future energy requirements of the Zone can be adequately supported. This development is particularly important given the FTSEZ's focus on energy-intensive sectors such as mineral beneficiation and manufacturing.

The provision of temporary water and electricity services also progressed during the reporting period. These temporary service connections are expected to be operational during the third quarter of the 2026/27 financial year and will facilitate ongoing construction activities, investor site visits, and early development initiatives.

Investment Attraction and Investor Confidence

The FTIP continued to strengthen investor confidence through proactive investment facilitation and stakeholder engagement initiatives. The growing interest from investors reflects increasing confidence in the viability of the FTSEZ and its long-term economic potential.

During the year under review, six additional investors expressed interest in establishing operations within the proposed Special Economic Zone. Collectively, these potential investments are estimated at approximately R600 million, representing a significant contribution towards the development of the Zone and the broader economic growth objectives of the province.

Investor interest was particularly strong in high-growth sectors aligned with the FTSEZ development strategy, including:

- Green energy and renewable energy projects;
- Mineral beneficiation and value-added processing;
- Logistics and supply chain services;
- Manufacturing and industrial production; and
- Supporting infrastructure and services.

The continued growth in investor enquiries demonstrates the effectiveness of the entity's investment promotion efforts and highlights the strategic advantages offered by the location, resource base, and planned infrastructure of the FTSEZ.

Strategic Partnerships and Institutional Strengthening

Throughout the reporting period, FTIP continued to strengthen relationships with key stakeholders across government, state-owned entities, investors, and development partners. These partnerships remain critical in mobilising resources, coordinating infrastructure delivery, and ensuring alignment with national and provincial economic development priorities.

Institutional strengthening initiatives were also prioritised to enhance the organisation's capacity to manage the complex requirements associated with developing and implementing a Special Economic Zone. This included improving governance systems, strengthening project management capabilities, and refining investment facilitation processes to support future growth.

Financial Management and Governance

The entity maintained sound financial management practices throughout the financial year, ensuring that resources were utilised efficiently and in accordance with approved plans and budgets. Expenditure remained aligned with strategic priorities, enabling the organisation to advance key infrastructure and development initiatives while maintaining fiscal discipline. Strong financial governance continued to support organisational sustainability and reinforced stakeholder confidence in the entity's ability to manage large-scale development projects responsibly and transparently.

PERFORMANCE INFORMATION



Outlook

The progress achieved during the 2025/26 financial year places the proposed FTSEZ in a strong position to advance towards implementation. With designation processes substantially completed, key infrastructure projects nearing completion, and investor interest continuing to grow, the project is steadily moving closer to becoming a fully operational Special Economic Zone.

The province remains committed to leveraging the FTSEZ as a catalyst for industrial development, economic transformation, employment creation, and inclusive growth. As infrastructure development accelerates and investment commitments materialise, the FTSEZ is expected to contribute significantly to Limpopo's long-term economic development objectives while supporting South Africa's broader industrialisation and green economy ambitions.



Corridor Mining Resources (CMR)

Operational Performance

During the period under review, Sefateng Chrome Mine (SCM), a flagship asset of CMR, continued to make steady progress towards achieving its production target of 70,000 tons of ore per month.

This operational advancement has also translated into meaningful socio-economic impact, with employment opportunities exceeding 2,000 jobs and an estimated R34 million in monthly wages being injected into surrounding communities.

At Fumani Gold Mine, a significant milestone was achieved through the onboarding of a strategic partner. This development enabled the execution of a long-outstanding mining right, originally granted in 2017 but delayed due to insufficient capital to fund the environmental rehabilitation deposit.

By the end of the reporting period, early-stage preparations for the construction of the processing plant were underway. Commissioning of operations is anticipated in the subsequent financial year.

Strategic Initiatives

In line with its growth strategy, the company initiated a capital-raising programme to secure funding for the Fumani Greenstone and Rock Island underground mining projects. Both projects have demonstrated strong potential, supported by positive exploration outcomes and feasibility studies funded through internal resources.

The capital-raising process attracted considerable interest from credible investors and funding partners. At the reporting date, engagements had progressed to the due diligence phase, with finalisation expected in the first quarter of the next financial year. A successful outcome will position the company to commence development of both projects.

Furthermore, the Khumong Chrome Mine project has also generated interest from reputable investors. Discussions and negotiations remain ongoing to assess viable investment structures and partnerships that will unlock value from the project.

Financial Review

CMR made notable progress towards financial independence during the reporting period by covering its operational expenses without requiring financial support from LEDA or LEDET. This development reflects improved operational discipline and a strengthening financial position.

While the company recorded a negative cash flow of R6.7 million for the period, this represents a reduction in the deficit compared to prior reporting periods. The narrowing loss indicates that the organisation's sustainability strategy is gaining traction.

Management remains confident that the continued implementation of its strategic and operational initiatives will further enhance financial performance and move the company towards long-term sustainability in the periods ahead.

Great North Transport (GNT)

The 2025/6 financial year was marked by significant progress in Great North Transport (GNT's) efforts to improve service delivery, modernise operations, and strengthen organisational sustainability.

Despite operating in a challenging economic environment characterised by rising fuel, maintenance, and operational costs, the company remained committed to providing safe, reliable, and affordable public transport services across Limpopo Province.

During this time, GNT went through leadership changes, with a new Board appointed to strengthen oversight and guide the company toward success.

A major achievement this year was the purchase of 71 new buses as part of the fleet renewal and modernisation programme. These buses are being rolled out to improve service reliability at most depots, except for Seshego, Mokopane, and Hoedspruit.

The investment is expected to enhance fleet availability, lower long-term maintenance costs, and improve the overall customer experience. Following this intervention, bus visibility has significantly increased, while breakdown incidents have been drastically reduced.

To mitigate service disruptions during the transition period, GNT implemented a leasing strategy by sourcing buses from small operators. This initiative ensured continuity of services, strengthened partnerships with local operators, and received positive feedback from communities.

In addition, GNT initiated a refurbishment programme aimed at recovering grounded buses and returning them to operation. This intervention is expected to extend asset lifespan, improve overall fleet availability, and gradually reduce reliance on leased buses.

The company also made progress in addressing historical pension fund matters affecting former employees.

The process of facilitating pension fund benefits to qualifying beneficiaries continued during the year and is currently subject to monitoring and intervention by the South African Human Rights Commission (SHRC) to support a fair and transparent resolution. This process is critical in ensuring compliance, restoring trust, and improving stakeholder confidence.

Furthermore, GNT has improved its relationships with stakeholders by communicating better with passenger forums across all depots. This has built trust and strengthened working relationships in all regions.

Despite progress, several challenges were encountered during the reporting period. The company experienced delays in rolling out new buses to some depots and continued to face ongoing pension liabilities and still relies on leased buses during the transition period.

Looking ahead, GNT plans to complete the rollout of all newly purchased buses and finalise all outstanding pension payouts. The company also aims to gradually reduce its dependence on leased vehicles, while further improving service delivery and operational efficiency.

This year was a big turning point for Great North Transport. By investing wisely, improving operations, and focusing on stakeholders, the company has built a strong base to perform better, stay sustainable, and grow over the long term.

PERFORMANCE INFORMATION

Risima Housing

Finance (Pty) Ltd

Risima Housing Finance (Pty) Ltd, a subsidiary of the Limpopo Economic Development Agency (LEDA), plays a critical role in advancing the provincial government's mandate of addressing the housing backlog and improving access to affordable housing.

The entity is specifically tasked with closing the housing finance gap, particularly for low- to middle-income earners who often face barriers to accessing traditional housing finance solutions.

During the year under review, Risima continued to strengthen its position as a key driver of inclusive human settlement development by expanding its footprint and enhancing service delivery across priority regions in Limpopo Province.

Strategic Focus and Performance

In line with its strategic objectives, Risima prioritised regional integration, accessibility, and service decentralisation. The entity intensified its efforts to ensure that housing finance products and support services are more accessible to communities in previously underserved and rural areas.

A major milestone during the reporting period was the successful rollout of regional expansion initiatives, which form part of a broader long-term strategy to improve operational reach and deepen impact at a grassroots level.

Expansion of Regional Footprint

To enhance service accessibility and bring decision-making closer to communities, Risima established two new regional offices in:

- Modimolle (Waterberg District

Municipality)

- Jane Furse (Sekhukhune District Municipality)
- These offices represent a strategic investment in decentralised service delivery and are positioned to serve as hubs for housing finance facilitation, stakeholder engagement, and community outreach.
- The establishment of these offices is expected to:
- Improve turnaround times for housing finance applications
- Strengthen relationships with local municipalities and developers
- Enhance awareness of available housing finance solutions
- Support local economic development through increased construction activity

Impact on Communities

The expansion of Risima's regional presence has significantly improved the entity's ability to respond to the needs of communities. By situating services closer to beneficiaries, Risima has reduced geographic and informational barriers that previously limited access to affordable housing opportunities.

These developments are particularly important in addressing:

- The housing backlog in rural and peri-urban areas
- The lack of accessible housing finance mechanisms for emerging homeowners
- The need for integrated human settlement planning aligned with local economic development priorities

Through its initiatives, Risima continues to contribute meaningfully to improved living conditions, job creation within the construction sector, and broader socio-economic upliftment.

Outlook and Future Plans

The opening of the Modimolle and Jane Furse offices marks the beginning of a phased provincial expansion programme. Going forward, Risima aims to: Further extend its footprint into other strategic districts

- Diversify its housing finance products to cater to a wider market segment
- Strengthen partnerships with municipalities, private developers, and financial institutions
- Leverage technology to improve service efficiency and client experience

The entity remains committed to ensuring equitable access to affordable housing and supporting the development of sustainable human settlements across Limpopo Province.

Risima Housing Finance continues to play a transformative role in bridging the housing gap in Limpopo. The strategic expansion undertaken during the year under review demonstrates the entity's commitment to inclusive growth and responsive service delivery.

Stakeholder Engagement and Strategic Initiatives

During the period under review, Risima Housing Finance strengthened its stakeholder engagement and public awareness efforts through the successful hosting of its inaugural Housing Expo.

The Expo was held at The Ranch Resort in Limpopo and attracted participation from more than 200 stakeholders, including government representatives, private sector developers, financial institutions, and prospective beneficiaries. This landmark event created a valuable platform for dialogue, knowledge sharing, and collaboration within the housing sector.

The Housing Expo exceeded expectations in terms of:

- Participation – Strong attendance from diverse stakeholders across the housing value chain
- Visibility – Elevated awareness of Risima's mandate, products, and services
- Impact – Meaningful engagements that facilitated partnerships and unlocked potential housing opportunities

The success of the Expo has set a strong foundation for future housing dialogues and sector-wide engagements, reinforcing Risima's role as a convener and catalyst in the delivery of affordable housing solutions within the province.



PERFORMANCE INFORMATION

Social Impact and Corporate Citizenship

In alignment with government priorities and its commitment to social responsibility, Risima demonstrated its responsiveness to community needs by supporting vulnerable households.

During the reporting period, the entity responded to a call from government by facilitating the construction of a home for the family of conjoined twins born at Mankweng Hospital.

This intervention underscores Risima's dedication to not only providing housing finance solutions but also contributing to human dignity and improved quality of life for disadvantaged families.

This initiative highlights:

- Risima's commitment to social impact beyond commercial mandates
- Its ability to respond swiftly to urgent community needs
- Strengthened collaboration with government and social partners

Through initiatives such as the Housing Expo and targeted social interventions, Risima Housing Finance continues to deepen its impact across both institutional and community levels.

These efforts complement its core mandate of expanding access to affordable housing and position the entity as a key driver of inclusive and sustainable human settlements development in Limpopo Province.



Limpopo Connexion

SOC Ltd (LCX) was established with the mandate to develop the ICT industry, improve service delivery, and strengthen the provincial economy through digital infrastructure, broadband connectivity, innovation, and Fourth Industrial Revolution (4IR) enablement.

During the 2025/26 financial year, LCX continued to position itself as a strategic digital transformation instrument for Limpopo Province by advancing broadband commercialization, supporting SMME participation in the internet service provider market, expanding digital inclusion initiatives, and promoting Artificial Intelligence (AI) and 4IR awareness across the province.

Limpopo Broadband Network

LCX successfully completed Phase I of the Limpopo Broadband Network Project, which included the deployment of approximately 142 km of fibre across 12 towns and the establishment of key digital infrastructure, including:

- A Data Centre
- A Network Operations Control Centre (NOCC)
- A Call Centre

These facilities remain the operational backbone for managing, monitoring, and expanding broadband services in the province. The network continues to support LEDA and its subsidiaries, while also providing a platform for future broadband expansion, service commercialization, and digital enablement. LCX is currently finalising the process of seeking an investment partner to expand the broadband infrastructure footprint to rural communities.

LCX also advanced a practical SMME enablement model during the year. Under this approach, LCX provides backhaul, network support, cloud hosting, and other enabling services to SMMEs that operate as local internet service providers. These SMMEs are then able to distribute internet connectivity to home users in rural, township, and semi-urban areas. This model supports local enterprise development, increases utilization of LCX infrastructure, expands household connectivity, and contributes to digital inclusion in underserved communities.

In addition, LCX is establishing community WiFi hotspots in the Polokwane municipal area and in Mopani District. These hotspots are intended to improve public access to connectivity, support digital participation, and provide communities with access to online services, education resources, communication platforms, and economic opportunities.

Fourth Industrial Revolution and Artificial Intelligence Initiatives

During the 2025/26 financial year, LCX continued to implement Fourth Industrial Revolution (4IR) and Artificial Intelligence (AI) initiatives aimed at promoting digital awareness, future skills development, innovation, and inclusive participation in the digital economy.

The initiatives implemented during the year included AI awareness sessions, exhibitions, career guidance activities, practical demonstrations, professional presentations, and stakeholder engagements. These activities reached school pupils, unemployed youth, students, professionals, entrepreneurs, public sector stakeholders, and broader community audiences across Limpopo and beyond.

A key milestone during the year was LCX's participation in a strategic AI fluency initiative in collaboration with a partner and an international entity. The initiative created a platform to expose unemployed youth in Limpopo to AI-related learning opportunities, including AI concepts, responsible use of AI, productivity tools, generative AI, cybersecurity awareness, and digital skills relevant to the modern economy.

LCX also delivered and supported several direct awareness and training interventions covering topics such as introductory AI, generative AI, AI demonstrations, AI-assisted content creation, AI-supported coding, image generation, video generation, 3D model generation, music generation, cybersecurity, governance risks, and the responsible use of AI in professional environments.

In addition to community and youth-focused activities, LCX also engaged professional and institutional audiences through platforms such as investment conferences, auditor forums, higher education engagements, and digital transformation events. These engagements helped position LCX as both an implementer and thought contributor in the provincial and national digital transformation landscape.

LCX further advanced the Artificial Intelligence Regional Innovation Networking Platform (AI RINP), supported through CSIR. This initiative is intended to strengthen innovation networking, support AI and 4IR knowledge capabilities, promote applied AI for SMMEs, support mentorship, and build a provincial ecosystem for digital innovation.

Overall, LCX's AI and 4IR initiatives during the reporting period demonstrated practical progress in building awareness, creating exposure to emerging technologies, supporting youth and SMME development, and strengthening Limpopo's readiness for participation in the digital economy.

Limpopo Science and Technology Park and
Seshego Digital Hub
The Limpopo Science and Technology

Park remains a flagship catalytic project intended to transform the provincial economy by supporting innovation, technology development, research, enterprise development, and investment attraction.

Limpopo Connexion has been awarded support through the Council for Scientific and Industrial Research (CSIR) under the Regional Innovation Support Programme (RISP) for the feasibility study of the Limpopo Science and Technology Park, which will assist in confirming the strategic, technical, operational, and economic considerations required to advance the LSTP as a catalytic provincial initiative focused on science, technology, innovation, research, enterprise support, investment attraction, and future-oriented economic growth.

During the reporting period, LCX continued to support the broader provincial innovation agenda through its involvement in digital transformation initiatives, AI awareness, and the operational planning of the Seshego Digital Hub.

The Seshego Digital Hub is being established within the Seshego Industrial Park as a platform to support digital skills, SMME development, entrepreneurship, innovation, and community access to technology. LCX is the designated operator responsible for managing the Hub's operations, programming, and day-to-day activities.

Progress was made toward operationalization of the Digital Hub, with furniture and equipment currently being procured. Once operational, the Hub is expected to provide facilities such as office space, hot desks, boardroom facilities, auditorium access, training facilities, and related digital enablement services. These facilities will support SMMEs, learners, entrepreneurs, innovators, and community members seeking access to digital skills development and technology-enabled business support.

The Hub will also provide a platform through which LCX can expand AI awareness, 4IR exposure, SMME support, digital literacy, and innovation-related programming. This aligns with LCX's broader mandate to improve access to technology, support township and rural digital participation, and contribute to inclusive economic development.

Conclusion

During the 2025/26 financial year, LCX made meaningful progress in advancing its broadband, digital transformation, SMME enablement, AI awareness, and community connectivity mandate.

Key progress included the near finalization of the process of seeking an investment partner to expand the broadband infrastructure footprint to rural communities, the empowerment of SMMEs as local internet service providers through access to LCX backhaul and support services, the establishment of community WiFi hotspots in Polokwane and Mopani, continued operational progress on the Seshego Digital Hub, and the implementation of several AI and 4IR awareness initiatives across the province.

These initiatives confirm LCX's strategic role as a provincial digital enabler and demonstrate its contribution to connectivity, innovation, skills development, SMME participation, and inclusive digital transformation in Limpopo.

PERFORMANCE INFORMATION

Group ICT report

During the 2025/26 financial year, the Information and Communication Technology (ICT) Division continued to play a strategic role in enabling operational efficiency, digital transformation, governance, and business continuity across the Limpopo Economic Development Agency (LEDA) and its subsidiaries.

ICT remained focused on ensuring the availability, reliability, and security of technology services through proactive infrastructure support, cybersecurity interventions, implementation of strategic digital projects, and strengthened ICT governance practices.

The financial year under review saw notable progress in digital transformation initiatives, system modernization, governance enhancements, and cybersecurity maturity.

Key ICT Achievements for 2025/26

1. Cybersecurity and Information Security Strengthening

ICT continued to strengthen cybersecurity resilience to safeguard organisational information assets and digital infrastructure against evolving cyber threats. Despite increasing cyber threats affecting public sector institutions nationally, LEDA experienced no material cybersecurity incidents that resulted in significant business disruption.

2. ICT Infrastructure Stability and Business Continuity

ICT maintained stable operations and ensured uninterrupted access to critical systems and services throughout the year. This was achieved by maintaining high system availability and operational uptime across LEDA and subsidiary environments; continued management and support of shared ICT infrastructure supporting subsidiaries.

3. Digital Transformation and Systems Modernisation

The 2025/26 financial year marked significant progress in the implementation and support of digital systems aimed at improving governance, operational efficiency, and service delivery.

Challenges Experienced During 2025/26 and Mitigation Measures

- Aging Infrastructure

Aging ICT infrastructure remained a key operational risk, particularly server infrastructure approaching end-of-life.

Mitigation:

ICT initiated a server refresher project to modernize infrastructure and improve reliability. Procurement processes commenced; however, budget constraints and procurement thresholds required migration to a formal tender process.

- Budget Constraints

The increasing cost of technology infrastructure and cybersecurity solutions continued to place pressure on ICT budgets.

PERFORMANCE INFORMATION

Mitigation:

ICT prioritized critical projects, adopted phased implementation approaches, and explored cost-sharing mechanisms for shared ICT infrastructure supporting subsidiaries.

Overall Conclusion

The 2025/26 financial year demonstrated ICT's continued commitment to supporting LEDA's strategic objectives through secure, reliable, and innovative technology solutions. ICT maintained operational stability, strengthened cybersecurity resilience, supported digital transformation initiatives, and continued enhancing governance and service delivery across the Agency and subsidiaries.

ICT strategic focus for 2026/27

The Information and Communication Technology (ICT) Division will continue to position technology as a strategic enabler to support LEDA's mandate of accelerating economic growth, industrialisation, enterprise development, investment promotion, and operational excellence.

During the 2026/27 financial year, ICT will focus on strengthening digital transformation, improving business systems integration, enhancing cybersecurity resilience, modernising ICT infrastructure, and supporting the implementation of innovative technology solutions across LEDA and its subsidiaries.

The ICT function will continue to provide shared ICT services to the Agency and subsidiaries to ensure stable, secure, reliable, and cost-effective digital services that support organisational performance and service delivery.



Marketing & Communication

Performance Overview

LEDA's Marketing and Communication department played a key role in positioning the agency as a driver of economic growth in Limpopo.

During the reporting period, efforts focused on strengthening stakeholder relations, increasing visibility, and promoting investment opportunities through targeted campaigns and digital communication. The unit supported LEDA's mandate of economic growth, job creation, and investment attraction by enhancing brand visibility, strengthening partnerships, and improving communication with stakeholders.

Activities aligned with the PGDP and LEDA's Strategic Plan and APP, supporting investment promotion, SMME development, agriculture, trade, and stakeholder coordination.

Key Highlights

- Improved visibility through integrated marketing campaigns
- Successful promotion of investment opportunities
- Increased digital engagement and media coverage
- Strengthened partnerships with government and private sector stakeholders

Major Activities

- Maintained and updated the LEDA website (further improvements needed)
- Expanded social media and implemented targeted digital campaigns
- Strengthened media relations through press releases and engagements
- Coordinated stakeholder events

(conferences, forums, exhibitions)

- Managed branding and supported events to maintain corporate identity
- Improved internal communication within the organisation

Key Achievements

- Strengthened LEDA's position as a leading investment agency
- Increased website traffic and social media engagement
- Secured positive media coverage
- Enhanced partnerships across public and private sectors
- Promoted investment opportunities, SEZs, industrial parks, and SMME programmes
- Supported GNT in managing media relations

Challenges

- Budget constraints limiting large-scale campaigns
- Limited capacity for continuous content production

Conclusion

The unit made a strong contribution to LEDA's economic development goals by improving visibility, promoting investment opportunities, and strengthening stakeholder engagement, positioning Limpopo as an attractive investment destination.

In the forthcoming financial year, the unit will prioritise expanding its digital footprint through increased social media reach, while intensifying efforts to build and strengthen strategic partnerships with municipalities across the province.

PERFORMANCE INFORMATION

New Era Life Insurance Company SOC Ltd

New Era Life Insurance Company SOC Ltd, a wholly owned subsidiary of the Limpopo Economic Development Agency (LEDA), continues to navigate a challenging operating and regulatory environment, including capital pressures and the suspension of its insurance licence during the reporting period.

In response, the company has repositioned itself towards an FSP-led distribution model. This approach reduces the capital intensity associated with holding a full insurance licence, while still enabling New Era Life to provide essential financial protection solutions to the people of Limpopo.

It ensures compliance with FSCA and Prudential Authority requirements and allows the Company to redirect resources into growth areas rather than regulatory capital obligations.

The FSP-led model prioritises:

- Expanding funeral and credit life products in underserved communities, with future opportunities in short-term insurance when appropriate.
- Partnering with brokers and provincial structures to deepen access across Limpopo.
- Strengthening compliance, governance, and operational efficiency.
- Supporting LEDA's developmental mandate through skills development and job creation in the financial services sector.

At the same time, New Era Life has lodged an intervention with the Financial Sector Tribunal to challenge the suspension of its licence. Should this process be successful, the Company will re-enter the insurance market as a licensed insurer, leveraging the groundwork established through the FSP-led model.

This dual pathway—operating sustainably under an FSP-led approach while pursuing licence reinstatement—positions New Era Life for long-term stability, stronger policyholder protection, and continued alignment with LEDA's developmental objectives.

During the reporting period, a new Board was appointed to enhance stability and strengthen the entity's turnaround strategy.

Since its appointment, the Board has provided decisive and dynamic leadership, steering the mandate towards the renewal, repositioning, and long-term sustainability of New Era Life Insurance.

Motseki Majake,
<mailto:mmajake@neweralife.co.za>

Enterprise Development Finance Division (EDFD)

Training and Development Business Unit

The LEDA Training and Development Business Unit is mandated to provide business and technical skills training to beneficiaries across Limpopo Province, in alignment with the Skills Development Act (Act 96 of 1998).

During the 2025/26 financial year, the Unit successfully capacitated 8,125 beneficiaries, comprising 6,297 participants in business skills programmes and 1,828 in technical training programmes.

This performance exceeded the annual target of 7,300 beneficiaries (5,500 in business skills and 1,800 in technical training) by 825 beneficiaries. The overachievement is largely attributed to strengthened partnerships and enhanced engagement with both public and private sector stakeholders.

In terms of programme quality assurance, the Unit secured accreditation for the majority of its training programmes. Only four programmes remain pending, for which re-applications have been submitted to the Quality Council for Trades and Occupations (QCTO).

To promote sustainability, the Unit initiated the establishment of a panel of accredited service providers to unlock external skills development funding. To date, funding proposals totalling R7.4 billion have been submitted to the Unemployment Insurance Fund (UIF) and various Sector Education and Training Authorities (SETAs).

Due diligence processes were undertaken by MERSETA during the third quarter of the reporting period.

Furthermore, the Unit intensified awareness campaigns to promote artisanal development. Presentations were conducted at public TVET

colleges and secondary schools located near Technical Training Centres.

These efforts were complemented by participation in various career exhibitions across Limpopo Province, thereby supporting increased learner uptake in technical skills programmes.

2. Business Support Business Unit

The Business Support Unit is mandated to provide non-financial support services to SMMEs and cooperatives. These services include business incubation, facilitation of access to markets and finance, and support with regulatory compliance.

The Unit is pleased to report that all annual performance targets were achieved during the reporting period

SMME and Cooperative Development

The 2025/27 Business Incubation Programme is currently underway, with a total of 122 SMMEs and 119 cooperatives enrolled and having signed incubation Memoranda of Understanding (MOUs).

LEDA continues to collaborate with key stakeholders to enhance enterprise development. A standing Memorandum of Understanding (MOU) with Capricorn District Municipality enabled the allocation and disbursement of R500,000 during the 2024/25 financial year, which supported 15 incubated MSMEs and cooperatives within the district. Additionally, eight (8) incubated MSMEs and cooperatives were successfully assisted in securing funding amounting to R2.8 million from external financiers.

Stakeholder Engagement and Partnerships

The Unit strengthened partnerships through the facilitation of business training, workshops, and open call sessions in collaboration with various stakeholders. These included DALRRD, TIA, Limpopo Treasury, the Office of the Premier, Universities of Limpopo and Venda, TVET colleges, Dwarsrivier Mine, and others.

LEDA also participated in multiple Local Economic Development (LED) Forums across local and district municipalities, ensuring alignment with regional economic priorities.

Youth Development

A total of 58 youth-owned enterprises received support in accessing funding valued at R2.14 million from different financiers and donors.

The programme contributed to the sustainability of 88 jobs, comprising 41

males and 47 females, thereby promoting inclusive economic participation among young entrepreneurs.

Military Veterans Incubation Programme

The 12-month Military Veterans Incubation Programme supported 25 veteran entrepreneurs, including 22 males, 2 females, and 1 youth participant. Notably, the two female participants were included as beneficiaries under the Military Veterans programme.

Business Support to General MSMEs (Walk-ins)

Through its partnership with the Companies and Intellectual Property Commission (CIPC), LEDA operates a Self-Service Terminal at its Platinum Street offices. During the reporting period, a total of 18,176 clients were assisted with business compliance processes and other related services.

3. Financial Support Business Unit

The MSME Financial Support Unit provides a range of financial products and services, including business loans (short- and long-term), bridging finance, capital expenditure finance, start-up funding, equity finance, working capital, and franchise finance.

During the year under review, the Unit disbursed R10.99 million to 22 MSMEs, significantly exceeding the annual target of R6 million by R4.99 million, representing an 83% overachievement.

Geographical Distribution of Funding

The provincial distribution of approved and disbursed funding is as follows:

R4.94 million

Capricorn District (13 MSMEs)

R3.68 million

Mopani District (3 MSMEs)

R1.09 million

Waterberg District (3 MSMEs)

R0.98 million

Sekhukhune District (2 MSMEs)

R0.30 million

Vhembe District (1 MSME)

PERFORMANCE INFORMATION

Human Capital Management

Human Capital Management

1. Human Capital Overview

The Human Capital function plays a strategic role in enabling the Limpopo Economic Development Agency (LEDA) to achieve its mandate through effective workforce planning, talent management and organisational development. During the 2025/26 financial year, the Department supported the Agency's transformation agenda by implementing key people management initiatives aimed at strengthening organisational capability, enhancing governance and ensuring compliance with labour legislation.

A key milestone during the reporting period was the approval of the fit-for-purpose organisational structure by the LEDA Board, followed by organisational restructuring and workforce optimisation initiatives. Human Capital also coordinated recruitment and selection, employee development, performance management, employment equity, employee wellness and labour relations programmes that contributed to organisational sustainability.

2. Human Capital at a Glance

Performance Indicator	2025/26
Total Employees	420
Male Employees	206
Female Employees	214
Critical Appointments Finalised	12
Acting Appointments	12
Employees Participated in VSP	71
Fixed-Term Employees	49
Graduate Interns (EdQoflex)	76
Graduate Interns (FASSET)	20
WSP Submitted	Completed
ATR Submitted	Completed
Employment Equity Report Submitted	Completed

3. Organisational Development, Restructuring and Workforce Optimisation

Organisational development was a key priority during the reporting period. Following approval of the fit-for-purpose organisational structure by the LEDA Board, the Human Capital Department coordinated workforce planning and employee placement planning to support implementation of the new structure.

To improve organisational sustainability and align staffing with operational requirements, the Agency implemented a Voluntary Severance Package (VSP) initiative, with 71 employees participated in the Voluntary Severance Package (VSP) initiative during the reporting period. The Agency acknowledges and sincerely appreciates the valuable contribution and dedicated service of the employees who participated in the programme and thank them for their commitment to the organisation over the years.

Organisational Development Highlights	Status
Fit-for-Purpose Organisational Structure Approved	Completed
Workforce Planning Conducted	Completed
Employee Placement Planning Initiated	Completed
Voluntary Severance Package Implemented	Completed
Employees Participated in VSP	71

4. Workforce Profile

As at 31 March 2026, LEDA employed a total of 420 employees across the Agency. This workforce comprised 185 employees within the core LEDA operations and 235 employees employed under Sectoral Determination at Mashashane Hatchery and Mukumbani Tea Estate. Human Capital continued to monitor workforce demographics to support workforce planning, succession planning and employment equity objectives across all operations.

Workforce Profile

Workforce Profile	Number
Core LEDA Employees	185
Mashashane Hatchery	28
Mukumbani Tea Estate	207
Total Employees	420

Employees by Occupational Level

Occupational Level	African (M)	Coloured (M)	Indian (M)	White (M)	African (F)	Coloured (F)	Indian (F)	White (F)	Total Employees	Youth (<35 years) M	Youth (<35 years) F
Top Management	3	0	0	0	2	0	0	0	5	0	0
Senior Management	4	0	0	0	4	0	0	0	8	0	1
Professionally Qualified	20	0	0	0	20	0	0	0	40	1	0
Skilled Technical	31	0	0	0	36	0	0	0	67	8	8
Semi-Skilled	10	0	0	0	25	0	0	0	35	3	1
Unskilled	13	0	0	0	15	0	0	0	28	1	0
TOTAL	82	0	0	0	102	0	0	0	183	13	10
Temporary	0	0	0	0	2	0	0	0	2	0	0
GRAND TOTAL	81	0	0	0	104	0	0	0	185	13	10

In addition to the core LEDA workforce, the Agency employed 235 employees under Sectoral Determination at Mashashane Hatchery and Mukumbani Tea Estate.

Employee Level	P Grade levels	Male			Female					Number of Employees	Youth Representation	
Levels	Male	Female	Number of Employees	Youth Representation	0	25	0	0	0	28	0	0
Mukumbani Tea Estate	Sectoral determination	124	0	0	0	83	0	0	0	207	0	0
Total Staff Complement		127	0	0	0	108	0	0	0	235	0	0

5. Talent Acquisition and Employee Movement

During the reporting period, the Agency filled critical positions to strengthen organisational capacity and support service delivery. Recruitment and selection processes were conducted in accordance with approved Human Capital policies, ensuring fairness, transparency and compliance with employment legislation.

To maintain operational continuity, the Agency also utilised acting appointments while organisational restructuring and recruitment processes were underway.

Employee Movement

Activity	Number
New Appointments	12
Acting Appointments	12
Resignations	1
Employees on Fixed-Term Contracts	49
Temporary Employment Contracts Submitted for Extension	201

Critical Appointments

Position	Number
Chief Executive Officer (MMSEZ)	1
Manager: Electrical Engineering	1
Administrative Officer	1
Community Liaison Officers	2
Junior Accountants	3
Legal Advisor	1
Collections Specialist	1
Total	12

6. Learning, Development and Talent Pipeline

The Agency continued to invest in developing employee capability through learning and development initiatives aligned with organisational and legislative requirements. During the reporting period, the Workplace Skills Plan (WSP) and Annual Training Report (ATR) were successfully submitted to the relevant Sector Education and Training Authority (SETA), demonstrating compliance with the Skills Development Act.

Through the Educational Assistance Programme, LEDA continued to support employees pursuing further studies, contributing to professional growth and organisational capability.

HUMAN CAPITAL MANAGEMENT

In support of government's youth employment initiatives, the Agency hosted 76 graduate interns through the EdQoflex Programme and 20 graduate interns through the FASSET Internship Programme, providing graduates with valuable workplace experience while strengthening the future talent pipeline.

Learning and Development Highlights

Initiative	2025/26
Workplace Skills Plan submitted	Completed
Annual Training Report submitted	Completed
Educational Assistance Programme	Implemented
Graduate Interns (EdQoflex)	76
Graduate Interns (FASSET)	20

The Agency remains committed to developing a skilled, competent and future-ready workforce through continuous learning, educational support and structured workplace learning opportunities.

7. Performance Management

Performance management remained a key mechanism for promoting accountability and aligning individual performance with organisational objectives. During the reporting period, Human Capital coordinated the implementation of the Performance Management System, facilitated the conclusion of performance agreements and monitored compliance with the performance management cycle.

These initiatives contributed to strengthening accountability and fostering a performance-driven organisational culture.

8. Employment Equity

LEDA remains committed to promoting equal employment opportunities and maintaining a diverse and inclusive workplace in accordance with the Employment Equity Act, 1998 (Act No. 55 of 1998). During the reporting period, the Agency implemented its Employment Equity Plan and submitted the statutory Employment Equity Report to the Department of Employment and Labour within the prescribed timeframe.

Employment equity considerations continued to inform recruitment, succession planning and employee development initiatives to improve representativity across occupational levels.

Employment Equity Indicator	2025/26
Total Employees	420
Male Employees	206
Female Employees	214
Employment Equity Report Submitted	Yes

HUMAN CAPITAL MANAGEMENT

8.9 Employee Relations

The Agency maintained sound employee relations through the fair and consistent application of labour legislation, collective agreements and approved Human Capital policies. Human Capital provided advisory services on disciplinary matters, grievances, policy interpretation and consultations with organised labour.

The Department also facilitated employee consultations during the organisational restructuring process, contributing to a transparent and constructive labour relations environment.

Employee Relations Indicator	2025/26
Grievances Reported	5
Grievances Resolved	2
Disciplinary Cases	6
Employees Dismissed	None.
Appeals Finalised	None.
CCMA Cases	5
Labour Court Matters	None.

8.10 Employee Wellness, Health and Safety

Employee wellbeing remained a strategic priority during the reporting period. Through the Employee Wellness Programme (EWP), the Agency continued to provide confidential counselling, financial coaching, psychosocial support, trauma counselling and family support services to employees and their immediate family members.

In addition, the Agency promoted a safe and healthy working environment through the implementation of Occupational Health and Safety (OHS) initiatives aimed at strengthening legislative compliance, promoting workplace safety awareness and reducing occupational risks.

These initiatives contributed to improving employee wellbeing, resilience and organisational productivity.

Wellness and Safety Initiative	Status
Employee Wellness Programme	Implemented
Confidential Counselling Services	Available
Financial Coaching	Available
Trauma and Psychosocial Support	Available
Family and Relationship Counselling	Available
Occupational Health and Safety Programme	Implemented
Labour Court Matters	Labour Court Matters

HUMAN CAPITAL MANAGEMENT

8.11 Long Service Recognition

LEDA values the commitment, loyalty and dedication of employees who contribute to the Agency over many years of service. The Long Service Recognition Programme acknowledges employees who attain qualifying years of continuous service in accordance with the Agency's Long Service Recognition Policy.

The programme recognises the valuable contribution of long-serving employees towards organisational stability, institutional knowledge and service excellence while reinforcing a culture that values commitment and dedication.

8.12 Human Capital Governance

Human Capital continued to strengthen governance by ensuring compliance with applicable labour legislation and statutory reporting requirements. During the reporting period, the Agency successfully submitted the Workplace Skills Plan (WSP) and Annual Training Report (ATR) to the relevant Sector Education and Training Authority (SETA), as well as the Employment Equity Report to the Department of Employment and Labour.

Human Capital operations remained aligned with the Labour Relations Act, Basic

Conditions of Employment Act, Employment Equity Act, Skills Development Act and Occupational Health and Safety Act, ensuring sound governance and responsible people management practices.

Human Capital Compliance	Status
Workplace Skills Plan Submitted	Complied
Annual Training Report Submitted	Complied
Employment Equity Report Submitted	Complied
Compliance with Labour Legislation	Maintained

8.13 Looking Ahead

During the 2026/27 financial year, Human Capital will focus on implementing the approved fit-for-purpose organisational structure, concluding employee placement processes and recruiting critical skills required to support the Agency's strategic priorities.

The Department will continue to strengthen organisational capability through performance management, employee development, employment equity, employee wellness and succession planning while embracing digital Human Capital solutions to improve operational efficiency and service delivery.

These initiatives will contribute to building a capable, ethical and high-performing workforce that supports LEDA's mandate of promoting sustainable economic growth and development within Limpopo Province.

HUMAN CAPITAL MANAGEMENT

Financial Report



Board Audit and Risk Committee Report

In meeting its responsibilities and in executing its duties, the Committee is required to consider the adequacy and effectiveness of the company's internal controls and the quality of its financial information.

The Committee has adopted formal terms of reference and satisfied its responsibilities, during the year under review, in compliance with its terms of reference. In order to discharge its responsibilities, the Committee has reviewed, on a regular basis during the year under review the following:

The risk areas of the company's operations to be covered in the scope of internal audits.

- Activities of the internal audit function to determine the effectiveness thereof.
- The external audit scope to ensure that the critical areas of the business are being addressed.
- The external auditors report and management letter.
- The operational effectiveness of the company's policies, systems and procedures.
- The effectiveness of the system for monitoring compliance with laws and regulations and the annual financial statements.

Based on the outcomes of such reviews and information provided by management, we are of the view that the internal controls of the company operated fairly effective throughout the year under review.

Following our review of the annual financial statements for the year, we are in agreement with the external auditors opinion expressed.

1. Members of the Committee

Name	Qualification	Appointment date/Resigned	Number of meetings held	Number of meetings attended
Mr J Malelo - Chair	CA (SA)	01/02/2026	4	4
Ms N Magadadela - Chair (Resigned)	CA (SA)	28/02/2026	10	8
Mr ZS Makhubele	Program - Economics & Public Finance	10/12/2024	10	10
Adv MA Mahafha	LLB Degree	10/12/2024	10	7

The Committee is satisfied that the members thereof have the required knowledge and experience as set out in Section 94(5) of the Companies Act of South Africa and Public Finance Management Act, 1 of 1999 (PFMA) and Regulation 42 of the Companies Regulation, 2011.

2. Meetings held by the Committee

The Committee performs the duties laid upon it by Section 94(7) of the Companies Act 71 of 2008 and the Public Finance Management Act, 1 of 1999 (PFMA) by holding meetings with the key role players on a regular basis and by the unrestricted access granted to the external auditors. The Committee held 10 scheduled meetings during 2026 and attendance were as indicated above.

3. External auditor

The Committee satisfied itself through enquiry that the external auditors are independent as defined by the Companies Act of South Africa and as per the standards stipulated by the auditing profession. Requisite assurance was sought and provided by the Companies Act of South Africa that internal governance processes within the firm support and demonstrate the claim to independence.

The Committee in consultation with executive management, agreed to the terms of the engagement. The audit fee for the external audit has been considered and approved taking into consideration such factors as the timing of the audit, the extent of the work required and the scope.

4. Consolidated Financial Statements

Following the review of the consolidated financial statements the Committee recommend board approval thereof.

5. Accounting practices and internal control

No significant accounting practices or internal control changes have occurred in the year.
On behalf of the Committee.

On behalf of the audit committee

Mr J Malele CA (SA)
Board Audit and Risk Committee Chairperson

Directors' Responsibilities and Approval

The directors are required in terms of the Companies Act of South Africa to maintain adequate accounting records and are responsible for the content and integrity of the consolidated financial statements and related financial information included in this report. It is their responsibility to ensure that the consolidated financial statements fairly present the state of affairs of the group as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with IFRS® Accounting Standards as issued by the International Accounting Standards Board (IASB). The external auditors are engaged to express an independent opinion on the consolidated financial statements.

The consolidated financial statements are prepared in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board (IASB) and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

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

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the consolidated 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 year to 31 March 2027 and, in light of this review and the current financial position, they are satisfied that the group has or had access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the group's consolidated financial statements. The consolidated financial statements have been examined by the group's external auditors and their report is presented on pages 10 to 9.

The consolidated financial statements set out on pages 10 to 137, which have been prepared on the going concern basis, were approved by the board on 31 July 2026 and were signed on their behalf by:

Approval of financial statements

Mr TC Lithole (Chairperson)

Mr J Ngoben (GCEO)

Group Secretary's Certification

In terms of Section 88(2)(e) of the Companies Act of South Africa, as amended, I certify that the group has lodged with the Commissioner all such returns as are required of a public company in terms of the Act and that all such returns are true, correct and up to date.

Ms NP- C Molewa
Company Secretary

Directors' Report

The directors have pleasure in submitting their report on the consolidated financial statements of Limpopo Economic Development Agency and its Subsidiaries and the group for the year ended 31 March 2026.

1. Nature of business

Limpopo Economic Development Agency and its subsidiaries (the Group) is a juristic entity established in terms of the Limpopo Economic Development Agency's Act from 2 October 2017 and prior to this under the Limpopo Development Corporations Act, 5 of 1994 and operates as a Provincial Government Business Enterprise, entitled to make profit, as listed in schedule 3D of the Public Finance Management Act, 1 of 1999 (as amended by Act 29 of 1999).

LEDA Group's mandate is to promote and carry out the economic development of the Limpopo Province in the agricultural, commercial, financial and industrial fields, as well as mining, transport, housing finance, export promotion and investment attraction.

The consolidated annual financial statements of the Group for the year ending 31 March 2026 comprises the Agency, its subsidiaries and the group's interests in associates and joint ventures (together referred to as the group).

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

2. Review of financial results and activities

The consolidated and separate financial statements have been prepared in accordance with International Financial Reporting Standards and the requirements of the

Limpopo Economic Development Agency Act, the Companies Act 71 of 2008 and the Public Finance Management Act 1 of 1999 (PFMA). The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the group are set out in these consolidated consolidated financial statements.

3. Share capital

There have been no changes to the authorised or issued share capital during the year under review.

4. Insurance and risk management

The Group follows a policy of reviewing the risks relating to assets and possible liabilities arising from business transactions with its insurers on an annual basis. Wherever possible assets are automatically included.

There is also a continuous asset risk control program, which is carried out in conjunction with the Group's insurance brokers. All risks are considered to be adequately covered, except for political risks, in the case of which as much cover as is reasonably available has been arranged.

5. Directorate

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

Directors	Office	Designation	Appointments /Resignations
Mr TC Lithole (Chairperson)	Chairperson	Non-executive	
Ms TP Nkambule (Deputy Chairperson)	Other	Non-executive	
Mr AJ Malele	Director	Non-executive Independent	Appointed Sunday, 01 February 2026
Mr ZS Makhubela	Other	Non-executive Independent	
Ms Magadagela CA (SA)	Finance Director	Non-executive Independent	Resigned Saturday, 28 February 2026
Adv MA Mahafha	Other	Non-executive Independent	
Ms RR Molapo	Other	Non-executive Independent	
Mr TR Makhuvha (GCEO)	GCEO	Executive	Resigned Friday, 31 October 2025
Mr NB Mokobane (GCOO)	GCOO	Executive	
Ms LS Mavhusha (CA) SA (GCFO)	GCFO	Executive	
Mr J Ngobeni (GCEO)	GCEO	Executive	Appointed Saturday, 01 November 2025

6. Interests in subsidiaries, associates and joint arrangements

Details of material interests in subsidiary companies, associates and joint arrangements are presented in the consolidated consolidated financial statements in notes 8 and 9.

There were no significant acquisitions or divestitures during the year ended 31 March 2026.

7. Holding company

The group's holding company is Limpopo Department of Economic Development, Environment and Tourism (LEDET) which holds 100% (2025: 100%) of the group's equity.

Limpopo Department of Economic Development, Environment and Tourism (LEDET) is a provincial department in Limpopo Province in South Africa.

DIRECTORS REPORT

8. Events after the reporting period

LEDA AGENCY AND GREAT NORTH TRANSPORT SOC LTD

Financial support

After the reporting date 31 March 2026, the directors passed a resolution on 21 April 2026 for LEDA to provide financial support to GNT to a maximum of R31 million.

GREAT NORTH TRANSPORT SOC LTD

Board of directors vacancies

Subsequent to year-end, all members of the Great North Transport SOC Ltd Board of Directors resigned, resulting in vacancies on the Board. These resignations occurred after the reporting date and therefore did not affect the financial position of the Company as at 31 March 2026.

Management has assessed the resignations and resulting vacancies as a non-adjusting event after the reporting date. No adjustment has therefore been made to the annual financial statements for the year ended 31 March 2026. However, the matter has been disclosed due to its potential impact on governance capacity, oversight of the turnaround plan, approval of key decisions and stakeholder confidence during a period in which the Company is implementing critical financial and operational recovery measures. The shareholder has effective from 25 May 2026 appointed Accounting Authority in the interim while working on the substantive appoint of the new board.

FETAKGOMO TUBATSE INDUSTRIAL PARK SOC LTD

Subsequent to the reporting date, Cabinet approved the licensing of the Fetakgomo Tubatse Special Economic Zone, as announced on 7 May 2026. The Minister DTIC has subsequently designated the proposed FTSEZ as an SEZ on the 22 May 2026. This approval is considered a non-adjusting event in terms of IAS10. The financial impact, if any, has not been recognised as it cannot yet be reliably measured.

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

9. Auditors

The Auditor General of South Africa will continue in 2026 as the auditors for the LEDA Group.

10. Secretary

The company secretary is Mr Ms NP- C Molewa.

Business address:

Enterprise Development House
Main Road
Lebowakgomo
0737

11. Going concern

The consolidated financial statements set out on page, which have been prepared on the going concern basis, were approved by the board on 31 July 2026, and were signed on its behalf by:

Approval of consolidated financial statements

Mr TC Lithole (Chairperson)
Friday, 31 July 2026

DIRECTORS REPORT

Statement of Financial Position as at 31 March 2026

Assets

Non-Current Assets

	Note(s)	2026 Unaudited	2025 Restated	2024 Restated
Property, plant and equipment	3	520 569 297	555 014 468	583 908 805
Right-of-use assets	4	483 787 156	162 473 631	34 650 876
Investment property	5	141 040 298	148 455 086	147 967 878
Intangible assets	7	45 615 702	47 450 906	64 522 528
Investments in subsidiaries	8	-	-	-
Investments in associates	9	681 791 498	422 548 346	231 890 619
Loans receivable (at amortised cost)	13	708 514 946	687 940 836	631 686 749
Trade and other receivables	14	-	82 994	-
Investments at fair value	16	3 565 296	4 089 649	4 819 531
Other financial asset (At amortised cost)	18	176 664 943	23 168 980	26 026 227
Environmental rehabilitation deposit	20	5 662 288	5 662 288	2 662 288
Prepayments		9 465 046	8 235 016	7 885 016
Total		2 776 676 470	2 065 122 200	1 736 020 517

Current Assets

	Note(s)	2026 Unaudited	2025 Restated	2024 Restated
Biological assets	6	3 430 001	3 430 001	1
Inventories	21	78 904 584	79 512 106	80 104 284
Loans to group companies	10	41 725 231	49 017 385	60 078 034
Loans to shareholders	11	1 500 000	1 500 000	1 500 000
Loans receivable (at amortised cost)	13	44 500 207	37 202 040	37 503 238
Trade and other receivables	14	184 388 289	155 627 950	140 830 609
Insurance contributed fund	15	22 200 418	25 583 793	30 654 628
Investments at fair value	16	9 254 465	30 209 191	55 565 374
Pre-payments	12	106 054 692	20 509	360 509
Cash and cash equivalents	22	825 151 990	861 154 794	648 301 545
Total		1 317 109 877	1 243 257 769	1 054 898 222
Non-current assets held for sale and assets of disposal groups	32	26 841 531	25 964 321	6 918 001
Total Assets		4 120 627 878	3 334 344 290	2 797 836 740

Equity and Liabilities

Equity

Equity Attributable to Equity Holders of Parent

Share capital	23	409 216 005	409 216 005	409 216 005
Retained income		1 404 437 408	1 220 039 076	957 724 021
		1 813 653 413	1 629 255 081	1 366 940 026
Non-controlling interest		(6 590 063)	(5 833 194)	(5 334 118)
		1 807 063 350	1 623 421 887	1 361 605 908

DIRECTORS REPORT

Statement of Financial Position as at 31 March 2026**Liabilities****Non-Current Liabilities**

Lease liabilities	4	392 789 505	127 923 248	20 324 341
Retirement benefit obligation	17	17 855 000	18 322 000	20 306 000
Deferred income	27	470 176 310	267 211 091	295 834 345
Provisions	28	18 827 442	14 647 801	10 827 621
Employee benefits	29	3 676 558	4 274 912	3 528 312
Total Non-Current Liabilities		903 324 815	432 379 052	373 090 312

Current Liabilities

Trade and other payables	31	314 265 609	339 809 303	345 574 716
Lease liabilities	4	125 259 861	29 940 766	9 614 047
Retirement benefit obligation	17	2 762 000	2 801 000	2 885 000
Contract Liabilities	26	3 095 000	3 095 000	17 397 501
Deferred income	27	944 342 934	875 823 830	683 552 014
Provisions	28	4 198 698	3 695 480	2 872 267
Employee benefits	29	1 711 752	1 104 919	1 123 857
First Home Finance Liability	30	14 603 859	22 273 053	-
		1 410 239 713	1 278 543 351	1 063 137 524
Total Liabilities		2 313 564 528	1 710 922 403	1 436 227 836
Total Equity and Liabilities		4 120 627 878	3 334 344 290	2 797 833 744

Statement of Profit or Loss and Other Comprehensive Income

Continuing operations

	Note(s)	2026 Unaudited	2025 Restated
Revenue	33	599 163 655	576 108 209
Cost of sales	34	(393 953)	(237 510)
Gross profit		598 769 702	575 870 699
Other operating income	35	45 025 547	74 890 485
Government grants	36	555 556 311	496 147 592
Other operating gains (losses)	37	(1 120 259)	31 826 237
Movement in credit loss allowances	38	(47 402 051)	(42 407 274)
Other operating expenses	38	(1 243 134 846)	(1 100 479 560)
Operating (loss) profit	38	(92 305 596)	35 848 179
Investment income	39	69 871 485	71 710 720
Finance costs	40	(64 549 986)	(24 935 797)
Income from equity accounted investments	9	268 094 050	198 332 324
Profit (loss) from continuing operations		181 109 953	280 955 426
Discontinued operations			
Loss from discontinued operations	57	(16 203 985)	(17 977 447)
Profit (loss) for the year		164 905 968	262 977 979

Other comprehensive income:

Items that will not be reclassified to profit or loss:

Remeasurements on net defined benefit liability/asset		(1 080 000)	(1 162 000)
Other comprehensive income for the year net of taxation	41	(1 080 000)	(1 162 000)
Total comprehensive income (loss) for the year		163 825 968	261 815 979

Profit (loss) attributable to:

Owners of the parent	165 662 838	263 477 055
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**Statement of Profit or Loss and Other Comprehensive Income****Non-controlling interest:**

From continuing operations	(756 870)	(499 076)
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Total comprehensive income (loss) attributable to:

Owners of the parent	164 582 838	262 315 055
Non-controlling interest	(756 870)	(499 076)
Total	163 825 968	261 815 979



Statement of Changes in Equity

Group

	Share capital	Retained income	Total attributable to equity holders of the group/ company	Non-controlling interest	Total equity
Opening balance as previously reported	409 216 005	1 000 498 512	1 409 714 517	(5 334 118)	1 404 380 399
Prior period error	-	(42 774 491)	(42 774 491)	-	(42 774 491)
Restated Balance at 01 April 2024 as restated*	409 216 005	957 724 021	1 366 940 026	(5 334 118)	1 361 605 908
Profit for the year	-	263 477 055	263 477 055	(499 076)	262 977 979
Other comprehensive income	-	(1 162 000)	(1 162 000)	-	(1 162 000)
Total comprehensive income for the year	-	262 315 055	262 315 055	(499 076)	261 815 979
Opening balance as previously reported	409 216 005	1 295 421 780	1 704 637 785	(5 833 194)	1 698 804 591
Prior period errors	-	(55 789 057)	(55 789 057)	-	(55 789 057)
Unaudited Balance at 01 April 2025 as restated	409 216 005	1 239 632 723	1 648 848 728	(5 833 194)	1 643 015 534
Profit for the year	-	165 662 838	165 662 838	(756 870)	164 905 968
Other comprehensive income	-	(1 080 000)	(1 080 000)	-	(1 080 000)
Total comprehensive income for the year	-	164 582 838	164 582 838	(756 870)	163 825 968
Transfer between reserves	-	221 847	221 847	-	221 847
Business combinations	-	-	-	1	1
Total contributions by and distributions to owners of company recognised directly in equity	-	221 847	221 847	1	221 848
Unaudited Balance at 31 March 2026	409 216 005	1 404 437 408	1 813 653 413	(6 590 063)	1 807 063 350
Note(s)	23 & 28	41			

Statement of Cash Flows

Cash flows from operating activities

	Note(s)	2026 Unaudited	2025 Restated
Purchase of property, plant and equipment	3	(164 556 970)	(25 345 329)
Proceeds from sale of property, plant and equipment	3	526 998	–
Purchases of investment property	5	(1 900 510)	–
Proceeds from sales of investment property	5	–	36 926
Purchases of biological assets	6	–	–
Purchases of intangible assets	7	(237 552)	(253 426)
Proceeds from sale of intangible assets	7	–	–
Purchases of investments in subsidiaries, associates or joint arrangements	9	–	–
Cash repayments of loans to group companies	10	–	8 450 000
Cash receipts on repayments of loans receivable (at amortised cost)	13	7 700 000	–
Purchases of investments at fair value	16	(537 966)	(334 316)
Proceeds on sale of investment	12	–	19 652 688
Purchase of other financial assets	20	(2 793 476)	(506 553)
Interest received from investment portfolio		2 280 267	3 715 910
Redemption of investments		20 259 202	–
Capital grant received		112 909 097	103 332 000
Prepaid network connection cost		(151 932 517)	(66 991)
Net cash from investing activities		(178 283 427)	108 680 909
Conditional grant received in cash		–	127 314 526
Loans to group companies		–	–
Cash repayments on lease liabilities	4	(94 775 120)	(12 345 238)
Cashflows on deferred income		–	–
Net cash from financing activities		(94 775 120)	114 969 288
Total cash movement for the year		(36 002 809)	212 853 249
Cash and cash equivalents at the beginning of the year		861 154 794	648 301 546
Cash and cash equivalents at the end of the year	22	825 151 990	861 154 794

DIRECTORS REPORT

Statement of Cash Flows

Cash flows from financing activities

Conditional grant received in cash		-	127 314 526
Loans to group companies		-	-
Cash repayments on lease liabilities	4	(94 775 120)	(12 345 238)
Cashflows on deferred income		-	-
Net cash from financing activities		(94 775 120)	114 969 288

otal cash movement for the year		(36 002 809)	212 853 249
Cash and cash equivalents at the beginning of the year		861 154 794	648 301 546
Cash and cash equivalents at the end of the year	22	825 151 990	861 154 794

Accounting Policies

Corporate information

Limpopo Economic Development Agency is a public company incorporated and domiciled in South Africa.

The consolidated and separate financial statements for the year ended 31 March 2026 were authorised for issue in accordance with a resolution of the directors on 31 July 2026.

Functional and presentation currency Items included in the consolidated financial statements of each of the group entities are measured using the currency of the primary economic environment in which the entity operates (functional currency).

The consolidated financial statements are presented in Rand which is the group functional and presentation currency.

1. Significant accounting policies

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

1.1 Basis of preparation

The consolidated and separate financial statements have been prepared on the going concern basis in accordance with, and in compliance with, International Financial Reporting Standards ("IFRS") and International Financial Reporting Interpretations Committee ("IFRIC") interpretations issued and effective at the time of preparing these consolidated financial statements and the Companies Act 71 of 2008 of South Africa, as amended.

These consolidated financial statements comply with the requirements of the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council.

The consolidated financial statements have been prepared on the historic cost convention, unless otherwise stated in the accounting policies which follow and incorporate the principal accounting policies set out below. They are presented in Rands, which is the group functional currency and reporting currency.

These accounting policies are consistent with the previous period.

Historical cost convention

The consolidated financial statements have been prepared on a historical cost basis, except for the following

- certain financial assets and liabilities (including derivative instruments), certain classes of property, plant and equipment – measured at fair value
- assets held for sale – measured at fair value less costs to sell.

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group 'controls' an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

FINANCIAL REPORT

Accounting Policies

1.2 Consolidation

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Group and entities controlled by the Group (its subsidiaries). Control is achieved when the Group:

- has the power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affects its returns.

The results of subsidiaries are included in the consolidated financial statements from the effective date of acquisition to the effective date of disposal. Adjustments are made when necessary to the consolidated financial statements of subsidiaries to bring their accounting policies in line with those of the group.

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

Non-controlling interests in the net assets of consolidated subsidiaries are identified and recognised separately from the group's interest therein, and are recognised within equity. Losses of subsidiaries attributable to non-controlling interests are allocated to the non-controlling interest even if this results in a debit balance being recognised for non-controlling interest.

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

The difference between the fair value of consideration paid or received and the movement in non-controlling interest for such

transactions is recognised in equity attributable to the owners of the company.

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

Principles of consolidation and equity accounting

When the Group has less than a majority of the voting rights of an investee, it considers that it does have power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of financial position respectively.

Accounting Policies

1.2 Consolidation (continued)

Associates

Associates are all entities over which the group has significant influence but not control or joint control. This is generally the case where the group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting after initially being recognised at cost.

Joint arrangements

Joint Arrangements investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement.

Joint ventures

Interests in joint ventures are accounted for using the equity method, after initially being recognised at cost in the consolidated balance sheet.

Investments in subsidiaries in the separate financial statements

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

Business combinations

The group accounts for business combinations using the acquisition method of accounting. The cost of the business combination is measured as the aggregate of

the fair values of assets given, liabilities incurred or assumed and equity

instruments issued. Costs directly attributable to the business combination are expensed as incurred, except the costs to issue debt which are amortised as part of the effective interest and costs to issue equity which are included in equity.

Any contingent consideration is included in the cost of the business combination at fair value as at the date of acquisition. Subsequent changes to the assets, liability or equity which arise as a result of the contingent consideration are not affected against goodwill, unless they are valid measurement period adjustments. Otherwise, all subsequent changes to the fair value of contingent consideration that is deemed to be an asset or liability is recognised in either profit or loss or in other comprehensive income, in accordance with relevant IFRS's. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

The acquiree's identifiable assets, liabilities and contingent liabilities which meet the recognition conditions of IFRS 3 Business combinations are recognised at their fair values at acquisition date, except for non-current assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-current assets Held For Sale and Discontinued Operations, which are recognised at fair value less costs to sell.

Contingent liabilities are only included in the identifiable assets and liabilities of the acquiree where there is a present obligation at acquisition date.

On acquisition, the acquiree's assets and liabilities are reassessed in terms of classification and are reclassified where the classification is inappropriate for group purposes. This excludes lease agreements and insurance contracts, whose classification remains as per their inception date.

Accounting Policies

Non-controlling interests in the acquiree are measured on an acquisition-by-acquisition basis either at fair value or at the noncontrolling interests' proportionate share in the recognised amounts of the acquiree's identifiable net assets. This treatment applies to non-controlling interests which are present ownership interests, and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation. All other components of non-controlling interests are measured at their acquisition date fair values, unless another measurement basis is required by IFRS's.

In cases where the group held a non-controlling shareholding in the acquiree prior to obtaining control, that interest is measured to fair value as at acquisition date. The measurement to fair value is included in profit or loss for the year.

Goodwill is determined as the consideration paid, plus the fair value of any shareholding held prior to obtaining control, plus non-controlling interest and less the fair value of the identifiable assets and liabilities of the acquiree. If, in the case of a bargain

1.2 Consolidation (continued)

purchase, the result of this formula is negative, then the difference is recognised directly in profit or loss.

Goodwill is not amortised but is tested on an annual basis for impairment. If goodwill is assessed to be impaired, that impairment is not subsequently reversed.

Goodwill arising on acquisition of foreign entities is considered an asset of the foreign entity. In such cases the goodwill is translated to the functional currency of the group at the end of each reporting period with the adjustment recognised in e.

Investments in subsidiaries in the separate financial statements

Investments in subsidiaries are carried at cost less any accumulated impairment losses in the separate financial statements.

Accounting Policies

1.3 Joint arrangements

Joint ventures

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

Joint Ventures

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

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

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

Profits or losses on transactions between the group and a joint venture are eliminated to the extent of the group's interest therein. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of joint ventures have been changed where necessary to ensure consistency with the policies adopted by the group.

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

Investments in joint ventures in the separate financial statements

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

Accounting Policies

1.4 Investments in associates

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

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

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

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

Profits or losses on transactions between the group and an associate are eliminated to the extent of the group's interest therein. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the group.

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

Investments in associates in the separate financial statements

In the company's separate financial statements, investments in associates are carried at cost less any accumulated impairment losses. This excludes investments which are held for sale and are consequently accounted for in accordance with IFRS 5 Noncurrent.

Assets Held for Sale and Discontinued Operations investment is acquired.

The requirements of IAS 36 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate or a joint venture. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised is not allocated to any asset, including goodwill that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

Accounting Policies

1.5 Significant judgements and sources of estimation uncertainty

The preparation of consolidated financial statements in conformity with IFRS requires management, from time to time, to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Critical judgements in applying accounting policies

The critical judgements made by management in applying accounting policies, apart from those involving estimations, that have the most significant effect on the amounts recognised in the financial statements, are outlined as follows:

Lease classification

The group is party to leasing arrangements, both as a lessee and as a lessor. The treatment of leasing transactions in the consolidated financial statements is mainly determined by whether the lease is considered to be an operating lease or a finance lease. In making this assessment, management considers the substance of the lease, as well as the legal form, and makes a judgement about whether substantially all of the risks and rewards of ownership are transferred.

Contingent liabilities

Management applies its judgement to the fact patterns and advice it receives from its attorneys, advocates and other advisors in assessing if an obligation is probable, more

likely than not, or remote. This judgement application is used to determine if the obligation is recognised as a liability or disclosed as a contingent liability.

Retirement medical benefit obligations

In applying its judgement to defined benefit plans, management consulted with external expert advisors in the post-employment benefit obligation industry. The critical estimates as used in each benefit plan are detailed in Note 14.

Key sources of estimation uncertainty

Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. For details of the key assumptions and inputs used, refer to the individual notes addressing financial assets.

Allowance for slow moving, damaged and obsolete inventory.

Management assesses whether inventory is impaired by comparing its cost to its estimated net realisable value. Where an impairment is necessary, inventory items are written down to net realisable value. The write down is included in cost of sales.

Fair value estimation

Several assets and liabilities of the group are either measured at fair value or disclosure is made of their fair values.

Observable market data is used as inputs to the extent that it is available. Qualified external valuers are consulted for the determination of appropriate valuation techniques and inputs.

Accounting Policies

Impairment testing

The group reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. When such indicators exist, management determine the recoverable amount by performing value in use and fair value calculations. These calculations require the use of estimates and assumptions. When it is not possible to determine the recoverable amount for an individual asset, management assesses the recoverable amount for the cash generating unit to which the asset belongs.

a result of a past event, it is probable that the group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as the provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Useful lives of property, plant and equipment

Management assess the appropriateness of the useful lives of property, plant and equipment at the end of each reporting period.

The environmental rehabilitation provision is quantified by the surveyed amount of rehabilitation to be performed at market related rates at year end. The Group makes full provision for the cost of rehabilitating mine sites and related production facilities (if applicable) at the time of developing the mines and installing and using those facilities.

The useful lives of motor vehicles, furniture and computer equipment are determined based on group replacement policies for the various assets. Individual assets within these classes, which have a significant carrying amount are assessed separately to consider whether replacement will be necessary outside of normal replacement parameters. The useful life of manufacturing equipment is assessed annually based on factors including wear and tear, technological obsolescence and usage requirements.

Provisions are inherently based on assumptions and estimates using the best information available. Additional disclosure of these estimates of provisions are included in note 26.

When the estimated useful life of an asset differs from previous estimates, the change is applied prospectively in the determination of the depreciation charge.

Significant estimate: key assumptions used for value-in-use calculations

Provisions

The Group tests whether goodwill has suffered any impairment on an annual basis. The recoverable amount of the cashgenerating units (CGUs) was determined based on value-in-use calculations which require the use of assumptions. The calculations use cash flow projections based on financial budgets approved by management covering a five-year period.

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Cash flows beyond the five-year period are extrapolated using the estimated growth rates stated below. These growth rates are consistent with forecasts included in industry reports specific to the industry in which each CGU operates.

Provisions are recognised when the group has a present obligation (legal or constructive) as

Accounting Policies

Trade and other receivables

Trade receivables are measured at initial recognition at fair value and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in profit or loss within operating expenses. When a trade receivable is uncollectable, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against operating expenses in profit or loss.

Trade and other receivables are classified as loans and receivables.

Taxation

Judgement is required in determining the provision for income taxes due to the complexity of legislation. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The entity recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due.

Where the final tax outcome of these matters is different from the amounts that were initially

recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

The entity recognises the net future tax benefit related to deferred income 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 income tax assets requires the entity to make significant estimates related to expectations of future taxable income. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction.

To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the entity to realise the net deferred tax assets recorded at the end of the reporting period could be impacted.

Outstanding claims

The company's estimates for reported and unreported losses and resulting provisions and related reinsurance recoverables are continually reviewed and updated. Adjustments resulting from this review are reflected in profit or loss. The process relies upon the basic assumption that past experience, adjusted for the effect of current developments and likely trends, is an appropriate basis for predicting future events.

Expected credit losses

Recognition of credit losses is no longer dependent on the company first identifying a credit loss event. Instead the company considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

Accounting Policies

Leases

The interest rate implicit in the lease was used as a discount rate, and where it was not available, the incremental borrowing rate was used by the company which is the rate of interest that a lessee would have to pay to borrow over a similar term, and with similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The South African lending rates of 10% and 7% was used as the incremental borrowing rate over the duration of the 5 and 2 year lease terms.

Determining the lease term for bus lease contracts

Management applies judgement in determining the lease term for bus lease contracts entered into by Great North Transport (SOC) Ltd.

The company has entered into bus lease arrangements with service providers where the contractual period may range between 12 and 48 months. Although the contracts provide for a possible lease period up to 48 months, management is required to assess the period for which it is reasonably certain that the company will continue using the leased buses.

In making this judgement, management considers the contractual terms, operational requirements, availability of replacement buses, the company's fleet replacement strategy, expected delivery of new buses, service delivery obligations, budget availability, and management's approved plans regarding whether the lease will continue beyond the initial 12-month period.

Where management is reasonably certain that the buses will be used beyond the initial 12-month period, the lease term reflects the longer expected period of use. Where management is not reasonably certain that the lease will continue beyond the initial 12-month period, or where decisions have been made to terminate or shorten the use of certain leased buses, the lease term is limited to the period for which continued use is reasonably certain.

This judgement affects the measurement of lease liabilities, right-of-use assets, depreciation of right-of-use assets and interest expense recognised over the lease term.

Accounting Policies

1.6 Biological assets

An entity shall recognise a biological asset or agricultural produce when, and only when:

- the entity controls the asset as a result of past events;
- it is probable that future economic benefits associated with the asset will flow to the entity; and
- the fair value or cost of the asset can be measured reliably.

Biological assets are measured at their fair value less costs to sell. The fair value of tea is determined based on market prices in the local market, however, if no market is identified locally management relies on the most advantageous market which reflects the most relevant characteristics of our Biological Assets.

A gain or loss arising on initial recognition of agricultural produce at fair value less costs to sell is included in profit or loss for the period in which it arises.

Where market determined prices or values are not available, the present value of the expected net cash inflows from the asset, discounted at a current market-determined rate is used to determine fair value.

An unconditional government grant related to a biological asset measured at its fair value less costs to sell is recognised as income when the government grant becomes receivable.

Where fair value cannot be measured reliably, biological assets are measured at cost less any accumulated depreciation and any accumulated impairment losses.

Item	Depreciation method	Average useful life
Biological assets - Bearer Plant	Straight line	50 to 70 Years

1.7 Investment property

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

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

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

Investment property is carried at cost less accumulated depreciation and any accumulated impairment losses. The Group determines the fair value of properties for disclosure purposes.

Depreciation is provided to write down the cost, less estimated residual value by equal installments over the useful life of the property, which is as follows

Item	Depreciation method	Average useful life
Property - land		Indefinite
Property - buildings	Straight line	50 years
Capitalised renovations and other components	Straight line	5 to 50 years

Accounting Policies

1.8 Property, plant and equipment

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

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

Property, plant and equipment is initially measured at cost. Cost includes all of the expenditure which is directly attributable to the acquisition or construction of the asset, including the capitalisation of borrowing costs on qualifying assets and adjustments in respect of hedge accounting, where appropriate.

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the group and the cost can be measured reliably. Day to day servicing costs are included in profit or loss in the year in which they are incurred.

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

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the group. Leased assets are depreciated in a consistent manner over the shorter of their expected useful lives and the lease term. Depreciation is not charged to an asset if its estimated residual value exceeds or is equal to its carrying amount. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or derecognised.

Property, plant and equipment is subsequently stated at cost less accumulated depreciation and impairment losses except for land which is not depreciated.

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

Accounting Policies

Item	Depreciation method	Average useful life
Buildings	Straight line	50–100 years
Plant and machinery	Straight line	2 to 55 years
Audio Visual equipment	Straight line	3–25 years
Bearer plant	Straight line	50–70 years
Furniture and fixtures	Straight line	3–43 Years
Leasehold improvements and temporary buildings	Straight line	5 to 25 years
IT equipment	Straight line	2 to 25 years
Motor vehicles	Straight line	3–43 Years
Office equipment	Straight line	5–23 years
Communication equipment	Straight line	5 years
Mining assets	Straight line	per mines useful lives
Ancillary vehicles	Straight line	200 000 kilometres
Sundry equipment	Straight line	2 to 15 years
Security equipment	Straight line	4 years
Workshop equipment	Straight line	2–25 years
Land		Indefinite

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

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

The depreciation charge for each year is recognised in profit or loss unless it is included in the carrying amount of another asset.

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

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

Accounting Policies

1.9. Intangible assets

An intangible asset is recognised when:

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

Intangible assets are initially recognised at cost.

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

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

The amortisation period and the amortisation method for intangible assets are reviewed every period-end.

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

Exploration and evaluation

Exploration and evaluation expenditure is capitalized to the extent that the expenditure can be associated with finding specific mineral resources.

Exploration and evaluation expenditure is not amortised until proven reserves can be determined or when there is an indication of impairment. An impairment is recognised in profit or loss. Sales of proven and unproven reserves during the exploration and evaluation phase are accounted for as an adjustment to the exploration and evaluation asset.

Exploration and evaluation assets incurred to develop proven reserves are measured at cost and amortised on the unit of production method.

Exploration and evaluation asset (IFRS6) is reclassified to a Mining asset category within intangible assets (IAS38), when it is known that the project is feasible.

An intangible asset classified as a mining asset arising from exploration and evaluation is recognised when:

- it is technically feasible to complete the asset so that it will be available for use or sale.
- there is an intention to apply for the Mining Right license.
- there is an ability to use or sell it.
- it will generate probable future economic benefits.
- there are available technical, financial and other resources to complete the development and to use or sell the asset.
- the expenditure attributable to the asset during its development can be measured reliably

Accounting Policies

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

Item	Depreciation method	Average useful life
Bulk sampling selling	Straight line	Over the prospecting right period
Mining asset - Fumani Project	Straight line	1.8m ounces of Gold available for production
Mining asset - Tshepong Project	Straight line	available for production – UoP method - 2 200 000
Computer software	Straight line	3 to 5 years
Computer licences	Straight line	As per the licence term
Rights to water usage	Straight line	25 years
Broadband licence	Straight line	Not amortised until licence terms are effective
Bus routes		Indefinite
Lebelelo Water Project	Straight line	25 Years
Water rights		Indefinite

1.10 Financial instruments

Classification

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

- Financial assets at fair value through profit or loss - designated
- Loans and receivables at amortised cost
- Financial liabilities at fair value through profit or loss - designated
- Financial liabilities measured at amortised cost

Classification depends on the purpose for which the financial instruments were obtained / incurred and takes place at initial recognition. Classification is re-assessed on an annual basis, except for derivatives and financial assets designated as at fair value through profit or loss, which shall not be classified out of the fair value through profit or loss category.

Financial assets classified as at fair value through profit or loss which are no longer held for the purposes of selling or repurchasing in the near term may be reclassified out of that category:

- in rare circumstances
- if the asset met the definition of loans and receivables and the entity has the intention
- and ability to hold the asset for the foreseeable future or until maturity.

No other reclassifications may be made into or out of the fair value through profit or loss category.

IFRS 9 requires the Agency and group to recognise a financial asset or a financial liability in its statement of financial position when it becomes party to the contractual provisions of the instrument. At initial recognition, the entity measures a financial asset or a financial liability at its fair value plus or minus, in the case of a financial asset or a financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or the financial liability.

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Accounting Policies

1.10 Financial instruments (continued)

Financial assets

The group recognises a financial asset, it classifies it based on the Group's business model for managing the asset and the asset's contractual cash flow characteristics, as follows:

- Loans to related parties: Amortised cost
- Trade and other receivables: Amortised cost

All investments outside the scope of IAS 27, IAS 28, IFRS 16 and IFRS 10: Fair Value through profit or loss

A financial asset is measured at amortised cost if both of the following conditions are met:

- The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset is measured at Fair value through profit or loss. Any financial assets that are not held in one of the two business models mentioned are measured at fair value through profit or loss.

Initial recognition and measurement

Financial instruments are recognised initially when the group becomes a party to the contractual provisions of the instruments. The group classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Financial instruments are measured initially at fair value, except for equity investments for which a fair value is not determinable, which are measured at cost and are classified as amortised cost.

For financial instruments which are not at fair value through profit or loss, transaction costs are included in the initial measurement of the instrument.

Transaction costs on financial instruments at fair value through profit or loss are recognised in profit or loss.

Subsequent measurement

Financial instruments at fair value through profit or loss are subsequently measured at fair value, with gains and losses arising from changes in fair value being included in profit or loss for the period.

Net gains or losses on the financial instruments at fair value through profit or loss are recognised net of dividends and interest.

Dividend income is recognised in profit or loss as part of other income when the group's right to receive payment is established. Loans and receivables are subsequently measured at amortised cost, using the effective interest method, less accumulated impairment losses.

The fair value hierarchy applied to equity investments are as follows:

- Listed equity investments : Level 1 (Quoted market prices)
- Unlisted Equity investments : Level 3 (Valuation techniques)

The group uses a range of valuation techniques to value unlisted equity investments. These techniques include:

- The market approach;
- The income approach; and
- The cost approach.

Depending on the circumstances, the group might use a combination of these approaches.

Financial liabilities at amortised cost are subsequently measured at amortised cost, using the effective interest method.

Accounting Policies

Derecognition

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

Fair value determination

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models making maximum use of market inputs and relying as little as possible on entity-specific inputs.

Impairment of financial assets

At each reporting date the group assesses all financial assets, other than those at fair value through profit or loss, to determine whether there is objective evidence that a financial asset or group of financial assets has been impaired.

For amounts due to the group, significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default of payments are all considered indicators of impairment.

Impairment losses are recognised in profit or loss.

Impairment losses are reversed when an increase in the financial asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the financial asset at the date that the impairment is reversed shall not exceed what the carrying amount would have been had the impairment not been recognised.

Impairment of financial assets is recognised in stages:

- **Stage 1** - as soon as a financial instrument is originated or purchased, 12-month expected credit losses are recognised in profit or loss and a loss allowance is established. This serves as a proxy for the initial expectations of credit losses. For financial assets, interest revenue is calculated on the gross carrying amount (i.e. without deduction for expected credit losses).
- **Stage 2** - if the credit risk increases significantly and is not considered low, full lifetime expected credit losses are recognised in profit or loss. The calculation of interest revenue is the same as for Stage 1.
- **Stage 3** - if the credit risk of a financial asset increases to the point that it is considered credit-impaired, interest revenue is calculated based on the amortised cost (i.e. the gross carrying amount less the loss allowance). Financial assets in this stage will generally be assessed individually. Lifetime expected credit losses are recognised on these financial assets.

Financial liabilities

All financial liabilities are measured at amortised cost, except for financial liabilities at fair value through profit or loss. Such liabilities include derivatives (other than derivatives that are financial guarantee contracts or are designated and effective hedging instruments), other liabilities held for trading, and liabilities that the Group designates to be measured at fair value through profit or loss (see 'fair value option' below).

The Group's financial liabilities are measured at amortised costs as derivation after initial recognition, the Group cannot reclassify any financial liability.

Accounting Policies

Fair value option

The Group may, at initial recognition, irrevocably designate a financial asset or liability that would otherwise have to be measured at amortised cost or fair value through other comprehensive income to be measured at fair value through profit or loss if doing so would eliminate or significantly reduce a measurement or recognition inconsistency (sometimes referred to as an 'accounting mismatch') or otherwise results in more relevant information.

Loans receivable at amortised cost

Classification

Loans to group companies (note 10), loans to shareholders (note 11), loans to directors, managers and employees (note 13), and loans receivable (note 12) are classified as financial assets subsequently measured at amortised cost.

They have been classified in this manner because the contractual terms of these loans give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the company's business model is to collect the contractual cash flows on these loans.

Recognition and measurement

Loans receivable are recognised when the company becomes a party to the contractual provisions of the loan. The loans are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost.

The amortised cost is the amount recognised on the loan initially, minus principal

repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance. These include loans to and from holding companies, fellow subsidiaries, subsidiaries, joint ventures and associates and are recognised initially at fair value plus direct transaction costs.

Application of the effective interest method

Interest income is calculated using the effective interest method, and is included in profit or loss in investment income. The application of the effective interest method to calculate interest income on a loan receivable is dependent on the credit risk of the loan as follows:

- The effective interest rate is applied to the gross carrying amount of the loan, provided the loan is not credit impaired. The gross carrying amount is the amortised cost before adjusting for a loss allowance.
- If a loan is purchased or originated as credit-impaired, then a credit-adjusted effective interest rate is applied to the amortised cost in the determination of interest. This treatment does not change over the life of the loan, even if it is no longer credit-impaired.
- If a loan was not purchased or originally credit-impaired, but it has subsequently become credit-impaired, then the effective interest rate is applied to the amortised cost of the loan in the determination of interest. If, in subsequent periods, the loan is no longer credit impaired, then the interest calculation reverts to applying the effective interest rate to the gross carrying amount.

Investments at fair value through profit or loss

Accounting Policies

Classification

Certain investments in debt instruments are classified as Mandatorily at fair value through profit or loss.

These investments do not qualify for classification at amortised cost or at fair value through other comprehensive income because either the contractual terms of these instruments do not give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, or the objectives of the agency business model are met by selling the instruments rather than holding them to collect the contractual cash flows.

The agency hold investments (note 13) which are Mandatorily at fair value through profit or loss.

The agency has designated certain investments in debt instruments as at fair value through profit or loss. The reason for the designation is to reduce or eliminate an accounting mismatch which would occur if the instruments were not classified as such. Refer to note 13) for details.

Recognition and measurement

Investments in debt instruments at fair value through profit or loss are recognised when the agency becomes a party to the contractual provisions of the instrument. The investments are measured, at initial recognition and subsequently, at fair value. Transaction costs are recognised in profit or loss.

Fair value gains or losses are included in other operating gains (losses) (note 23). Interest received on debt instruments at fair value through profit or loss are included in investment income (note 25).
Impairment

Investments in debt instruments at fair value through profit or loss are not subject to impairment provisions. Trade and other receivables.

Trade and other receivables are measured

at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in profit or loss within operating expenses. When a trade receivable is uncollectable, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against operating expenses in profit or loss.

The amortised cost is the amount recognised on the receivable initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance. Trade and other receivables are classified as loans and receivables.

Accounting Policies

Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default, taking the time value of money into consideration.

The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. The exposure at default is the gross carrying amount of the loan at the reporting date.

Lifetime ECL is measured on a collective basis in cases where evidence of significant increases in credit risk are not yet available at the individual instrument level. Loans are then grouped in such a manner that they share similar credit risk characteristics, such as nature of the loan, external credit ratings (if available), industry of counterpart etc.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

If the company has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the company measures the loss allowance at an amount equal to 12 month ECL at the current reporting date, and visa versa.

An impairment gain or loss is recognised for all loans in profit or loss with a corresponding adjustment to their carrying amount through a loss allowance account. The impairment loss is included in lease expenses in profit or loss as a movement in credit loss allowance

Application of the effective interest method

For receivables which contain a significant financing component, interest income is calculated using the effective interest method, and is included in profit or loss in investment income.

The application of the effective interest method to calculate interest income on trade receivables is dependent on the credit risk of the receivable as follows:

- The effective interest rate is applied to the gross carrying amount of the receivable, provided the receivable is not credit impaired. The gross carrying amount is the amortised cost before adjusting for a loss allowance.
- If a receivable is a purchased or originated as credit-impaired, then a credit-adjusted effective interest rate is applied to the amortised cost in the determination of interest. This treatment does not change over the life of the receivable, even if it is no longer credit-impaired.
- If a receivable was not purchased or originally credit-impaired, but it has subsequently become credit-impaired, then the effective interest rate is applied to the amortised cost of the receivable in the determination of interest. If, in subsequent periods, the receivable is no longer credit impaired, then the interest calculation reverts to applying the effective interest rate to the gross carrying amount.

Accounting Policies

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

If trade and other payables contain a significant financing component, and the effective interest method results in the recognition of interest expense, then it is included in profit or loss in finance costs.

Trade and other payables expose the company to liquidity risk and possibly to interest rate risk. Refer to note 36 for details of risk exposure and management thereof

Contract liability

The entity will recognize a contract liability for obligations to transfer goods or services to a customer for which the entity has received consideration from the customer. The contract liability shall be measured at the consideration received in exchange for goods or services. The entity shall derecognize the contract liability when the entity satisfies the obligation by transferring the promised goods or service to the customer.

Insurance contributed fund

Insurance contributed fund relates to AON insurance contributed fund that are to be utilised by the Group as an inner-excess at the occurrence of an insurance event impacting the assets of the Group, before any insurance claim compensation from insurers. It is not classified as cash and cash equivalents as the characteristics and counter party risk is different to bank and amounts in cash and cash equivalents. The fund is measured at the consideration paid and

subsequently recorded at amortised cost.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at amortised cost.

Grants Payable

These include grants payables to fellow subsidiaries that have not yet transferred by the Agency at the reporting date.

Grant Payable is recognized when the invoice is issued to the shareholder by the Agency on behalf of the subsidiary.

They are initially measured at fair value and subsequently at amortized costs.

Loans to (from) group companies

These include loans to and from holding companies, fellow subsidiaries, subsidiaries, and associates and are recognised initially at fair value and subsequently measured at amortised cost. Loans to/from group companies are classified as loans payable and receivables. Loans to(from) group companies are classified as financial liabilities/assets.

1.11 Tax

Tax expenses

The Group is exempt from income tax in terms of section 10 (1) (cA) (ii) in the Income Tax Act, except for New Era Life Insurance State-Owned Company Limited.

1.12 Leases

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

Accounting Policies

1.12 Leases (continued)

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

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

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

Group as lessee

A lease liability and corresponding right-of-use asset are recognised at the lease commencement date, for all lease agreements for which the group is a lessee, except for short-term leases of 12 months or less, or leases of low value assets.

For these leases, the group recognises the lease payments as an operating expense (note 38) on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

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

However as an exception to the preceding paragraph, the group has elected not to separate the non-lease components for leases of land and buildings.

Details of leasing arrangements where the group is a lessee are presented in note 4 Leases (group as lessee).

Accounting Policies

1.12 Leases (continued)

Group as lessee

A lease liability and corresponding right-of-use asset are recognised at the lease commencement date, for all lease agreements for which the group is a lessee, except for short-term leases of 12 months or less, or leases of low value assets.

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However as an exception to the preceding paragraph, the group has elected not to separate the non-lease components for leases of land and buildings.

Details of leasing arrangements where the group is a lessee are presented in note 4 Leases (group as lessee).

Lease liability

Lease payments included in the measurement of the lease liability comprise the following:

- fixed lease payments, including in-substance fixed payments, less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the group under residual value guarantees;
- the exercise price of purchase options, if the group is reasonably certain to exercise the option;
- lease payments in an optional renewal period if the group is reasonably certain to exercise an extension option; and
- penalties for early termination of a lease, if the lease term reflects the exercise of an option to terminate the lease.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability (or right-of-use asset). The related payments are recognised as an expense in the period incurred and are included in operating expenses (note 4).

The lease liability is presented as a separate line item on the Statement of Financial Position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect lease payments made. Interest charged on the lease liability is included in finance costs (note 42).

Accounting Policies

The group remeasures the lease liability, when applicable, in accordance with the following table

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

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recognised in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero. At the commencement date, a lessee shall measure the lease liability at the present value of the lease payments that are not paid at that date. The lease payments shall be discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the lessee shall use the lessee's incremental borrowing rate.

1.12 Leases

Right-of-use assets

Right-of-use assets are presented as a separate line item on the Statement of Financial Position.

Lease payments included in the measurement of the right-of-use comprise the following:

- the initial amount of the corresponding lease liability;
- any lease payments made at or before the commencement date;
- any initial direct costs incurred;
- any estimated costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, when the group incurs an obligation to do so, unless these costs are incurred to produce inventories; and
- less any lease incentives received.

When the group incurs an obligation for the costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying assets to the condition required by the terms and conditions of the lease, a provision is recognised in the Statement of Financial Position in note 27 Provisions.

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

Accounting Policies

As an exception, when the underlying assets are land and buildings, the group adopts the revaluation model consistent with the accounting policy for land and buildings which are owned by the group. The accounting policy for the revaluation model is explained in the property, plant and equipment accounting policy.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. However, if a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. Depreciation starts at the commencement date of a lease.

For right-of-use assets which are depreciated over their useful lives, the useful lives are determined consistently with items of the same class of property, plant and equipment. Refer to the accounting policy for property, plant and equipment for details of useful lives.

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

Each part of a right-of-use asset with a cost that is significant in relation to the total cost of the asset is depreciated separately.

The depreciation charge for each year is recognised in profit or loss unless it is included in the carrying amount of another asset.

Refer to the accounting policy for property, plant and equipment for details of useful lives of underlying assets.

1.12 Leases (continued)

Group as lessor

Leases for which the group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. Lease classification is made at inception and is only reassessed if there is a lease modification.

When the group is an intermediate lessor, it accounts for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease. If the head lease is a short-term lease to which the group applies the exemption described previously, then it classifies the sub-lease as an operating lease.

The various lease and non-lease components of contracts containing leases are accounted for separately, with consideration being allocated by applying IFRS 15.

Accounting Policies

Operating leases

Lease payments from operating leases are recognised on a straight-line basis over the term of the relevant lease, or on another systematic basis if that basis is more representative of the pattern in which the benefits from the use of the underlying asset are diminished. Operating lease income is included in other operating income (note 36).

Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and are expensed over the lease term on the same basis as the lease income.

Modifications made to operating leases are accounted for as a new lease from the effective date of the modification. Any prepaid or accrued lease payments relating to the original lease are treated as part of the lease payments of the new lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and are expensed over the lease term on the same basis as the lease income.

Finance leases

Amounts due from lessees are recognised from commencement date at an amount equal to the net investment in the lease. They are presented as lease receivables (note) on the statement of financial position.

The interest rate implicit in the lease is used to measure the net investment in the lease. If the interest rate implicit in a sublease cannot be readily determined for a sublease, then the discount rate used for the head lease (adjusted for any initial direct costs associated with the sublease) is used to measure the net investment in the sublease.

The interest rate implicit in the lease is defined in a manner which causes the initial direct costs to be included in the initial measurement of the net investment in the lease. Lease payments included in the measurement of the net investment in the lease comprise the following:

- fixed lease payments, including in-substance fixed payments, less any lease incentives payable;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be receivable by the group from the lessee, a party related to the lessee or a third party unrelated to the group under residual value guarantees (to the extent of third parties, this amount is only included if the party is financially capable of discharging the obligations under the guarantee);
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the option;
- penalties for early termination of a lease, if the lease term reflects the exercise of an option to terminate the lease.

The group recognises finance income over the lease term, based on a pattern that reflects a constant periodic rate of return on the net investment in the lease. Finance income recognised on finance leases is included in investment income in profit or loss (note 41).

The group applies the impairment provisions of IFRS 9 to lease receivables. Refer to the accounting policy for trade and other receivables as lease receivables are impaired on a consistent basis with that accounting policy.

The group recognises finance income over the lease term, based on a pattern that reflects a constant periodic rate of return on the net investment in the lease. The finance income is included in investment income in profit or loss.

Accounting Policies

1.12 Leases (continued)

The accounting policy for impairment on lease receivables is included in the financial instruments impairment section.

1.13 Inventories

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

Inventories are measured at the lower of cost and net realisable value on the first-in-first-out basis.

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

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

The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs.

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

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

Inventory	Measurement
Tea	Lower of cost or Net realisable value using the weighted average method.
Fuel	Lower of cost or Net realisable value using the First-in-first-out method.
Pepper	Lower of cost or Net realisable value using the weighted average method.
Packing materials and consumable.	Lower of cost or Net realisable value using the First-in-first-out method.

1.14 Impairment of assets

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

Accounting Policies

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

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

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined. The impairment loss to be allocated pro rata based on the carrying amounts of the assets in the CGU

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

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. The write down is an impairment loss.

1.14 Impairment of assets (continued)

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

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

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

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation other than goodwill is recognised immediately in profit or loss. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

Impairment losses are recognised immediately in profit or loss.

1.15 Share capital and equity

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

Ordinary shares are recognised at par value and classified as 'share capital' in equity. Any amounts received from the issue of shares in excess of par value is classified as 'share premium' in equity. Dividends are recognised as a liability in the year in which they are declared.

Accounting Policies

1.16 Employee benefits

Short-term employee benefits

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

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

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

Defined contribution plans

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

Payments made to industry-managed (or state plans) retirement benefit schemes are dealt with as defined contribution plans where the group's obligation under the schemes is equivalent to those arising in a defined contribution retirement benefit plan.

Defined benefit plans

For defined benefit plans the cost of providing the benefits is determined using the projected unit credit method.

Actuarial valuations are conducted on an annual basis by independent actuaries separately for each plan.

Consideration is given to any event that could impact the funds up to the end of the reporting period where the interim valuation is performed at an earlier date.

Past service costs are recognised immediately to the extent that the benefits are already vested, and are otherwise amortised on a straight line basis over the average period until the amended benefits become vested.

To the extent that, at the beginning of the financial year, any cumulative unrecognised actuarial gain or loss exceeds ten percent of the greater of the present value of the projected benefit obligation and the fair value of the plan assets (the corridor), that portion is recognised in profit or loss over the expected average remaining service lives of participating employees.

Actuarial gains or losses within the corridor are not recognised.

Actuarial gains and losses are recognised in the year in which they arise, in other comprehensive income.

Gains or losses on the curtailment or settlement of a defined benefit plan is recognised when the group is demonstrably committed to curtailment or settlement.

When it is virtually certain that another party will reimburse some or all of the expenditure required to settle a defined benefit obligation, the right to reimbursement is recognised as a separate asset. The asset is measured at fair value. In all other respects, the asset is treated in the same way as plan assets. In profit or loss, the expense relating to a defined benefit plan is presented as the net of the amount recognised for a reimbursement.

The amount recognised in the statement of financial position represents the present value of the defined benefit obligation as adjusted for unrecognised actuarial gains and losses and unrecognised past service costs, and reduces by the fair value of plan assets.

Any asset is limited to unrecognised actuarial losses and past service costs, plus the present value of available refunds and reduction in future contributions to the plan.

Accounting Policies

Restructuring benefits

Restructuring benefits are employee benefits provided in exchange for the termination of an employee's employment. The agency and its subsidiaries recognise a liability and expense for termination benefits at the earlier of the following dates:

- when the agency and its subsidiaries can no longer withdraw the offer of those benefits; and
- when the entity recognises costs for a restructuring that is within the scope of IAS 37 and involves the payment of termination benefits.

1.17 Provisions and contingencies

Provisions are recognised when:

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

Where the effect of the time value of money is material, the amount of a provision shall be the present value of the expenditures expected to be required to settle the obligation. Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement shall be treated as a separate asset. The amount recognised for the reimbursement shall not exceed the amount of the provision.

Provisions are not recognised for future operating losses. If an entity has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision.

A constructive obligation to restructure arises only when an entity:

- > has a detailed formal plan for the restructuring, identifying at least:
 - the business or part of a business concerned;
 - the principal locations affected;
 - the location, function, and approximate number of employees who will be compensated for terminating their services;
 - the expenditures that will be undertaken; and
 - when the plan will be implemented; and
- > has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

Provisions shall be reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision shall be reversed.

Contingencies recognised in the current year required estimates and judgments. Commitments require certain judgement when determining if a contractual obligation exists and to determine if the entity's future expenditure has been committed in an irrevocable agreement or that there are elements of non-cancelability

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in 45.

Accounting Policies

1.18 Government grants

Government grants are recognised when there is reasonable assurance that:

- the group will comply with the conditions attaching to them; and
- the grants will be received.

Government grants are recognised as income over the periods necessary to match them with the related costs that they are intended to compensate.

A government grant that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs is recognised as income of the period in which it becomes receivable.

Government grants related to assets are presented in the statement of financial position by setting up the grant as deferred; income that is recognised in profit and loss on a systematic basis over the useful life of the asset.

Grants related to income are presented as a credit in the profit or loss (separately).

Repayment of a grant related to income is applied first against any un-amortised deferred credit set up in respect of the grant.

To the extent that the repayment exceeds any such deferred credit, or where no deferred credit exists, the repayment is recognised immediately as an expense.

Repayment of a grant related to an asset is recorded by increasing the carrying amount of the asset or reducing the deferred income balance by the amount repayable. The cumulative additional depreciation that would have been recognised to date as an expense in the absence of the grant is recognised immediately as an expense.

1.19 Revenue from contracts with customers

Sale of goods

Revenue is measured based on the consideration to which the entity expects to be entitled in a contract with a customer and excluded amounts collected on behalf of third parties. Revenue from the sale of goods is recognised when performance obligations are satisfied, meaning when the entity transfers control of a product to a customer. Performance obligation will inter alia include the following five steps to recognise revenue:

- Identify the contract with a customer
- Identify the performance obligations
- Determining the transaction price
- Allocating the transaction price to the performance obligation
- Recognising revenue when/as performance obligations are satisfied

Accounting Policies

Rendering of services

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the end of the reporting period. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably,
- it is probable that the economic benefits associated with the transaction will flow to the entity,
- the stage of completion of the transaction at the end of the reporting period can be measured reliably, and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue shall be recognised only to the extent of the expenses recognised that are recoverable.

Nature of services:

The following is a description of principal activities from which the entity generates its revenue -

- Casual Ticket Revenue - Customers purchase tickets upon bus entry, the related revenue is recognised at a point in time.
- Subsidised ticket Revenue - Customers purchase multijourney tickets to be utilised over a predetermined period of time. The related revenue is recognised over time by measuring progress towards complete satisfaction of the performance obligation. Unutilised tickets are accounted for as income received in advance(Contract liability) at year end.
- Subsidy received from the Department of Transport - The department of transport has contracted the entity for the provision of bus services in the Limpopo and Mpumalanga provinces. The related revenue is recognised over time by measuring progress towards complete satisfaction of the performance obligation.
- Contract Revenue - The entity enters into contracts for the provision of bus services with independent parties. The related revenue is recognised over time by measuring progress towards complete satisfaction of the performance obligation.
- Private Hire Revenue - Persons/a group of persons (Private Hires) approach the entity with the intention of hiring buses to transport a group of people. The related revenue is recognised at a point in time.

Contract revenue

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services.

Revenue from contracts is recorded based on the contracted fee per service level agreement.

Rental income

Rental income is recognised on the straight-line basis over the term of the rental agreement.

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for goods and services provided in the normal course of business, net of trade discounts and volume rebates, and value added tax.

Accounting Policies

1.19 Revenue from contracts with customers

Equitable share

Equitable share allocation is recognised in the financial statements in the financial year for which it has been approved. The amount recognised is accounted for excluding the amount deducted for value added tax. Approved allocations not received in cash at the end of the financial year is accrued for.

Government and other grants

Government and other grants are recognised in the balance sheet, initially as deferred income when there is reasonable assurance that it will be received, and that the entity will comply with the conditions attached to it. Once conditions are met during a specific year, the total of the expenses incurred for the year is transferred from deferred income and recognised under grants received. Value added tax is taken into consideration in respect of the conditions for individual grants received.

Interest received

Interest is recognised, in profit or loss, using the effective interest rate method as it accrues (taking into account the effective yield on the asset) unless collectability is in doubt. Interest income is included in investment income and interest expense in finance cost in the statement of profit or loss.

Dividends

Dividends are recognised, in profit or loss, when the entity's right to receive payment has been established, which is generally when shareholders approve the dividend.

1.20 Other income

Other incomes are all other income other than operating revenue. Other income are recognised as income when the right to receive has been established. Other income is included in other operating income in the statement of profit or loss.

1.21 Turnover

Turnover comprises of sales to customers and service rendered to customers. Turnover is stated at the invoice amount and is exclusive of value added tax.

1.22 Cost of sales

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

The related cost of providing services recognised as revenue in the current period is included in cost of sales.

Contract costs comprise:

- costs that relate directly to the specific contract;
- costs that are attributable to contract activity in general and can be allocated to the contract; and
- such other costs as are specifically chargeable to the customer under the terms of the contract.

1.23 Operating expenditure

Operating expenses are costs incurred in the normal course of business such as salaries, rent utilities, marketing, etc. These are short term costs and can be either fixed or variable.

Operating expenses are recognized in the statement of financial performance in the period they are incurred. Operating expenses are classified by nature.

Accounting Policies

1.24 Unknown deposits

Classification

Deposits made into the Agency's bank accounts without adequate and traceable customer references to permit the allocation of the deposits into the accounting system are referred to as unknown deposits.

Recognition and measurement

After all reasonable steps have been taken to determine the origin of unknown deposits, and they remain untraceable:

The deposits are immediately recorded in the unknown deposit account to facilitate future claims against the deposits.

The deposits are temporarily posted into the creditor's control account: Unknown Deposits. The unknown deposit account entries is monitored regularly to check if there is new information that helps trace the origin of the deposits. Thereafter, traceable deposits are journalized to take them out of the general ledger control account: Unknown Deposits into the respective customer account.

Derecognition

On a quarterly basis, a list of unknown deposits will be published on the Agency website, alerting customers who made payments to come forward and claim their deposits. If deposits remain untraceable and unclaimed for a period of three (3) years, the following are considered:

- An email will be circulated to all customers that owe the Agency requesting them to review their statements and come forward if there are any payments made but not reflecting on their accounts.
- When a claim is substantiated, the deposits will be credited to the customer's account within two months.
- Any unknown deposit that remains unclaimed after the follow up is forfeited and transferred to other income of the Agency.

1.25 Related parties

- African Government. As a result of the Constitutional independence of all three spheres of government in South Africa, only parties within the provincial sphere of government will be considered to be a related party.
- Key management is defined as being individuals with the authority and responsibility for planning, directing and controlling the activities of the entities in the Group. We regard all individuals from the level of executive manager up to the Board of Directors as key management per the definition of the standard.
- Close family members of key personnel are considered to be those family members who may be expected to influence, or be influenced by key management individuals in their dealings with the entities in the Group.
- Other related party transactions are also disclosed in terms of the requirements of the standard. The objective of the standard and the financial statements is to provide relevant and reliable information and therefore materiality is considered in the disclosure of these transactions.

Accounting Policies

1.26 Irregular and Fruitless and Wasteful Expenditure

Fruitless expenditure as defined in section 1 of the PFMA means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

Irregular expenditure as defined in section 1 of the PFMA is expenditure other than unauthorised expenditure, incurred in contravention of or that is not in accordance with a requirement of any applicable legislation, including:

- a. this Act; or
- b. the State Tender Board Act, 1968 (Act No. 86 of 1968), or any regulations made in terms of the Act; or
- c. any provincial legislation providing for procurement procedures in that provincial government.

Irregular expenditure that was incurred and identified during the current financial period and which was condoned before the end of the year financial period and/or before finalisation of the financial statements must also be recorded appropriately in the irregular expenditure register. In such an instance, no further action is also required with the exception of updating the note to the financial statements.

Irregular expenditure that was incurred and identified during the current financial period and for which condonement is being awaited at period end must be recorded in the irregular expenditure register. No further action is required with the exception of updating the note to the financial statements. Where irregular expenditure was incurred in the previous financial year and is only condoned

in the following financial period the register and the disclosure note to the financial statements must be updated with the amount condoned.

Irregular expenditure that was incurred and identified during the current financial year and which was not condoned by the National Treasury or the relevant authority must be recorded appropriately in the irregular expenditure register. If liability for the irregular expenditure can be attributed to a person, a debt account must be created if such a person is liable in law. Immediate steps must thereafter be taken to recover the amount from the person concerned. If recovery is not possible, the accounting officer or accounting authority may write off the amount as debt impairment and disclose such in the relevant note to the financial statements.

The irregular expenditure register must also be updated accordingly. If the irregular expenditure has not been condoned and no person is liable in law, the expenditure related thereto must remain against the relevant programme/expenditure item, be disclosed as such in the note to the financial statements and updated accordingly in the irregular expenditure register.

Irregular Expenditure

For determining whether irregular expenditure occurred, the following must be present:

- a. expenditure incurred in contravention of, or not in accordance with legislation; and
- b. expenditure must have been recognised in the statement of financial performance or liability recognised in the statement of financial position (where expenditure is not reflected in the statement of financial performance) in a case of institutions that are required to comply with the International Financial Reporting Standards (IFRS). The earlier of an invoice or payment will trigger irregular expenditure for these transactions.

Accounting Policies

Irregular expenditure when incurred and confirmed is recorded in the annual financial statements disclosure. This relates to irregular expenditure incurred in the current financial year, with a one financial year for comparative analysis.

Irregular expenditure for the previous financial year (comparative amounts) must be recognised in the period in which they occurred as follows:

- a. irregular expenditure incurred and confirmed in the previous financial year;
- b. irregular expenditure that was under assessment in the previous financial year and confirmed in the current financial year; and
- c. irregular expenditure that was not discovered in the previous financial year and identified and confirmed in the current financial year.
- d. irregular expenditure payments relating to multi-year contracts that was not condoned or removed. Additional information relating to irregular expenditure under assessment, determination, investigation, narratives, and the process of dealing with the irregular expenditure must be recorded in the annual report of LEDA.

Fruitless and Wasteful Expenditure

For determining whether fruitless and wasteful expenditure has been incurred, the following must be present –

- a. expenditure must be made in vain; and
- b. would have been avoided had reasonable care been exercised.

Fruitless and wasteful expenditure when incurred and confirmed is recorded in the annual financial statements disclosure. This relates to fruitless and wasteful expenditure

incurred in the current financial year, with a one previous financial year comparative analysis.

Fruitless and wasteful expenditure for previous financial year (comparative amounts) must be recognised in the period in which they occurred as follows:

- a. fruitless and wasteful expenditure incurred and confirmed in the previous financial year;
- b. fruitless and wasteful expenditure that was under assessment in the previous financial year and confirmed in the current financial year; and
- c. fruitless and wasteful expenditure that was not discovered in the previous financial year and identified and confirmed in the current financial year

Additional information relating to fruitless and wasteful expenditure under assessment, determination, investigations, narratives and a process of dealing with the concerned fruitless and wasteful expenditure must be recorded in the annual report of LEDA.

If there is a dispute regarding whether the alleged irregular or fruitless and wasteful expenditure meets the definition, the assessment process must be conducted and completed within three months from the date the alleged expenditure was reported to the accounting officer or accounting authority.

Accounting Policies

1.27 Properties in possession

Properties in possession comprise of assets that are expected to be recovered primarily through a sale transaction rather than through continuing use. Properties in possession are recognised at the lower of fair value less costs to sell and the carrying amount of the asset with which they are associated. The Group is firmly committed to the sale of these assets with various initiatives implemented to ensure transfer of these properties. No depreciation is charged on these assets. Any subsequent write-down of the acquired asset to fair value less costs to sell is recognised in the statement of comprehensive income, as 'Operating expenditure'.

Any subsequent increase in the fair value less costs to sell, to the extent that this does not exceed the cumulative write down is also recognised as 'Credit impairment charge', and any realised gains and losses on disposal recognised in 'Fees and other income'.

1.28 Commitments

Items are classified as commitments when an entity has committed itself to future transactions that will normally result in the outflow of cash. Disclosures are required in respect of unrecognised contractual commitments. Commitments for which disclosure is necessary to achieve a fair presentation should be disclosed in a note to the financial statements, if both the following criteria are met: Contracts should be non-cancelable or only cancelable at significant cost (for example, contracts for computer or

building maintenance services); and Contracts should relate to something other than the routine, steady, state business of the entity – therefore salary commitments relating to employment contracts or social security benefit commitments are excluded.

1.29 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or, in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible to the company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. For all other financial instruments not traded in an active market, the fair value is determined by using valuation techniques deemed to be appropriate in the circumstances. Valuation techniques include the market approach (i.e., using recent arm's length market transactions adjusted as necessary and reference to the current market value of another instrument that is substantially the same) and the income approach (i.e., discounted cash flow analysis and option pricing models making as much use of available and supportable market data as possible).

Accounting Policies

All financial assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable;
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the company determines whether transfers have occurred between levels in the hierarchy by reassessing the categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at each reporting date.

1.30 Construction contracts and receivables

Where the outcome of a construction contract can be estimated reliably, contract revenue and costs are recognised by reference to the stage of completion of the contract activity at the end of the reporting period, as measured by surveys of work done.

Variations in contract work, claims and incentive payments are included to the extent that they have been agreed with the customer.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent that contract costs incurred are recoverable. Contract costs are recognised as an expense in the period in which they are incurred. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

1.31 Events after reporting period

Events after the reporting period date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:

- Those that provide evidence that existed at the reporting date (adjusting events after the reporting date); and
- Those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date)

Accounting Policies

1.32 Foreign Currency Transactions

A foreign currency transaction is recorded, on initial recognition in Rands, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At the end of the reporting period:

- foreign currency monetary items are translated using the closing rate;
- non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate
- at the date of the transaction; and
- non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous consolidated financial statements are recognised in profit or loss in the period in which they arise.

When a gain or loss on a non-monetary item is recognised to other comprehensive income and accumulated in equity, any exchange component of that gain or loss is recognised to other comprehensive income and accumulated in equity. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

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

1.33 Non-current assets (disposal groups) held for sale or distribution to owners

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

Non-current assets and disposal groups are classified as held for distribution to owners when the entity is committed to distribute the asset or disposal group to the owners. This condition is regarded as met only when the distribution is highly probable and the asset (or disposal group) is available for immediate distribution in its present condition, provided the distribution is expected to be completed within one year from the classification date.

Non-current assets (or disposal groups) held for sale (distribution to owners) are measured at the lower of their carrying amount and fair value less costs to sell (distribute).

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

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

**Fruitless and wasteful expenditure**

Opening balance

Incurred in the current year

Written off/Recoverd

Total**2026**

20 484 727,71

27 491 565,00

-11 842 553,00

52 475 266,32**2025**

20 484 726,71

33 902 549,74

-11 252 539,13

20 484 727,71

Accounting Policies

1.34 VAT

Revenue, expenses and assets are recognised net of amounts of value added tax (VAT). The net amount of VAT recoverable from, or payable to the taxation authority is included in the statement of financial position. The entity accounts for VAT on the invoice basis.

1.35 Insurance contracts

Umbrella	Products	IFRS Standard	Measurement Approach
1. Group (Credit Life & Lump Sum Disability)	1. Group Bond Recurring	IFRS 17	PAA
2. Group Funeral	2. Group Bond Single	IFRS 17	GMM
3. Individual (Accumulator Plan)	3. Groups R US	IFRS 17	PAA
4. Individual (Funeral)	1. Group Funeral, Fidelity Springbok, Transafrica	IFRS 17	PAA
5. Individual (Double Endowment)	1. Double Provider Plan	IFRS 17	GMM
	2. Bonus Plan (with-profits)		
6. Individual (Old Prosperity)	Main product	IFRS 17	PAA
7. Individual (Family Package Product)	Savings benefit	IFRS 17	GMM
8. Mzilikazi Fund	Optional benefit – Cash Back	IFRS 17	GMM
	Teba Funeral Scheme	IFRS 17	GMM
		IFRS 9	Value of units
		IFRS 17	GMM
		IFRS 9	Market value of backing assets

Accounting Policies

The Company does not have any reinsurance contracts issued to compensate another entity for claims arising from one or more insurance contracts issued by that other entity.

Definition and classification

Insurance contracts are contracts under which the Company accepts significant insurance risk from a policyholder by agreeing to compensate the policyholder if a specified uncertain future event adversely affects the policyholder. In making this assessment, all substantive rights and obligations, including those arising from law or regulation, are considered on a contract-by-contract basis. The Company uses judgement to assess whether a contract transfers insurance risk (i.e. if there is a scenario with commercial substance in which the Company has the possibility of a loss on a present value basis) and whether the accepted insurance risk is significant.

Insurance risk is significant if, and only if, there is at least one scenario where the insured event could cause the issuer to pay additional amounts that are significant compared to payments under any other scenario.

Contracts that have a legal form of insurance but do not transfer significant insurance risk and expose the Company to financial risk are classified as investment contracts and follow financial instruments accounting under IFRS 9.

The Company issues certain insurance contracts that are substantially investment-related service contracts where the return on the underlying items is shared with policyholders. The underlying items comprise specified portfolios of investment assets that determine amounts payable to policyholders. The Company's policy is to hold such investment assets to maturity.

Definition and classification (continued)

Investment components in Savings products comprise policyholder account values less applicable surrender fees. The Company uses judgement to assess whether the amounts expected to be paid to the policyholders constitute a substantial share of the fair value returns on the underlying items.

All insurance contracts originated by the Company are without direct participation features. In the normal course of business, the Company uses reinsurance to mitigate its risk exposures. A reinsurance contract transfers significant risk if it transfers substantially all the insurance risk resulting from the insured portion of the underlying insurance contracts, even if it does not expose the reinsurer to the possibility of a significant loss.

All references to insurance contracts in these financial statements apply to insurance contracts issued or acquired, reinsurance contracts held, unless specifically stated otherwise.

Unit of account

The Company manages insurance contracts issued by product lines within an operating segment, where each product line includes contracts that are subject to similar risks. All insurance contracts within a product line represent a portfolio of contracts. Each portfolio is further disaggregated into groups of contracts that are issued within a calendar year (annual cohorts) and are (i) contracts that are onerous at initial recognition; (ii) contracts that at initial recognition have no significant possibility of becoming onerous subsequently; or (iii) a group of remaining contracts. These groups represent the level of aggregation at which insurance contracts are initially recognized and measured. Such groups are not subsequently reconsidered.

**Irregular expenditure**

Opening balance

Incurred in the current year

Condoned

Removed

2026**2025**

163 776 580,87

138 910 810,02

128 872 337,00

30 496 310,00

-86 896 000,00

-3 425 318,65

-

-2 205 220,50

205 752 917,87**163 776 580,87****Irregular expenditure under assessment****-14 277 337,00****-2 643 000,00**

Accounting Policies

For Life Risk and Savings product lines, sets of contracts usually correspond to policyholder pricing groups that the Company determined to have similar insurance risk and that are priced within the same insurance rate ranges. The Company monitors the profitability of contracts within portfolios and the likelihood of changes in insurance, financial and other exposures resulting in these contracts becoming onerous at the level of these pricing groups with no information available at a more granular level. Portfolios of reinsurance contracts held are assessed for aggregation separately from portfolios of insurance contracts issued. Applying the companying requirements to reinsurance contracts held, the Company aggregates reinsurance contracts held concluded within a calendar year (annual cohorts) into groups of (i) contracts for which there is a net gain at initial recognition, if any; (ii) contracts for which at initial recognition there is no significant possibility of a net gain arising subsequently; and (iii) remaining contracts in the portfolio, if any. Reinsurance contracts held are assessed for aggregation requirements on an individual contract basis. The Company tracks internal management information reflecting historical experiences of such contracts' performance. This information is used for setting pricing of these contracts such that they result in reinsurance contracts held in a net cost position without a significant possibility of a net gain arising subsequently. Transition approaches that were applied by the Company on adoption of IFRS 17 with respect to contracts aggregation requirements are included in note 2.

Unit of account(continued)

Before the Company accounts for an insurance contract based on the guidance in IFRS 17, it analyses whether the contract contains components that should be separated. IFRS 17 distinguishes three categories of components that have to be accounted for separately:

- cash flows relating to embedded derivatives that are required to be separated.
- cash flows relating to distinct investment

components; and promises to transfer distinct goods or distinct non-insurance services.

The Company applies IFRS 17 to all remaining components of the contract. The Company does not have any contracts that require further separation or combination of insurance contracts.

Recognition and derecognition

Groups of insurance contracts issued are initially recognized from the earliest of the following:

- the beginning of the coverage period.
- the date when the first payment from the policyholder is due or actually received, if there is no due date; and when the Company determines that a group of contracts becomes onerous.

A group of reinsurance contracts held that covers the losses of separate insurance contracts on a proportionate basis (proportionate or quota share reinsurance) is recognized at the latter of:

- the beginning of the coverage period of the company; or
- the initial recognition of any underlying insurance contract.

The Company does not recognize a group of quotas share reinsurance contracts held until it has recognized at least one of the underlying insurance contracts.

A group of reinsurance contracts held that cover aggregate losses from underlying contracts in excess of a specified amount (non-proportionate reinsurance contracts, such as excess of loss reinsurance) is recognized at the beginning of the coverage period of that company.

Only contracts that meet the recognition criteria by the end of the reporting period are included in the groups. When contracts meet the recognition criteria in the groups after the reporting date, they are added to the groups in the reporting period in which they meet the recognition criteria, subject to the annual cohorts' restriction. Composition of the groups is not reassessed in subsequent periods.

Accounting Policies

Accounting for contract modification and derecognition

An insurance contract is derecognized when it is:

- extinguished (i.e. when the obligation specified in the insurance contract expires or is discharged or cancelled); or
- the contract is modified, and certain additional criteria are met.

When an insurance contract is modified by the Company as a result of an agreement with counterparties or due to a change in regulations, the Company treats changes in cash flows caused by the modification as changes in estimates of the FCF, unless the conditions for the derecognition of the original contract are met. The Company derecognizes the original contract and recognizes the modified contract as a new contract if any of the following conditions are present:

- a. if the modified terms had been included at contract inception and the Company would have concluded that the modified contract:
 - is not in scope of IFRS 17;
 - results in different separable components;
 - results in a different contract boundary; or
 - belongs to a different group of contracts; or
- b. the original contract was accounted for under the PAA, but the modification means that the contract no longer meets the eligibility criteria for that approach.

When an insurance contract not accounted for under the PAA is derecognized from within a group of insurance contracts, the Company:

- a. Adjusts the FCF to eliminate the present value of future cash flows and risk adjustment for non-financial risk relating to the rights and obligations removed from the group.
- b. Adjusts the CSM (unless the decrease in the FCF is allocated to the loss component of the LRC of the group) in the following manner, depending on the reason for the derecognition: if the contract is extinguished, in the same amount as the adjustment to the FCF relating to future service. If the contract is transferred to a third party, in the amount of the FCF adjustment in (a) less the premium charged by the third party. If the original contract is modified resulting in its derecognition, in the amount of the FCF adjustment in a. adjusted for the premium the Company would have charged had it entered into a contract with equivalent terms as the new contract at the date of the contract modification, less any additional premium charged for the modification. When recognizing the new contract in this case, the Company assumes such a hypothetical premium as actually received.
- c. Adjust the number of coverage units for the expected remaining coverage to reflect the number of coverage units removed.

When an insurance contract accounted for under the PAA is derecognized, adjustments to the FCF to remove relating rights and obligations and account for the effect of the derecognition result in the following amounts being charged immediately to profit or loss:

- d. if the contract is extinguished, any net difference between the derecognized part of the LRC of the original contract and any other cash flows arising from extinguishment; if the contract is transferred to the third party, any net difference between the derecognized part of the LRC of the original contract and the premium charged by the third party; if the original contract is modified resulting in its derecognition, any net difference between the derecognized part of the LRC and the hypothetical premium the entity would have charged had it entered into a contract with equivalent terms as the new contract at the date of the contract modification, less any additional premium charged for the modification.

Accounting Policies

Measurement Fulfilment cash flows
Fulfilment cash flows within contract boundary

The FCF are the current estimates of the future cash flows within the contract boundary of a group of contracts that the Company expects to collect from premiums and pay out for claims, benefits and expenses, adjusted to reflect the timing and the uncertainty of those amounts.

The estimates of future cash flows:

- are based on a probability weighted mean of the full range of possible outcomes;
- are determined from the perspective of the Company, provided the estimates are consistent with observable market prices for market variables; and
- reflect conditions existing at the measurement date. An explicit risk adjustment for non-financial risk is estimated separately from the other estimates. For contracts measured under the PAA, unless the contracts are onerous, the explicit risk adjustment for non-financial risk is only estimated for the measurement of the LIC.

The estimates of future cash flows are adjusted using the current discount rates to reflect the time value of money and the financial risks related to those cash flows, to the extent not included in the estimates of cash flows. The discount rates reflect

the characteristics of the cash flows arising from the groups of insurance contracts, including timing, currency and liquidity of cash flows. The determination of the discount rate that reflects the characteristics of the cash flows and liquidity characteristics of the insurance contracts requires significant judgement and estimation. Refer to note 2. Risk of the Company's non-performance is not included in the measurement of groups of insurance contracts issued. In the measurement of reinsurance contracts held, the probability weighted estimates of the present value of future cash flows include the potential credit losses and other disputes of the reinsurer to reflect the non-performance risk of the reinsurer.

The Company estimates certain FCF at the portfolio level or higher and then allocates such estimates to groups of contracts.

The Company uses consistent assumptions to measure the estimates of the present value of future cash flows for the group of reinsurance contracts held and such estimates for the groups of underlying insurance contracts.

1.36 Cashflow statement

The cash flow statement of the group is disclosed on the direct method whereby major classes of gross cash receipts and gross cash payments are disclosed.

Notes to the Consolidated Financial Statements

Figures in Rand	2026 Unaudited	2025 Restated
1. New Standards and Interpretations	IFRS 17	PAA
2. Standards and interpretations not yet effective	IFRS 17	GMM

The group has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the group's accounting periods beginning on or after 01 April 2026 or later periods:

2. New Standards and Interpretations

Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

If a parent loses control of a subsidiary which does not contain a business, as a result of a transaction with an associate or joint venture, then the gain or loss on the loss of control is recognised in the parents' profit or loss only to the extent of the unrelated investors' interest in the associate or joint venture. The remaining gain or loss is eliminated against the carrying amount of the investment in the associate or joint venture. The same treatment is followed for the measurement to fair value of any remaining investment which is itself an associate or joint venture. If the remaining investment is accounted for in terms of IFRS 9, then the measurement to fair value of that interest is recognised in full in the parents' profit or loss. The effective date of the amendment is to be determined by the IASB. The Agency does not envisage the adoption of the amendment until such time as it becomes applicable to the Agency's operations and an effective date has been determined by the IASB. It is unlikely that the amendment will have a material impact on the Agency's financial statements. IFRS 19 Subsidiaries without Public Accountability: Disclosures This is a new standard which may be applied by subsidiaries which do not have public accountability. It is a disclosure only standard and provides for reduced disclosures for qualifying subsidiaries to apply, while still remaining compliant with the recognition, measurement and presentation requirements of IFRS accounting standards. The reduced disclosures provided in IFRS 19 may be applied by the subsidiary in their consolidated, separate or individual financial statements, provided that the ultimate or any intermediate parent produces consolidated financial statements available for public use that comply with IFRS accounting standards. A subsidiary has public accountability, and may not apply IFRS 19, if its debt or equity instruments are traded in a public market or it is in the process of issuing such instruments for trading in a public market, or if it holds assets in a fiduciary capacity for a broad group of outsiders as one of its primary businesses.

The effective date of the amendment is for years beginning on or after 01 January 2027. The Agency does not envisage the adoption of the amendment until such time as it becomes applicable to the Agency's operations.

Notes to the Consolidated Financial Statements

It is unlikely that the amendment will have a material impact on the Agency's financial statements. IFRS 18 Presentation and Disclosure in Financial Statements. This is a new standard which replaces IAS 1 Presentation of Financial Statements and introduces several new presentation requirements. The first relates to categories and subtotals in the statement of financial performance. Income and expenses will be categorised into operating, investing, financing, income taxes and discontinued operations categories, with two new subtotals, namely "operating profit" and "profit before financing and income taxes" also being required. These categories and sub totals are defined in IFRS 18 for comparability and consistency across entities. The next set of changes requires disclosures about management-defined performance measures in a single note to the financial statements. These include reconciliations of the performance measures to the IFRS defined subtotals, as well as a description of how they are calculated, their purpose and any changes. The third set of requirements enhance the guidance on grouping of information (aggregation and disaggregation) to prevent the obscuring of information.

The effective date of the amendment is for years beginning on or after 01 January 2027.

The Agency expects to adopt the amendment for the first time in the 2028 financial statements.

The adoption of this amendment is not expected to impact on the results of the Agency, but may result in more and disclosure than is currently provided in the financial statements.

Amendments to IFRS 9 and IFRS 7: Amendments to the Classification and Measurement of Financial Instruments.

The amendments clarify the classification of financial assets with environmental, social and corporate governance (ESG) and similar features, as such features could affect whether the assets are measured at amortised cost or fair value. The amendment also clarifies the date on which a financial asset or financial liability is derecognised in cases where liabilities are settled through electronic payment systems. The effective date of the amendment is for years beginning on or after 01 January 2026.

The Agency does not envisage the adoption of the amendment until such time as it becomes applicable to the Agency's operations.

It is unlikely that the amendment will have a material impact on the Agency's financial statements. Lack of exchangeability - amendments to IAS 21

The amendments apply to currencies which are not exchangeable. The definition of exchangeable is provided as being when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations. The amendments require an entity to estimate the spot exchange rate at measurement date when a currency is not exchangeable into another currency. Additional disclosures are also required to enable users of financial statements to understand the impact of the non-exchangeability on financial performance, financial position and cash flow.

Notes to the Consolidated Financial Statements

The effective date of the amendment is for years beginning on or after 01 January 2025.

The Agency does not envisage the adoption of the amendment until such time as it becomes applicable to the Agency's operations.

The company does not envisage the adoption of the amendment until such time as it becomes applicable to the company's operations.

It is unlikely that the amendment will have a material impact on the Agency's financial statements.

Supplier finance arrangements - amendments to IAS 7 and IFRS 7

The amendment applies to circumstances where supplier finance arrangements exist. These are arrangements whereby finance providers pay the suppliers of the entity, thus providing the entity with extended payment terms or the suppliers with early payment terms. The entity then pays the finance providers based on their specific terms and conditions. The amendment requires the disclosure of information about supplier finance arrangements that enable users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows as well as on the entity's exposure to liquidity risk.

Notes to the Consolidated Financial Statements

3. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - Group - 2026

Item	2026						2025	
	Opening balance	Additions	Disposals	Transfers	Other changes, movements	Depreciation	Impairment loss / reversals and revaluation	Total
Land	10 365 294	-	10 365 294	10 365 294	-	10 365 294	-	10 365 294
Buildings	77 541 164	(36 054 067)	41 487 097	75 614 578	(31 616 204)	43 998 374	-	43 778 116
Plant and machinery	86 130 449	(65 162 984)	20 967 465	85 354 246	(61 406 011)	23 948 235	121 270	23 948 235
Furniture and fixtures	13 613 225	(10 470 260)	3 142 965	13 140 974	(9 885 217)	3 755 757	2 516	3 755 757
Motor vehicles	426 827 338	(340 787 071)	86 040 267	427 148 841	(267 018 605)	160 130 236	(7 885 009)	160 130 236
Office equipment	10 053 001	(7 935 678)	2 117 323	10 328 575	(7 488 458)	2 840 117	-	2 840 117
IT equipment	39 784 064	(89 477 111)	129 261 175	40 839 396	(95 599 705)	136 439 101	1 093	136 439 101
Computer software	537 527	(165 876)	371 651	537 527	(113 354)	424 173	-	424 173
Bearer plants	4 020 307	(4 020 305)	2	4 020 307	(3 096 306)	924 001	-	924 001
Audio visual equipment	6 718 604	(3 506 806)	3 211 798	5 736 953	(2 921 603)	2 815 350	-	2 815 350
Workshop equipment	8 128 763	(4 986 450)	3 142 313	5 904 257	(4 697 752)	1 206 505	-	1 206 505
Capital - Work in progress	209 161 581	-	209 161 581	156 834 075	-	156 834 075	-	158 683 065
Rehabilitation Assets	13 536 187	(2 235 821)	11 300 366	13 536 187	(2 202 937)	11 333 250	-	11 333 250
Total	906 417 504	(385 848 207)	520 569 297	849 861 210	(294 846 742)	555 014 468	(7 760 130)	556 643 200

FINANCIAL REPORT

Notes to the Consolidated Financial Statements

3. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - Group - 2026

	2026			2025		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Land	10 385 294	–	10 385 294	10 385 294	–	10 385 294
Buildings	77 541 164	(36 054 067)	41 487 097	75 614 578	(31 618 204)	43 996 374
Plant and machinery	86 130 449	(65 162 984)	20 967 465	85 354 246	(61 406 011)	23 948 235
Furniture and fixtures	13 613 225	(10 470 260)	3 142 965	13 640 974	(9 885 217)	3 755 757
Motor vehicles	428 827 338	(340 787 071)	88 040 267	427 148 841	(267 018 605)	160 130 236
Office equipment	10 053 001	(7 935 678)	2 117 323	10 328 575	(7 488 458)	2 840 117
IT equipment	39 784 064	(89 477 111)	129 261 175	40 839 396	(95 599 705)	136 439 101
Computer software	537 527	(165 876)	371 651	537 527	(113 354)	424 173
Bearer plants	4 020 307	(4 020 305)	2	4 020 307	(3 096 306)	924 001
Audio visual equipment	6 718 604	(3 506 808)	3 211 796	5 736 953	(2 921 603)	2 815 350
Workshop equipment	8 128 763	(4 986 450)	3 142 313	5 904 257	(4 697 752)	1 206 505
Capital – Work in progress	209 161 581	–	209 161 581	156 834 075	–	156 834 075
Rehabilitation Assets	13 536 187	(2 235 821)	11 300 366	13 536 187	(2 202 937)	11 333 250
Total	906 417 504	(385 848 207)	520 569 297	849 861 210	(294 846 742)	555 014 468

Notes to the Consolidated Financial Statements

3. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - Group

						2026	2025
	Opening balance	Additions	Disposals	Transfers	Other changes, movements	Depreciation	Impairment loss / reversals and revaluation
Land	Additions	-	-	-	-	-	10 365 294
Buildings	Disposals	-	(1)	-	-	(2 511 276)	41 487 097
Plant and machinery	Transfers	813 653	(3 602)	-	-	(3 790 821)	20 967 465
Furniture and fixtures	Other changes, movements	24 288	(89)	-	-	(839 925)	2 934
Motor vehicles	Depreciation	83 149	(56 263)	-	-	(15 943 920)	(58 172 935)
Office equipment	Impairment loss / reversals and revaluation	-	(2 562)	-	-	(720 232)	-
IT equipment	Total	2 215 820	(22 219)	-	118	(9 371 845)	-
Sundry Equipment	424 173	128 315	-	-	-	(180 837)	-
Bearer plants	924 001	-	-	-	-	(49 172)	(874 827)
Audio visual equipment	2 815 350	-	-	985 180	(119)	(588 593)	-
Workshop equipment	1 206 506	2 242 865	(7)	-	-	(307 060)	-
Capital - Work in progress	156 834 076	54 627 686	-	(985 180)	-	-	(1 314 900)
Rehabilitation assets	11 333 250	-	-	-	-	(32 884)	-
Total	555 014 468	60 135 656	(84 743)	-	(1)	(34 136 355)	(60 369 728)
							520 569 297

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Property, plant and equipment encumbered as security.

Property, Plant and Equipment has not been encumbered as security.

Changes in estimates

The company reassesses the useful lives and residual values of property, plant and equipments of the company at the end of each reporting period, in line with the accounting policy and IAS 16 Property, plant and equipment. These assessments are based on historic analysis, benchmarking, and the latest available and reliable information.

During the reassessment for the period under review, assets with a carrying value of R1 and fully depreciated have been identified and subsequently the useful lives of these were deemed adequate and no adjustment to useful lives was made.

Details of Properties

Registers with details of land and buildings are available for inspection by shareholders or their duly authorised representatives at the registered office of the company.

4. Leases (group as lessee)

The group has the option to purchase the plant at a nominal amount on completion of the lease term.

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

	2026			2025		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Land	3 860 256	(100 782)	3 759 474	3 860 256	(61 814)	3 798 442
Buildings	58 294 512	(14 530 926)	43 763 586	58 721 906	(9 812 560)	48 909 346
Motor vehicles	559 604 618	(123 402 735)	436 237 883	123 028 683	(13 949 230)	109 079 453
Office equipment	1 979 906	(1 996 862)	(16 956)	1 615 867	(1 307 618)	308 249
IT equipment	937 379	(890 862)	46 517	910 662	(875 258)	35 404
Sleeping ground	-	(3 348)	(3 348)	-	342 737	342 737
Total	624 712 671	(140 925 515)	483 787 156	188 137 374	(25 663 743)	162 473 631

Net carrying amounts of right-of-use assets

The carrying amounts of right-of-use assets are included in the following line items:

Land	3 759 474	3 798 442
Buildings	43 763 586	48 909 346
Motor vehicles	436 237 883	109 079 453
Office equipment	(16 956)	308 249
IT equipment	46 517	35 404
Sleeping ground	-	3 348
Total	483 790 504	162 134 242

Depreciation recognised on right-of-use assets

Depreciation recognised on each class of right-of-use assets, is presented below. It includes depreciation which has been expensed in the total depreciation charge in profit or loss (note 37), as well as depreciation which has been capitalised to the cost of other assets.

Buildings	(106 345 106)	(5 964 699)
Motor vehicles	-	(2 231 986)
Office equipment	(692 592)	(558 990)
IT equipment	-	(29 384)
Land	(40 491)	(40 491)
Sleeping ground	-	(761 048)
Total	(107 078 189)	(9 586 598)

Other disclosures

Interest expense on lease liabilities	50 099 016	4 115 691
Expenses on short-term leases included in operating expenses	1 874 916	2 210 837
Leases of low value assets	257 917	154 337

4. Leases (group as lessee) — continued

Lease liabilities

The maturity analysis of lease liabilities is as follows:

	2026 Unaudited	2025 Restated
Within one year	170 081 096	42 333 895
Two to five years	6 780 098 603	10 802 870 158
Total	6 950 179 699	10 845 204 053
Less: finance charges component	(6 432 130 333)	(10 687 340 039)
Lease liabilities	518 049 366	157 864 014
Non-current liabilities	392 789 505	127 923 248
Current liabilities	125 259 861	29 940 766
Total	518 049 366	157 864 014

5. Investment property

	2026			2025	
Group	2026 Cost / Valuation	2026 Accumulated depreciation	2026 Carrying value	2025 Cost / Valuation	2025 Accumulated depreciation
Investment property	338 862 155	(197 821 857)	141 040 298	337 025 911	(188 570 825)
					148 455 086

5. Investment property

Reconciliation of investment property - Group - 2026

	Opening balance	Additions	Depreciation	Impairments	2026 Total	2025 Carrying value
Investment property	148 455 086	1 900 443	(7 195 196)	(2 120 035)	141 040 298	148 455 086

Reconciliation of investment property - Group - 2025

Investment property	Opening balance	Disposals	Classified as held for sale	Transfers	Depreciation	Impairments	Total
Investment property	147 655 240	(27 855)	(63 959)	11 184 937	(7 300 811)	(2 992 466)	148 455 086
Fair value of investment properties						734 009 820	416 085 428

Description of investment property

The fair value of the property reflect the present value of the total future benefits which an owner may expect to derive from the property. The value is expressed in monetary terms and are based upon the estimated rentals such a property wouldVgenerate in the market between a willing landlord and tenant. The rationale why fair value is not determinable on non rental generating properties is based on the following guidelines of paragraph 79(e)ii) of IAS 40:

"The Agency owns properties located across the Limpopo province with most located in remote areas. Paragraph 79 (e) requires a disclosure of the fair value of our properties, (ii) provides that where fair value cannot be determined those exceptional cases must be disclosed as indicated in paragraph 53 of IAS 40. We assessed our properties that are not leased out and identified that there is no active market as defined by IFRS 13 Appendix A for the types of properties and land. This is due to a lack of sufficient frequency and volume to provide pricing on a continuous basis. As such, we could not reasonably calculate the fair value of these properties"

The idea in terms of the basis of conclusion to both standards is merely to reflect this fair value where possible by using available techniques which we have indicated above that they would not result in a reliable determination and therefore an explanation in accordance with paragraph 79 above is to be made.

The impairment loss of R2 992 466 was caused by properties where the entity has possible loss of control due to third party occupation, tribal issues, community run properties, relayed out & merged due to municipal replanning, demolished therefore not verifiable.

These properties fully impaired to a nominal value of one Rand or impaired based on their recalculated recoverable amount.

Registers with details of land and buildings are available for inspection by shareholders or their duly authorised representatives at the registered office of the Agency.

Pledged as security

Properties have not been pledged as security.

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5. Investment property (continued)

Other disclosures

Registers with details of land and buildings are available for inspection by shareholders or their duly authorised representatives at the registered office of the Agency.

Amounts recognised in profit and loss for the year

	2026	2025
Rental income from investment property	145 573 499	142 624 783
Direct operating expenses from rental generating property	(75 607 187)	(90 467 598)
Other related income	10 921 219	1 558 005
Direct operating expenses from non-rental generating property	(12 901 109)	-
Total	67 986 422	53 715 190

Investment property located in (a foreign country: specify) is governed by that country's exchange controls and therefore the rental income and proceeds from any sale of that investment property are not available to the company:

6. Biological assets

	Cost / Valuation	Accumulated depreciation	Carrying value	Cost / Valuation	Accumulated depreciation	Carrying value
Plants	3 430 000	-	3 430 000	3 430 000	-	3 430 000
Tea Leaves	1	-	1	1	-	1
Total	3 430 001	-	3 430 001	3 430 001	-	3 430 001

Company — 2026

	Accumulated depreciation	Carrying value	Cost / Valuation
Plants	3 430 000	-	3 430 000
Tea Leaves	1	-	1
Total	3 430 001	-	3 430 001

Reconciliation of biological assets - Group - 2026

	Opening balance	Total
Plants	3 430 000	3 430 000
Tea Leaves	1	1
Total	3 430 001	3 430 001

Reconciliation of biological assets – Group – 2025

	Additions	Gains (losses) arising from changes in fair value	Total	Accumulated depreciation
Plants	-	3 430 000	-	3 430 000
Tea Leaves	1	-	-	1
Harvested Leaves	3 669 912	-	(3 669 912)	-
Total	3 669 913	3 430 000	(3 669 912)	3 430 001

6. Biological assets (continued)

Methods and assumptions used in determining fair value

Methods and assumptions used in determining fair value

Measurement of fair value

The fair value measurements for the standing timber have been categorised as Level 3 fair.

Valuation techniques and significant unobservable inputs:

Timber plants
Valuation technique

Asset Strip Value: Asset-stripping refers to the practice of an asset in order to sell its assets for a profit, rather than seeking to invest in and grow the business

Significant unobservable inputs

There is little, if any, market activity for the asset measurement date: Market Value & Estimated yields per hectare

Inter-relationship between key unobservable inputs and fair value measurement
The estimated fair value would increase (decrease) if: Market value higher (higher) & Estimated yields per hectare

Tea leaves
Valuation technique
Discounted cash flows: The valuation model considers the present value of the net cash flows expected to be generated by the plantation.

The tea leaves are cultivated for the production of tea leaves. The harvested tea leaves are intended to be processed into tea products at the Mukumbani Tea Estate or sold where appropriate. During the current financial year, the tea estate remained non-operational and no tea leaves were harvested, as there was no approved operational or turnaround plan in place to recommence commercial production. Consequently, no agricultural produce was generated from the tea bearer plants during the reporting period.

The tea leaves continue to be recognised as tea leaves and are measured in accordance with the applicable accounting policies (IAS 41). Where impairment indicators exist, the tea leaves are assessed for impairment in accordance with the relevant accounting standards (IAS 38). The harvested tea leaves are intended to be processed into tea products at the Mukumbani Tea Estate and Tshivhase Tea Estate or sold where appropriate. During the current financial year, the tea estate remained non-operational and no tea leaves were harvested, as there was no approved operational or turnaround plan in place to recommence commercial production. Consequently, no agricultural produce was generated from the tea bearer plants during the reporting period.

The tea bearer plants continue to be recognised as bearer plant and are measured in accordance with the applicable accounting policies (IAS 41). Where impairment indicators exist, the bearer plants are assessed for impairment in accordance with the relevant accounting standards (IAS 38).

2.1. Valuation technique

Discounted cash flows: The valuation model considers the present value of the net cash flows expected to be generated by the plantation. The mathematical outcome of the DCF model will produce a negative Net Present Value where projected outflows exceed expected inflows, a biological asset cannot be recognised at a negative value. Accordingly, the fair value of the biological assets was determined to be Rnil.

2.2. Significant unobservable inputs

6. Biological assets (continued)

There is little, if any, market activity for the asset:

- i. Estimated future tea leaves market prices per tonne: and
- ii. Estimated yields per hectare Risk-adjusted discount rate

Inter-relationship between key unobservable inputs and fair value measurement

The estimated fair value would increase (decrease) if:

- i. the estimated tea leaves per tonne were higher (lower); and
- ii. the estimated yields per hectare were higher (lower); the risk-adjusted discount rates were lower (higher). the estimated yields per hectare were higher (lower); the risk-adjusted discount rates were lower (higher).

3. Risk management strategy related to agricultural activities

3.1 Water Resource:

Plantation operations are highly dependent on the availability of water resources.

3.2. Illegal Activities:

Illegal harvesting and unauthorised cutting of trees may adversely affect the productivity of plantation land and compromise the sustainability of forestry operations.

Physical Quantities of Biological Assets at the Reporting Date

The entity's biological assets at the reporting date comprised the following groups:

Biological Asset Group Physical Measure

Tea bearer plants	Tea plantations under cultivation (hectares) – [1077 hectares]
Timber plantations	Timber plantations under cultivation (hectares) – [200 hectares]

Agricultural Produce Harvested During the Reporting Period

Agricultural Produce	Physical Quantity
Tea leaves harvested	Nil
Timber harvested for commercial sale	471 Timber poles
Timber processed into firewood for internal consumption	[0 cubic metres]

Net biological assets

		2026 Unaudited	2025 Restated
Current assets	3 430 001	3 430 001	3 430 001

7. Intangible assets

	Cost / Valuation	Accumulated amortisation	Carrying value	Cost / Valuation	Accumulated amortisation	Carrying value
Computer software, other	39 254 635	(37 124 531)	2 130 104	46 532 746	(42 727 531)	3 805 215
Mining asset and Exploration & evaluation assets	43 833 579	(1 202 477)	42 631 102	43 817 057	(1 168 279)	42 648 778
Other intangible assets	854 496	-	854 496	996 913	-	996 913
Total	83 942 710	(38 327 008)	45 615 702	91 346 716	(43 895 810)	47 450 906

7. Intangible assets (continued)

Reconciliation of intangible assets - Group - 2026

	Additions	Disposals	Amortisation	Impairment loss	2026 Total	2026 Carrying value
computer software, other	3 805 215	185 000	(659 867)	(543 450)	(656 794)	2 130 104
Mining asset and Exploration & evaluation assets	42 648 778	52 552	-	(34 198)	(36 030)	42 631 102
Other intangible assets	996 913	-	-	(142 417)	-	854 496
Total	47 450 906	237 552	(659 867)	(720 065)	(692 824)	45 615 702

Reconciliation of intangible assets – Group – 2025

	Additions	Disposals	Transfers	Amortisation	Impairment loss	Total	Total
Computer software, other	18 203 147	284 645	(6 334 000)	2 653 025	(10 985 775)	(15 827)	3 805 215
Intangible assets under development	2 653 025	-	-	(2 653 025)	-	-	-
Mining asset and Exploration & evaluation assets	42 535 473	253 426	-	-	(26 707)	(113 414)	42 648 778
Other intangible assets	1 139 329	-	-	-	(142 416)	-	996 913
Total	64 530 974	538 071	(6 334 000)	-	(11 154 898)	(129 241)	47 450 906

8. Investments in subsidiaries including consolidated structured entities

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

Group — % Holding

Name of company	% holding 2026	% holding 2025
Risima Housing Finance Corporation (SOC) Limited	100,00 %	100,00 %
Great North Transport (SOC) Limited	100,00 %	100,00 %
Corridor Mining Resources (SOC) Limited	100,00 %	100,00 %
New Era Life (SOC) Limited	100,00 %	100,00 %
Musina Makhado SEZ (SOC) Limited	100,00 %	100,00 %
Fetakgomo-Tubatse Industrial Park	100,00 %	100,00 %
Limpopo Connexion (SOC) Limited	100,00 %	100,00 %

Summarised Statement of Financial Position- 2026	Non-Current Assets	Current Assets	Total Assets	Non-Current Liabilities	Current Liabilities	2026 Unaudited Total Liabilities	2026 Unaudited Carrying Amount of Non-Controlling Interest
Risima Housing Finance Corporation (SOC) Limited	695 305 354	79 361 670	774 667 024	-	15 079 265	15 079 265	-
Great North Transport (SOC) Limited	530 384 646	243 680 276	774 064 922	463 302 319	523 578 587	986 880 906	-
Corridor Mining Resources (SOC) Limited	625 985 859	54 891 179	680 877 038	18 851 442	252 393 516	271 244 958	(5 833 194)
New Era Life (SOC) Limited	283 603	27 672 439	27 956 042	-	25 140 437	25 140 437	-
Musina Makhado SEZ (SOC) Limited	243 388 465	523 804 704	767 193 160	39 029 861	707 424 769	746 454 630	-
Fetakgomo Tubatse Industrial Park	193 606 018	90 899 767	284 505 785	189 773 399	69 286 581	259 059 980	-
Limpopo Connexion (SOC) Limited	142 942 586	100 110 534	243 053 120	180 940 820	60 312 004	241 252 824	-
Total	2 431 896 531	1 120 420 569	3 552 317 091	891 897 841	1 653 215 159	2 545 113 000	(5 833 194)

8. Investments in subsidiaries including consolidated structured entities

Summarised Statement of Financial Position- 2025	Non-Current Assets	Current Assets	Total Assets	Non-Current Liabilities	Current Liabilities	Total Liabilities	Carrying Amount of Non-Controlling Interest
Risima Housing Finance Corporation (SOC) Limited	656 271 416	94 715 310	750 986 726	1 337 903	22 782 104	24 120 007	-
Great North Transport (SOC) Limited	277 991 321	148 582 382	426 573 703	180 592 374	326 160 808	506 753 182	-
Corridor Mining Resources (SOC) Limited	374 421 214	70 861 329	445 282 543	14 647 801	251 473 235	266 141 036	(5 833 194)
New Era Life (SOC) Limited	1 139 335	48 244 593	49 383 928	523 479	30 062 705	30 586 184	-
Musina Makhado SEZ (SOC) Limited	211 054 901	312 232 188	523 287 089	35 829 294	472 965 671	508 794 965	-
Fetakgomo Tubatse Industrial Park	22 698 845	245 218 318	267 917 163	19 956 839	236 579 216	256 536 055	-
Limpopo Connexion (SOC) Limited	152 667 606	81 034 227	233 701 833	164 319 621	75 537 148	239 856 769	-
Total	1 696 244 638	1 000 888 347	2 697 132 985	417 207 311	1 415 560 887	1 832 788 198	(5 833 194)

Investments in associates

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

Group

Name of company	% ownership interest 2026	% ownership interest 2025	2026 Unaudited Carrying amount 2026	2026 Unaudited Carrying amount 2025
INCA Mining	2,00 %	2,00 %	368 862	226 784
Sefateng Chrome Mine (Pty) Ltd	55,00 %	55,00 %	554 653 592	304 040 279
Atta-Clay	30,00 %	30,00 %	7 431 979	5 923 136
Makapan Mall (Proprietary) Limited	50,00 %	50,00 %	81 817 463	77 452 497
Mahube Mining (Proprietary) Limited t/a	21,00 %	21,00 %	-	200
The New Chuene Resort (Proprietary) Limited	30,00 %	30,00 %	-	1 000 000
OK Bazaars Venda Limited	33,33 %	33,33 %	33 252 264	30 696 406
Rent a sign Lebowa (Proprietary) Limited	50,00 %	50,00 %	-	500
AON Limpopo (Proprietary) Limited	48,48 %	48,48 %	4 267 338	3 208 544
Total			681 791 498	422 548 346

Material associates

The following associates are material to the group:

Name of company	Country of incorporation	Method	% Ownership interest 2026
AON Limpopo (Proprietary) Limited	South Africa	Equity	48 %
Makapan Mall (Proprietary) Limited	South Africa	Equity	50 %
Attaclay (Proprietary) Limited	South Africa	Equity	30 %
OK Bazaars Venda Limited	South Africa	Equity	33 %
Sefateng Chrome Mine (Pty) Ltd	South Africa	Equity	55 %
Inca Mining	South Africa	Equity	2 %

The country of incorporation is the same as the principle place of business for all associates. The percentage voting rights is equal to the percentage ownership for all associates.

Corridor Mining Resources

Represented by 55% shares in Sefateng Chrome Mine (Pty) Ltd, a company whose main activity is mining of chrome ore.

Corridor Mining resources does not have control of the company and hence it is classified as an associate.

The company has a 2% shareholding in INCA Mining. The investment is equity accounted for as the company does not have any significant shareholding or control of the entity but does have influence by having a director on the board.

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9. Investments in associates (continued)

Sefateng Chrome Mine (Pty) Ltd

Limpopo Connexion (SOC) Limited	2 289 291 456	66 940 651	1 096 849 322	708 582 277	552 800 508
	2 533 137 206	230 455 461	1 168 474 079	781 351 083	813 767 505

Reconciliation of net assets to equity accounted investments in associates	Total net assets	Interest in associate at % ownership	Investment in associate
AON Limpopo (Proprietary) Limited	9 630 866	4 622 816	4 622 816
Makapan Mall (Proprietary) Limited	158 938 695	78 469 348	78 469 348
Attaclay (Proprietary) Limited	20 066 513	6 019 954	6 019 954
OK Bazaars Venda Limited	74 330 923	24 529 206	24 529 206
Sefateng Chrome Mine (Pty) Ltd	552 800 508	304 040 279	304 040 279
	813 767 505	417 681 602	417 681 602

Reconciliation of movement in investments in associates	Investment at beginning of 2025	Share of profit	Dividends received from associates	Investment at end of 2025
AON Limpopo (Proprietary) Limited	2 463 904	1 975 400	(1 280 428)	3 178 876
Makapan Mall (Proprietary) Limited	70 841 985	8 860 012	(4 300 000)	75 201 997
Attaclay (Proprietary) Limited	4 414 263	1 508 843	-	5 923 106
OK Bazaars Venda Limited	28 464 938	3 207 270	(1 814 175)	29 858 033
Sefateng Chrome Mine (Pty) Ltd	121 026 276	183 014 003	-	304 040 279
	227 211 366	198 365 528	(7 374 603)	418 202 291

Associates with different reporting dates

The current financial reporting date of LEDA Consolidated AFS 2026 is 31 March 2026.

The end of the reporting year of Limpopo Economic Development Agency and its subsidiaries as a group is three months and less than the group's reporting period where equity accounted. The Group scrutinises the period from the most recent year end to 31 March 2026 for significant transactions and adjusts the audited financial statements where necessary.

2025

Summarised statement of comprehensive income for the year ended 2024	Revenue	Profit (loss) from continuing operations	Total comprehensive income	Dividend received from associate
AON Limpopo (Proprietary) Limited	12 641 051	4 115 416	4 115 416	1 260 428
Makapan Mall (Proprietary) Limited	19 831 229	17 320 023	17 320 023	4 300 000
Attaclay (Proprietary) Limited	88 822 879	5 029 477	5 029 477	-
OK Bazaars Venda Limited	192 293 000	9 719 000	9 719 000	1 814 175
Sefateng Chrome Mine (Pty) Ltd	906 906 063	332 752 733	332 752 733	-
Total	1 220 494 222	368 936 649	368 936 649	7 374 603

Summarised statement of financial position	Non-current assets	Current assets	Non-current liabilities	Current liabilities	Total net assets
AON Limpopo (Proprietary) Limited	500 606	41 845 641	50 088	32 665 293	9 630 866
Makapan Mall (Proprietary) Limited	203 945 423	2 025 550	41 231 361	7 800 917	156 938 695
Attaclay (Proprietary) Limited	3 055 116	35 394 972	2 281 369	16 102 206	20 066 513
OK Bazaars Venda Limited	36 344 605	84 248 647	28 061 939	18 200 390	74 330 923

9. Investments in associates (continued)

Sefateng Chrome Mine (Pty) Ltd	2 289 291 456	66 940 651	1 096 849 322	706 582 277	552 800 508
	2 533 137 206	230 455 461	1 168 474 079	781 351 083	813 767 505

Reconciliation of net assets to equity accounted investments in associates	Total net assets	Interest in associate at % ownership	Investment in associate	Dividend received from associate
ON Limpopo (Proprietary) Limited	9 630 866	4 622 816	4 622 816	1 260 428
Makapan Mall (Proprietary) Limited	156 938 695	78 469 348	78 469 348	4 300 000
Attacloy (Proprietary) Limited	20 066 513	6 019 954	6 019 954	-
OK Bazaars Venda Limited	74 330 923	24 529 205	24 529 205	1 814 175
Sefateng Chrome Mine (Pty) Ltd	552 800 508	304 040 279	304 040 279	-
Total	813 767 505	417 681 602	417 681 602	7 374 603

Reconciliation of movement in investments in associates	Investment at beginning of 2025	Share of profit	Dividends received from associates	Investment at end of 2025
AON Limpopo (Proprietary) Limited	2 463 904	1 975 400	(1 260 428)	3 178 876
Makapan Mall (Proprietary) Limited	70 841 985	8 660 012	(4 300 000)	75 201 997
Attacloy (Proprietary) Limited	4 414 263	1 508 843	-	5 923 106
OK Bazaars Venda Limited	28 464 938	3 207 270	(1 814 175)	29 858 033
Sefateng Chrome Mine (Pty) Ltd	121 026 276	183 014 003	-	304 040 279
Total	227 211 366	198 365 528	(7 374 603)	418 202 291

Associates with different reporting dates

The current financial reporting date of LEDA Consolidated AFS 2026 is 31 March 2026.

The end of the reporting year of Limpopo Economic Development Agency and its subsidiaries is a group. The associates with year-ends three months and less than the group's reporting period were equity accounted. The Group scrutinises the period from the most recent year end to 31 March 2026 for significant transactions and adjusts the audited financial statements where necessary.

Associates with year-ends greater than three months compared to the group's financial year end, management accounts were applied up to and including 31 December 2025.

Associates with year-ends greater than three months compared to the Group's financial year end, management accounts were applied up to and including 31 March 2026. The adjustments to the year ending 31 March 2026 were not significant to the group. Associates with different year-ends equity accounted (with consideration to significant transactions) are:

1. Makapan Mall (Proprietary) Limited - 28 February 2026
2. OK Bazaars Venda Limited - 31 March 2026
3. Atta Clay (Proprietary) - 28 February 2026
4. AON Limpopo (Proprietary) - 31 December 2025.

Nature of Investments in associates

The relationship between the Group and the associates are purely of an investment nature and the activities of the associates are not strategic to the Group's operations.

Contingencies

Refer to note 44 Contingencies for details of contingencies related to associates.

10. Loans to group companies

Associates

	2026 Unaudited	2025 Restated
Sefateng Chrome Mine (Pty) Ltd	43 928 034	51 628 034
Rent-a-sign Lebowa (Pty) Ltd	1 635 082	1 635 082
Mahube Mining (Pty) Ltd	67 222 689	67 222 689
Provision for impairment of loans to associates	(71 060 574)	(71 468 420)

10. Loans to group companies (continued)

Loans to group companies	41 725 231	49 017 385
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Sefateng Chrome Mine (Pty) Ltd

The loan to Sefateng Chrome Mine bears interest on an out of shareholding relationship with the BEE partner at prime + 8% before the awarding of the mining right and prime +2% after the awarding of the mining right in December 2014.

There is no fixed term of repayment.

Split between non-current and current portions

Current assets	41 725 231	49 017 385
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Exposure to credit risk

Loans receivable inherently expose the group to credit risk, being the risk that the group will incur financial loss if counterparties fail to make payments as they fall due.

Loans receivable are subject to the impairment provisions of IFRS 9 Financial Instruments, which requires a loss allowance to be recognised for all exposures to credit risk. The loss allowance for group loans receivable is calculated based on twelve month expected losses if the credit risk has not increased significantly since initial recognition. In cases where the credit risk has increased significantly since initial recognition, the loss allowance is calculated based on lifetime expected credit losses. The loss allowance is updated to either twelve month or lifetime expected credit losses at each reporting date based on changes in the credit risk since initial recognition. If a loan is considered to have a low credit risk at the reporting date, then it is assumed that the credit risk has not increased significantly since initial recognition. On the other hand, if a loan is in arrears more than 90 days, then it is assumed that there has been a significant increase in credit risk since initial recognition.

In determining the amount of expected credit losses, the group has taken into account any historic default experience, the financial positions of the counterparties as well as the future prospects in the industries in which the counterparties operate.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

The maximum exposure to credit risk is the gross carrying amount of the loans as presented below. The group does not hold collateral or other credit enhancements against group loans receivable.

10. Loans to group companies (continued)

Credit rating framework

For purposes of determining the credit loss allowances, management determine the credit rating grades of each loan at the end of the reporting period. These ratings are determined internally.

The table below sets out the internal credit rating framework which is applied by management for loans to Group companies. The abbreviation "ECL" is used to depict "expected credit losses."

Internal credit grade	Description	Basis for recognising expected credit losses
Performing	Low risk of default and no amounts are past due	Lifetime ECL (not credit impaired)
Doubtful	Either 30 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL (credit impaired)
In default	Either 90 days past due or there is evidence that the asset is credit impaired	Lifetime ECL (credit impaired)

Credit loss allowances

The following tables set out the carrying amount, loss allowance and measurement basis of expected credit losses for group loans receivable by credit rating grade:

Group - 2026

Instrument	Internal credit rating (where applicable)	Basis of loss allowance	2026	2025
			Gross carrying amount	Amortised cost

Loans to joint ventures

Rock Island Trading 17 (Pty) Ltd	12m ECL	1 696 995	1 696 995
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Instrument	Internal credit rating (where applicable)	Basis of loss allowance	Gross carrying amount	Amortised cost
Sefateng Chrome Mine (Pty) Ltd	Lifetime ECL (not credit impaired)	43 928 034	(2 202 803)	41 725 231
Rent-a-sign Lebowa (Pty) Ltd	Lifetime ECL (credit impaired)	1 635 082	-	1 635 082
Mahube Mining (Pty) Ltd	Lifetime ECL (credit impaired)	67 222 689	-	67 222 689
Provision for impairment of loans to associates	Lifetime ECL (credit impaired)	-	(68 857 771)	(68 857 771)
Total		112 785 805	(71 060 574)	41 725 231

Total credit loss allowances

Loans to joint ventures	47 874 528	(47 874 528)	-
Loans to associates	112 785 805	(71 060 574)	41 725 231
Total	160 660 333	(118 935 102)	41 725 231

10. Loans to group companies (continued)

Instrument		2026	2025
	Basis of loss allowance	Gross carrying amount	Loss allowance
Rock Island Trading 17 (Pty) Ltd	Lifetime ECL (credit impaired)	43 086 847	(43 086 847)
Instrument	Internal credit rating (where applicable)	Gross carrying amount	Amortised cost

Loans to associates

Sefateng Chrome Mine (Pty) Ltd	Lifetime ECL (not credit impaired)	51 628 034	(2 610 649)	49 017 385
Rent-a-sign Lebowa (Pty) Ltd	Lifetime ECL (credit impaired)	1 635 082	(1 635 082)	-
Mahube Mining (Pty) Ltd	Lifetime ECL (credit impaired)	67 222 689	(67 222 689)	-
Total		120 485 805	(71 468 420)	49 017 385

Total credit loss allowances

	2026	2025
Loans to joint ventures	43 086 847	(43 086 847)
Loans to associates	120 485 805	(71 468 420)
Total	163 572 652	(114 555 267)

Fair value of group loans receivable

The fair value of group loans receivable approximates their carrying amounts.

11. Loans to shareholders – CMR

	2026 Unaudited	2025 Restated
Autumn Star 625 (SOC) Ltd - BEE Partners	1 500 000	1 500 000

These loans are to the 3 BEE partners in Autumn Star Trading 625 (Pty) Ltd.

Split between non-current and current portions

	2026 Unaudited	2025 Restated
Current assets	1 500 000	1 500 000

Exposure to credit risk

Loans receivable (at amortised cost) inherently exposes the group to credit risk, being the risk that the group will incur financial loss if counterparties fail to make payments as they fall due.

Loans receivable are subject to the impairment provisions of IFRS 9 Financial Instruments, which requires a loss allowance to be recognised for all exposures to credit risk. The loss allowance for loans to shareholders is calculated based on twelve month expected losses if the credit risk has not increased significantly since initial recognition. In cases where the credit risk has increased significantly since initial recognition, the loss allowance is calculated based on lifetime expected credit losses.

The loss allowance is updated to either twelve month or lifetime expected credit losses at each reporting date based on changes in the credit risk since initial recognition. If a loan is considered to have a low credit risk at the reporting date, then it is assumed that the credit risk has not increased significantly since initial recognition. On the other hand, if a loan is in arrears more than 90 days, then it is assumed that there has been a significant increase in credit risk since initial recognition.

Loans to shareholders were previously impaired only when there was objective evidence that the loan was impaired. The impairment was previously calculated as the difference between the carrying amount and the present value of the expected future cash flows.

The maximum exposure to credit risk is the gross carrying amount as presented below. The group does not hold collateral or other credit enhancements against loans to shareholders.

The company has strategic plans to mitigate the credit risks identified.

11. Loans to shareholders - CMR (continued)

Loans receivable (at amortised cost) inherently exposes the group to credit risk, being the risk that the group will incur financial loss if counterparties fail to make payments as they fall due.

Loans receivable are subject to the impairment provisions of IFRS 9 Financial Instruments, which requires a loss allowance to be recognised for all exposures to credit risk. The loss allowance for loans to shareholders is calculated based on twelve month expected losses if the credit risk has not increased significantly since initial recognition. In cases where the credit risk has increased significantly since initial recognition, the loss allowance is calculated based on lifetime expected credit losses.

The loss allowance is updated to either twelve month or lifetime expected credit losses at each reporting date based on changes in the credit risk since initial recognition. If a loan is considered to have a low credit risk at the reporting date, then it is assumed that the credit risk has not increased significantly since initial recognition. On the other hand, if a loan is in arrears more than 90 days, then it is assumed that there has been a significant increase in credit risk since initial recognition.

Loans to shareholders were previously impaired only when there was objective evidence that the loan was impaired. The impairment was previously calculated as the difference between the carrying amount and the present value of the expected future cash flows.

The maximum exposure to credit risk is the gross carrying amount as presented below. The group does not hold collateral or other credit enhancements against loans to shareholders.

The company has strategic plans to mitigate the credit risks identified.

Fair value of loans to shareholders

The fair value of loans to shareholders - cmr approximates their carrying amounts.

12. Pre-payments

		2026 Unaudited	2025 Restated
Deposit paid - Buses	106 054 692	-	-

13. Loans receivable

Loans receivable are presented at amortised cost, which is net of loss allowance, as follows:

	2026 Unaudited	2025 Restated
L.G. Vrugte	1 118 060	1 118 060
Zetmac	1 795 519	1 795 519
General Housing Loans	748 170 589	700 185 642
EDFU and investment loans	147 530 760	152 654 649
Provision for impairment	(145 599 755)	(130 610 994)
	753 015 153	725 142 876

Split between non-current and current portions

	2026 Unaudited	2025 Restated
Non-current assets	708 514 946	687 940 836
Current assets	44 500 207	37 202 040
Total	753 015 153	725 142 876

Exposure to credit risk

Loans receivable inherently exposes the group to credit risk, being the risk that the group will incur financial loss if counterparties fail to make payments as they fall due.

Loans receivable are subject to the impairment provisions of IFRS 9 Financial Instruments, which requires a loss allowance to be recognised for all exposures to credit risk. The loss allowance for loans receivable is calculated based on twelve month expected losses if the credit risk has not increased significantly since initial recognition. In cases where the credit risk has increased significantly since initial recognition, the loss allowance is calculated based on lifetime expected credit losses. The loss allowance is updated to either twelve month or lifetime expected credit losses at each reporting date based on changes in the credit risk since initial recognition. If a loan is considered to have a low credit risk at the reporting date, then it is assumed that the credit risk has not increased significantly since initial recognition. On the other hand, if a loan is in arrears more than 90 days, then it is assumed that there has been a significant increase in credit risk since initial recognition.

Loans receivable (continued)

In determining the amount of expected credit losses, the group has taken into account any historic default experience, the financial positions of the counterparties as well as the future prospects in the industries in which the counterparties operate or are employed. This information has been obtained from the counterparties themselves, as well as from economic reports, financial analyst reports and various external sources of actual and forecast data and is applied to estimate a probability of default occurring as well as estimating the loss upon default.

Terms and conditions - Loans

Procurement/ bridging loans.

The loan agreement must be signed by the client and the Agency delegated representative detailing the interest rate, repayment period, instalment and other condition of the loan, prior disbursement. It is the policy of LEDA when providing facilities to its customers to take guarantees/suretyships wherever necessary or appropriate.

The financial strength of the guarantor/surety is critical to the worth of the guarantee/suretyship itself and it is therefore the policy of LEDA to assess the worth of the guarantor/surety in the same way as the customer. Deed of cession agreement should be signed by the cedent, cessionary and consented.

Types of Loans and Repayment Periods

Short-Term Loans

Repayment period: 1 year or less.

Intended for bridging finance and procurement finance to meet short-term working capital needs.

Medium-Term Loans

Repayment period: More than 1 year but less than 3 years.

Long-Term Loans

Repayment period: More than 3 years but less than 5 years.

Loans extending from 5 to 7 years require approval from BCIC and/or the Board.

Purpose of Funding

Loans may be provided for: Start-up businesses, Business expansions, Asset financing, Asset acquisition and Other legitimate business financial needs.

Approval Requirements

Any loan with a term exceeding 5 years up to 7 years requires approval by BCIC and/or the Board.

ADMINISTRATION FEE

FEE STRUCTURE

IMPLEMENTATION FEE

An implementation fee of two percent (2%) of the loan amount plus Value Added Tax (VAT) will be charged to the client with a maximum of R5000.00 on all approved loans, including construction loans. The fee will be paid in cash or capitalized to the client's account, depending on the client's option. This will only apply to loans that are above the NCA threshold of R250 000.00.

NON-REFUNDABLE APPLICATION FEE

The application fee will be R1000.00 for loans below R500 000.00 and R7000.00 for loans above R500 000.00. An upfront non-refundable fee of R7000.00 will be charged to all construction related applications valued at more than R250 000.00. This will only apply to loans that are above the NCA threshold of R250 000.00.

INITIATION FEE (Applicable to Credit Agreements within NCR Requirements)

The Initiation Fee will be R275.00 per credit agreement, plus 10% of the amount of the agreement more than R1000.00 but should never exceed R2 600.00.

SERVICE ADMINISTRATION FEE

The client's account will be debited with R60.00 (excluding VAT) monthly being an administrative service fee. The fee is in line with the National Credit Act Regulation.

ADMINISTRATION FEE

12. Loans receivable (continued)

Administration fee will be 1% of the loan plus VAT (maximum of R3000.00) for all loans above R250 000. Interest rate is charged according to the credit profile of the customer, and with interest rate of prime plus 2% or -2% being charged.

The company considers a financial instrument to have experienced a significant increase in credit risk when one or more of the following quantitative, qualitative or backstop criteria have been met.

Quantitative criteria:

The remaining Lifetime probability default at the reporting date has increased, compared to the residual Lifetime probability default expected at the reporting date when the exposure was first recognised, so that it exceeds the relevant threshold below:

Lifetime Probability of Default at initial recognition - EDFU Loans 20%

Increase in Lifetime Probability of Default at reporting date which is considered significant: 10 Basis Points

Qualitative criteria:

For Retail portfolios, if the borrower meets one or more of the following criteria:

- Direct debit cancellation
- Extension to the terms granted
- Previous arrears within the last [12] months

Backstop

A backstop is applied and the financial instrument considered to have experienced a significant increase in credit risk if the borrower is more than 120 days past due on its contractual payments.

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13. Loans receivable (continued)

Expected credit losses

Expected credit losses are calculated using the following model $ECL = EAD \times LGD \times PD$, where:

ECL: Expected Credit Loss

EAD: Exposure at default

LGD: Loss given default

PD: Probability of default

In estimating expected credit losses, entities are required to consider more than one outcome and consider the likelihood of a number of potential outcomes occurring in practice. An expected loss estimate should reflect: An unbiased and probabilityweighted amount that is determined by evaluating a range of possible outcomes. The entity uses past payment patterns as well as forward looking factors to estimate the potential outcomes.

		2026 Unaudited	2025 Restated
	Loss given default	Expected loss	Weighted ECL
Scenario 1	0,7	100%	0,65
Scenario 2	0,3	88%	0,22

Life Time Probability of Default

- Credit impaired - more than 120 days overdue = 100%
- Not credit impaired = 88%

Stages in terms of IFRS 9:

Under the General Approach, at each reporting date, entities are required to determine whether there has been a SICR since initial recognition and whether the loan is credit impaired. This determines whether the loan is in Stage 1, Stage 2 or Stage 3, which in turn determines both:

Performing

Stage 1

- As soon as a financial instrument is originated or purchased, 12-month expected credit losses are recognised in profit or loss and a loss allowance is established.
- This serves as a proxy for the initial expectations of credit losses.
- For financial assets, interest revenue is calculated on the gross carrying amount (i.e. without deduction for expected credit losses).

Non performing

Stage 2

- If the credit risk increases significantly and is not considered low, full lifetime expected credit losses are recognised in profit or loss.
- The calculation of interest revenue is the same as for Stage 1.

Credit impaired

Stage 3

If the credit risk of a financial asset increases to the point that it is considered credit-impaired, interest revenue is calculated based on the amortised cost (i.e. the gross carrying amount less the loss allowance).

Financial assets in this stage will generally be assessed individually. Lifetime expected credit losses are recognized on these financial assets.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

The maximum exposure to credit risk is the gross carrying amount of the loans as presented below.

The Agency does not hold collateral or other credit enhancements against loans receivable.

Credit rating framework

The table below sets out the internal credit rating framework which is applied by management for loans for which external ratings are not available. The abbreviation "ECL" is used to depict "expected credit losses."

Internal credit grade	Description	Basis for recognising expected credit losses	Weighted ECL
Performing	Low risk of default and no amounts are past due	Lifetime ECL (not credit impaired)	Weighted ECL
Doubtful	Either 30 days past due or there has been a significant increase in credit risk since initial recognition	Lifetime ECL (credit impaired)	0,65
In default	Either 90 days past due or there is evidence that the asset is credit impaired	Lifetime ECL (credit impaired)	0,22
Write-off	There is evidence indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery.	Amount is written off	0,22

13. Loans receivable (continued)

Credit loss allowances

The following tables set out the carrying amount, loss allowance and measurement basis of expected credit losses for loans receivable by credit rating grade:

Group - 2026

Instrument	Internal credit rating (where applicable)	Basis of loss allowance	Gross Carrying amount	2026 Unaudited	2025 Restated
				Loss allowance	Amortised cost
Loan Zetmac (Agribusiness)	Not performing	Lifetime ECL (credit impaired)	1 795 519	(1 795 519)	-
EDFD & Divestment loan receivable	Partially performing	Lifetime ECL (credit impaired)	147 530 760	(121 876 273)	25 654 487
L.G Vrugte loan (Agribusiness)	Not performing	Lifetime ECL (credit impaired)	1 118 060	(1 118 060)	-
Total			150 444 339	(124 789 852)	25 654 487

Group - 2026

Instrument	Internal credit rating (where applicable)	Basis of loss allowance	Gross Carrying amount	2026 Unaudited	2025 Restated
				Loss allowance	Amortised cost
L.G. Vrugte	Not performing	Lifetime ECL (credit impaired)	1 118 060	(1 118 060)	-
Zetmac	Performing	Lifetime ECL (credit impaired)	1 795 519	-	1 795 519
EDFD & Divestment loans	Partially performing	Lifetime ECL (credit impaired)	152 654 649	(113 411 711)	39 242 938
Total			155 568 228	(114 529 771)	41 038 457

13. Loans receivable (continued)

Risima Housing Finance Corporation

The company considers a financial instrument to have experienced a significant increase in credit risk when one or more of the following quantitative, qualitative or backstop criteria have been met:

Quantitative criteria:

The remaining Lifetime Probability Default at the reporting date has increased, compared to the residual Lifetime Probability Default expected at the reporting date when the exposure was first recognised, so that it exceeds the relevant threshold per the table below:

12 Months PD band at initial recognition

General loans : 5%

Backstop

A backstop is applied and the financial instrument considered to have experienced a significant increase in credit risk if the borrower is more than 30 days past due on its contractual payments but less than 120 days and if the borrower is more than 120 days due on its contractual payments the financial instrument is considered to be credit impaired.

Risima has finance home loans that are bonded and non-bonded. Bonded home loans are secured by various security including a bond registered/ PTOs against the property and credit/life cover insurance cessions in case of death or disability. Non bonded loans are incremental loans and student loans.

For the Mortgage bond loan, Risima has a right to take possession of the property financed and auction it to recover the amount owed. In the past, there has been only 2 properties repossessed and the related loan were written-off.

Expected credit losses

Expected credit losses are calculated using the following model $ECL = EAD \times LGD \times PD$, where :

ECL : Expected credit loss

EAD : Exposure at default

LGD : Loss given default

PD : Probability of default

In estimating expected credit losses, entities are required to consider more than one outcome and consider the likelihood of a number of potential outcomes occurring in practice. An expected loss estimate should reflect:

– An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes. The entity uses past payment patterns as well as forward looking factors to estimate the potential outcomes.

The effects of the down grading of the credit rating on the economy and debtors as reflected on the levels arrears already reported at year end. The entity also took into account the substantial interest rate increases that have been implemented since the previous year.

The prime lending rate has decreased from 11.75% from the prior financial year to 11% for the period ending 31 March 2025. The high prime lending rate from the previous years has resulted in high monthly instalment on loans as they are prime rate linked and has significantly reduced the ability of borrowers to pay their monthly installments.

The expected growth rate of at least 3% and the marginal increase in interest rates supports the current probability rates for scenario 1. The impact of additional down grading of credit ratings is however not known and it was therefore resolved to keep the probability unchanged as it is expected that there will be no major change in the current way that the credit rating status is managed.

Stages in terms of IFRS 9:

Under the General Approach, at each reporting date, entities are required to determine whether there has been a SICR since initial recognition and whether the loan is credit impaired. This determines whether the loan is in Stage 1, Stage 2 or Stage 3, which in turn determines both:

Performing Stage 1

- As soon as a financial instrument is originated or purchased, 12-month expected credit losses are recognised in profit or loss and a loss allowance is established.
- This serves as a proxy for the initial expectations of credit losses.
- For financial assets, interest revenue is calculated on the gross carrying amount (i.e. without deduction for expected credit losses).

Non Performing Stage 2

- If the credit risk increases significantly and is not considered low, full lifetime expected credit losses are recognised in profit or loss
- The calculation of interest revenue is the same as for Stage 1.

Credit impaired**Stage 3**

- If the credit risk of a financial asset increases to the point that it is considered credit-impaired, interest revenue is calculated based on the amortised cost (i.e. the gross carrying amount less the loss allowance).
- Financial assets in this stage will generally be assessed individually. Lifetime expected credit losses are recognised on these financial assets

	2026 Unaudited	2025 Restated
Level 1 – General loans	1 719 628	1 350 243
Level 2 – General loans	602 775	519 260
Level 3 – General loans	15 591 117	11 806 904
	17 913 520	13 676 407
3 to 6 months	17 632 439	14 165 624
Over 6 months	730 538 130	686 020 018
Impaired	(19 641 931)	(16 081 223)
	728 528 638	684 104 419

Reconciliation of provision for impairment of loans

The loan receivables were not pledged as security for any long term borrowings.

For the current year, 24 loan accounts with total carrying value amounting to R433 647 were written off.

Loan receivable provision

	2026 Unaudited	2025 Restated
Opening balance	16 081 223	12 473 107
Movement for the year	1 832 298	2 282 068
Credit impaired interest adjustment	1 728 310	1 326 048
Closing balance	19 641 831	16 081 223

14. Trade and other receivables

	2026 Unaudited	2025 Restated
Trade receivables	10 987 245	6 004 307
Trade receivables - related parties	1 557 288	297 366
Accrued income	6 251 250	6 874 268
Deposits	4 860 657	4 849 951
Other receivables	34 351 236	40 013 293
Rental debtors	256 004 898	250 028 500
Trade receivables - Student debtors	6 394 655	6 170 162
GNT Inter Deposit loans	-	-
Provision for impairment	(172 028 641)	(181 119 947)
VAT	34 160 671	22 466 453
Total trade and other receivables	182 539 259	155 584 353

Split between non-current and current portions

Non-current assets	-	82 994
Current assets	184 388 289	155 627 950
	184 388 289	155 710 944

15. Insurance contributed fund

Insurance contributed fund	22 200 418	25 583 793
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Split between non-current and current portions

Current assets	22 200 418	25 583 793
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LEDA owns the contributed funds which it expects it will provide the economic benefits in cases where the Agency has a claim.

16. Investments at fair value

Investments held by the group which are measured at fair value, are as follows:

Designated at fair value through profit or loss:

	2026 Unaudited	2025 Restated
ABSA Investment	9 254 465	8 716 499
Debentures	-	356 280
Terms and conditions	-	
Collective investment scheme	-	20 780 132
Listed shares - Zeder Investments Ltd.	3 362 417	4 245 030
-2 668 585 shares at fair value of R1,73 per shares		
Investment - Houers Co-operative	48 379	48 379
-91 281 shares cost of R0.53 per share		
Investment - Zetmac (Agri business)	154 500	154 500
-24 500 ordinary shares at R1 each and 130 000 preference shares at R1 each		
Total	12 819 761	34 298 840

Split between non-current and current portions

Non-current assets	3 565 296	4 089 649
Current assets	9 254 465	30 209 191
Total	12 819 761	34 298 840

16. Investments at fair value (continued)

Fair value information

LEDA Agency

The Agency have the following investments measured at fair value through profit and loss.

Level 1 input - Investments:

1. Zeder Investments Ltd
2. ABSA Investment
3. AON Investment Fund

Level 3 inputs - Investments

1. Houers Korperasie Investment
2. Zetmac Investment

IFRS 9 define fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Agency used valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Fair value hierarchy:

Level 1 - Quoted prices (unadjusted)

Level 2 - Inputs other than quoted prices included within Level 1

Level 3 - Unobservable inputs

A quoted price in an active market provides the most reliable evidence of fair value and shall be used without adjustment to measure fair value whenever available.

Risk exposure

The investments held by the group expose it to various risks, including credit risk, currency risk, interest rate risk and price risk. Refer to note 51 Financial instruments and risk management for details of risk exposure and the processes and policies adopted to mitigate these risks.

New Era life Insurance

Collective Investment Schemes

The collective investment scheme consists of investments in six funds. Each fund invests in an underlying portfolio of money market instruments.

Fair Value Hierarchy of Investments

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

Level 1 represents those assets which are measured using unadjusted quoted prices for identical assets.

Level 2 applies inputs other than quoted prices that are observable for the assets either directly (as prices) or indirectly (derived from prices).

Level 3 applies inputs which are not based on observable market data.

The valuation of the unitised funds in the collective investment scheme is based on the prices of the underlying investments held by these entities. The collective investment schemes investments are valued with reference to the unit valuation provided by the relevant management company. The valuation technique used is classified as a Level 2 - assets measured using other than quoted prices that are observable for the assets either directly or indirectly. Money market collective investment scheme portfolios are priced at a R1 constant price.

Investment write off:

Total Shares held at LG Vrugte Landboukoooperatief Beperk amounting to R356 280 were written off on the 28th of May 2026.

IFRS 9 Financial Instruments was adopted in the current year and replaces IAS 39. This note reflects the application of IFRS 9 to the specified instruments. Prior year figures.

17. Retirement benefits

Retirement medical benefit Group

The plan is a post-employment medical benefit plan, governed by the Pension Fund Act of 1956. Members and their dependents are entitled to a 60% subsidy of medical aid contributions for LEDA and 70% contribution for GNT.

Former employees of the Limpopo Economic Development Agency and subsidiary Great North Transport (SOC) Limited, participate in Bonitas, Discovery Health or Health Squared medical schemes.

Great North Transport (SOC) Ltd subsidise 100% of AdmedGap contributions in retirement.

Dependents of members who die whilst in service are entitled to a 60% subsidy of medical aid contributions.

LEDA and Great North Transport (SOC) Ltd embarked on a reduction exercise to better manage their post-employment health care liability. A consultative process was entered into with retired members who are currently in receipt of the benefit and negotiations are still ongoing. Further, as mentioned above, a resolution was passed by the Board of Directors confirming that future retirees will no longer qualify for post employment health care subsidisation.

Agency

The plan is a post-employment medical benefit plan, governed by the Pension Fund Act 1956. Members and their dependents are entitled to 60% subsidy and medical aid contribution.

The accrued liability is currently unfunded and will in future increase with the discount rate used to calculate the present value of the expected future cash flows. LEDA Agency has not legally ring-fenced any assets to fund this liability and there are therefore no "Plan Assets" (as defined by IAS 19). Unanticipated changes in the subsidised medical schemes contributions will directly affect the liability. The risk is therefore

that LEDA Agency will have to fund any medical aid expenses for the individuals on the plan that is not covered by the medical aid funds. Retired employees of Limpopo Economic Development Agency participate in Bonitas, Discovery Health or Health Squared medical schemes.

Limpopo Economic Development Agency embarked on a reduction exercise to better manage their post-employment health care liability. A consultative process was entered into with retired members who are currently in receipt of the benefit and negotiations are still ongoing. Further, as mentioned above, a resolution was passed by the Board of Directors confirming that future retirees will no longer qualify for post-employment health care subsidisation.

Healthcare subsidy

LEDA Agency pays a percentage of the contributions of the selected plan option of one of the medical schemes on which LEDA Agency participates. There are no in-service employees eligible for post-employment health care subsidisation. Therefore, only the continuation members currently eligible for post-employment health care subsidisation have been included in the valuation.

Pre-retirement benefit

Since there are no in-service employees eligible for post-employment health care subsidisation, there is no subsidy payable to the spouse or life partner of an employee on the death of the in-service employee of LEDA Agency.

Post-employment benefit

On the death of a continuation member, the surviving spouse will continue to receive post-employment health care subsidisation. Current retired members are entitled to a 60% subsidy of medical aid risk contributions in retirement. This subsidy does not include any elected savings. Contributions towards loyalty reward programmes such as Vitality are not included in the subsidised contributions.

Discount rate

IAS 19 requires that the market returns on high quality corporate interest-bearing bonds should be used. Should a sufficiently deep market of high-quality corporate bonds not exist, government interest bearing bonds must be used instead. The currency and term of the bonds should be consistent with the currency and estimated term of the liabilities.

The discount rates and the inflation is based on assumptions on the yields taken from the government zero coupon bond yield curves as at 31 March 2026, at the appropriate term. The discount rate that was used is 10.23% which is taken from the South African government zero coupon bond yield curve as at 31 March 2026.

The health cost inflation of 7.76% per annum implies that a real discount rate of 2.00% per annum was used in the valuation.

Accrued liability

For the purpose of the valuation the benefit is assumed to accrue uniformly since the date at employment commenced at Limpopo Economic Development Agency until the expected date of payment. The accrual of benefit in this way is consistent with the Projected Unit Credit Method of Valuation referred to in IAS 19. The benefit for the continuation members is regarded as being fully accrued.

Cost of post-employment health care benefits accruing over the year

The cost of the benefits accruing over the next year has been calculated using the key assumptions below.

The interest cost represents the investment return required so that the benefits accrued in respect of past service can be met in the future.

Retirement age

The normal retirement age for qualifying employees is 65. Subsidisation is payable to the main member should they retire early from age 55. All members eligible for post-employment health care subsidisation have already retired.

Regulatory framework

The actuarial valuation was performed taking into account the stipulations of IAS 19.

The valuation for the 2021 financial year-end was performed by an Associate Actuary of the Actuarial Society of South Africa (AMASSA) and complies with the Professional Conduct Standards (PCSSA) and all other guidance of best practice as stipulated by APN301 for Post-employment Health Care Benefit Plans, the relevant professional guidance of the Actuarial Society of South Africa.

Plan Assets

Limpopo Economic Development Agency has not legally ring-fenced any assets to fund this liability and there are therefore no "Plan Assets" as defined in IAS 19.

The valuation for the 2021 financial year-end was performed by an Associate Actuary of the Actuarial Society of South Africa (AMASSA) and complies with the Professional Conduct Standards (PCSSA) and all other guidance of best practice as stipulated by APN301 for Post-employment Health Care Benefit Plans, the relevant professional guidance of the Actuarial Society of South Africa.

Plan Assets

Limpopo Economic Development Agency has not legally ring-fenced any assets to fund this liability and there are therefore no "Plan Assets" as defined in IAS 19.

The retirement medical benefit value is summarised below.

Defined benefit plan

Retired employees from Limpopo Economic Development Agency participate in Bonitas, Discovery Health, or Health Squared medical schemes.

The post employment subsidy policy is summarised below:

Members are entitled to a 60% subsidy of medical aid risk subsidy does not include any elected savings.
Dependants of members who die whilst in service are entitled to a 60% subsidy in medical aid risk contributions.
The subsidy does not include any selected.
Contributions towards loyalty reward programs such as Vitality are subsidised contributions.

The last external actuarial valuation was performed for the period as at 31 March 2025.

Carrying value

	2026 Unaudited	2025 Restated
Present value of the defined benefit obligation-wholly unfunded	(21 123 000)	(23 191 000)
Net actuarial (losses) gains not recognised	(1 162 000)	1 626 000
Contributions paid	2 753 000	(2 469 000)
Utilised during the year	(1 085 000)	2 911 000
	(20 617 000)	(21 123 000)
Non-current liabilities	(17 855 000)	(18 322 000)
Current liabilities	(2 762 000)	(2 801 000)
	(20 617 000)	(21 123 000)

The fair value of plan assets includes:

Movements for the year

	2026 Unaudited	2025 Restated
Opening balance	21 123 000	21 123 000

Net expense recognised in profit or loss

Key assumptions used

Assumptions used on last valuation

Discount rates used	9,50 %	9,50 %
Inflation rate	4,20 %	4,20 %
Healthcare cost inflation rate	6,20 %	6,20 %

Other assumptions

The contractual liability (contributions liability) is the present value of the employer's share of the total expected future postemployment contributions that will become payable in accordance with the assumptions.

Sensitivity Analysis
Health Care Cost Inflation

Medical scheme contributions have in the past increased at a significantly higher rate than general price inflation. On 31 March 2026 the implied consumer price inflation rate amounted to 5.76% per annum.

It would be appropriate to assume that medical scheme contributions will increase at a faster rate than the CPI, eg. CPI plus 2% per annum.

Mortality

There are no in service member eligible for post employment health care subsidisation therefore pre-retirement mortality is not applicable.

18. Other financial asset (At amortised cost)

Held to maturity

Long term investments	176 664 943	23 168 980
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Non-current assets

Long term investments	176 664 943	23 168 980
-----------------------	-------------	------------

Long term investments pledged as security**Investments pledged as security for contingent**

liabilities

12 362 200

12 362 200

A contract was entered into, in terms of which Eskom is required to build electricity infrastructure for MMSEZ. The agreement requires a security guarantee for electricity accounts. The guarantee is currently held by ABSA bank and earns interest at a prime linked rate. The amount of the guarantee is determined by Eskom from time to time based on estimated electricity charge. The amount will be paid over to Eskom by ABSA should MMSEZ fail to fulfil its financial obligations for the electricity accounts as required by the agreement. The security will only be extinguished 60 days following the lapse or termination of the electricity supply agreement with Eskom. The estimated completion date of the project is yet to be re-determined.

Investments pledged as security for contingent**liabilities**

liabilities

10 341 408

10 341 408

The electricity supply agreement also requires an early termination guarantee. The guarantee is also held by ABSA bank and earns interest at a prime linked rate. This guarantee amount will be paid over to Eskom should MMSEZ terminate its electricity supply agreement before the expiry of the 13th year agreement completion date. The estimated completion date of the agreement is yet to be redetermined. The guarantee amount will reduce by 1/10 (one tenth) per annum after four years from completion date of the electricity supply agreement

The interest is capitalised on the guarantees. The interest capitalised as at March 2026 financial year is R 1 189 168,47. The total cumulative interest capitalised since inception is R 6 473 029,87. An amount of R0,00 was utilised during the current financial year.

19. Additional Note

20. Environmental rehabilitation deposit

The environmental rehabilitation deposit comprise of the following components:

All listed below represents a cash deposit paid to the Department of Mineral Resources as guarantee for future rehabilitation activities on the prospecting areas and / or mining permit areas.

	2026 Unaudited	2025 Restated
Fumani Greenstone Project	1 958 904	1 958 904
Khumong Chrome Mine Project	70 000	70 000
Tshepong Chrome Mine Project	3 633 384	3 633 384
	5 662 288	5 662 288

During the period under review, the Strategic Partner in the Tshepong Chrome Mine project contributed an amount of R3 million towards the rehabilitation deposit. The Mining Right for this project was then executed on the basis of the payment of the remaining commitment approximating R7 million.

21. Inventories

Packing and Materials/Stationery and Consumables	8 317 513	8 543 375
Production supplies	2 095 276	2 541 940
Tea stock	68 434 766	68 399 277
GNT Inventories	14 822	-
Other inventories for sale	42 207	38 148
Diesel	-	19 366
	78 904 584	79 512 106

Inventory Reconciliation

Opening balance	79 469 297	79 672 139
Net: Purchase / issues	437 833	(88 886)
Transfers	(106 429)	(64 157)
Write offs	-	(16 484)
Other movements	(896 117)	9 493 494
	78 904 584	79 512 106

Inventory pledged as security

No inventory serves as security for any liabilities.

22. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	57 975	4 652
Bank balances	275 957 954	516 991 489
Short-term deposits	507 478 407	343 912 712
Other cash and cash equivalents	41 657 654	24 595 941
	825 151 990	861 154 794

22. Cash and cash equivalents (continued)**1. Eskom Guarantees - Account: 6900642659**

ABSA account number 6900642659 with a balance of R553 161 (2025: R553 161) is a security for Eskom guarantees entered between ABSA & Eskom for the Agency.

Eskom entered into an agreement with the Agency for electricity connections/ services with a condition that the Agency should pay a security deposit upfront or otherwise submit a bank guarantee letter issued by any of the financial institutions listed in the SLA in this case ABSA bank.

The Agency choose the bank guarantee option, and approached ABSA bank, for a bank guarantee to be issued to Eskom. Should the Agency fail to pay Eskom, Eskom will invoke the bank guarantee and ask ABSA to pay as the guarantor.

ABSA needed to protect itself against the risk of paying should the Agency default. Therefore, at their discretion ABSA in its agreement with the Agency requests for collateral deposit (security) in the form of a dedicated bank account & balance which can be revised upwards after some time. In this case, account # 6900642659 and the balance (R553 161) therein are collateral security for ABSA and hold R553 161 at year end.

22. Cash and cash equivalents (continued)

1. Eskom Guarantees - Account: 6900642659

ABSA account number 6900642659 with a balance of R553 161 (2025: R553 161) is a security for Eskom guarantees entered between ABSA & Eskom for the Agency.

Eskom entered into an agreement with the Agency for electricity connections/ services with a condition that the Agency should pay a security deposit upfront or otherwise submit a bank guarantee letter issued by any of the financial institutions listed in the SLA in this case ABSA bank.

The Agency choose the bank guarantee option, and approached ABSA bank, for a bank guarantee to be issued to Eskom. Should the Agency fail to pay Eskom, Eskom will invoke the bank guarantee and ask ABSA to pay as the guarantor.

ABSA needed to protect itself against the risk of paying should the Agency default. Therefore, at their discretion ABSA in its agreement with the Agency requests for collateral deposit (security) in the form of a dedicated bank account & balance which can be revised upwards after some time. In this case, account # 6900642659 and the balance (R553 161) therein are collateral security for ABSA and hold R553 161 at year end.

2. Eskom Guarantees - Account: 52642401795

On 14 October 2024, the Agency & Eskom entered into a guarantee (52642401795) with ABSA.

Eskom reference number 8329596336 is used as an account number for the guarantee. The guarantee amount is R1 878 666.67.

Eskom entered into an agreement with the Agency for electricity connections/ services with a condition that the Agency should pay a security deposit upfront or otherwise submit a bank guarantee letter issued by any of the financial institutions listed in the SLA in this case ABSA bank.

The Agency choose the bank guarantee option, and approached ABSA bank, for a bank guarantee to be issued to Eskom. Should the Agency fail to pay Eskom, Eskom will invoke the bank guarantee and ask ABSA to pay as the guarantor.

ABSA needed to protect itself against the risk of paying should the Agency default. Therefore, at their discretion ABSA in its agreement with the Agency requests for collateral deposit (security) in the form of a deposit payment of R1 878 666.67.

Guarantee reference number 52642401795 with a balance at year end is a collateral security for ABSA and hold R1 878 666.67 at year end.

Cash and cash equivalents pledged as security

Total cash and cash equivalents pledged as security for collateral liabilities

1 904 784

1 904 784

Limited Cession and Pledge in security for R1 060 000.00 of proceeds from Cash Investments with Absa Call deposit account number 9106512063, provided by Limpopo Economic Development Agency.

23. Share capital

Authorised

409 216 005 Ordinary shares of R1 each

409 216 005

409 216 005

Issued

Ordinary

409 216 005

409 216 005

4. Insurance contracts

Maturity profile

At each reporting date, the adequacy of the insurance liabilities is assessed. If that assessment shows that the carrying amount of the insurance liabilities (as measured under the FSV basis) is inadequate in light of the estimated future cash flows (based on the best estimate basis underlying the FSV basis, but excluding compulsory margins as described in SAP 104 as well as any additional discretionary margins), the deficiency is recognised in profit or loss.

Assumption

Investment return

Mortality

Expenses

Expenses inflation

Lapses (where relevant)

Surrenders (where relevant)

Margins

0,25% Decrease *

7,50% Increase

10,00% Increase

10,00% Increase

25,00% Increase

10,00% Increase

25. Investments Contracts

Opening balance

6 717 563

6 552 509

Adjustment on investment contracts

163 016

6 390

Investment returns

-

158 664

Closing balance

6 880 579

6 717 563

Maturity profile

In the ordinary course of business, the above liabilities are not expected to mature within the next twelve months, however, benefits due to death, surrender and paid-up transfers are expected. The estimated outflow is as follows:

Benefits to be paid within 12 months	-	-
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The fair value of the liability is set equal to the accumulated fair value of the underlying assets which are classified as Level 2 fair value assets.

Split between non-current and current portions

Fair value disclosures

Refer to note Fair value information for details of the fair valuation policies and processes.

Disposal of investment properties (Modilto & Mpumalanga)	3 095 000	3 095 000
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Reconciliation of contract liabilities

Opening balance	3 095 000	17 397 501
Payments received	-	19 278 239
Revenue recognised	-	(33 580 740)
Closing balance	3 095 000	3 095 000

Split between non-current and current portions

Current liabilities	3 095 000	3 095 000
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Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period.

27. Deferred income

Deferred income relates to conditional government grants received and not yet utilised.

27. Deferred income (continued)**Split between non-current and current portions**

	2026 Unaudited	2025 Restated
Non-current liabilities	470 176 310	267 211 091
Current liabilities	944 342 934	875 823 830
Total	1 414 519 244	1 143 034 921
Deferred income	2026	2025
Musina Makhado - Special Economic Zone	642 290 608	455 112 260
GNT Recapitalisation grant	297 368 621	200 896 342
Limpopo Connexion - Broadband grant	192 169 917	200 634 211
One Stop Shop	2 349 573	2 924 135
Revitalisation of industrial park	2 159 543	2 662 371
Limpopo Agribusiness	1 689 630	1 689 630
Digital Hub	11 455 505	12 889 403
Business Incubation Programme	195 836	308 329
Houses and CSIR assets	-	1 491 722
Fetakgomo Tubatse	249 249 047	250 204 013
LDARD Agribusiness	12 173 913	12 173 913
Asset realisation	3 417 051	2 115 583
Total	1 414 519 244	1 143 101 912
Reconciliation of deferred income movement	(21 123 000)	(23 191 000)
	2026	2025
Opening balance	1 143 101 915	979 386 359
Funding received	307 716 670	245 514 416
Expenses transferred to grant income	(36 299 341)	(81 798 863)
Closing balance	1 414 519 244	1 143 101 912

Nature and extent of deferred revenue grant - Agency

One Stop Shop (Deferred Revenue of 2026: R2 349 573; 2025: R2 924 135)

The grant was received from the Department of Trade and Industries for the development of the Limpopo One Stop Shop, the retrofit, furniture and high-end Audio visual equipment. The retrofit is complete, furniture and Audio-visual equipment is outstanding.

Revitalisation of Industrial Park (Deferred Revenue of 2026: R2 159 543; 2025: R2 662 371)

This is the confirmed investment amount of Sheshego Industrial Park phase 1B refurbishment of security features. The DTIC runs the revitalisation and/or refurbishment of state owned Industrial Parks throughout South Africa. LEDA is a beneficiary of the programme in Limpopo. Three IP (Sheshego, Nkowankowa and Thohoyandou) will be refurbished.

Digital Hub Fund (Deferred Revenue of 2026: R11 455 505; 2025: R12 889 403)

The purpose of the digital hub funding is to promote digital transformation in Limpopo Province. The funding to be used to establish new facilities that will assist in addressing the needs of the youth and the unemployment who wish to be gainfully employed either by seeking employment or through the establishment of enterprises. The facilities will offer various training programmes, high bandwidth and cutting edge technical facilities and services, as well as meeting rooms, event and training rooms.

Business incubation Program (Deferred Revenue of 2026: R195 836; 2025: R308 329)

The funding was allocated to provide a prompt remedial action to the challenges faced by Cooperatives and SMME's threatening the collapse of the majority of community enterprises due to the effect of COVID. The funding to be utilised to provide financial and non-financial support. The deferred income is the same as the Covid Relief grant that was received.

(FTIP) - DTI Grant - Tubatse (Deferred Revenue 2026: 249 249 047; 2025: R250 204 013)

This proposed Fetakgomo-Thubatse SEZ is conceived as a one-stop world-class integrated sector specific SEZ whose main objective is to develop a low carbon green energy economy which will offer promising opportunities not only to fight climate change, but to enhance energy security and develop local industries. The planning processes have progressed so well and the preparation for the implementation of the SEZ has reached admirable levels.

The implementation process would entail, project preparation for site development, roads, infrastructure, water requirements, electricity requirements, infrastructure roll-out, investment promotion projects and business deal brokerage, marketing of the SEZ and intensive stakeholder engagements.

Limpopo Agribusiness

Business Plan - The grant was received by Department of Agriculture for the use to undertake a comprehensive analysis and development a bankable business plan for restitution projects. Deferred Revenue 2026: R 1 689 630; 2025: R1 689 630).

Asset Realization

Deferred Revenue 2026: R 3 417 051; 2025 R 2 115 583.

This item of Deferred Income is made up of asset purchases. Funds receive for One stop shop, Digital Hub and Houses and CSIR assets used to purchase assets are moved to this account to facilitate realization via depreciation.

LDARD Agribusiness

Deferred Revenue 2026: R 12 173 913; 2025 R 12 173 913.04

The LDARD project is for the revitalization and agro processing value chain, one beneficiary (Kgarosi) has been identified and approved for the financial support.

Houses and CSIR Asset (Deferred Revenue of 2026: R0; 2025 R1 491 722)

This grant was received from the Department of Agriculture as well as the Department of Science and Technology (DST). A number of assets was bought for use by Venteco (Pty) Ltd at the Shiva Tea Estate for production purposes.

Operating grant (Deferred revenue of 2026: R 192 169 917; 2025: R200 634 211)

This grant was received from the Limpopo Department of Economic Development, Environment and Tourism (LEWDEST). The grant was used for designing, building, operating and maintaining a transmission carried broadband open accessed and affordable network infrastructure.

Great North Transport (Deferred revenue of 2026: R 297 368 621; 2025: R200 896 342)**Musina Makhado Special Economic Zone** (Deferred revenue of 2026: R 642 290 608; 2025: R455 112 260)

Musina Makhado Special Economic Zone has been allocated a grant to develop infrastructure assets that will be utilised taproot economic activities at the approved special economic zone and area of Musina and Makhado. The nature of the grant is capital and it is for development of bulk infrastructure assets. The entity accounts for the grant using the capital approach, therefore all grant income received will be deferred until recompilation of the asset.

28. Provisions

Reconciliation of provisions - Group - 2026

	Opening balance	Utilised during the year	Change in discount factor	2026 Unaudited Total	2025 Restated Amortised cost
Bonus Provision	Additions	4 198 698	(3 695 480)	-	4 198 698
Environmental Rehabilitation Provision	Utilised during the year	-	-	4 179 641	18 827 442
	18 343 281	4 198 698	(3 695 480)	4 179 641	23 026 140

Reconciliation of provisions - Group - 2025

	Opening balance	Utilised during the year	Change in discount factor	Total	Amortised cost
Bonus Provision	2 872 267	3 695 480	(2 872 267)	-	3 695 480
Environmental Rehabilitation Provision	10 798 621	2 583 086	-	1 266 094	14 647 801
	13 670 888	6 278 566	(2 872 267)	1 266 094	18 343 281

Non-current liabilities

18 827 442

14 647 801

Current liabilities

4 198 698

3 695 480

23 026 140

18 343 281

The bonus provision was in relation to the performance bonuses to employees.

The environmental rehabilitation provision is made to comply with the National Environmental Management Act (NEMA) and the Mineral and Petroleum Resources Development Act (MPRDA). Any disturbance to the environment caused during any phase under a right or permit issued by the Department of Mineral Resources should be restored to its natural state upon closure of any activities performed. The costs of restoration/rehabilitation remains the responsibility of the owner of that right or permit. The provision is made with the guidance as set out in IFRIC 1.

The Group makes full provision for the cost of rehabilitating mine sites and related production facilities (if applicable) at the time of developing the mines and installing and using those facilities.

The calculation of these provisions requires management to estimate the quantum and timing of future costs, taking into account the unique nature of each site, the long timescales involved and the potential associated obligations. These provisions have been created by and external independent expert. Assumptions based on the current economic environment have been made, which management believes are a reasonable basis upon which to estimate the future liability. These calculations also require management to determine an appropriate rate to discount future costs to their net present value as required by IAS 37. The discount rates applied are the percentages of yields on government bonds with maturities approximating the timing of expected cash flows for each project.

29. Employee benefits

Employee Benefits

Opening balance	5 319 000	4 681 168
Net expense/income recognised in profit or loss	(191 311)	-
Additions	1 022 000	1 590 464
Movement	(251 000)	(243 832)
Actuarial losses	176 000	146 700
Utilised during the year	(686 000)	(855 500)
	5 388 689	5 319 000
Non-current liabilities	3 676 558	4 274 912
Current liabilities	1 711 752	1 104 919
	5 388 310	5 379 831

29. Employee benefits (continued)

The long service award benefit value is summarised below.

The last actuarial valuation for the long service award was concluded for the year ended 31 March 2025.

During the valuation process the following key assumptions were used:

Discounted rate	9.10%	11.30%
Long Service Award Increase Rate	0.00%	0.00%
Inflation rate	4.10%	5.5%
Normal retirement age	65 years	65 years
Mortality - Pre-retirement Mortality	SA85-90(light)	SA85-90(light)

Accrued Liability

IAS 19 requires that entities should have provided for their liabilities by the time that the employee and/or their dependants become entitled to receive the benefits, which is usually the date of withdrawal, retirement or death-in-service.

Under the Projected Unit Credit method, the liability accrues uniformly whilst the member is in service. In this way, the liability may be divided into two parts for each current in-service member:

- the accrued (past service) liability, based on service to date relative to total potential service, and
- the future service liability, which relates to service not yet completed.

For example, consider an in-service member who has had 5 years' service at the valuation date, and has a further potential service period of 5 years. If the present value of the total liability at the valuation date is R100 000, then the accrued liability is 5/10 of R100 000.

Net Annual Cost

The accrued liability is expected to change each year, as a result of:

- the liability accrual in respect of having an additional year of service (leading to a current service cost);
- the unwinding of the discount rate as the discounting period reduces. This reflects the additional cost due to payments being one year closer to payment (resulting in the interest cost); and
- the employer benefit payments during the year that serve to reduce the liability (since the liability is a provision for future benefit payments).

The current service cost is calculated at the beginning of the year allowing for one year's interest using the discount rate at the start of the year.

The interest cost on the liabilities is based on the discount rate at the start of the year and is calculated allowing for expected benefit payments during the year.

A gain or loss arises in a particular year as a result of a change in actuarial assumptions and/or a difference between expected experience and actual experience.

Ignoring any gains or losses, the employer's net annual cost is the current service cost plus the interest cost on the liabilities.

Normal Retirement Age

The normal retirement date is 65. To allow for the impact of early retirements, we have assumed an expected retirement age of 63 years.

In the previous valuation, the expected retirement age was based on the normal retirement age and gender composition.

The expected average retirement age assumed for this membership was 63,8.

Discount Rate

The rate used to discount long service award benefit obligations should be determined by reference to market yields at the reporting date on high quality government bonds. We have set our recommended assumption with reference to the Nominal Bond Curve, as compiled by the Johannesburg Stock Exchange of South Africa, at the duration of the liabilities of 4 years. A discount rate of 9.10% per annum as at 31 March 2025 has been used. The discount rate has been based on the effective yield of government bonds of similar duration.

Long Service Award Increases Assumption

We have assumed that the long service awards amounts will not be increased.

Inflation

We calculated our inflation assumption as the difference between the discount rate and the real bond yield and adjusted for an inflation risk premium. The yield on a conventional bond is assumed to equal inflation plus the real yield on an index-linked bond plus an inflation risk premium. The long-term inflation was assumed to be 4.10% per annum on average.

Note that the inflation rate does not affect the liability and has been included only for comparison purposes.

30. First Home Finance Liability

First Home Finance Liability

COGHSTA First Home Finance funds

14 603 859

22 273 053

Risima Housing Finance Corporation (SOC) Limited has been appointed to administer and implement First Home Finance Programme (formerly named FLISP) by COGHSTA. R7.2 million (2025: R10 million) was received.

31. Trade and other payables

Financial instruments:

Trade payables

116 518 125

154 135 261

Debtors with credit balance

12 784 651

20 123 553

Deposits received

22 063 461

21 577 446

Amounts received in advance

15 091 271

15 688 762

Accrued leave

27 773 151

30 297 258

VAT

34 151 424

2 251 840

Operating lease payables (if immaterial)

20 543

-

Other payables and human resources payables

76 817 306

87 918 084

Unknown deposits

9 045 677

7 817 099

314 265 609

339 809 303

32. Non-current assets held for sale

The board of directors approved a decision to sell some of the Agency's Investment properties due to lack of return on those properties.

The properties (land & buildings) on sale were opened to the public to send offers to the Agency.

The cost to sale amongst others consist of advertising/publishing costs. (which were assessed as insignificant).

Sales are expected to be completed within 12 months from reporting date.

NEL

On 13 March 2025, the Prudential Authority withdrew the Company's insurance licence, resulting in the Company no longer being authorised to conduct insurance underwriting activities. Consequently, the Company ceased writing new insurance business and commenced the process of transferring its insurance portfolio to another licensed insurer in accordance with the Prudential Authority's directive.

Management has resolved to continue the Company's operations as a financial services provider (FSP) following the transfer of the insurance portfolio. The insurance underwriting operations represented a separate major line of business and have therefore been classified as a discontinued operation in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations, and at 31 March 2026 the operation is also classified as a disposal group held for sale.

The non-current assets held for sale are as follows:

Property, plant and equipment	1 069 832	1 069 832
Other assets (Net)	25 771 699	24 894 489
	26 841 531	25 964 321

33. Revenue

Revenue from contracts with customers

Sale of goods	2 321 320	2 095 963
Rendering of services	75 338 101	51 580 657
Rental income	155 176 556	155 261 156
Subsidies received from Department of Roads and Transport	227 222 282	222 716 430
Interest from housing loans and EDFD clients	76 528 191	78 717 968
Casual Revenue	59 069 264	60 872 079
Student revenue (business support)	3 507 941	4 863 956
	599 163 655	576 108 209

Contract Revenue - Students revenue

Student revenue arises from fees paid by the students to attend classes offered by the Agency' Training centres.

The student revenue comprises of the following:

Non-refundable application fee and Tuition fee

Refer to note 13 in the financial statements in respect of impairment of student balances.

Disaggregation of revenue from contracts with customers

The group disaggregates revenue from customers as follows:

Sale of goods

Sale of goods	2 321 320	2 095 963
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Rendering of services

Commissions received	71 303 886	48 433 500
Broadband Services Other	3 912 757	3 056 327
Revenue facility booking	121 458	90 830
	75 338 101	51 580 657

**Subsidies received**

Subsidies received from Department of Roads and Transport	227 222 282	227 222 282
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Contract revenue - Students revenue

Revenue 1	76 528 191	78 717 968
Casual revenue	59 069 264	60 872 079
Contract Revenue - Students revenue	3 507 941	4 863 956
	139 105 396	144 454 003

Total revenue from contracts with customers

Total revenue from contracts with customers	599 163 655	576 108 209
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Timing of revenue recognition**At a point in time**

Casual Revenue	59 588 082	60 872 079
Facility Bookings - LCX	121 458	359 225
Private hire	6 628 512	4 117 254
	66 338 052	65 348 558

Over time

Student revenue (business support)	3 507 941	4 863 956
Rendering of services	145 291 056	125 822 146
Rental Income	153 897 394	155 261 156
Subsidies received from Department of Roads and Transport	226 713 286	222 716 430
Sale of goods	3 415 926	2 095 963
	532 825 603	510 759 651
Total revenue from contracts with customers	599 163 655	576 108 209



33. Revenue (continued)**Transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied at the reporting date**

The transaction price which has been allocated to performance obligations which are unsatisfied or partially unsatisfied at the reporting date are presented below. All unsatisfied performance obligations are expected to be completed within one year from reporting date:

Transaction price allocated to:

Student Income received in Advance	599 163 655	576 108 209
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34. Cost of sales

Sale of goods	379 947	185 795
Rendering of services	14 006	51 715

Sale of goods

Rendering of services	379 947	185 795
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Rendering of services

Rendering of services	14 006	51 715
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35. Other operating income

Administration and management fees received	5 644 747	30 234 824
Fees earned	2 484 494	2 585 007
Commissions received	-	614 172
Royalties received	333 304	260 295
Bad debts recovered	408 487	-
Other recoveries	-	93 709
Municipal waiver on interest, penalties and Discount received	11 735 067	26 179 931
Sponsorship received	1 562 188	546 400
Other income	10 754 034	8 059 964
Bad debts recovered	12 103 226	6 316 183
	45 025 547	74 890 485

36. Government Grants

Government grants	599 163 655	576 108 209
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37. Other operating gains (losses)**Gains (losses) on disposals, scrappings and settlements**

		2026 Unaudited	2025 Restated
Investment property	5	-	26 340 087
Property, plant and equipment	3	(234 986)	(1 799 618)
Intangible assets	7	-	3 430 000
		(234 986)	27 970 469

Reversal of impairment losses

Property, plant and equipment	3	(234 986)	(1 799 618)
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Foreign exchange gains (losses)

Net foreign exchange loss	(852)	(88 420)	(1 799 618)
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Fair value gains (losses)

Biological assets	6	1	-
Financial assets designated as at fair value through profit or loss		(880 633)	(373 602)
		(880 632)	(373 602)
Total other operating gains (losses)	(852)	(1 120 259)	31 826 237

38. Operating profit (loss)

Operating (loss) profit for the year is stated after charging (crediting) the following, amongst others:

Auditor's remuneration - external

Audit fees	28 011 419	23 911 877	27 970 469
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Remuneration, other than to employees

Administrative and managerial services	59 731 910	64 105 017	(1 799 618)
Consulting and professional services	31 764 950	33 125 142	3 430 000
	91 496 860	97 230 159	27 970 469

Employee costs

Salaries, wages, bonuses and other benefits	528 306 232	488 340 646	(1 799 618)
Short-term benefit	6 627 851	7 725 993	(1 799 618)
Other short-term costs	50 196 320	50 513 768	(1 799 618)
Retirement benefit plans: defined contribution expense	1 836 608	1 923 030	(1 799 618)
Long term incentive scheme	25 000	48 000	3 430 000
Total employee costs	586 992 011	548 551 437	27 970 469

Leases

Short-term leases	1 874 916	2 210 837	(1 799 618)
Leases of low value assets	257 917	154 337	3 430 000
	2 132 833	2 365 174	27 970 469

Depreciation and amortisation

Depreciation of investment property on the cost model	7 195 264	7 300 744	(1 799 618)
Depreciation of property, plant and equipment	34 750 782	44 158 144	(1 799 618)
Depreciation of right-of-use assets	116 147 291	10 146 319	(1 799 618)
Amortisation of intangible assets	720 065	10 715 217	3 430 000
	158 813 402	72 320 424	27 970 469

Impairment losses**FINANCIAL REPORT**

38. Operating profit (loss)**Impairment losses**

Investment property	2 120 035	2 992 466	(1 799 618)
Property, plant and equipment	60 279 514	7 881 400	(1 799 618)
Intangible assets	-	15 828	(1 799 618)
Investments in subsidiaries, joint arrangements and associates	18 498 023	22 302 804	3 430 000
	80 897 572	33 192 498	27 970 469

Movement in credit loss allowances

Trade and other receivables	(18 000)	-	(1 799 618)
Loans to group companies	47 420 051	42 407 274	3 430 000
	47 402 051	42 407 274	27 970 469

Other operating expenses

Administration and management fees	(59 731 910)	(64 105 017)
Advertising	(3 269 125)	(2 299 634)
Amortisation	(720 065)	(10 715 217)
Auditor's remuneration - external audit	(28 011 419)	(23 911 877)
Bad debts	(29 769)	-
Bank charges	(2 545 976)	(2 389 968)
Cleaning	(537 966)	(690 804)
Commission paid	(656 193)	(1 083 891)
Computer expenses	(3 829 147)	(5 642 988)
Consulting and professional fees - legal fees	(1 347 368)	(2 867 513)

Consumables	(187 377)	(417 901)
Depreciation	(158 093 337)	(61 605 207)
Donations	(420 410)	(13 900)
Employee costs	(586 992 011)	(548 551 437)
Entertainment	(1 277 901)	(1 531 150)
Social responsibility expenses	(9 946 064)	(8 595 424)
Consumables	(4 700 115)	(3 744 648)
Seminar and events	(8 257 756)	(7 823 749)
Annual license	(8 113 210)	(8 330 468)
Sundry expenses	(5 261 795)	(9 800 008)
Director's fees	18 404 054	(6 897 794)
Insurance contracts	(27 200)	377 080
Ticket costs	(5 772 670)	(857 814)
Sanitation project expense	(446 954)	(1 169 955)
Youth entrepreneur project expense	(1 091 809)	(1 128 556)
Fines and penalties	(437 258)	764 520
IT expenses	(11 210)	(43 629)
Impairment	(80 897 572)	(33 192 498)
Insurance	(33 160 889)	(26 058 819)
Leases of low value assets	(257 917)	(154 337)
Levies	(1 237 533)	(1 340 460)
Motor vehicle expenses	(78 566 749)	(76 568 134)
Municipal expenses	(55 321 096)	(53 345 234)
Loans to group companies	42 407 274	3 430 000

FINANCIAL REPORT

Other expenses	(1 558 701)	(1 591 574)
Marketing expenses	(68 200)	(1 005 750)
Rent - Building and premises	(810 008)	(1 167 206)
Fire prevention costs	(18 155)	(34 423)
Placement fees	(160 776)	-
Postage	(271 090)	(114 453)
Printing and stationery	(2 491 725)	(1 720 284)
Protective clothing	(267 285)	(368 980)
Repairs and maintenance	(9 967 013)	(20 481 827)
Lease rentals on operating lease	(3 296 579)	(9 540 286)
Royalties and license fees	(78 078)	(94 545)
Security	(41 591 734)	(40 910 158)
Short-term leases	(1 874 916)	(2 210 837)
Sanitation project expense	(446 954)	(1 169 955)

38. Operating profit (loss) (continued)

Staff welfare	(278 761)	(312 213)
Subscriptions	(3 946 733)	(3 275 724)
Telephone and fax	(8 477 053)	(9 971 123)
Training	(1 064 999)	(902 236)
Transport and freight	(3 071 134)	(3 166 423)
Travel - local	(9 205 017)	(9 024 814)
Travel - overseas	(1 465 590)	(592 644)
	(1 243 134 846)	(1 100 479 560)

39. Investment income**Dividend income****Equity instruments at fair value through profit or loss:**

	2026 Unaudited	2025 Restated
Listed investments - Local	625 093	1 224 005

Equity instruments at fair value through other comprehensive income:

Unlisted investments - Local	202 703	-
	827 796	1 224 005

Interest income**Investments in financial assets:**

Bank and other cash	63 072 004	62 819 086
Other financial assets	5 971 685	7 667 629
	69 043 689	70 486 715
Total investment income	69 871 485	71 710 720

Investment income on financial instruments which are available for sale or held to maturity are only presented for comparative purposes for financial instruments held in the prior reporting period but which were disposed of prior to the beginning current reporting period, which is the date of adoption of IFRS 9 Financial Instruments. Investment income on all other financial assets has been reclassified in compliance with IFRS 9.

40. Finance costs

Trade and other payables	521 600	879 335
Lease liabilities	50 099 016	4 115 691
Bank overdraft	27 667	1 033 245
Unwinding of discount on provisions and other liabilities	4 179 641	1 266 094
Finance cost incurred or paid	9 722 062	17 641 403
	64 549 986	24 935 768

41. Other comprehensive income**Components of other comprehensive income - Group - 2026**

Gross	Tax	Net
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Items that will not be reclassified to profit (loss)

Remeasurements on net defined benefit liability/asset	(1 080 000)	-	(1 080 000)
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Items that will not be reclassified to profit (loss)**Remeasurements on net defined benefit liability/asset**

Remeasurements on net defined benefit liability/asset	(1 162 000)	-	(1 162 000)
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42. Employee costs**Employee costs**

Basic	496 726 757	463 709 413
Bonus	8 177 869	4 443 170
Medical aid - company contributions	92 889	135 043
Unemployment Insurance Fund	123 099	89 863
Workmen Compensation Association	-	273 880
Skills Development Levy	4 037 596	4 022 496
Other payroll levies	94 027	514 945
Leave pay provision charge	19 053 995	15 151 836
Short term benefit	6 627 851	7 725 993
Other short term costs	50 196 320	50 513 768
Retirement benefit plans	1 836 608	1 923 030
Long-term benefits - incentive scheme	25 000	48 000
	586 992 011	548 551 437

43. Depreciation, amortisation and impairment losses**Depreciation**

Property, plant and equipment	34 750 782	44 158 144
Right-of-use assets	116 147 291	10 146 319
Investment property on the cost model	7 195 264	7 300 744
	158 093 337	61 605 207

Amortisation

Intangible assets	720 065	10 715 217
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Impairment losses

Property, plant and equipment	60 279 514	7 881 400
Investment property	2 120 035	2 992 466
Intangible assets	-	15 828
Investments in subsidiaries, joint arrangements and associates	18 498 023	22 302 804
	80 897 572	33 192 498

Total depreciation, amortisation and impairment

Total depreciation, amortisation and impairment	2 120 035	2 992 466
Intangible assets	-	15 828
Investments in subsidiaries, joint arrangements and associates	18 498 023	22 302 804
	80 897 572	33 192 498

44. Cash (used in)/generated from operations

Profit (loss) before taxation	123 775 040	227 585 863
Adjustments for non-cash items:		
Depreciation, amortisation, impairments and reversals of impairments	217 247 600	80 542 598
Losses on sale of assets and liabilities	868 861	29 317 087
Losses on exchange differences	852	88 420
Fair value losses	17 492 651	20 005 386
Movements in provisions	474 733	1 960 597
Share of profit or loss of equity accounted investments	(250 755 391)	(182 928 972)
Other non cash	18 265 753	(22 430 469)
Net impairment and movement in credit losses	26 046 354	(22 705 781)
Operating lease	(2 045 046)	(4 068 623)
Movement in accrued 13th cheque	(754 281)	969 832
Actuarial loss / (gain) on net defined benefits	661 000	(2 021 300)
Movement in retirement benefit	(2 153 000)	(1 867 000)
Grant income recognised	(2 787 066)	(7 848 920)
Movement in contract liabilities	-	(33 580 740)
Loans receivable	(46 347 965)	(65 546 826)
Movement in accrued leave	(2 634 648)	2 367 814
Remeasurement on net defined benefit	-	(1 162 000)
Insurance service results	(5 956 041)	14 923 405
Premiums received	5 947 776	13 088 101
Claims and benefits paid	(8 797 157)	(28 772 810)

Adjust for items which are presented separately:

Interest income	(70 057 366)	(74 179 593)
Dividends received	(8 677 994)	(8 598 608)
Finance costs	64 549 986	23 194 779

Changes in working capital:

(Increase) decrease in inventories	569 373	575 849
(Increase) decrease in trade and other receivables	(25 687 529)	(6 197 366)
(Increase) decrease in prepayments	2 497 771	205 171
Insurance inner-excess fund	3 500 000	2 296 564
Increase (decrease) in trade and other payables	(43 599 276)	(9 622 028)
Increase (decrease) in deferred income	162 250 267	(37 018 548)
Increase (decrease) in contract liabilities	-	19 278 239
	173 895 257	(72 149 879)

45. Commitments**Contractual****Contractual commitments
Service Level Agreements**

Capital	512 346 383	274 863 353
Operational	50 867 624	79 150 521
	563 214 007	354 013 874

Not yet contracted for and authorised by directors

241 303 094	264 771 272
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LEDA entered into supplier service level agreements with supplier and specialised service providers. This also represent capital and operational expenditure contracts entered into for which work has not yet been committed at year-end by MMSEZ and committed expenditure relating to Infrastructure projects which are financed using the conditional grant. The movement in the commitment is as a result of payment made to contractors on the committed projects.

46. Contingencies

The following contingencies are in place, and are disclosed in the financial statements of the Group and its subsidiaries, namely:

CONTINGENT LIABILITIES

2026

Agency

1. Edmax CC

Description:

The plaintiff has brought a claim against LEDA on the basis that he has repaid the loan amount, interest and overpaid the Defendant for over R 100 000.00. Leda has advanced the loan in the amount of R 1 500 000 to Edmax CC on or about 11 July 2006. LEDA in turn denies that there was overpayment on the part of the loan on the part of the plaintiff. A special defence of prescription (Special plea) was also raised by LEDA against the plaintiff's claim arguing that summons was issued against her after 3 years of the alleged overpayment.

Status

Court papers were duly exchanged between the parties. The parties have not yet discovered the documents that each intends to use to prove or disprove each other's case.

Estimated amount: R351 661.44

2. Lihuvhani Gloria Simali N.O.

Description

The claimant is suing LEDA on behalf of the late estate of his father. She seeks an order from Court to compel LEDA to transfer 3 (three) vacant stands (situated in Thohoyandou-A) which sales were owned by his late father and were unlawfully acquired and registered into the name of LEDA. The Applicant's version is denied, and LEDA has pleaded that it lawfully acquired the properties in question and that it is the true and registered owner of the stands.

Our defence in the main is that the Applicant lacks the necessary standing to bring the application, in that the applicant was appointed as Executrix in the estate of her

late mother and the stands in question of which she claims, does not formed part of the estate of her late mother, as same was previously registered or owned by his late father. Furthermore her court papers lacks the necessary averments to sustain a cause of action in that she did not plead and averred that her late mother was married in community of property to his father and as such, the stands were part of the joint estate of her late mom an late father.

Status:

The matter was scheduled to be heard on the 6th of November 2024. However the matter was not proceeded with as the applicant intended to amend her founding affidavit. To date the amended affidavit have not yet been served and filed.

Estimated amount: R55 726.00

3. Motse-LMI CC

Description:

The Plaintiff is suing LEDA for payment of R781 457.62 for architectural, mechanical, electrical, and civil engineering services that was rendered for LEDA's One Stop Shop situated at the Gambling Board's Offices in Polokwane. LEDA denies liability and contends that the Plaintiff should provide supporting documents to prove its claim.

Status:

Trial date is allocated for 23 and 24 February 2026, High Court Polokwane.

Estimated amount: R1 291 493.49

4. Mathole Kgaugelo Whitney

Description:

The Plaintiff is suing LEDA for payment of R436 291,16 being damages which were suffered by her because her car was burned down. Her vehicle was at the time of the fire brought to our factory for repairs. The facility is leased by LEDA to the mechanic who was attending to the repairs. She contends that the fire was caused by our negligence in failure to maintain fire breaks at the Giyani Small Industries.

LEDA denies liability and contends that it is not at fault for the fire and resultant loss of the Plaintiff.

Status:

The matter is at discovery stage. Our attorneys has since drawn from the matter due to a dispute between him and LEDA as far as his fees are concerned. LEDA complained about the exorbitant fees charged and wanted the fees to be subjected to the Legal Practice Council for assessment.

Estimated amount: R 828 465.16

5. Sysman Technologies (Pty) Ltd

Description:

The plaintiff is suing LEDA for the sum of R5 230 562.00 in the alternative R2 173 132 alleged breach in a joint venture agreement entered into between LEDA and Sysman Technologies (PTY) LTD. The alleged breach relates to services rendered by the plaintiff in pursuant of the joint venture agreement.

LEDA has raise a number of defenses against the Plaintiff's claim which includes inter alia: that the matter ought to have been referred to mediation/arbitration as stipulated in the joint venture agreement;

That the Plaintiff's appointment is invalid as proper supply chain processes in line with section 217 (1) of the Constitution was not followed when the Plaintiff was appointed.

Status:

The parties have not yet discovered the documents to be used in support of the claim / defence. Our attorneys has since drawn from the matter due to a dispute between him and LEDA as far as his fees are concerned. LEDA complained about the exorbitant fees charged and wanted the fees to be subjected to the Legal Practice Council for assessment.

Estimated amount: R 5 743 091.05

6. Mateks

Description:

The Plaintiff is suing LEDA for the alleged interest of R 119 369.37 accrued from a non-payment of an invoice by LEDA from 19 December 2019 until 4th April 2020. The invoice for the supply and delivery of automotive tools at LEDA's Training Centre in Giyani is worth R 232 915, 86. Of which LEDA contends it has overpaid and has a counterclaim against Mateks.

Status:

Two judicial pre-trial conferences were held of which Plaintiff was unable to justify as to how it arrived at the R119 369.37.

The attorneys were instructed to file a counterclaim for the amount which was overpaid by LEDA to the Plaintiff. Our attorneys have not yet filed the counter claim as at the 3rd of February 2025 and they were reminded to do so urgently.

Estimated amount: R260 626,83

7. Department of Water and Sanitation

During the year under review, we received a statement of account from the Department of Water and Sanitation amounting to R10 284 543.81. The debt relates to water rights held by Ventecco and dates back to April 2023. Management is currently engaging with the department to verify the validity of the amount, as no supporting invoices have been received.

8. Vhembe District Municipality Debt Dispute

Description: During the current year under review (2026 FY) it was discovered that the municipality has been billing the entity on inaccurate meter billing and charging rates for properties not belonging to the entity.

Status:

The regional manager has since been in discussions and disputing the inaccurate billing.

Estimated amount: R18 074 701.42.

9. Elias Motswaledi Municipality debt

Description: During the current year under review it was discovered that there were properties under Elias Motswaledi municipality that were yet to be verified on deeds search with regards to ownership.

A deeds search report has not been received from the regional manager at the date of reporting. The municipality has billed a total of R96 506 to date and remains unpaid.

Status:

The total amount is still under dispute; physical verification of the properties and meters is still underway. At the date of reporting, the process has not yet reached completion.

MMSEZ

Dzomo la Mupo

The Applicant is seeking an order that MMSEZ SOC Ltd's application for an environmental authorisation be remitted to the DFFE alternatively, be referred to the LEDET for fresh determination. An order for costs, which costs to include the costs of three counsel in the event the MEC of LEDET and the Chief Director: ETP together with such other respondents as may oppose the application, to pay the costs of the application jointly and severally, such costs to include the costs of three counsel. The estimated cost is unquantifiable by year end.

The estimated cost is unquantifiable by year end.

Herd Nature Reserve

The Applicant is seeking an order reviewing and setting aside the decision of LEDET to grant environmental authorisation for the MMSZ on 23 February 2022. The estimated cost is unquantifiable by year end.

Vhembe Mineral Resources Stakeholders forum

This application is similar to the two mentioned above in that it also seeks to set aside both the decision to grant the EA and the appeal decision of the MEC. The estimated cost is unquantifiable by year end.

Tshiamiso Trading 135

The contractor appointed for the construction of roads and stormwater for the North site has issued a notice to claim cost relating to standing time amounting to R10 414 529.63 inclusive of VAT. The matter is currently before the Limpopo High Court.

Great North Transport

Labour Disputes

Litigation is in process against the company by former employees relating to labour disputes. The table below provides a summary of disputes.

Parties	Description	2026	2025
M.N. Gololo	Dismissal	R 3 036 272	R 3 036 272
NN Hlungwane	Dismissal	R 1 200 000	R 1 200 000
Moses Maluleka	Dismissal	Costs cannot be estimated reliably	—
P Motshana	Dismissal	Costs cannot be estimated reliably	—
TOWU obo 8 Employees	Dismissal	Cost cannot be estimated reliably	—
Mphela & 13 others	Dismissal	Cost cannot be estimated reliably	—
Rama wela Mosibudi and 13 others	Dismissal	Cost cannot be estimated reliably	—
TAWUSA obo Mangke	Dismissal	Cost cannot be estimated reliably	—
TAWUSA obo V Molemane	Dismissal	Cost cannot be estimated reliably	—
NUMSA obo Bettlhem Baloyi	Dismissal	Cost cannot be estimated reliably	—

A dispute with one of the potential bus service sub-contractors panelists amounting to R46,841,880.00 is currently subject to pending litigation. The claim is considered unreasonable due to the absence of a signed Service Level Agreement.

Litigation is in the process against the company relating to the loss of income, suffering / trauma and medical expenses, after Mr T.A. Manzini was shot at by another employee on company premises. The amount of the claim is R2.5 million.

Contingent liability exist in respect of the contractual dispute with the contracted bus operator, Kopano Transport Services, for subsidy claims above the contracted rates. The matter is currently being dealt with by means of arbitration process as per agreement between the two parties.

The Company is sued R900 000 by D. Maila for defamation of character. Litigation matter still pending.

The company is sued by Makoana Dominic Ngoepe for R400 000 for defamation of character. Litigation matter still pending. The company is being sued for R760 000 for breach of contract under purchase order by Herodity Devine. Litigation matter still pending.

Litigations is in progress over a contractual dispute with the former security services company claiming R19.1 million over security fees rates paid.

Potential liability amounting R18 546 000 exist regarding possible compensation to former and current GNT employees resulting from the investigations conducted on the historical handling of the Great North Transport pension and provided funds arrangements.

Management is of the opinion that, after consultation with the company's legal advisors, the above claims, which amount to an estimated total R93 284 152 million against the company will not succeed and has therefore not provided for any losses.

46. Contingencies (continued) Corridor Mining Resources

Litigation is in the process against the company relating to a dispute with a community (Pulana Maroga) who wants to claim rental payment for use of land for a period that had ceased after the expiration of the mining permits according to the rental agreement. The amount claim is R 1 066 500 and interest at 10.5% from the date of summons since (19/08/2021). The company is defending the matter. The group's lawyers and management consider the likelihood of the action against the company being successful as unlikely, and the case should be resolved within the next two years.

The current estimated cost at year end 31 March 2026 amounts to R1 583 154 (2025: R1 471 171).

Litigations are in progress against the company relating to a security service provider, Matswiki Traders (Pty) Ltd that continued providing services at the mine site despite the ending of the contract with Corridor Mining Resources SOC Ltd. The service level agreement (SLA) specifically states the commencement and termination date of the services. The service was provided for an additional 4 months and a claim amounting to R398 600 is being

demand. The company is defending the matter. The company's attorneys and management consider the likelihood of the action against the company being successful as unlikely, therefore, no liability has been raised for this matter.

An ex-partner in Rock Island Trading 17 (Pty) Ltd has claimed that CMR owes him an amount from the purchase of his share of R2million. The share purchase agreement indicates that the monies was to be injected into the project, not payable to him as an individual.

Management considers the likelihood of the action against the company being successful as unlikely, therefore, no liability has been raised for this matter.

Dilokong Chrome Mine (DCM) applied for section 102 to include platinum group metals (PGMs) into its mining right. Area is the same as where Autumn Star was granted mineral rights for PGMs. Autumn Star approached the courts to interdict DMRE from approving the section 102 application by DCM.

Management considers the likelihood of the action against the company being successful as unlikely, therefore, no liability has been raised for this matter.

Matter	Description	2026	2025
Dilokong Chrome Mine	Matter is pending. Notice of motion (Application) issued at Court. There is no record of whether notice to oppose was filed by respondents.	5 440 000	—
JB Sheffer - Rock Island	Matter is pending, pleadings have closed. Pre-trial conference needs to be held.	5 000 000	—
Pulana Maroga Community Trust	Pending, pleadings closed. Must do discovery of documents, then a pre-trial conference needs to be held.	1 300 000	—
Khumong Chrome	Section 96 Appeal pending at DMRE. PAIA, objection and notice to compel are all pending and CMR is defending them all through our appointed Attorneys.	5 000 000	—
Fumani - Homu Ya Ntima	Matter is before High Court. CMR is defending the matter. Notice to oppose matter was filed by CMR's attorneys.	2 000 000	—
Matswiki Traders (Pty) Ltd	CMR is defending the matter. Notice to defend the matter was filed at court.	398 600	—
Total Estimated Cost		19 138 600	—

FINANCIAL REPORT

Tshepong Chrome Mine SOC Ltd

During May 2020 a full refund by SARS was made amounting to R3 496 507 but did not reflect in the bank account of Tshepong Chrome Mine. Upon enquiries it was identified a suspected fraudulent activity was committed and that banking details were amended on the SARS system, which was not authorised by management. Investigations relating to fraud committed at SARS regarding the refund of the VAT amount revealed that the amount was released into a perpetrator's bank account after successfully amending banking details at the SARS tax practitioner branch in Pretoria. SARS fraud division commenced with their investigations and the incident was reported to SAPS. A full report on the incident is available, however, due to the matter not being finalised with SAPS, the report is made known only to those charged with governance.

After the above, SARS VAT division instituted a VAT audit on all these refundable periods that were paid to the fraudster. They identified that the period of continuous trade was insufficient to adhere to the required definition between the end of opencast and the beginning of underground mining period and issued VAT217's to reverse these periods amounting to R1 855 407.43. Now SARS VAT division seemed unaware that the funds were not released to Tshepong and referred the debt to the Debt Management Division.

The Debt Management division of SARS is claiming the funds released to be refunded as per the conclusion of the VAT audit outcome. This dilemma is still ongoing as Tshepong Chrome Mine was never the recipient of those refunds, the perpetrator was. A TPA was placed on the Tshepong Bank Account and to date an amount of R230 377 was withdrawn by SARS in September 2021.

The Debt Management division was made aware of the situation, but to date no clear outcome has been received from SARS. According to SARS Debt Management, Tshepong Chrome Mine SOC Ltd owes an amount of R2 461 033.93 including penalties and interest (up to 21 January 2026) and have issued a final demand letter.

Management is of the opinion that Tshepong Chrome Mine does not owe this money to SARS as it was never the recipient of the refund that were subsequently reversed by the VAT217s. SARS is still in the process of the investigation and poor communication between the Fraud, VAT and Debt Management divisions at SARS has led to this situation. The company is defending the matter.

46. Contingencies (continued)

The company's management consider the likelihood of the action against the company being successful as unlikely, therefore, no liability has been raised for this matter.

FTIP

Eskom Guarantee

At the reporting date, Fetakgomo Tubatse Industrial Park SOC Ltd has a bank guarantee issued by Absa Bank Limited in favour of Eskom Holdings SOC Limited with a maximum exposure of R1 578 000. The guarantee was provided as security for obligations arising from damage to, theft of, or compromise of electrical equipment and internal electrical infrastructure relating to the Fetakgomo Tubatse Industrial Park development.

The guarantee is supported by restricted cash held in an ABSA security account (account number 9403545961), which is not available for general operational purposes and serves as collateral for the guarantee.

The guarantee is callable upon written demand by Eskom. At the reporting date, no demand has been received, and management has assessed that the likelihood of an outflow of economic resources arising from this guarantee is remote.

At reporting date, no claim has been made against the guarantee and management does not expect that a claim will arise.

Afriboa contract-Professional fees

During the financial year, professional service fees invoiced by a contractor were withheld and remain unpaid, as the expenditure was assessed as irregular due to non-compliance with applicable procurement legislation.

The irregularity relates to the duplication of professional services already contracted and approved under a separate service level agreement. Management has suspended further payments pending the outcome of an investigation, legal review, and consideration of condonation or alternative remedial action in terms of applicable legislation.

As at the reporting date, the enforceability of the contractor's claim is uncertain, and no present legal or constructive obligation

to settle the amount has been established. Accordingly, no provision has been recognised. The maximum potential exposure in respect of the unpaid professional fees amounts to R3 358 378.31. The ultimate outcome will depend on the conclusion of ongoing investigations, legal advice received, and decisions by the relevant authorities.

Management is of the view that an outflow of economic resources is not probable at this stage.

CCMA Dispute-M Tebele

The employee Mr. Tebele was appointed as manager: electrical engineer from the 1st January 2026 to 27th March 2026. The post as advertised required that the official appointed be registered with ECSA. On application for the position, Mr. Tebele included in his CV that he is registered with ECSA and attached an old certificate with the application. The official was appointed on condition that he submits an updated registration certificate with ECSA. The employee failed to produce the updated certificate and the employer terminated the contract with Mr. Tebele.

Mr. Tebele following his termination has made a case of unfair dismissal with the CCMA. In the case Mr. Tebele is asking to be reinstated. FTIP expects CCMA to rule in its favour.

2026 CONTINGENT ASSETS MMSEZ

Tshiamiso Trading 135

MMSEZ lodged a counter claim against Tshiamiso Trading for R64 354 622,28. The matter is currently before the Limpopo High Court.

NEW ERA

TransAfrica

New Era Life Insurance SOC Ltd ("NEL") previously maintained a binder arrangement with Trans Africa, under which Trans Africa acted as an intermediary in relation to certain funeral insurance policies underwritten by NEL. The binder agreement was terminated on 2 May 2022, with the termination becoming effective on 31 August 2022 following the expiry of the contractual notice period.

Following the termination of the agreement, disputes arose between the parties concerning various contractual, operational, and financial matters relating to the former business relationship. These disputes remain unresolved and are currently subject to legal and/or dispute-resolution proceedings.

Estimate: A contingent asset of approximately R60 million

2025 CONTINGENT LIABILITIES AGENCY

1. Edmax CC

DESCRIPTION:

The plaintiff has brought a claim against LEDA on the basis that he has repaid the loan amount, interest and overpaid the Defendant for over R100 000,00.

LEDA has advanced the loan in the amount of R1 500 000 to Edmax CC on or about 11 July 2006. LEDA in turn denies that there was overpayment on the part of the loan on the part of the plaintiff.

A special defence of prescription (Special plea) was also raised by LEDA against the plaintiff's claim arguing that summons was issued against after 3 years of the alleged overpayment.

STATUS

Court papers were duly exchanged between the parties. The parties have not yet discovered the documents that each intends to use to prove or disprove each other's case. Court papers were duly exchanged between the parties.

The parties have not yet discovered the documents that each intends to use to prove or disprove each other's case.

Estimated amount: R293 945.

2. Livhuwani Gloria Sinali N.O.

The claimant is suing LEDA on behalf of the late estate of his father. She seeks

an order from Court to compel LEDA to transfer 3 (three) vacant stands (situated in Thohoyandou-A) which she claims were owned by his late father and were unlawfully acquired and registered into the name of LEDA. The Applicant's version is denied, and LEDA has pleaded that it lawfully acquired the properties in question and that it is the true and registered owner of the stands.

Our defence in the main is that the Applicant lacks the necessary standing to bring the application, in that the applicant was appointed as Executrix in the estate of her late mother and the stands in question of which she claims, does not formed part of the estate of her late mother, as same was previously registered or owned by his late father. Furthermore, her court papers lacks the necessary averments to sustain a cause of action in that she did not plead and averred that her late mother was married in community of property to his father and as such, the stands were part of the joint estate of her late mom an late father.

STATUS:

The matter was scheduled to be heard on the 6th of November 2024. However, the matter was not proceeded with as the applicant intended to amend her founding affidavit. To date the amended affidavit have not yet been served and filed.

Estimated amount: R227 226.

3. Mike's Chicken (In Liquidation)

Description:

The Plaintiff is suing Mashashane Hatchery for payment of R 163 641.30 - for 1-day old chicks which were sold and delivered. Mashashane has filed a counterclaim amounting to R563 500.00 against the legal suit for goods sold and delivered. (Chicken eggs). However, our chances of recovery are slim in that the company is insolvent even if we were to succeed with the counterclaim. In the alternative we have also raised the defence of prescription against the claim.

Status:

Attempts to contact the liquidator in order to table settle proposals were futile. However, we have written to the Master Office in order to assist us with the contact details of the liquidator to enable us to table our offer. We have not yet received a response from the Master pertaining to our request.

4. Motse-LMI CC**Description:**

The Plaintiff is suing LEDA for payment of R781 457.62 for architectural, mechanical, electrical, and civil engineering services that were rendered for LEDA's One Stop Shop situated at the Gambling Board's Offices in Polokwane. LEDA denies liability and contends that the Plaintiff should provide supporting documents to prove its claim.

Status:

Trial date is allocated for 23 and 24 February 2026, High Court Polokwane.

Estimated amount: R1 235 025.74

5. Mathole Kgaugelo Whitney**Description:**

The Plaintiff is suing LEDA for payment of R436 291,16 being damages which were suffered by her because of her car was burned down. Her vehicle was at the time of the fire brought to our factory for repairs. The factory is leased by LEDA to the mechanic who was attending to repairs. She contends that the fire was caused by our negligence in failure to maintain fire breaks at the Giyani Small Industries.

LEDA denies liability and contends that it is not fault for the fire and resultant loss of the Plaintiff.

Status:

The matter is at discovery stage.

Our attorneys has since drawn from the matter due to a dispute between him and LEDA as far as his fees are concerned. LEDA complained about the exorbitant fees charged and wanted the fees to be subjected to the Legal Practice Council for assessment.

Estimated amount: R 977 107.74

6. Landani Gearbox and Chuff Repairs**Description:**

The Plaintiff is suing LEDA for payment in the amount of R 1 396 794,02, for damages allegedly suffered as a result of then Plaintiff's equipment being burned during a fire at one of the adjacent units in the industrial area and for loss of income. The Plaintiff alleges that the fire was caused by LEDA's negligence in failing to maintain fire breaks at the Giyani Small Industries.

Status:

An exception to the particulars of claim was filed by LEDA on the basis that the summons was vague and embarrassing. The exception was to be heard on 21 October 2024.

Exception was not heard on the said date due to the plaintiff late filing of an application to amend her particulars of claim. We have filed a notice to oppose the application for the filing of the amended particulars of claim. In January 2025 we have discovered that the close corporation was deregistered in 2011 and that it was still deregistered when it issued summons against LEDA. We have instructed our attorney to raise a point in limine with the view of having the claim being dismissed against LEDA for lack of locus standi on the part of the close corporation. Accordingly, the estimated legal costs may be come down to about R80 000,00 if LEDA's point in limine is upheld and in the absence of an appeal being noted against the decision to with uphold the point in limine.

Estimated Amount: R2 170 074.82

7. Sysman Technologies (Pty) Ltd

Description:

The plaintiff is suing LEDA for the sum of R5 230 562.00 in the alternative R2 173 132 alleged breach in a joint venture agreement entered into between LEDA and Sysman Technologies (PTY) LTD. The alleged breach relates to services rendered by the plaintiff in pursuant of the joint venture agreement. LEDA has raised a number of defenses against the Plaintiff's claim which includes inter alia: that the matter ought to have been referred to mediation/arbitration as stipulated in the joint venture agreement; That the Plaintiff's appointment is invalid as proper supply chain processes in line with section 217 (1) of the Constitution was not followed when the Plaintiff was appointed.

Status:

The parties have not yet discovered the documents to be used in support of the claim / defence. Our attorneys has since drawn from the matter due to a dispute between him and LEDA as far as his fees are concerned. LEDA complained about the exorbitant fees charged and wanted the fees to be subjected to the Legal Practice Council for assessment.

Estimated amount: R 7 394 248.70

8. Mateks

Description:

The Plaintiff is suing LEDA for the alleged interest of R 119 369.37 accrued from a non-payment of an invoice by LEDA from 19 December 2019 until 4th April 2020. The invoice for the supply and delivery of automotive tools at LEDA's Training Centre in Giyani is worth R 232 915, 86. Of which LEDA contends it has overpaid and has a counterclaim against Mateks.

Status:

Two judicial pre-trial conferences were held of which Plaintiff was unable to justify as to how it arrived at the R119 369.37. The attorneys were instructed to file a counterclaim for the amount which was overpaid by LEDA to the Plaintiff. Our attorneys have not yet filed the counter claim as at the 3rd of February 2025 and they were reminded to do so urgently.

Estimated amount: R 267 938.21

MMSEZ

Dzomo la Mupo

The Applicant is seeking an order that MMSEZ SOC Ltd.'s application for an environmental authorisation be remitted to the DFFE alternatively, be referred to the LEDET for fresh determination. An order for costs, which costs to include the costs of three counsel in the event the MEC of LEDET and the Chief Director: ETP together with such other respondents as may oppose the application, to pay the costs of the application jointly and severally, such costs to include the costs of three counsel. The estimated cost is unquantifiable by year end.

Herd Nature Reserve

The Applicant is seeking an order reviewing and setting aside the decision of LEDET to grant environmental authorisation for the MMSEZ on 23 February 2022. The estimated cost is unquantifiable by year end.

Vhembe Mineral Resources Stakeholders forum

This application is similar to the two mentioned above in that it also seeks to set aside both the decision to grant the EA and the appeal decision of the MEC. The estimated cost is unquantifiable by year end.

47. Related parties

Relationships

Relationship

Ultimate holding company

Holding company

Subsidiaries

Joint ventures

Associates

Subsidiaries received (Great North Transport (Soc) Ltd)

Permission to occupy land for agricultural purposes and project revenue

Special Economic Zone - Funding

Funding partner

Post-employment benefit plan for employees of a related party or a close family member of key management

Related party

Limpopo Department of Economic Development, Environment and Tourism (LEDET)

Limpopo Department of Economic Development, Environment and Tourism (LEDET)

Refer to note for relationships, transactions and balances 8 & 9

Refer to note for relationships, transactions and balances 8 & 10

Refer to note for relationships, transactions and balances 9 & 10

Limpopo and Mpumalanga Departments of Roads and Transport

Limpopo Department of Agriculture

Department of Trade and Industry

Department of Trade, Industry and Competition (DTIC)

Multikor

Metropolitan

Medscheme

Southern Life

Related party balances

Loan accounts – Owing (to) by related parties

BEE Partners - Autumn Star Trading

1 600 000

1 600 000

Sefateng Chrome Mine

43 928 034

51 828 034

Rock Island Trading 17 (Pty) Ltd (CMR)

47 874 628

43 006 847

Refer to note 10 for detail on all loans to/(from) group companies for Limpopo Economic Development Agency.

Trade and Other receivables- Sundry debtors - Directors fees

Mr M Makwana	227 866	227 866
Adv TM Ncube	40 959	40 959
Mr MS Ralepipi	64 362	64 362
Mr MS Shingange	39 437	39 437
Ms MR Nkadameng	84 473	84 734
Mr Maphutha	24 519	24 519

Related party transactions**Interest paid to (received from) related parties**

Rock Island Trading 17 (Pty) Ltd	-	5 111 997
Vanadium & Magnetite Exploration & Development Co. (SA) (Pty) Limited	-	789 213

Grants received from shareholder

LEDET – Received during the year	478 194 322	660 048 522
LEDET – Deferred income realised during the year	-	52 426 202

Sale to related parties

Mados Trading Establishment (Pty) Ltd	1 672 220	1 305 927
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Income from related parties

Mados Trading Establishment (Pty) Ltd	538 552	3 349 335
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Compensation to directors and other key management

Refer to note 50 for details on compensation paid to directors and other key management for Limpopo Economic

Development Agency and its subsidiaries (the Group).

-	-
-	-

48. Directors' emoluments**Executive – Group**

Key Management Personnel	Basic salary	S&T	Total
MC Mokoma (MMSEZ)	1 342 150	-	1 342 150
S Ramusi (MMSEZ)	1 967 912	26 006	1 993 918
Dr. S.H.M. Nokaneng (Risima)	5 958 142	-	5 958 142
IT Bologo (MMSEZ)	2 645 057	189 404	2 834 461
R Zitha (MMSEZ)	2 195 267	38 143	2 233 410
J.M. Mokoele (GNT)	2 481 541	74 235	2 555 776
M.M.M Majake (New Era)	2 604 679	18 507	2 623 186
RB Ramashobane (LCX)	1 466 816	16 503	1 483 319
KR Nkadimeng (CMR)	916 599	-	916 599
ND Maloba (CMR)	3 021 807	-	3 021 807
T Rantletse (Risima)	2 658 158	6 603	2 664 761
T Bakgethi (Risima)	3 669 506	9 086	3 678 592
M Ramushu (MMSEZ)	2 259 780	80 356	2 340 136
Bunjivwe Gwebu	2 415 225	64 660	2 479 885
Mahubila Monakedi	2 056 355	151 453	2 207 808
	37 658 994	674 956	38 333 950

LEDA Executive Agency

Ms PM Moshidi	2 481 541	74 235	2 555 776
Mr MS Raophala	2 303 770	8 484	2 312 254
Mr MN Schabeleng	2 604 679	18 507	2 623 186
Mr TR Makhuvha (GCEO)	2 656 307	19 639	2 675 946
Mr NB Mokobane (GCOO)	3 110 943	59 851	3 170 794
Ms L Mavhusa CA (SA) (GCFO)	3 126 828	11 462	3 138 290
Ms NPC Serumela	2 034 194	12 900	2 047 094
Mr SH Maphutha	2 601 031	6 371	2 607 402
Mr J Ngobeni (GCEO)	1 619 546	-	1 619 546
Total – LEDA Executive Agency	22 538 839	211 449	22 750 288
	60 197 833	886 405	61 084 238

48. Directors' emoluments**2025**

Key Management Personnel	Basic salary	S&T	Total
MC Mokoma (MMSEZ)	610 400	-	610 400
S Ramusi (MMSEZ)	1 697 254	22 545	1 719 799
Ms. M Mogashoa (GNT)	2 050 402	411 658	2 462 060
M.L.A. Masoga (MMSEZ and Agency)	3 269 603	70 716	3 340 319
Dr. S.H.M. Nokaneng (Risima)	4 935 631	22 290	4 957 921
Mogano (GNT)	1 204 707	346 975	1 551 682
IT Bologo (MMSEZ)	1 678 351	-	1 678 351
R Zitha (MMSEZ)	1 716 723	107 139	1 823 862
N Essa (GNT)	1 990 584	474 979	2 465 563
J.M. Mokoale (GNT)	2 456 800	317 782	2 774 582
M.M.M Majake (New Era)	2 937 142	-	2 937 142
RB Ramasobane (LCX)	2 873 243	37 483	2 910 726
KR Nkadameng (CMR)	2 931 047	-	2 931 047
ND Maloba (CMR)	2 422 127	-	2 422 127
S. N Kgopong (FTIP)	2 757 694	75 484	2 833 178
T Rantletse (Risima)	2 128 712	18 476	2 147 188
T Bakgethi (Risima)	3 325 389	28 488	3 353 877
T G Mojapelo	841 699	-	841 699
MM Nkosi	2 299 479	-	2 299 479
Bunjwe Gwebu	2 454 930	48 923	2 503 853
	46 581 917	1 982 938	48 564 855

**Agency**

Ms PM Moshidi	2 242 510	26 557	2 269 067
Mr MN Molefane	1 732 459	24 428	1 756 887
Mr MS Raophala	2 269 046	3 727	2 272 773
Mr MS Nchabeleng	2 552 875	9 856	2 562 731
Ms NPC Molewa	1 840 037	11 869	1 851 906
Mr TR Makhuvha (GCEO)	4 497 224	61 560	4 558 784
Mr NB Mokobane (GCOO)	3 070 981	45 493	3 116 474
Ms L Mavhusa CA (SA) (GCFO)	2 460 157	14 843	2 475 000
Mr F Magidi (GCFO)	1 014 028	1 100	1 015 128
Mr MLA Masoga	840 152	-	840 152
Mr M Maphutha	2 562 099	3 756	2 565 855
	25 081 568	203 189	25 284 757
	71 663 485	2 186 127	73 849 612



48. Directors' emoluments (continued)**Non-executive****2026**

Key Management Personnel	Basic salary	S&T	Total
Mr TC Lithole (Chairperson-MMSEZ)	12 015	3 048	15 063
Ms TP Nkambule (Deputy Chairperson-MMSEZ)	12 015	1 839	13 854
Mr AJ Malele	230 895	18 449	249 344
Mr ZS Makhubela	95 756	10 637	106 393
Ms Magadgela CA (SA)	505 545	12 251	517 796
Adv MA Mahafa	126 116	47	126 163
Ms RR Molapo	111 018	12 316	123 334
M Ramabulana	4 005	-	4 005
N Serote	17 578	-	17 578
Pj Chovani	41 449	-	41 449
T Tshikhuthamalema	32 440	1 375	33 815
Mr CC Nkadimeng-Non-executive	186 966	2 788	189 754
Independent - Deputy Chairperson	-	-	-
Mr M Maphutha - Non-executive Independent	279 130	-	279 130
Mr MS Ralebipi-Non-executive Independent	96 947	2 817	99 764
Adv Malatji	32 440	1 142	33 582
Mr CA Chikane- Non-executive Independent	362 927	8 455	371 382
MO Phasha	85 628	502	86 130
TC Nkadimeng	171 935	-	171 935
CA Chikane	516 751	121 703	638 454



N Pitso	83 539	-	83 539
K.m. Motshega	4 578	10 561	15 139
D.E. Tshievhase	28 035	20 036	48 071
R. Maharaj	28 032	15 692	43 724
N.I Masekweneng	32 040	-	32 040
M.A Mphahlele	218 028	-	218 028
M.M. Ramadwa	32 040	31 341	63 381
F Malaza	142 215	-	142 215
J.A Malele	259 149	5 903	265 052
V. Mashabane	134 063	-	134 063
T.M Ncube	124 671	-	124 671
A L Denge	24 030	5 302	29 332
Adv L N Tshisikule	20 025	1 597	21 622
S Shaikh	32 046	2 322	34 368
NJ Mphane	19 944	2 048	21 992
S.C. Nkadameng	97 957	5 575	103 532
E. Mushwana	133 242	10 564	143 806
PC Mukwevho	44 051	15 542	59 593
FP Mugivhi	70 031	9 352	79 383
LM Mabunda	103 305	19 176	122 481
F Magidi	76 088	16 878	92 966
SM Mashita	73 466	10 822	84 288
K Mahuwa	111 536	464	112 000





SV Chepape	173 019	-	173 019
RP Ragimana	179 015	2 904	181 919
PA Mafologelo	111 275	-	111 275
E Thuketani	30 038	2 675	32 713
NT Mathabatha	33 542	-	33 542
A Kale	34 263	2 424	36 687
Prof RL Howard	142 273	5 256	147 529
Dr MH Lekota(MMSEZ)	32 995	-	32 995
BR Shibambu	250 444	21 081	271 525
K.M. Ramukumbu	48 483	38 892	87 375
SR Zikode	116 145	21 060	137 205
TP Sebola	172 523	49 474	221 997
MM Moatshe (MMSEZ)	184 093	8 372	192 465
MA Mphahlehle-MMSEZ	278 542	8 904	287 446
Dr NF Mphephu-MMSEZ	391 509	62 340	453 849
M Muavbe-MMSEZ	100 626	3 940	104 566
IM Mamabolo-MMSEZ	32 040	18 498	50 538

**48. Directors' emoluments****2025**

TJ Motswaledi-MMSEZ	98 483	7 063	105 546
AMR Mahosi-MMSEZ	29 417	4 613	34 030
MP Kutama-MMSEZ	29 037	15 754	44 791
ST Nkoana-MMSEZ	21 371	3 185	24 556
M Tsedu	20 025	502	20 527
T Madzivhandila-MMSEZ	24 030	11 197	35 227
SG Thobejane	80 199	627	80 826
RR Molapo	32 040	2 400	34 440
	7 459 094	671 705	8 130 799



48. Directors' emoluments (continued)**2025**

Non-Executive Directors	Basic salary	S&T	Total
M Maphuta	282 285	4 714	286 999
Ms Ralebipi	362 927	8 455	371 382
N Magadgela	138 336	5 184	143 520
MO Phasha	35 844	-	35 844
TC Nkadimeng	171 935	20 675	192 610
F Malaza	142 215	8 464	150 679
MA Mphahlele	278 542	8 904	287 446
CA Chikane	516 751	115 911	632 662
Adv. TM Ncube	186 966	2 788	189 754
NI Masekwenang	32 040	2 712	34 752
JA Malele	259 149	5 903	265 052
V Mashabane	134 063	3 969	138 032
K Mahuwa	111 536	464	112 000
TM Ncube	124 671	5 258	129 929
TC Lithole	161 498	35 524	197 022
S Sebola	24 030	-	24 030
SC Nkadimeng	205 523	32 043	237 566
E Mushwana	133 242	10 564	143 806
SV Chepape	173 019	-	173 019
TC Nkadimeng	171 935	-	171 935
LM Mabunda	94 999	-	94 999



FP Mugivhi	70 031	9 352	79 383
PC Mukwevho	44 051	15 542	59 593
F Magidi	76 088	16 878	92 966
RP Ragimana	139 866	2 904	142 770
PA Mafologelo	87 474	-	87 474
J Motswaledi	127 775	23 820	151 595
E Thuketani	63 678	2 675	66 353
NT Mathabatha	67 182	-	67 182
A Kale	72 719	2 424	75 143
Prof. RL Howard	249 762	11 145	260 907
Dr MH Lekota-MMSEZ	32 995	-	32 995
BR Shibambu	291 893	21 081	312 974
SR Zikode	116 145	21 060	137 205
TP Sebola	172 523	49 474	221 997
MM Moatshe	333 297	13 245	346 542
Dr NF Mphephu	153 472	22 389	175 861
CC Nkadameng	726 123	20 675	746 798
SM Mashita	73 466	10 822	84 288
RR Molapo	240 824	6 836	247 660
BT Nkambule	387 194	18 375	405 569
S Makhubela	214 669	20 275	234 944
Adv Mahafa	207 726	-	207 726
KM Ramukumbu	237 285	7 658	244 943





SR Zikode	116 145	21 060	137 205
TP Sebola	172 623	49 474	221 997
MM Moatshe	333 297	13 245	346 542
Dr NF Mphephu	153 472	22 389	175 861
CC Nkadimeng	728 123	20 675	748 798
SM Mashita	73 466	10 822	84 288
RR Molapo	240 824	6 836	247 660
BT Nkambule	387 194	18 375	405 569
S Makhubele	214 669	20 275	234 944
Adv Mahafha	207 728	-	207 728
KM Ramukumbu	237 285	7 658	244 943
MM Ramadwa	32 040	31 341	63 381
KM Motshegoa	32 048	10 561	42 609
DE Tshie...	28 035	20 036	48 071
R Maharaj	28 032	15 692	43 724
MM Moatshe	184 093	8 372	192 465
MA Maphahle	292 243	7 802	300 045
M Musvibe	129 239	1 060	130 299
IM Vamabolo	368 651	28 751	395 302
AMR Mahosi	305 436	36 357	341 793
MP Kutama	305 407	39 681	345 088
ST Nkoana	334 346	7 681	342 027





T Madzivhandila	364 471	58 513	422 984
N Pitso	83 639	-	83 639
AL Denga	196 139	21 722	217 861
Adv LN Tshisikule	234 520	1 447	235 967
S Shaikh	213 275	12 848	226 123
NJ Mpjane	19 944	2 048	21 992
T Tshikhundamalema	178 093	-	178 093
Adv Malatji	170 738	6 321	177 059
M Ramabulana	8 988	81 867	90 855
N Serote	16 020	1 658	17 678
PJ Chavani	41 449	-	41 449
M Tsedu	21 307	502	21 809
SG Thobejane	113 838	627	114 465
TJ Motwaledi	103 061	7 063	110 124
	11 728 576	970 012	12 698 588

49. Prior period errors

2026 – Prior period error – adjustments

Prior period errors breakdown and explanations

Error 1: Trade and other payables

Error 1.1: Invoices Double Captured in the Accounting System

During the current year, an error was identified that certain invoices were captured twice in the financial year 2025. Interest and penalties were omitted on the accounting system. These resulted in the following:

- i. Overstatement of Trade and other payables and expenditure (Municipalities) by R333 425,77;
- ii. Understatement of trade and other payables and expenditure (Interest and penalties on municipalities) by R1 741 002,74;
- iii. Overall impact of the above understatement of Retained Income by R1 407 576,97.

The error has been corrected retrospectively.

Error 1.2: Invoices Not Captured

During the current year, errors were identified that certain invoices were submitted after the reporting cut-off date. Therefore, the expenses and Trade creditors were not recorded.

The errors resulted from the following:

- ii. Legal fees: R897 528,84
- iv. Accommodation, Travels and conferences: R993 495,08
- v. The total impacts of the errors resulted.

Understatement of Trade and other payables and expenditure = R1 891 023,92
Overstatement of Retained Income = R1 891 023,92

The errors have been corrected retrospectively resulting in an increase in Trade and other payables and a decrease in Retained Income.

Error 1.3: Retention Not Cleared

During the current year, an error was identified that the retention account was not classified correctly as retention payable. The account had a remaining amount of R98 065. The error has been retrospectively corrected resulting in a decrease in trade and other payables and an increase in Retained Income by R98 065.

Error 1.4: Trade and Other Payables understatement

During the current year, an error was identified that Trade and other payables – Baphalaborwa Municipality was understated by R13 554 731,68 in the 2024 financial year.

The error has now been retrospectively adjusted resulting in an increase in Trade and other payables and a decrease in Retained Income by R13 554 731,68.

Error 1.5: Trade and Other Payables Overstated

During the current year, an error was noted that trade and other payables was overstated by sundry control account in the year 2025. The error has been correctly restated resulting in a decrease in Trade and other payables and Other expenses (staff costs), with the resulting effect in Retained earnings by R2 376 170,58.

Error 2: Annual Report Disclosure Notes

During the current year it was noted that the following disclosure notes had errors/were omitted in the annual report.

Error 2.1: Related Parties Disclosure Note 48

Annual report – note 48 versus Statement of financial position: Grant payable amounts

During the current year, an error was identified that disclosure note 48 (annual report) contained an incorrect amount of R133 162 060 instead of R233 162 060 under related party transactions – Grant payable (Fetakgomo-Tubatse Industrial Park-100).

The error has been retrospectively corrected, resulting in a disclosure of amount of R233 162 060.

Error 2.2: Loans Receivables Disclosure Note 12

Annual report – note 12 versus Statement of financial position – loans receivables note.

During the current year, an error was identified that disclosure note 12 (annual report) contained an incorrect amount of R41 354 753 instead of R41 038 457 under loans receivable.

The error resulted from the line item EDDF & Divestments loan receivables:

- i. Annual report amount: Carrying amount: R129 313 934 instead of R152 654 649;
- ii. Annual report amount: Loss allowance amount R89 754 700 instead of R113 411 711; and
- iii. Annual report amount: Net carrying amount R39 559 234 instead of R39 242 938.

The error has been retrospectively corrected, resulting in a disclosure of amounts as follows:

Carrying amount: R152 654 649
Loss allowance amount: R113 411 711
Net carrying amount: R39 242 938
Total net carrying amount: R41 038 457

Reconciliation of loss allowance:

Annual report amount: Loss allowance amount R89 754 700 instead of R113 411 711

Error 2.3: Disclosure of Trade and Other Receivables Note 13

Error 2.3.1: Line item: Performing – No Default History – Other receivables

During the current year, the following errors were noted under disclosure 13 (annual report):

- i. Annual report amount: Receivables – deposits: R3 864 011 instead of R4 847 651;

ii. Annual report carrying amount: More than 120 days instead of Other receivables: amount reported R15 610 762 instead of R13 731 772; and

iii. Annual report Total carrying amount: R19 474 773 instead of R18 579 423.

The error has been retrospectively corrected, resulting in disclosure amounts as follows:

- i. Receivables – deposits: R4 847 651;
- ii. Other receivables: R13 731 772; and
- iii. Total carrying amount: R18 579 423.

Error 2.3.2: Reconciliation of Loss Allowances

During the current year, the following errors were noted under disclosure 13 (annual report):

- i. Increase/decrease in provision movement – student debtors R0 instead of -R80 154;
- ii. Increase/decrease in provision movement – Rental properties -R16 389 369 instead of -R16 392 410; and
- iii. Increase/decrease in provision movement – Ventico -R0 instead of R103 195.

The error has been retrospectively corrected, resulting in disclosure amounts as follows:

- i. Increase/decrease in provision movement – student debtors -R80 154;
- ii. Increase/decrease in provision movement – Rental properties -R16 392 410; and
- iii. Increase/decrease in provision movement – Ventico R103 195.

Error 2.3.3: Trade and Other Receivables – Rental Properties Maturity Analysis

Rental forecasts – 2025:

- i. Annual report 1 year instead of >1 – 5 years: R13 790 645.42; and
- ii. Annual report 1 > 5 years instead of > 5 years: R321 765 446.23.

The error has been retrospectively corrected, resulting in the narrations as follows:

Rental forecasts – 2025

- i. >1 – 5 years: R13 790 645.42; and
- ii. > 5 years: R321 765 446.23.

The following additional disclosure note was omitted in the annual report:

- i. OK Bazaar rental revenue;
- ii. Total basic rental paid – 2025 R4 469 635.24; and
- iii. Turnover rental – R2025 R4 747 579.53.

Error 2.4 – Revenue Disclosure Note 33

During the current year, the following errors were noted under disclosure 33 (annual report):

Annual report classification: Rental Income of R155 261 156 was incorrectly classified as Revenue from contract with customers instead of revenue other than from contracts with customers.

49. Prior period errors (continued)

The error has been retrospectively corrected in the current year, resulting in an increase in Right of use asset and Retained Income by R116 497.85.

Error 5: Investment Property

Error 5.1: Transfer in Overstatement

During the current year, an error was identified that Investment property transfers in were overstated by R141 313, the error was retrospectively corrected by reducing the transfers in by R141 313.

Error 5.2: Over Impairment

During the current year, an error was identified that Investment property item was understated as a result of over impairment in 2024 financial year, the error was retrospectively corrected resulting in an increase in Retained income and Investment property by R2 859.

Error 6: Property Plant and Equipment

Error 6.1: Property Plant and Equipment incorrectly depreciated

During the current year, an error was identified that PPE was understated in 2025 by a net value of R220 257.87.

The error has been retrospectively corrected resulting in an increase in PPE & depreciation with a decrease in Retained Income of R220 257.87, this was as a result of owner occupied building being depreciated at a lower than accounting policy useful life.

Error 6.2: Property Plant and Equipment not depreciated

During the current year, an error was identified that PPE was overstated in 2025 by a net value of R88 094.

The error has been retrospectively corrected resulting in a reduction in PPE and increment in Retained Income by the said amount, the error was owing to assets not being depreciated (decrease in depreciation (expenses)).

Error 7: Biological Asset

Error 7.1: Tea Leaves Overstated

During the financial year under consideration, it was noted that the value of Tea Leaves was overstated as the fair value less cost to sale was not reasonably assessed in the 2025 and 2025 financial year despite there being indications that the value may be overstated, the error was retrospectively adjusted, subsequently reducing the value of Biological Assets by R24 296 023 and R20 578 635 respectively.

The correction resulted in increase of other operating gain (loss) adjustment by R3 717 000,00.

Error 7.2: Timber Plants Not Recognised

During the financial year under consideration, it was established that the Timber plants are not recognised in the records of the entity. The error was retrospectively corrected by recognising the Timber plants at fair value in the 2025 financial year R3 430 000.

Error 8: Trade and Other Receivables

During the year, an error was identified that Assets where previously auctioned, money was received from Auctioneer Suduko only in 2025 and Sundry income was credited whereas there was a debtor raised for the amount of R616 000. R500 000 was received thus far.

The error has now been retrospectively adjusted resulting in a decrease in Sundry debtor and retained Income by R500 000.

Error 9: Intangible Assets

Error 9.1: Computer Licenses Overstated

During the current financial year, it was established that the computer licences included in the intangible assets do not give rise to an intangible asset by only hosting arrangement, the error was retrospectively corrected in 2025 financial year.

Affected assets were subsequently impaired by R15 827, awaiting for board's approval to dispose the related assets. The resulting effect to retained earnings amounts to R15 827.

Error 10: Insurance contributed fund

During the current financial year, it was established that the prior period error relating to the amounts that were belonging to LEDA Agency, however, those amounts were incorrectly allocated to GNT by the investment managers, the amounts were correctly allocated to the assets funded by the investment managers in the current year. The error was retrospectively corrected, the relating amount R2 241 686,00.

Error 11: Impairment of Investment in Subsidiaries

During 2024/2025 financial year audit, casting error was identified by the auditor which was not allowed to be adjusted because of the disclaimer Audit opinion obtained by NEL, the figures used for the impairment assessment were considered to be unreliable due to this. The currently used for 2024/2025 financial year were not disclaimer, as such they are used for this assessment.

49. Prior period errors (continued)

Increasing other operating expenses.

Error 12: Reclassification of Investment at Fair Value

During the current year, there was a reclassification error identified between that in 2024 financial year Investment at Fair Value was incorrectly classified between Current and Non-Current.

The error was retrospectively corrected by:

- i. Increasing Non-Current portion by: R356 280
- ii. Decrease Current portion by: R356 280

Error 13: Loans from group companies

During the current financial year it was identified that the salary paid on behalf of FTIP (subsidiary) in 2024/2025 financial year was not recorded in the accounting records of LEDA Agency.

The error was retrospectively corrected in the 2024/2025 financial year, resulting in a decrease of the Loans from group companies by R82 461.00.

Error 14: Reclassification of Cost of Sales and Expense

During the current year, there was a reclassification errors identified between cost of sales and expense accounts.

The error has been retrospectively corrected resulting in the following accounts being reclassified from Cost of sales to expenses:

Account Number	Account Description	Amount
45150-01-63	Net Realisable Value – Writedown	38 148
38134-01-04	Production vehicles (Venteco)	(2 443)
38517-01-04	Maintenance Spares & Fuel (Venteco)	(8 362)
32151-01-04	Electricity Accounts (Venteco)	(66 351)
	Total	(39 008)

49. Prior period errors (continued)

GNT

Property, Plant and Equipment

Depreciation expense for the previous financial year was incorrectly presented in the annual financial statements. The restatements relate to corrections of depreciation, useful lives, impairment assessments and the recognition and measurement of intangible assets in accordance with the applicable IFRS requirements. The error has been corrected retrospectively in accordance with IAS 8 by adjusting accumulated depreciation and retained earnings. The correction resulted in an adjustment of R16.1 million.

Right of use Assets and Liabilities

Right-of-use assets and lease liabilities for the previous financial year were incorrectly presented in the annual financial statements due to the application of an inappropriate discount rate that was below the applicable lending rate. The error has been corrected retrospectively in accordance with IFRS 16 and IAS 8. The correction resulted in adjustments to right-of-use assets amounting to R3.1 million and lease liabilities amounting to R1.7 million, together with the related depreciation expense and finance costs.

Intangible Assets - Bus Routes

During the year, management reassessed the intangible assets previously recognised in respect of old public transport permits. These permits had been withdrawn and replaced by the current operating licence regime in prior periods and no longer provided enforceable rights or future economic benefits/service potential to the entity.

Accordingly, the continued recognition of these permits was identified as a prior period error and corrected retrospectively in accordance with IAS 8. The correction resulted in a decrease in intangible assets and retained earnings/accumulated losses of R2.675 million.

Current operating licences, which cost approximately R600 each, continue to be expensed as incurred due to their immaterial nature.

Inventories

Inventory balances for the previous financial year were incorrectly presented in the annual financial statements. The restatement resulted from the reconstruction and verification of historical inventory records during implementation of the new financial system. The error has been corrected retrospectively in accordance with IAS 8. The correction resulted in an adjustment of R627 241 to inventory balances.

Trade and other receivables

Trade and other receivables balances for the previous financial year were incorrectly presented in the annual financial statements. The restatement included the recognition of expected credit losses in accordance with IFRS 9, together with corrections to historical balances identified during data migration and reconciliation. The error has been corrected retrospectively in accordance with IAS 8. The correction resulted in an adjustment of R13.2 million.

Pre-paid expense

Prepaid expense balances for the previous financial year were incorrectly presented in the annual financial statements. The restatements resulted from corrections to historical balances identified during data migration, account mapping and reconciliation undertaken during implementation of the new financial system. The error has been corrected retrospectively in accordance with IAS 8. The correction resulted in an adjustment of R1.4 million.

Pre-payments

Deposits paid balances for the previous financial year were incorrectly presented in the annual financial statements. The restatements resulted from corrections to historical balances identified during data migration, account mapping and reconciliation undertaken during implementation of the new financial system. The error has been corrected retrospectively in accordance with IAS 8. The correction resulted in an adjustment of R4 618.

Cash and cash equivalent

Cash and cash equivalent balances for the previous financial year were incorrectly presented in the annual financial statements. The restatements resulted from corrections to historical balances identified during data migration, account mapping and reconciliation undertaken during implementation of the new financial system. The error has been corrected retrospectively in accordance with IAS 8. The correction resulted in an adjustment of R720 199. Consequently, the comparative statement of cash flows has also been restated to reflect the effect of these corrections on the comparative cash flow figures, as required by IAS 8.

Insurance inner-excess fund

Insurance inner-excess fund for the previous financial year were incorrectly presented in the annual financial statements due to fund values being consolidated in the shareholder's fund value. The error has been corrected retrospectively in accordance with IAS 8. The correction resulted in an adjustment of R192 486.

Trade and other payables

Trade and other payables balances for the previous financial year were incorrectly presented in the annual financial statements. The restatement included the correction of lease liabilities recognised and measured in accordance with IFRS 16, together with historical balance corrections identified during data migration and reconciliation. The error has been corrected retrospectively in accordance with IAS 8. The correction resulted in an adjustment of R2.3 million.

Operating revenue and other

Revenue and other income for the previous financial year were incorrectly presented in the annual financial statements. The restatement resulted from correcting subsidy revenue recognition in accordance with IFRS 15, including the recognition of previously unrecognised subsidy revenue from the Limpopo Department of Transport, allocation of subsidy revenue in accordance with the subsidy agreement, recognition of subsidy ticket revenue when the related performance obligations were satisfied, together with historical balance corrections identified during system implementation. The error has been corrected retrospectively in accordance with IAS 8. The correction resulted in an adjustment of R22.2 million.

Other operating expenses

Operating expenses for the previous financial year were incorrectly presented in the annual financial statements due to data capturing and system migration issues encountered during the implementation of a new system. The error has been corrected

49. Prior period errors (continued)

RISIMA

Investment property

The property in possession has been reclassified from loan receivables to investment property.

Trade and other payables

Over deductions for pension funds from staff member monthly salaries and not paid over to the pension fund scheme, was identified and refunded to the employees in 2026 financial year.

Cash flow statement - Net cash from operating activities and financing activities
Due to the reclarification of First Home Finance transactions from financing activities to operating activities where there are accounted as changed in working capital. Furthermore the error on overdeduction of pension contribution impacted the changes in working capital and profit before tax in the prior year.

CMR

Trade Payables

During the current period under review, it was identified that the Rehabilitation Provision amounting to R3m received from Mado's Trading establishment in the 2024-25 financial year should be classified as other income and not as a trade payable as reported. This was corrected during the current period under review.

The company embarked on a review of the General and subledger accounts. It was identified that amounts were in trade and other payables that have prescribed. The total of these amounted to R61 882. During the review it was also identified that an invoice relating to the 2024-25 financial year was not captured against a payment amounting to R1 320 for catering services. These were addressed and cleared during the current period under review.

During the current period under review the

company requested a reduction in a long outstanding creditor, Moboku Mangena Attorneys in lieu of a full and final settlement on the account. The reduction amounted to R79 417 and hence the prior year was amended to reduce the capture of the invoice during 2024.

During the financial year under review it could clearly be verified from the statements from SARS systems that no royalty taxes were due to them from prior years. The payable that was initially raised amounting to R4 113 141-38 was reversed and the royalty account is now agreeing to SARS MPRR system balance.

Cash and cash equivalents

An amount of R23 has been a reconciling item in Petty Cash for the 2023 financial year end. The company no longer keeps physical cash as the risk of theft is too high. During the period under review this was corrected and cleared from the companies accounting records.

Investment Revenue and Trade and Other receivables

During the current year under review it was noted that the interest from the Bank is paid on the 1st of every month which indicates that the interest should be accrued at year end. This was corrected in the prior year.

The amount accrued for the prior year is R44 732-13 and for the 2024 financial year was R4 872-79. The 2024 accrual was then cleared upon receipt of the interest on the 1st of April 2025.

Investment in Joint Venture - Reclassification

During the current year under review it was identified that a portion of the acquisition that has been capitalised against the Joint Venture account since 2020 should be reclassified to a prepayment account until the share acquisition is finalised. The total of the reclassification since the beginning of the acquisition transaction amounts to R8 235 016. This was corrected in the consolidation as a reversal of equity accounted investments in the prior years.

Income from equity accounted investments

It was identified during the current period under review that the differences between the Final Financial Statements of the associates and the available information used for the submission of Corridor Mining Resources financial statements for audit at 31 May submission as per PFMA to the AGSA should not be accounted for in the profit and loss of the current year. A prior period error adjustment should be performed to include the differences to restate the prior year reported figures. The differences identified for 2025 in total amounts to R30 626 469. The Investment in the associate was adjusted with R61 094 737 for 2025 restatement and R30 468 268 for 2024 restatement.

FTIP**1. Prepayment****Prepayment – 25 MVA Substation**

During the 2024/2025 financial year, an amount of R77,040 (including VAT) was paid for a cost estimate letter. This amount was incorrectly recognised as professional and consulting fees and realised through deferred income in the same financial year.

49. Prior period errors (continued)

The cost estimate forms part of the overall construction cost of the 25 MVA Substation, as it reduces the contract price of the asset. The expenditure should therefore have been capitalised as part of prepayment, with the corresponding portion accounted for within non-current deferred income. As a result, Prepayment increased by R66,991.30 (net of VAT) in the comparative year.

2. Accumulated Depreciation – Computer Equipment

Depreciation on four laptops was understated due to an incorrect calculation of depreciable days (364 days instead of 365 days). Accumulated depreciation was understated by R124.17, which has now been corrected.

3. Deferred Income – Government Grants

Deferred income amounting to R1,517,740 was incorrectly allocated between current and noncurrent deferred income balances as a result of an incorrect assessment of utilisation periods.

Deferred income balances were reclassified to align revenue recognition with the infrastructure expenditure periods to which the grants relate. This correction resulted in: an increase of R1,517,740 in noncurrent deferred income, and a corresponding decrease of R1,450,748.70 in current deferred income, with the difference attributing to the R 66 991.30 relating to the Eskom invoice.

4. Trade and Other Payables

Trade payable

Certain operating expenditure obligations were not fully recognised at the reporting date. These primarily relate to audit fees, municipal rates, interest and penalties that had been incurred but not invoiced or accrued.

Expenditure	2025	2024
Audit fees	R156 835,00	-
Municipal rates	R197 131,90	R1 166 785,03
Interest and penalties	R103 432,35	R50 540,94
Total	R457 399,25	R1 217 325,97

Additional liabilities amounting to R1,674,725.22 were therefore recognised in trade and other payables in the comparative period.

Creditors accrual

In addition an amount of R 151 554 was raised as an accrual relating to the lease monthly rental amount. This accrual was incorrectly raised and was corrected.

5. Trade and Other Receivables / Loans

A study loan granted to an executive manager was not recognised in the 2024/2025 financial year. Following reconciliation to signed agreements, an amount of R71,070 was recognised as a loan to shareholder, with a corresponding reduction in trade and other receivables.

The remaining movement in trade and other receivables of R32,778 relates to classification and VAT Related corrections identified during the restatement process.

6. Value Added Tax (VAT) Receivable

The VAT receivable balance was overstated due to incorrect input VAT recognition associated with expenses that should have been capitalised or reclassified during the prior period error exercise.

As a result, the VAT receivable balance decreased by R 23 525,25 in the comparative year.

Loan from shareholder

During the year ended 31 March 2024 and the year ended 31 March 2025. The parent entity paid two invoices for accommodations relating to the respective years relating to accommodation and travel. The amounts are R 57 080 and R 50 542,50 for the respective years.

This resulted in an increase in the balance for loan from shareholders and decrease in retained earnings.

7. Lease Liability and Right of Use Asset

The amortisation of the notarial lease was incorrectly calculated, as lease payments are made in advance, but were initially accounted for as if paid in arrears.

The lease liability and right of use asset were remeasured by recalculating the present value of lease payments. This resulted in adjustments to the following comparative balances:

Increase in right of use assets of R157556,71

Increase in accumulated depreciation on right of use assets of R2418,83

Reclassification between current and noncurrent lease liabilities amounting to R217,277.47

Net adjustment to finance costs of R83,253.78

The net impact of these adjustments was recognised through retained earnings.

8. Retention Liability

During the current year, management identified a prior period error relating to the classification of retention liabilities. Certain balances were incorrectly classified as current liabilities when they should have been non-current, while other balances were incorrectly classified as non-current when they should have been current, based on the contractual terms governing settlement.

Retention amounts are payable only after completion of the underlying projects and expiry of the defect liability periods. A reassessment of these terms resulted in a correction to the classification between current and non-current liabilities.

The error has been corrected retrospectively in accordance with IAS 8. The correction affects presentation only and has no impact on total liabilities, profit or loss, or equity.

Balance as previously reported 31 March 2025 R 43 439

Reclassification adjustments

Increase current liabilities R43,439.00

Balance as previously reported 31 March 2025

Decrease in non-current liabilities R 43 439

Increase in current liabilities R782,561.02

Leave pay Provision

During the current year it was identified that the opening provision for employee leave was understated. The leave provision should have been measured at R 1 046 353.37, whereas only R836 586.63 had previously been recognised. This resulted in an understatement of the leave provision, and a corresponding overstatement of prior period profit, of R209 766.74. The error arose from the omission/miscalculation of leave days carried forward in prior periods.

9. Fruitless and Wasteful Expenditure

Interest and penalties incurred due to late settlement of municipal rates and taxes relating to the FTSEZ site, amounting to R50,540.94 in the 2023-2024 financial year and R 103 432,39 in the 2025-2026 financial year, were identified as fruitless and wasteful expenditure relating to a prior period. These costs were incorrectly excluded from prior period expenses and have now been recognised and disclosed accordingly.

10. Directors emoluments

In the year ended 31 March 2025 the allowances relating to international travel for executive and key management personnel was not disclosed under the related parties note and the directors emoluments note. The total amount is R 29 683.

The total cost to company for key management personnel has been disclosed under the directors emoluments note for year ended 31 March 2025.

Reclassification errors

Leave pay provision has been reclassified from trade and other payables to provision R 1046 353
Retention current liability has been reclassified from trade and other payables to Retention current liability R 668188

Cash flow

Cash relating to LEDA grant receivable has been moved from investing activities to financing activities R 233491689. Overall impact is R 233518032. The net is as a result to increase in loan payable.

Financing activities (cash flows from deferred income have been adjusted to reflect the total amount received as additions of R109565217. The adjustment is 4342810. Overall impact is R -229445180

Cash generated from operations has been restated due to adjustments from previous financial years (see above) by R4512339

The cumulative net effect of the prior period errors resulted in a decrease in retained earnings of R 1 895 362.52 as at 1 April 2025.

MMSEZ**Property Plant and Equipment**

During the prior financial year, the entity did not perform an impairment assessment on the Transformers included in Property, Plant and Equipment (PPE). This omission resulted in the carrying amount of the Transformers being overstated and the impairment loss not being recognised in the financial statements for the year ended 31 March 2025. This matter was raised by the Auditor General South Africa and contributed to a qualified audit opinion in the prior year.

PAYE

During the financial year ended 31 March 2026, management identified that PAYE liabilities relating to the year ended 31 March 2025 had not been recognised in the financial statements. Although the PAYE obligation existed at the reporting date, no corresponding liability was recorded, resulting in an understatement of trade and other payables and overstatement of accumulated surplus as at 31 March 2025.

Lease liability

During the preparation of the financial statements for the year ended 31 March 2026, management identified an error in the measurement of the lease liability recognised in prior financial year. The lease liability as at 31 March 2025 was incorrectly calculated using an annual escalation rate of 6% instead of 5,1% escalation rate stipulated in lease agreement.

VAT Receivable

During the financial year, the entity had an opening balance VAT receivable that was not recovered by SARS as a result the amount was adjusted from the receivable balance in the current financial statements.

The correction of the error(s) results in adjustments as follows:

Group Statement of Financial Position	As previously reported 2025	Prior period Adjustments	Restated 2025	Dividend received from associate
Property, plant and equipment	Reclassification	-	4 553 589	555 014 468
Right of use asset	Prior period Adjustments	-	1 345 055	162 473 631
Investment property	Restated 2025	-	174 384	148 455 086
Intangible asset	50 162 567	-	(2 711 661)	47 450 906
Investment in associates	483 643 083	-	(61 094 737)	422 548 346
Loans receivables	688 253 608	-	(31 272)	688 794 836
Investment at fair value	4 445 929	-	(356 280)	4 089 649
Long term investment	23 168 980	-	-	23 168 980
Environmental rehabilitation deposit	5 662 288	-	-	5 662 288

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Biological assets	20 578 636	-	(17 148 635)	3 430 001
Inventories	80 101 197	-	(589 091)	79 512 106
Loans to group companies	49 017 385	-	-	49 017 385
Loans to shareholders	1 500 000	-	-	1 500 000
Loans receivable	37 202 040	-	-	37 202 040
Trade and other receivables	155 861 145	-	7 979 801	163 840 946
Investment at fair value	53 784 736	-	(23 575 545)	30 209 191
Prepayments	29 621	(29 621)	-	-
Prepaid expenses	3 499 565	(3 499 565)	-	-
Cash and cash equivalent	861 875 017	-	(720 223)	861 154 794
Assets held for sale	1 069 832	-	24 894 489	25 964 321
Share capital	409 216 005	-	-	409 216 005
Insurance contracts	2 200 490	(2 200 490)	-	-
Investment contracts	6 717 564	(6 717 564)	-	-
Finance lease liabilities	73 377 663	-	54 545 585	127 923 248
Retirement benefit obligation	18 322 000	-	-	18 322 000
Deferred income	265 760 343	-	1 450 748	267 211 091
Provisions	14 647 801	-	-	14 647 801
Employee benefits	4 274 912	-	-	4 274 912
Trade and other payables	328 419 978	-	11 389 326	339 809 304
Loans from group companies	127 829	-	(127 829)	-
Prepayment	-	-	8 235 016	8 235 016



Insurance contracts	12 359 555	-	(12 359 555)	-
Finance lease liabilities	87 564 873	-	(57 624 107)	29 940 766
Insurance contributed fund	15 149 621	-	2 241 686	17 391 307
Retirement benefit obligation	2 801 000	-	-	2 801 000
Deferred income	877 274 578	-	(1 450 748)	875 823 830
Provisions	3 695 480	-	-	3 695 480
Contract liability	3 095 000	-	-	3 095 000
Employee benefits	1 104 919	-	-	1 104 919
First Home Finance Liability	80 458	-	22 192 595	22 273 053
	5 505 915 855	(51 516 149)	(51 516 149)	5 454 399 706



49. Prior period errors (continued)

Statement of financial performance	As previously reported 2025	Reclassification	Prior period Adjustments	Restated 2025
Revenue	567 585 131	-	8 523 078	576 108 209
Cost of sales	(410 216)	-	172 706	(237 510)
Other operating income	41 260 337	-	33 630 148	74 890 485
Government grants	496 147 592	-	-	496 147 592
Other operating gains/loss	24 580 824	-	7 245 413	31 826 237
Expected credit loss allowance	(61 880 155)	-	19 472 881	(42 407 274)
Other operating expenses	(1 078 848 443)	-	(21 631 117)	(110 479 560)
Investment income	73 430 603	-	(1 719 883)	71 710 720
Finance costs	(23 223 579)	-	(1 712 218)	(24 935 797)
Income / (loss) from equity accounted	228 608 793	-	(30 276 469)	198 332 324
Loss from discontinued operations	-	-	(17 977 447)	(17 977 447)
	267 250 887	(4 272 908)	(4 272 908)	1 252 977 979

Group Statement of Cash Flows	As previously reported 2025	Reclassification	Prior period Adjustments	Restated 2025
Cash receipts from customers	1 065 001 596	-	(81 747 016)	983 254 580
Cash paid to suppliers and employees	(824 606 057)	-	17 684 933	(806 921 124)
Capital grant received	-	-	103 332 000	103 332 000
Interest income	72 206 598	-	(8 802 803)	63 403 795
Dividends received	1 224 005	-	7 374 603	8 598 608
Foreign exchange gains/losses	(88 420)	-	88 420	-

49. Prior period errors (continued)

Finance costs	(17 812 994)	-	5 928 665	(11 884 329)
Interest received from investment portfolio	-	-	3 715 910	3 715 910
Purchase of property, plant and equipment	(28 812 049)	-	3 466 720	(25 345 329)
Proceeds on disposal of investment property	32 272 690	-	(32 235 764)	36 926
Prepaid network connection cost	-	-	(66 991)	(66 991)
Proceeds from sales of PPE	1 825 336	-	(1 825 336)	-
Proceeds on sale of investment	-	-	19 652 688	19 652 688
Proceeds from shareholders loan	-	-	12 973 015	12 973 015
Purchase of investment at fair value	-	-	(334 316)	(334 316)
Other financial assets	(2 857 242)	-	2 350 689	(506 553)
Purchase of intangible assets	(511 364)	-	511 364	-
Cash repayments of loans to group companies	-	-	8 450 000	8 450 000
Loans to group companies (Associates and Subs)	11 060 649	-	(11 060 649)	-
Contract liability	(14 302 501)	-	14 302 501	-
Investment contracts	180 364	-	(180 364)	-
Proceeds	80 458	-	(80 458)	-
Insurance Contracts	1 178 106	-	(1 178 106)	-
Finance lease obligation	(82 557 157)	-	70 211 919	(12 345 238)
0	-	-	127 314 526	127 314 526
	213 482 018	259 846 150	259 846 150	473 328 168

49. Prior period errors (continued)

Group — Statement of Financial Position	As previously reported 2024	Prior period Adjustments	Restated 2025	Dividend received from associate
Property, plant and equipment	586 184 780	-	(2 275 975)	583 908 805
Right of use asset	34 492 501	-	158 375	34 650 876
Investment property	147 652 247	-	315 631	147 967 878
Intangible asset	67 222 337	-	(2 699 809)	64 522 528
Investment in associates	262 358 888	-	(30 468 269)	231 890 619
Loans receivables	631 999 521	-	(312 772)	631 686 749
Investment at fair value	4 819 531	-	-	4 819 531
Other financial assets (at amortised cost)	26 026 222	-	-	26 026 227
Environmental rehabilitation deposit	2 662 288	-	-	2 662 288
Biological assets	24 296 024	-	(24 296 023)	-
Inventories	80 104 284	-	-	80 104 284
Loans to group companies	60 078 034	-	-	60 078 034
Loans to shareholders	1 500 000	-	-	1 500 000
Loans receivable	37 503 238	-	-	37 503 238
Trade and other receivables	142 049 612	-	7 937 001	149 986 613
Investment at fair value	55 565 374	-	-	55 565 374
Prepayments	-	-	7 885 016	7 885 016
Prepaid expenses	1 753 289	-	(1 753 289)	-
Cash and cash equivalent	648 301 569	-	-	648 301 545
Assets held for sale	6 918 011	-	-	6 918 011

Share capital	409 216 005	-	-	409 216 005
Insurance contracts	2 020 126	(2 020 126)	-	-
Investment contracts	6 552 509	(6 552 509)	-	-
Finance lease liabilities	25 994 128	-	(5 669 807)	20 324 321
Retirement benefit obligation	20 306 000	-	-	20 306 000
Deferred income	295 834 345	-	-	295 834 345
Provisions	10 798 621	29 000	-	10 827 621
Employee benefits	3 557 312	(29 000)	-	3 528 312
Trade and other payables	319 513 262	-	26 061 457	345 574 719
Loans from group companies	61 042	-	(61 042)	-
Insurance contracts	11 346 504	-	(11 346 504)	-
Finance lease liabilities	95 316 469	-	(82 401)	95 234 068
Insurance contributed fund	19 617 379	-	2 241 753	21 859 132
Retirement benefit obligation	2 885 000	-	-	2 885 000
Deferred income	683 552 014	-	-	683 552 014
Provisions	2 872 267	-	-	2 872 267
Contract liability	17 397 501	-	-	17 397 501
Employee benefits	1 123 857	-	-	1 123 857
Total	4 749 452 091	(42 774 491)	(42 774 491)	4 620 892 757

50. Comparative figures

Certain comparative figures have been reclassified.

51. Financial instruments and risk management

Categories of financial instruments

Categories of financial assets

Group – 2026

Category	Note(s)	air value through profit or loss – Designated	Amortised cost	Leases	2026 Total	2025 Fair value
Loans to group companies	10	-	41 725 231	-	41 725 231	-
Loans to shareholders	11	-	1 500 000	-	1 500 000	-
Loans receivable	13	-	753 015 153	-	753 015 153	-
Investments at fair value	16	12 819 761	-	-	12 819 761	12 819 761
Finance lease receivables	12	-	-	106 054 692	106 054 692	-
Trade and other receivables	14	-	150 227 631	-	150 227 631	150 227 631
Cash and cash equivalents	22	-	825 151 990	-	825 151 990	-
Long term investment	—	23 168 980	-	-	23 168 980	23 168 980
Insurance contributed fund	—	22 200 418	-	-	22 200 418	22 200 418
Investment in associates	—	-	681 671 649	-	681 671 649	-
Total		58 189 159	2 453 291 654	106 054 692	2 617 535 505	208 416 790

FINANCIAL REPORT

51. Financial instruments and risk management**Categories of financial instruments****Categories of financial assets****Group – 2026**

Category	Note(s)	air value through profit or loss – Designated	Amortised cost	Leases	Total	Fair value
Loans to group companies	10	-	49 017 385	-	49 017 385	-
Loans to shareholders	11	-	1 500 000	-	1 500 000	-
Loans receivable	13	-	725 142 876	-	725 142 876	-
Investments at fair value	16	34 298 840	-	-	34 298 840	34 298 840
Finance lease receivables	12	-	-	20 509	20 509	-
Trade and other receivables	14	-	133 244 500	-	133 244 500	-
Cash and cash equivalents	22	861 154 794	-	-	861 154 794	861 783 587
Long term investment	—	23 168 980	-	-	23 168 980	23 168 980
Insurance contributed fund	—	25 583 793	-	-	25 583 793	15 149 621
Investment in associates	—	-	422 548 346	-	422 548 346	-
Total		944 206 407	1 331 453 107	20 509	2 275 680 023	934 401 028

FINANCIAL REPORT

51. Financial instruments and risk management (continued)

Categories of financial liabilities

Category	Note(s)	Amortised cost	Leases	Total	Fair value
Trade and other payables	31	150 516 677	20 543	150 537 220	-
Finance lease obligations	4	-	518 049 366	518 049 366	-
		150 516 677	518 069 909	668 586 586	-

Group

2025

Category	Note(s)	Amortised cost	Leases	Total	Fair value
Trade and other payables	31	196 889 901	-	196 889 901	-
Finance lease obligations	4	-	157 864 014	157 864 014	-
Investment contracts/Financial liabilities	—	6 717 564	-	6 717 564	-
Contract liability	—	3 095 000	-	3 095 000	-
First Home Finance Liability	—	80 458	-	80 458	-
		206 782 923	157 864 014	364 646 937	-

FINANCIAL REPORT

51. Financial instruments and risk management (continued)**Pre tax gains and losses on financial instruments****Gains and losses on financial assets****Group – 2026**

Recognised in profit or loss:	Note(s)	Fair value through other comprehensive income – equity instruments	Fair value through profit or loss – Mandatory	Fair value through profit or loss – Designated	Amortised cost	Total
Interest income	39	-	-	-	69 043 689	69 043 689
Dividend income	39	202 703	625 093	-	-	827 796
Gains (losses) on valuation adjustments	37	-	-	(880 633)	-	(880 633)
Movement in credit loss allowances	38	-	-	-	(47 402 051)	(47 402 051)
Net gains (losses)		202 703	625 093	(880 633)	21 641 638	21 588 801

Group – 2025

Recognised in profit or loss:	Note(s)	Fair value through profit or loss – Mandatory	Fair value through profit or loss – Designated	Amortised cost	Total
Interest income	39	-	-	72 206 598	72 206 598
Dividend income	39	1 224 005	-	-	1 224 005
Gains (losses) on valuation adjustments	37	-	(373 602)	-	(373 602)
Movement in credit loss allowances	38	-	-	(42 407 274)	(42 407 274)
Net gains (losses)		1 224 005	(373 602)	29 799 324	30 649 727

FINANCIAL REPORT

Gains and losses on financial liabilities**Group – 2026****Recognised in profit or loss:**

Finance costs

Note(s)	Amortised cost	Leases	Total
40	(10 271 329)	(50 099 016)	(60 370 345)

Recognised in profit or loss:

Finance costs

Note(s)	Amortised cost	Leases	Total
40	(19 554 012)	(4 144 491)	(23 698 503)

Capital risk management**Lease liabilities****Trade and other payables****Total borrowings****Cash and cash equivalents****Net borrowings****Equity**

518 049 366	157 864 014	69 043 689
314 265 609	339 809 303	69 043 689
832 314 975	497 673 317	827 796
(825 151 990)	(861 154 794)	(880 633)
7 162 985	(363 481 477)	(47 402 051)
1 807 063 357	1 623 421 899	21 588 801

52. Fruitless and wasteful expenditure**Fruitless and wasteful expenditure incurred in the current year****Fruitless and wasteful expenditure under assessment****Total**

27 491 565	32 161 547	Leases	Total
1 299 620	-	Leases	Total
28 791 185	32 161 547	(50 099 016)	(60 370 345)

FINANCIAL REPORT

LEDA Agency:

i. The Agency incurred interest & penalties amounting to R3 897 941,00 (2025: R11 070 718,94) as a result of late payments to creditors.

Under assessment

- i. Expenditure (R1 281 180,46) relating to an employee who could not be physically verified during the audit.
- ii. VAT interest and late payment penalties R145 536,57.

RISIMA:

Fruitless and wasteful expenditure was incurred during the current year amounting to R12 239 as a result of penalties for late registration with the Financial Intelligence Centre and SARS for late returns.

CMR

During the financial year - Fruitless and wasteful expenditure amounting to R5 756 614 was approved for write-off.

FTIP

The entity incurred interest and penalties charged on late payment of municipality rates and taxes for the FTSEZ site. These interests and penalties arose from inception of the lease and as such have resulted in a prior period error on the fruitless and wasteful expenditure. The interest and penalties have been waived on settlement of the account.

The remaining balance relates to Interest on invoices not paid within 30 days as well as interest on unfiled SARS income tax returns.

GNT

The following amounts of fruitless and wasteful expenditure have been recorded mainly as a result of shortage of buses which resulted in non-compliance penalties imposed by the Department of Transport and late payment penalties and interest charged on SARS and Other creditors account.

* DORT - penalties: R17 031 931, (2025: R11

723 891)

Department of Roads and Transport penalties imposed were previously recognised as part of the gross revenue and deducted as an expense from the Statement of profit and loss and other comprehensive income. The effect of IFRS 15 on revenue has resulted in recognition of revenue net of penalties. However, as these penalties imposed satisfy the requirements of Fruitless and Wasteful Expenditure, it has been disclosed as per above table in order for completeness of Fruitless and Wasteful Expenditure incurred by the Company.

* Traffic fines: R96 700, (2025: R144 943)

* SARS and Creditors interest: R5 872 634, (2025: R3 013 557)

The greatest part of the interest is for Auditor General, Polokwane Municipality and Telkom as a result of late payment due to cash flow constraints. All payment are being monitored from a central place in order to enhance cash flow management and paying suppliers in time in order to minimise interest and penalty charges.

LCX

Fruitless and Wasteful Expenditure Under Assessment.

As at 31 March 2026, the Entity has assessed certain matters relating to possible fruitless and wasteful expenditure that have not yet met the recognition criteria for disclosure as confirmed fruitless and wasteful expenditure. An amount of R651 438,42 relates to penalties imposed by the South African Revenue Service (SARS). The amount is being disputed by entity and still awaiting SARS finalisation.

In addition, interest amounting to R648,182.00 was levied on outstanding Auditor-General of South Africa (AGSA) invoices. Management intends entering into a payment arrangement with AGSA and has engaged AGSA regarding a waiver of the interest charged. Based on these ongoing discussions, management expects that all or part of the interest may be waived. Consequently, the amount is regarded as being under assessment pending the outcome of the payment arrangement and waiver process.

The total amount under assessment at the reporting date is R1,299,620.42.

MMSEZ

During the prior year financial year: 31 March 2025 there was an overpayment of property, plant and equipment capital work in progress. The error was due to a formal error in the determination of invoice claims by the employer's agent overseeing the internal roads and storm water capital projects. There is a R2 913 637,76 overpayment made as a result, the amount is however recoverable through the retention balance. The matter is currently before the Limpopo high court.

53. Irregular expenditure

Current year irregular expenditure

Irregular expenditure incurred in the current year

R128 872 337

R30 496 310

Irregular expenditure – under assessment

R14 277 337

–

Adjustment / prior year amount

–

(R2 643 000)

R143 149 674

R27 853 310

LEDA AGENCY

Human Resource

The irregular expenditure occurred as a result of contravention of the Human resources policy where an appointment was made without confirmation of the minimum experience requirements stipulated in the advertisement (R1 634 827,92).

Life Health Solution

During the audit, possible irregular expenditure relating to possible non-compliance with SCM prescripts was identified which is under assessment amounting to R165 103,00.

Under assessment

During the audit, possible irregular expenditure relating to possible non-compliance with SCM prescripts was identified which is under assessment amounting to R2 781 971,61.

2025

Irregular expenditure resulted from non-compliance with SCM prescripts.

Under assessment

During the audit, possible irregular expenditure relating to possible non-compliance with SCM prescripts was identified which is under assessment amounting to R2 986 016,40.

GNT

Set out above is a summary of the irregular expenses incurred. Most of the expenses incurred related to deviations from the procurement policy as the tenders/quotations process were not followed due to the following:

Emergency expenses
Contracted suppliers could not timely deliver fuel/tyres
Late payment to contractors that resulted in the delay of supply and delivery of diesel.

Irregular Expenditure Incurred

The Company incurred irregular expenditure in contravention with the SCM policies in respect of the following:

Fuel purchases for buses and ancillary vehicles - R7 079 955 (2025: R1 409 185).
Leasing of commuter buses - R96 523 642 (2025: R2 679 346).
Spares and operating expenses - R8 132 04 (2029: R10 879 658).
Irregular expenditure emanating from validation issues identified on existing agreements between GNT and the subcontractor amounting to R Nil (2025: R10 265 693) were incurred.

Irregular Expenditure under assessment

During the 2025/26 financial year, the entity identified procurement transactions amounting to R4 777 105 (2025: R Nil) relating to the procurement of fuel, spares and parts, and other operating expenses that are under assessment to determine compliance with applicable SCM legislation and prescripts. As the assessment was not finalised at the reporting date, no irregular expenditure has been recognised.

RISIMA

Irregular expenditure was incurred during the current year amounting to R76 761 (2025: R25 019) from the same contract identified as irregular in the prior year.

NEW ERA

Irregular expenditure was incurred due to contracts with outsourced service providers that have long been in existence without the required oversight, indicating a lack of contract management.

During the financial year, New Era Life Insurance incurred irregular expenditure amounting to R336,295 relating to directors' fees paid to non-executive directors. The irregular expenditure arose as a result of payments made for attendance of meeting in excess of the maximum number prescribed in paragraph 7.2 of the Limpopo Remuneration Policy for Non-Executive Directors of public entities, which states that:

Non-Executive Directors could be compensated for attending meetings in person or via teleconference (hours spent on a teleconference) for a maximum of eight (8) meetings per financial year.

The matter has been identified and disclosed as irregular expenditure in accordance with the requirements of the PFMA and applicable Treasury Regulations. Management is assessing the matter to determine the appropriate corrective actions and whether any recovery processes should be instituted.

MMSEZ

Irregular expenditure under investigation. During the financial year ended 31 March 2025 there was irregular expenditure due to an irregular approval of variation for net barricades intended to add safety issues on the stretch of road for excavations along road D1492. The variation was approved by the employer's agent and funds were utilised from contingencies within the internal roads and storm water contract. The matter is in the process of being investigated further by management.

An amount of R21.42 million was incurred during the year under Contract MMSEZ SOC/2021/22-6 for the procurement of two 10MVA transformers. This contract forms part of the infrastructure-related procurement associated with the SEZ development. Concerns were identified regarding compliance with the Preferential Procurement Regulations, 2017, specifically the requirement to include local content conditions for designated sectors. Although the bid was advertised in November 2022, while the 2017 Regulations were still effective, the award was approved by the Board on 27 March 2023, after the regulations had lapsed on 26 January 2023.

Management does not consider the expenditure to be irregular at this stage, as the procurement was initiated under the regulations then in effect and duly approved. The matter will be escalated for independent legal review to determine whether the expenditure meets the definition of irregular in terms of applicable legislation.

During the financial year, Musina Makhado Special Economic Zone SOC Ltd incurred irregular expenditure amounting to R1 475 096 relating to directors' fees paid to Non-Executive directors. The irregular expenditure arose as a result of payments made for attendance of meetings in excess of the maximum number prescribed in paragraph 7.2 of the Limpopo Remuneration Policy for Non-Executive Directors of public entities, which states that:

Non-Executive Directors could be compensated for attending meetings in person or via teleconference (hours spent on a teleconference) for a maximum of eight (8) meetings per financial year. During the financial year, certain Non-Executive Directors were compensated for meetings attended in excess of the prescribed limit of eight (8) meetings per annum, resulting in non-compliance with the applicable remuneration policy.

Management is assessing the matter to determine the appropriate corrective actions and whether any recovery processes should be instituted.

Irregular Expenditure Under Investigation: 31 March 2026

During the 2025/26 financial year, the Auditor General of South Africa (AGSA) identified potential irregular expenditure amounting to R4 330 463,00, alleged non-compliance with the Public Finance Management Act (PFMA), applicable National Treasury Regulations and the MMSEZ Supply Chain Management (SCM) Policy.

Management initiated the process of investigating the transactions identified by AGSA to determine whether they meet the definition of irregular expenditure in terms of the PFMA. The investigation will also establish the root causes of the identified instances of non-compliance and determine whether any financial loss was incurred, as well as the appropriate consequence management and any corrective actions required. Accordingly, the amount remains under investigation at the reporting date, pending the outcome of management's investigation. was recovered during the period under review.

FTIP**Nature of irregular expenditure**

During the financial year, irregular expenditure was identified relating to professional service fees included in a construction contract, while similar professional services were already contracted under a separate professional services agreement. The duplication of professional services resulted from inadequate alignment between procurement arrangements and contractual scopes, which is inconsistent with the requirements of the Public Finance Management Act (PFMA) and applicable supply chain management prescripts.

Amounts incurred and paid

Professional service fees amounting to R1 332 460,99 were paid prior to the identification of the irregularity. This amount has been recognised as irregular expenditure incurred, as the payments were made in terms of procurement arrangements that were subsequently assessed as non-compliant.

Amounts withheld / unpaid

Further professional service fees amounting to R3 358 378,31 relating to the same matter have been withheld and remain unpaid as at the reporting date. Payment has been suspended pending the outcome of internal investigations, legal review, and consideration of possible condonation or alternative remedial actions.

CMR

Irregular expenditure amounting to R41 650 was recovered during the period under review.

A debtor has been raised for the recovery of the remaining irregular expenditure during the current financial year amounting to R2 396.

During the financial year - condonement of prior year irregular expenditure amounted to R656 105 and fruitless and wasteful expenditure amounting to R5 756 614 was approved for write-off.

**54. Public Private Partnership
Kopano Bus Service**

Great North Transport was required to give 10% of its business on the signing of three (3) negotiated contracts (Mokopane, Seshego and Hoedspruit) to small operators.

Certain routes were given to small operators (Mathole Bus Service, Madodi and Kopano) in the province as part of empowerment. Kopano was further given the Lebowa kgomo corridor as a sub-contractor to GNT under the Seshego depot.

Permits were transferred to Kopano to operate these routes. This contract has been terminated effective from 31 March 2025 as a result of the continuous contracts extensions deemed to be irregular.

Subsidies relating to these routes are claimed by GNT on behalf of Kopano and is paid over to them. The total amount claimed on behalf of Kopano in the current financial year was Rnil (2025: R10.2m). This contract has been terminated effective from 31 March 2025 as result of the continuous contracts extensions deemed to be irregular.

MyBoet General Trading

Great North Transport subcontracted its bus operation in Bushbuckridge depot to Myboet Trading. Subsidy fees collected for subcontracted routes amounted to R59.2m (2025: R58.2m) for the year under review relating to these routes are claimed by Great North Transport and paid over to Myboet less 7.5% (2025: 7.5%) management fee.

55. Going concern

The consolidated 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 LEDA Group's financial viability has been evaluated based on an analysis of its financial statements for the financial year ended 31 March 2026. The key indicators considered are as follows:

a) Revenue: The LEDA Group's revenue improved in the current year, from R576 108 209 to R599 163 655.

b) Profitability: The Group recorded a net profit of R164 786 119, which is a decline from the comparative year.

Solvency and Liquidity:

The Group's solvency and liquidity have been assessed to determine its ability to meet its financial obligations in the foreseeable future. The following factors were assessed:

a) Current ratio: Group's current assets are less than the current liabilities, resulting in a slight unfavourable current ratio of 0.93. This is a slight deterioration from last year's current ratio of 0.97.

b) Solvency: The Group is solvent as it will be able to meet its long-term liabilities using its assets. The solvency ratio is 2.29, which is an improvement from last year's ratio of 2.05.

AGENCY

The Going-concern assessment includes an evaluation of the Agency financial viability, solvency and liquidity, forecasts, and a conclusion on LEDA's status as a going concern.

Financial Viability:

LEDA's financial viability has been evaluated based on an analysis of its financial statements for the financial year ended 31 March 2026. The key indicators considered are as follows:

a) Revenue: LEDA's revenue for the year remained stable, with a slight decrease

compared to the previous year, as LEDA had total income of R162 820 964 for the financial year ended 31 March 2026, and the prior year an amount of R164 775 123. This is due to a slight decrease in student revenue, as well as other rental income & interest on arrears.

b) Profitability: The Agency recorded a net loss of R130 634 for 2025/26 which is a decline from the comparative year.

c) Cash Flow: The entity recorded a net cash outflow from operating activities of approximately R294 222 879 during the year, reflecting pressure on cash flows. While sufficient funding support is expected, this indicates some uncertainty that is being closely monitored through cash-flow forecasts.

d) Contract Liability: LEDA has contract liabilities of R3 095 000 for which the entity is expecting to satisfy the performance obligation within 12 months period.

e) Government grant received: The entity continues to receive government grant funding which supports its mandate and operations. For the 2025/26 the entity received R274 832 174.

The Agency has a dual mandate comprising both developmental and revenue-generation objectives. In fulfilling its developmental mandate, the Agency receives government grant funding, while its revenue-generation mandate is primarily supported through income derived from rental activities. Although the combined funding from government grants and internally generated revenue is generally adequate to meet the Agency's overall expenditure requirements, the Agency experiences periodic liquidity constraints. These constraints arise because the Agency provides financial support to subsidiaries on a monthly basis or ad-hoc basis. As such, the revenue generated from operations is, at times, insufficient to meet the Agency's immediate operational costs and cash flow obligations.

When these liquidity challenges occur, the Agency relies on additional funding from government through the budget adjustment process to address the resulting cash shortfalls. This additional funding is primarily utilised to settle accumulated creditor obligations that arise due to the temporary liquidity constraints, as well as to fund employee-related costs, particularly salaries and other employment expenses incurred during the fourth quarter of the financial year. This support ensures that the Agency is able to meet its financial obligations while continuing to deliver on both its developmental and commercial mandates.

Solvency and Liquidity:

LEDA's solvency and liquidity have been assessed to determine its ability to meet its financial obligations in the foreseeable future. The following factors were considered.

- a) Current Ratio: LEDA's current assets are more than its current liabilities, resulting in a favourable current ratio of 1,88:1. This is an improvement from what we had for prior year.
- b) Solvency: LEDA is solvent as it will be able to meet its long-term liabilities using its assets.

Forecasts Budget:

A comprehensive forecast budget has been prepared for LEDA for the upcoming financial year based on the best available information and reasonable assumptions. The forecasts budget includes projected revenues, operating expenses, capital expenditures, and anticipated cash flows. The budget has been developed using conservative estimates and considers potential risks and uncertainties. The forecasts indicates that LEDA is likely to generate a profit for the financial year ended 31 March 2027.

Conclusion:

Based on the comprehensive assessment of LEDA's financial viability, solvency and liquidity, forecasts budget, and sustainability

report, it is concluded that Limpopo Economic Development Agency (LEDA) is a going concern. LEDA has demonstrated financial stability, profit for the financial year, maintained a favourable solvency position, and developed a robust forecasts budget for the upcoming financial year. The Agency's commitment to sustainability further strengthens its ability to operate and thrive in the long run.

We will continue to monitor LEDA's financial performance, market conditions, and regulatory changes to ensure timely adjustments and proactive management of potential risks. Our aim is to sustain LEDA's financial health and support its mission of promoting economic development in the Limpopo region.

The financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that the Company will continue in operational existence for the foreseeable future, 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.

Management confirms that there is no intention by the Shareholder, Board of Directors or Management to liquidate the Company, cease operations or materially curtail the scale of operations. Great North Transport SOC Ltd remains a strategic public transport entity responsible for providing subsidised commuter transport services in Limpopo Province and parts of Mpumalanga. The Company continues to operate in terms of negotiated subsidy contracts with the Department of Transport, which came into effect from 1 April 2025 and are expected to run for a period of approximately 6 to 7 years.

Management has considered the following material matters which may cast significant doubt on the Company's ability to continue as a going concern:

The Company is dependent on diesel availability and price stability. Due to creditor pressures, certain diesel suppliers require cash or upfront payment, which limits the Company's ability to build sufficient fuel reserves. Further increases in fuel prices may also negatively affect the Company's turnaround timelines and cash flow projections.

The Company's ability to fully honour its contractual obligations with the Department of Transport remains dependent on the availability of sufficient operational buses. Failure to operate contracted trips exposes the Company to reduced subsidy claims and penalties.

The Company remains reliant on leased buses to maintain route coverage. While leased buses assist with continuity of service, they result in a high monthly cost structure and place pressure on profitability and cash flow.

The Company's own fleet remains aged, with breakdowns affecting route coverage, reliability, subsidy claims, passenger revenue and penalties. The timing and successful implementation of the new bus delivery and bus refurbishment programmes are therefore critical to the Company's sustainability. The Company has outstanding creditors and ongoing supplier pressures, which may affect continued supply of critical goods and services if not managed.

The Company has pending legal, labour and contractual matters. As disclosed in the contingencies note, claims against the Company amount to approximately R105 436 322. Management has assessed these matters, after consultation with legal advisors, and no provision has been recognised where the claims are not expected to succeed. However, adverse outcomes may place further pressure on the Company's cash flows.

Although fruitless and wasteful expenditure increased in value, Management noted that the number of penalty incidents decreased compared to the prior year. This indicates progress in managing missed trips and operational performance. The increase in value was mainly due to the heavier penalty regime under the new contract, where the penalty per missed trip increased significantly, including higher penalties on high-impact operating days such as Mondays and Fridays. This emphasises the importance

of the new bus delivery, bus repair programme and improved fleet availability in reducing future penalties.

Subsequent to year-end, certain members of the Board resigned, resulting in vacancies on the Board. Although this is a non-adjusting event after the reporting date and does not affect the financial position of the Company as at 31 March 2026, Management considered its potential impact on governance capacity, oversight of the turnaround plan, approval of key interventions and stakeholder confidence. The matter has been communicated to the Shareholder, who is responsible for filling Board vacancies. In the interim, Management continues to operate under approved delegations and existing oversight mechanisms.

In response to these matters, Management, with the support of the Shareholder and Executive Authority, is implementing a turnaround and sustainability plan aimed at stabilising the Company, improving liquidity, reducing costs, strengthening fleet availability and fast-tracking the return to break-even and profitability.

The following matters were considered as key mitigating factors in Management's going concern assessment:

The Company continues to operate under negotiated subsidy contracts with the Department of Transport, which provide a continuing revenue base for the foreseeable future.

The Shareholder and Government have continued to provide financial and operational support to the Company. During the year, the Company was recapitalised through government support, including funding reprioritised toward the procurement of 71 new buses and the stabilisation of operations. Subsequent to year-end, 11 new buses had been delivered by 12 May 2026. The remaining buses are expected to be delivered progressively, with approximately 4 buses expected each week until the end of August 2026. The delivery of the new buses is expected to improve fleet reliability, increase route coverage, reduce missed trips and penalties, improve subsidy claims and reduce reliance on leased buses over time.

FINANCIAL REPORT

Government has allocated a further R47 953 000 for bus fixing. This allocation supports the refurbishment and return to service of existing buses and is expected to improve the number of owned operational buses available to the Company.

Government has also allocated R10 160 000 for depot fixing and maintenance of buses. The funding is expected to be received by the end of May 2026, with planning already underway. This support is expected to strengthen the Company's maintenance capacity and improve the sustainability of the bus repair programme.

Subsequent to year-end, the Company received a R21 million shareholder loan to assist with short-term liquidity pressures. The support may be increased to R30 million should financial pressures continue during the turnaround period. This support assists the Company in managing immediate operational obligations while the turnaround measures are being implemented.

LEDA has subordinated its debt. This supports the Company's liquidity position by confirming that the Shareholder will not demand repayment in a manner that compromises the Company's ability to continue operating and settle critical operational

The restructuring of the Company has been approved by the Shareholder. The restructuring is expected to reduce monthly costs, fast-track the break-even point and support future profitability. The restructuring process is also expected to allow the Company to fill critical vacancies and obtain the required competencies to support implementation of the turnaround plan.

The impact assessment of the bus replacement and restructuring initiatives indicates projected average monthly savings of approximately R12 177 550, with estimated maintenance costs of approximately R798 000, resulting in an estimated net monthly benefit of approximately R11 379 550 once the planned interventions are fully implemented. These projected benefits are expected to materially improve the Company's monthly financial position.

Government has indicated continued support to fix a further 40 buses as part of the refurbishment programme in the next financial year, once the current year bus fixing project has been fully implemented. This supports

the phased recovery of the Company's owned fleet and further reduces reliance on leased buses.

Revenue and fleet management systems have been implemented to improve fare revenue controls, fleet monitoring, route performance management, depot accountability and operational decision-making.

Management continues to implement cost containment and contract management measures, including improved SCM planning, contracted services for key goods and services, use of panels of service providers and tighter monitoring of operational expenditure.

The turnaround plan continues to be monitored by Management, the Shareholder, the Executive Authority and relevant oversight structures. The plan focuses on fleet recapitalisation, bus refurbishment, depot maintenance, restructuring, reduction of leased bus dependency, improved revenue collection, cost control and improved compliance with Department of Transport contractual obligations.

Based on the assessment performed, Management acknowledges that material uncertainties exist relating to liquidity, negative equity, fleet availability, penalties, creditor pressures, contingent liabilities, governance vacancies and the successful implementation of the turnaround plan. However, Management is satisfied that the Company has realistic and supportable mitigation measures in place, including continued Shareholder and Government support, new bus deliveries, approved buses and depot repair funding, shareholder loan support, debt subordination by LEDA, approved restructuring and continued operation under subsidy contracts.

Management therefore concludes that the going concern basis remains appropriate for the preparation of the annual financial statements for the year ended 31 March 2026. No adjustments have been made to the annual financial statements to reflect the possible effect on the recoverability and classification of assets or the amount and classification of liabilities that may result should the Company be unable to continue as a going concern.

MMSEZ

The 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.

We draw attention to the fact that at 31 March 2026, the company had a reported Profit of R6 246 406 and that the company's total assets exceed its liabilities by R20 738 430.

The company at 31 March 2026 had cash reserves of R509 392 777 (2025: R296 933 402).

The ability of the company to continue as a going concern is dependent on a number of factors. The most significant of these is that the directors continue to procure funding for the ongoing operations for the company and that the Limpopo Economic Development, Environment and Tourism (LEDET) will continue to support the company.

CMR

The directors are not aware of any material changes or non-compliance with statutory or regulatory requirements that could adversely affect the company's ability to continue as a going concern.

FTIP

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

RISIMA

We draw attention to the fact that at 31 March 2026, the company has made profit of R32 721 043, had retained earnings of R540 758 428 and that the company's total assets exceeds its liability by R759 587 759. The company's cash flow forecast for the period to 31 March 2027, indicates positive cashflow to be generated from the operations with continued investments in loan receivables and profitability. In light of the above and the current financial position, we are satisfied that the company has and will have access to adequate resources to continue in operational existence for the foreseeable future. Furthermore, the company has the ability to access credit were necessary.

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NEW ERA

The Board and Management acknowledge that the Company has experienced significant financial, operational and regulatory challenges over recent years. These include declining premium volumes, operating losses, capital adequacy constraints, regulatory intervention by the Prudential Authority, withdrawal of the insurance licence, suspension of the Financial Services Provider licence, and the impact of historical legacy matters.

Management further acknowledges that the Company has identified capital inadequacy, insufficient premium volumes relative to operating expenses and the sustainability of the traditional insurer model as key strategic risks requiring intervention.

Notwithstanding these challenges, management remains of the view that the going concern basis remains appropriate for the preparation of the Annual Financial Statements.

The Company is pursuing the reinstatement of its Financial Services Provider licence and has engaged with the Financial Sector Conduct Authority ("FSCA") regarding the suspension of FSP licence number 2736.

Management understands that the finalisation of the 2024/2025 audited Annual Financial Statements is an important milestone in supporting the Company's engagement with the FSCA regarding the reinstatement of its FSP licence.

Management believes that the restoration of the FSP licence, together with the implementation of the Section 50 strategy, will provide the Company with a viable platform from which to continue operations and generate future revenue.

Management acknowledges that material uncertainties exist which may cast significant doubt on the Company's ability to continue as a going concern. These uncertainties principally relate to the successful implementation of the Section 50 transfer, regulatory approvals, restoration of the FSP licence and the execution of the Company's transition strategy.

The Board and Management have concluded that there is a reasonable basis to expect that the Company will continue in operational existence for the foreseeable future and that it remains appropriate to prepare the Annual Financial Statements on the going concern basis.

LCX

Limpopo Connection is dependent on continued financial and operational support from its parent entity, LEDA. Based on its current revenue of R4 million and available cash resources of R19 million, the entity may not be able to meet its projected operational expenditure of R37 million without ongoing support from LEDA.

As at reporting date, Limpopo Connection owes LEDA an amount of R37 526 030.00, zero interest loan.

Limpopo Connexion (LCX) continues to operate under challenging financial conditions, which has necessitated proactive measures to ensure the sustainability of the entity. In response, LCX is in the process of seeking a strategic partner to alleviate financial pressures and strengthen its long-term viability.

Limpopo Connexion was not allocated government funding or an operational budget for the 2026/27 financial year. This represents a significant uncertainty regarding the entity's ability to sustain its future operations and may cast significant doubt on its ability to continue as a going concern.

Limpopo Connexion has a shortage of technical and operational personnel required to maintain its network infrastructure and respond effectively to service disruptions. The continued lack of adequately skilled resources increases operational risk and adversely affects service delivery, customer retention, and future revenue generation. However, during the budget adjustment process, the entity was allocated R45 million to address network maintenance requirements and strengthen technical and operational support capacity. The procurement process to implement these interventions had commenced by the reporting date.

To support the long-term sustainability and commercialization of the broadband network, the entity, through its Board Credit and Investment Committee (BCIC), embarked on a process to identify and evaluate potential strategic investment partners. Following this process, a prospective strategic investment partner was conditionally appointed; however, the partner did not fulfil certain conditions associated with the appointment and the process was consequently not progressed further..

Furthermore, LCX has developed and adopted a comprehensive Sustainability Plan, which was approved by the Board of Directors and subsequently presented to the Limpopo Provincial Legislature.

The plan outlines key interventions to restore financial stability and improve operational efficiency.

The entity has subsequently commenced a due diligence process with another prospective strategic partner. The purpose of the process is to validate key technical, operational, commercial, and service assumptions underpinning a potential future partnership and network expansion initiatives. The process remained ongoing at the reporting date and is subject to the outcome of the assessment, further negotiations, and the requisite governance and regulatory approvals.

These initiatives, together with ongoing engagements with potential investors, are intended to position the entity on a sustainable footing and support the assessment that the entity will continue to operate as a going concern in the foreseeable future.

56. Events after the reporting period

GNT

Shareholders financial support

Subsequent to 31 March 2026, the Shareholder, Limpopo Economic Development Agency (LEDA), provided financial assistance to the Company in the form of a shareholder loan amounting to R21 million. The purpose of the assistance was to support the Company in managing short-term liquidity pressures during the turnaround implementation period.

The liquidity pressure arose mainly from the impact of increased diesel costs, diesel supply challenges and supplier payment pressures. Certain diesel suppliers require cash or upfront payment due to the Company's historical arrears and current liquidity position. This has affected the Company's ability to maintain sufficient diesel reserves for operations and has placed pressure on the Company's ability to meet its operational obligations as they fall due.

The Shareholder has further indicated that the financial assistance may be increased up

to R30 million should the liquidity pressures continue, particularly where the impact of diesel prices, diesel supply arrangements and supplier pressures continue to affect operations during the turnaround period.

Management has assessed this event as a non-adjusting event after the reporting date, as the financial assistance was approved and received after 31 March 2026 and relates to conditions arising after the reporting date. No adjustment has therefore been made to the annual financial statements for the year ended 31 March 2026. However, the matter has been disclosed as it provides additional evidence of the Shareholder's continued support and has been considered in management's going concern assessment.

Board of Directors vacancies

Subsequent to year-end, certain members of the Board of Directors resigned, resulting in vacancies on the Board. These resignations occurred after the reporting date and therefore did not affect the financial position of the Company as at 31 March 2026.

The vacancies have been communicated to the Shareholder, who is responsible for the appointment of Board members. The process to fill the vacancies is expected to be undertaken by the Shareholder in line with the Company's governance framework and applicable legislative and governance requirements.

Management has assessed the resignations and resulting vacancies as a non-adjusting event after the reporting date. No adjustment has therefore been made to the annual financial statements for the year ended 31 March 2026. However, the matter has been disclosed due to its potential impact on governance capacity, oversight of the turnaround plan, approval of key decisions and stakeholder confidence during a period in which the Company is implementing critical financial and operational recovery measures.

Management continues to operate under approved delegations and existing oversight mechanisms while the Shareholder addresses the vacancies.

FTIP

Subsequent to the reporting date, Cabinet approved the licensing of the Fetakgomo Tubatse Special Economic Zone, as announced on 7 May 2026. This approval is considered a non-adjusting event in terms of IAS10. The financial impact, if any, has not been recognised as it cannot yet be reliably measured.

MMSEZ**Motor Vehicle Accident**

Subsequent to the reporting date, but prior to the authorisation of the annual financial statements for issue, a motor vehicle owned by Musina Makhado Special Economic Zone SOC Ltd was involved in a motor vehicle accident. At the date of authorisation of the annual financial statements, the extent of the damage and related financial implications arising from the accident had not yet been fully determined, and accordingly the cost associated with the accident could not be reliably measured.

Management is in the process of assessing the damage and engaging with the relevant insurers and other parties where applicable. The event has been classified as a non-adjusting event after the reporting period, as the accident occurred after 31 March 2026 and does not relate to conditions that existed at the reporting date.

Appointment of forensic investigation audit

MMSEZ has appointed the service provider to conduct forensic investigation audit on 23 April 2026 to investigate the 10 MVA transformers project.

NEW ERA

The following non-adjusting events occurred between the reporting date and the date of approval of these financial statements: the Company continued to engage with the Prudential Authority in respect of the Section 50 transfer of the insurance liabilities to an approved insurer, and in respect of the run-off of the insurance book and the reinstatement of the financial services provider licence. These developments do not affect the amounts recognised at the reporting date but are relevant to the going concern assessment and the held-for-sale classification of the disposal group (refer to notes 24 and 27). No other material events requiring adjustment or disclosure have occurred.

57. Loss from discontinued operations**Discontinued operations**

Discontinued operations	16 203 985	17 977 447	-
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57. Loss from discontinued operations (continued)**Reinsurance contract assets**

The reinsurance contract asset of R962,664 represents amounts recoverable on incurred claims. At 31 March 2026 it has been reclassified to the disposal group; the movement for the year is set out in the reconciliation below and the same R962,664 is carried in the maturity analysis and the disposal-group note.

Reconciliation of net carrying amount: Reinsurance – FY2026

	Total Assets			Total Assets		
	Total	Excluding loss component	Loss recovery component	Subtotal	Best estimate of future cash flows	Risk adjustment
Recognised in statement of comprehensive income	-	-	-	-	-	-
Recognised in allocation of reinsurance premiums	-	-	-	-	-	-
Recognised in claims and expenses recovered from reinsurers	-	-	-	-	-	-
Claims incurred during the period (excluding investment component) and other incurred insurance service expenses	-	-	-	-	-	-
Change in liability for past service	-	-	-	-	-	-
Cash flow	-	-	-	-	-	-
Reinsurance premiums paid during the period	-	-	-	-	-	-
Claims recovered from reinsurers during the period	-	-	-	-	-	-

	Total Assets			Total Assets		
	Total	Excluding loss component	Loss recovery component	Subtotal	Best estimate of future cash flows	Risk adjustment
Reclassified to assets of the disposal group (no change in carrying amount)	-	-	-	-	-	-
Balance at beginning of the period	962,664	-	-	962,664	-	-
Balance at end of the period	962,664	-	-	962,664	-	-

Notes to the Annual Financial Statements

	Total Assets			Total Assets		
	Total	Excluding loss component	Loss recovery component	Subtotal	Best estimate of future cash flows	Risk adjustment
Recognised in statement of comprehensive income	2,019,701	1,629,365	-	390,336	390,336	-
Recognised in allocation of reinsurance premiums	1,629,365	1,629,365	-	-	-	-
Recognised in claims and expenses recovered from reinsurers	390,336	-	-	390,336	390,336	-
Claims incurred during the period (excluding investment component) and other incurred insurance service expenses	(288,028)	-	-	(288,028)	(288,028)	-
Change in liability for past service	678,365	-	-	678,365	678,365	-
Cash flow	(288,028)	-	-	(288,028)	(288,028)	-
Reinsurance premiums paid during the period	(95,550)	(95,550)	-	-	-	-
Claims recovered from reinsurers during the period	(288,028)	-	-	(288,028)	(288,028)	-
Net movement for the period	(1,046,550)	(1,724,915)	-	678,365	678,365	-
Balance at beginning of the period	1,046,550	1,724,915	-	(678,365)	(678,365)	-
Balance at end of the period	-	-	-	-	-	-

57. Loss from discontinued operations**Insurance contracts — Premium Allocation Approach (PAA)**

This note covers the funeral insurance contracts, which are measured under the premium allocation approach.

Reconciliation of net carrying amount: Premium allocation approach as at 31 March 2026:

	Liability for remaining coverage			Liability for Incurred claims		
	Total	Excluding loss component	Loss recovery component	Subtotal	Best estimate of future cash flows	Risk adjustment
Balance at beginning of the period	13,688,149	-	8,166,418	5,521,731	5,521,731	-
Recognised in insurance revenue	(5,942,496)	(5,942,496)	-	-	-	-
Recognised in insurance service expenses	360,064	-	(3,896,015)	4,256,079	4,256,079	-
Claims incurred during the period (excluding investment component) and other incurred insurance service expenses	11,239,141	-	-	11,239,141	11,239,141	-
Change in liability for past service	(5,521,731)	-	-	(5,521,731)	(5,521,731)	-
Initial loss on onerous contracts recognised during the period	4,270,403	-	4,270,403	-	-	-
Increase and reversal of losses on onerous contracts	(8,166,418)	-	(8,166,418)	-	-	-
Experience adjustment	(1,461,331)	-	-	(1,461,331)	(1,461,331)	-
Recognised in statement of comprehensive income	(5,582,432)	(5,942,496)	(3,896,015)	4,256,079	4,256,079	-
Cash flow	(2,687,544)	5,942,496	-	(8,630,040)	(8,630,040)	-

	Liability for remaining coverage			Liability for Incurred claims		
	Total	Excluding loss component	Loss recovery component	Subtotal	Best estimate of future cash flows	Risk adjustment
Premiums received during the period	5,942,496	5,942,496	-	-	-	-
Claims paid during the period	(8,630,040)	-	-	(8,630,040)	(8,630,040)	-
Balance at the end of the period	5,418,173	-	4,270,403	1,147,770	1,147,770	-

57. Loss from discontinued operations (continued)**Insurance contracts — premium allocation approach (PAA)****Reconciliation of net carrying amount: Premium allocation approach as at 31 March 2025:**

	Liability for remaining coverage			Liability for Incurred claims		
	Total	Excluding loss component	Loss recovery component	Subtotal	Best estimate of future cash flows	Risk adjustment
Balance at beginning of the period	12,159,382	-	10,074,085	2,085,297	2,085,297	-
Recognised in insurance revenue	(13,075,621)	(13,075,621)	-	-	-	-
Recognised in insurance service expenses	29,563,707	-	(1,907,667)	31,471,374	31,471,374	-
Claims incurred during the period (excluding investment component) and other incurred insurance service expenses	35,098,114	-	-	35,098,114	35,098,114	-
Change in liability for past service	(2,085,297)	-	-	(2,085,297)	(2,085,297)	-
Initial loss on onerous contracts recognised during the period	8,166,418	-	8,166,418	-	-	-
Increase and reversal of losses on onerous contracts	(10,074,085)	-	(10,074,085)	-	-	-
Experience adjustment	(1,541,443)	-	-	(1,541,443)	(1,541,443)	-
Recognised in statement of comprehensive income	16,488,086	(13,075,621)	(1,907,667)	31,471,374	31,471,374	-
Cash flow	(14,959,319)	13,075,621	-	(28,034,940)	(28,034,940)	-

57. Loss from discontinued operations (continued)**Insurance contracts — premium allocation approach (PAA)****Reconciliation of net carrying amount: Premium allocation approach as at 31 March 2025:**

	Liability for remaining coverage			Liability for Incurred claims		
	Total	Excluding loss component	Loss recovery component	Subtotal	Best estimate of future cash flows	Risk adjustment
Premiums received during the period	13,075,621	13,075,621	-	-	-	-
Claims paid during the period	(28,034,940)	-	-	(28,034,940)	(28,034,940)	-
Balance at the end of the period	13,688,149	-	8,166,418	5,521,731	5,521,731	-
Cash flow	(2,687,544)	5,942,496	-	(8,630,040)	(8,630,040)	-

Insurance contracts — premium allocation approach (PAA)**Reconciliation of the loss component (IFRS 17.104)**

Loss component of the liability for remaining coverage	2026
	R
Balance at the beginning of the period	8,579,239
Losses on initial recognition of onerous contracts	4,994,182
Reversals and releases as coverage is provided and claims are incurred	(7,889,745)
Cash flows attributable to the loss component (net premiums received and claims paid)	(161,836)
Balance at the end of the period	5,521,840
	5,521,840

Both the funeral (PAA) and savings and endowment (GMM) groups of contracts are onerous and the contractual service margin is nil; accordingly the entire liability for remaining coverage is a loss component. Of the movement, a net credit of R2,895,563 was recognised in insurance service expenses. The closing loss component of R5,521,840 represents the whole liability for remaining coverage which, together with the liability for incurred claims of R1,147,770, reconciles to the total insurance contract liability of R6,669,610 (Notes 5 and 6).

Insurance revenue

Insurance revenue	2025	2026
Revenue - contracts under the general model (GMM)	1,263,463	2,181,388
Revenue - contracts under the PAA	5,942,496	13,075,621
Total insurance revenue	7,205,959	15,257,009

Insurance service expenses - PAA	360,064	29,563,707
Insurance service expenses - GMM	889,854	828,771
Other insurance service expenses (2025)	-	1,807,637
Total insurance service expenses	1,249,918	32,200,115

57. Loss from discontinued operations (continued)**Insurance contracts — general model (GMM)**

This note covers the savings and endowment contracts, which are measured under the general measurement model.

Reconciliation of net carrying amount: General model and variable fee approach as at 31 March 2026

	Loss recovery component	Subtotal	Best estimate of future cash flows	Risk adjustment
Balance at beginning of the period	1,786,883	1,367,929	412,821	6,133
Recognised in insurance revenue	(1,263,463)	(1,263,463)	-	-
Expected incurred claims excluding investment	(892,089)	(892,089)	-	-
Expected administration and other expenses	(355,807)	(355,807)	-	-
Release of risk adjustment for risk expired	(15,567)	(15,567)	-	-
Recognition of contractual service margin	-	-	-	-
Premium experience adjustments relating to current service	-	-	-	-
Recognised in insurance service expenses	889,853	(104,466)	1,000,452	(6,133)
Claims incurred during the period (excluding investment component) and other incurred insurance service expenses	166,074	-	166,074	-
Expected incurred claims excluding investment components	166,074	-	166,074	-
Experience adjustment	-	-	-	-
Change in liability for past service	(6,133)	-	-	(6,133)
Initial loss on onerous contracts recognised during the period	723,779	-	723,779	-
Increase and reversal of losses on onerous contracts	6,133	(104,466)	110,599	-
Insurance finance income or expenses	-	-	-	-

	Loss recovery component	Subtotal	Best estimate of future cash flows	Risk adjustment
Excluding recognition of assumption changes in contractual service margin at locked-in interest rates	-	-	-	-
Recognition of assumption changes in contractual service margin at locked-in interest rates	-	-	-	-
Recognised in statement of comprehensive income	(373,610)	(1,367,929)	1,000,452	(6,133)
Cash flow	(161,836)	-	(161,836)	-
Premiums received during the period	5,281	-	5,281	-
Claims paid during the period	(167,117)	-	(167,117)	-
Balance at end of the period	1,251,437	-	1,251,437	-

Insurance contracts — general model (GMM)**Reconciliation of net carrying amount: General model and variable fee approach
as at 31 March 2025**

	Total	Subtotal	Best estimate of future cash flows	Risk adjustment
Balance at beginning of the period	3,557,803	3,041,378	507,303	9,122
Recognised in insurance revenue	(2,181,388)	(2,181,388)	-	-
Expected incurred claims excluding investment	(2,061,627)	(2,061,627)	-	-
Expected administration and other expenses	(111,975)	(111,975)	-	-
Release of risk adjustment for risk expired	(7,786)	(7,786)	-	-
Recognition of contractual service margin	-	-	-	-
Premium experience adjustments relating to current service	-	-	-	-
Recognised in insurance service expenses	828,771	970,417	(138,657)	(2,989)
Claims incurred during the period (excluding investment component) and other incurred insurance service expenses	676,406	970,417	(291,022)	(2,989)
Expected incurred claims excluding investment components	1,992,942	2,084,767	(88,836)	(2,989)
Experience adjustment	(1,316,536)	(1,114,350)	(202,186)	-
Change in liability for past service	-	-	-	-
Initial loss on onerous contracts recognised during the period	-	-	-	-
Increase and reversal of losses on onerous contracts	152,365	-	152,365	-
Insurance finance income or expenses	307,087	262,912	44,175	-
Excluding recognition of assumption changes in contractual service margin at locked-in interest rates	307,087	262,912	44,175	-

Insurance contracts — general model (GMM)

Reconciliation of net carrying amount: General model and variable fee approach
as at 31 March 2025

	Total	Subtotal	Best estimate of future cash flows	Risk adjustment
Recognition of assumption changes in contractual service margin at locked-in interest rates	-	-	-	-
Recognised in statement of comprehensive income	(1,045,530)	(948,059)	(94,482)	(2,989)
Cash flow	(725,390)	(725,390)	-	-
Premiums received during the period	12,480	12,480	-	-
Incurred claims - investment components	-	-	-	-
Claims paid during the period	(737,870)	(737,870)	-	-
Insurance acquisition cash flows	-	-	-	-
Recognised in other comprehensive income - foreign currency translation differences	-	-	-	-
Liabilities acquired through business combinations	-	-	-	-
Balance at end of the period	1,786,883	1,367,929	412,821	6,133

57. Loss from discontinued operations (continued)**GMM reconciliation by measurement component (IFRS 17.101)**

For the savings/endowment contracts measured under the general model, the liability is analysed below by the present value of future cash flows (PVFCF), the risk adjustment (RA) and the contractual service margin (CSM). All groups are onerous, so the CSM is nil throughout and a loss component is recognised (see Note 6).

GMM reconciliation by measurement component	PVFCF	Risk adjustment	CSM	Total
Balance at beginning of the period	1,755,748	31,135	-	1,786,883
Recognised in insurance revenue	(1,247,896)	(15,567)	-	(1,263,463)
Recognised in insurance service expenses	889,853	-	-	889,853
Insurance finance income or expenses	-	-	-	-
Cash flows (premiums less claims and expenses paid)	(161,836)	-	-	(161,836)
Balance at end of the period	1,235,869	15,568	-	1,251,437

GMM reconciliation by measurement component	PVFCF	Risk adjustment	CSM	Total
Balance at beginning of the period	3,542,548	15,255	-	3,557,803
Recognised in insurance revenue	(2,173,602)	(7,786)	-	(2,181,388)
Recognised in insurance service expenses	826,925	1,847	-	828,772
Insurance finance income or expenses	305,758	1,328	-	307,086
Cash flows (premiums less claims and expenses paid)	(725,390)	-	-	(725,390)
Balance at end of the period	1,776,239	10,644	-	1,786,883

57. Loss from discontinued operations (continued)

process

A key component of the risk framework is the risk assessment process. New Era Life Insurance conducts a comprehensive risk assessment to identify, evaluate, and prioritize potential risks that could impact on the Company. A risk rating matrix is employed to assess the severity and likelihood of each risk, enabling the allocation of appropriate mitigation actions and strategies.

Risk identification and prioritisation

Risks are identified based on a predefined set of criteria and documented in a detailed risk register. Each risk is inherently rated as low, moderate, or extreme before the implementation of appropriate control measures.

Risk mitigation and residual risk assessment

To effectively manage identified risks, management implements mitigating controls. These controls are specific actions designed to reduce the likelihood and impact of each risk. The residual risk, which represents the level of risk remaining after the application of controls, is determined for each risk. This assessment allows for ongoing monitoring and adjustment of mitigation strategies as necessary.

Trigger Events and Management Actions

The risk register includes defined trigger events for each risk, which signal the potential materialization of a specific risk. When a trigger event occurs, predefined management actions are activated to respond to the situation effectively and minimize adverse consequences.

The Audit and Risk Committee is responsible for oversight over the risk assessment process and ensures that it receives regular reports on the Company's significant risks and provides insights into the effectiveness of risk

management practices. The Audit and Risk Committee **oversees the implementation of** risk management controls, including the mitigating controls, and ensures that risk policies are aligned with the Company's overall strategic objectives.

Insurance risk

Insurance risk refers to the risk of loss as a result of underwriting insurance contracts. More specifically, the Company defines insurance risk to include:

Underwriting risk
Reinsurance risk
Underwriting risk

Underwriting risk results from fluctuations in the timing, frequency and severity of insured events. It includes the risk that premium provisions (liabilities for remaining cover) turn out to be insufficient to compensate for expected future claims, that the claims provisions (liability for incurred claims) raised for both reported and unreported claims are inadequate, as well as the risk resulting from the volatility of expense payments.

The Company manages underwriting risk through the oversight of underwriting risk. The board continuously reviews its underwriting strategy in the light of evolving market pricing and loss conditions and as opportunities present themselves. Oversight of claims costs ensures that factors impacting the claims cost are adequately addressed.

Life risk and life saving

The Company has ceased underwriting new insurance business following the withdrawal of its insurance licence, and the insurance book is in run-off; no new contracts are priced or issued. The information below describes how the risks on the in-force book are managed during run-off.

Mortality and morbidity risks on the in-force book are mitigated by reinsurance arrangements that were in place before the cessation of underwriting. Reinsurers are selected from a panel approved by the Board.

Persistency, lapse and surrender experience on the in-force book is monitored during the run-off period.

Expense risk is managed through the budgeting process and regular expense analyses, with a focus on cost containment during run-off.

Expense risk is managed at local entity level through the annual budgeting process and regular expense analyses.

Reinsurance risk

Reinsurance risk is the risk of loss due to either insufficient or inappropriately structured reinsurance cover relative to the company and company's risk management strategy and objectives. It also includes the risk that the reinsurance programme is inappropriately administered. The company and company obtain third-party reinsurance cover to reduce risks from single events or accumulations of risk that could have a significant impact on the current year's earnings or the company's capital.

Exposure to insurance risk

The Company issues funeral and life insurance contracts. The principal risk relates to mortality - the death of the life insured giving rise to a claim - and, for savings and endowment business, to persistency, expense and investment risk. As such the Company is exposed to uncertainty surrounding the timing and severity of claims under insurance contracts. The principal risk is that the frequency and/or severity of claims are greater than expected. Insurance events are, by their nature, random and the actual number and size of events during any one year may vary from those estimated and experienced in prior periods.

The Company's insurance contracts are predominantly funeral and life cover, under which claims are death benefits. Claims are typically settled within one year of the date of death. Consequently, whilst the Company may experience variations in its claim patterns from one year to the next, the Company's

exposure at any time to insurance contracts issued more than one year before is limited. The product features of insurance contracts that have a material effect on the amount, timing and uncertainty of future cash flows arising from insurance contracts in the group are set out below. For this reason, claims development tables have not been disclosed.

Limiting exposure to insurance risk

The Company limits its exposure to insurance risk through setting a clearly defined underwriting strategy and limits, whilst adopting appropriate risk assessment techniques and ensuring that the portfolio of insurance contracts issued is well diversified and reasonably priced. Claims costs are actively managed to ensure that the impact of factors such as abnormal events and excessive inflation is recognised and mitigated.

Exposure to concentration risk

Concentration risk arises when a company's exposure is focused on a single type of risk, product, counterparty, or geographic region, such that adverse experience could materially affect solvency or operations.

New Era Life Insurance's exposure to concentration risk is primarily driven by its insurance activities. The Company's business model is focused on funeral products, which are written predominantly in South Africa. Concentration risk is therefore managed at the product level, with diversification across other product lines not being material.

The Company monitors and manages its overall insurance risk as part of its SAM (Solvency Assessment and Management) processes. This includes assessing whether product-level concentration creates undue exposure that could impact solvency or capital requirements.

Catastrophe risk (e.g., pandemic or large-scale mortality events) is evaluated through modelling performed by the actuarial function to ensure that appropriate mitigation (including reinsurance) is in place.

At present, there are no undue concentrations of risk beyond the inherent product-level focus of the business that would materially impact the Company's solvency or operational resilience.

The Company's insurance risk is concentrated in funeral products written predominantly in South Africa, as illustrated in the table below.

Exposure to concentration risk

The carrying amount of the insurance contracts (net of reinsurance) are analyzed below by type:	2026	2025
Company Credit Life and Lumpsum Disability	964,846	11,630
Company Funeral	2,354,817	12,684,581
Individual Life	3,349,947	2,778,821
Total	6,669,610	15,475,032

Sensitivity Analysis

The Company has performed sensitivity analysis on the most material non-financial assumptions used in the measurement of insurance contract liabilities. This assumption is subject to estimation uncertainty and is considered significant due to its impact on the insurance service result. The sensitivities presented below illustrate the effects of applying reasonable possible changes, defined as $\pm 5\%$ movements, to this underwriting risk variable at the reporting date. The resulting impact on liability for incurred claims and profit or loss are presented on both a gross and net basis (after taking into account the effect of risk mitigation through commercial reinsurance and in-substance reinsurance). All other assumptions are held constant for the purposes of this analysis.

These disclosures aim to assist users in understanding the Company's exposure to underwriting risk and the effectiveness of its mitigation strategies.

These disclosures aim to assist users in understanding the Company's exposure to underwriting risk and the effectiveness of its mitigation strategies..

31 March 2026	Total Insurance Liability – Base		Total Insurance Liability – Shock vs Base		Liability for incurred claims – Shock vs Base	
31 March 2026	Gross	Net	Gross	Net	Gross	Net
Mortality Rate (1% Increase)	6,669,610	6,669,610	(357)	(357)	-	-
Mortality Rate (1% Decrease)	6,669,610	6,669,610	2,147	2,147	-	-
Morbidity Rate (1% Increase)	6,669,610	6,669,610	895	895	-	-
Morbidity Rate (1% Decrease)	6,669,610	6,669,610	(895)	(895)	-	-
Expenses (5% increase)	6,669,610	6,669,610	295,750	295,750	-	-
Expenses (5% Decrease)	6,669,610	6,669,610	(293,961)	(293,961)	-	-
Lapse Rate (5% Increase)	6,669,610	6,669,610	(14,650)	(14,650)	-	-
Lapse Rate (5% Decrease)	6,669,610	6,669,610	16,478	16,478	-	-
Interest Rate (5% Increase)	6,669,610	6,669,610	(1,232)	(1,232)	-	-
Interest Rate (5% Decrease)	6,669,610	6,669,610	3,043	3,043	-	-

31 March 2026	Total Insurance Liability – Base		Total Insurance Liability – Shock vs Base		Liability for incurred claims – Shock vs Base	
31 March 2026	Gross	Net	Gross	Net	Gross	Net
Mortality Rate (1% Increase)	15,475,032	15,475,032	73,917	73,917	8,000	8,000
Mortality Rate (1% Decrease)	15,475,032	15,475,032	(73,917)	(73,917)	(8,000)	(8,000)
Morbidity Rate (1% Increase)	15,475,032	15,475,032	50	50	50	50
Morbidity Rate (1% Decrease)	15,475,032	15,475,032	(50)	(50)	(34)	(34)
Expenses (5% increase)	15,475,032	15,475,032	708,500	708,500	42,894	42,894
Expenses (5% Decrease)	15,475,032	15,475,032	(708,500)	(708,500)	(42,894)	(42,894)
Lapse Rate (5% Increase)	15,475,032	15,475,032	137	137	(10)	(10)
Lapse Rate (5% Decrease)	15,475,032	15,475,032	(149)	(149)	10	10
Interest Rate (5% Increase)	15,475,032	15,475,032	(21,679)	(21,679)	-	-
Interest Rate (5% Decrease)	15,475,032	15,475,032	22,099	22,099	-	-

57. Loss from discontinued operations (continued)**Risk and capital management (continued)****Financial risk**

The Company is exposed to financial risks through its financial assets, financial liabilities, reinsurance contract assets, reinsurance contract liabilities, and insurance contract liabilities. The significant risks are the following:

- a. Credit risk
- b. Market risk
- c. Interest rate risk
- d. Liquidity risk

These risks arise from open positions in interest rates, currency and securities, all of which are exposed to general and specific market movements. The risks that the Company primarily faces due to the nature of its investments and liabilities are interest rate, price risk and credit risk.

The Company also identifies and manages concentrations of financial risk, including those relating to credit risk, interest rate sensitivity, and liquidity risk. Concentration risk is assessed based on exposures to single counterparties or related groups, instruments with similar characteristics, and positions affected by common economic factors. These risks are mitigated through diversification strategies, robust monitoring frameworks, and defined exposure limits.

The Company manages its exposures through an Investment Committee that has been appointed to achieve investment returns in excess of its obligations under insurance contracts. This committee is charged with local oversight of the invested assets of the portfolios and the management of the asset liability mismatch risk and its related decisions. The committee manages assets relative to the liabilities and reviews the relationship between assets and liabilities.

Credit risk

Credit risk represents the potential loss that would arise in the event of default by counterparties.

The Company's maximum exposure to credit risk is represented by the carrying value of each financial asset in the statement of financial position. Reputable financial institutions such as Allan Gray, Stanare used for investment and cash handling purposes. As at the reporting date, there were no receivable balances that are past due or impaired.

In managing credit risk, the Company also monitors concentrations by sector, geographic region, and counterparty company, with exposure diversified across a range of highly rated issuers. No single counterparty accounts for a material portion of the overall credit exposure.

Reinsurance counterparties are subject to ongoing credit assessments, and internal limits are applied to mitigate exposure to any individual reinsurer. Based on the credit risk analysis performed, management has concluded that there were no material concentration of credit risk as at the reporting date.

Key areas where the company is exposed to credit risk are:

- e. amounts due from insurance policyholders and brokers;
- f. amounts due from reinsurers in respect of claims already paid;
- g. reinsurers' share of insurance liabilities;
- h. amount due from the shareholder;
- i. investments; and
- j. cash and cash equivalents.

The table below reflects the credit risk exposure of the Company. None of these amounts were past due at the current or prior financial year-end.

Credit rating — 2026

Credit rating — 2026	BB	Risk adjustment	CSM	Total
Reinsurance contract assets	-	-	-	-
Investments at fair value through profit and loss	-	-	24,809,035	24,809,035

Trade and other receivables	-	-	1,671,584	1,671,584
Cash and cash equivalents	-	125,836	-	125,836
Total	-	125,836	26,480,619	26,606,455

Risk and capital management

Credit rating — 2026	BB	Risk adjustment	CSM	Total
Reinsurance contract assets	-	-	-	-
Investments at fair value through profit and loss	-	-	45,068,236	45,068,236
Trade and other receivables	-	-	182,282	182,282
Cash and cash equivalents	-	1,490,908	-	1,490,908
Total	-	1,490,908	45,250,518	46,741,426

The assets analysed above, where an external credit rating has been obtained from various reputable external rating agencies, have been assigned the sovereign credit rating.

The Company's investment policy prohibits speculative-grade investments, unless specifically authorized and under exceptional circumstances. The Company identifies and implements appropriate corrective action on investments expected to be downgraded to below investment grade.

Market risk

Market risk is the risk associated with the Company's position at each reporting date where the value or cash flow depends on financial markets. The Company's surplus is the difference between the Company's investments and liabilities. Fluctuation risk drivers resulting in market risk include currency risk and interest rate risk.

Management of Market Risk

The board of directors sets the company's strategy for managing market risk, through the asset liability matching framework (ALM framework). The ALM framework seeks to match the cash flows arising from the Company's financial investments with the cash flows arising from its insurance contracts while optimising long-term investment return on its financial investments for an acceptable level of risk. The ALM framework seeks to achieve this by setting limits both for each type of risk in aggregate across the Company and for individual portfolios.

Currency risk

The Company only transacts in functional currency, South African Rand.

Interest rate risk

Interest rate risk is the risk of loss resulting from changes in interest rates, including changes in the shape of the yield curve. The Company monitors its interest rate risk exposure through periodic reviews of asset and liability positions.

Financial Instruments	Fixed Rate	Floating Rate	Total	Fixed Rate	Floating Rate	Total
	R	R	R	R	R	R
Financial instruments at fair value through profit and loss	-	-	-	-	45,068,237	45,068,237
Cash and Cash equivalent	-	125,836	125,836	-	1,494,908	1,494,908
Total	-	125,836	125,836	-	46,563,145	46,563,145

Notes to the Consolidated Financial Statements

Liquidity risk

The Company is exposed to daily calls on its available cash resources mainly from claims arising from insurance contracts. Liquidity risk is the risk that cash may not be available to pay obligations when due. The Board sets limits on the minimum proportion of maturing funds to be available to meet such calls to cover claims at unexpected levels of demand. Where the Company is unable to fund current commitments from premium revenue, investments can be liquidated that will match the commitment.

There are no concentrations of funding reliance on a particular source, and liquid investments are held in instruments that can be redeemed in the short term. Based on the maturity profile and available cash reserves, the Company does not have significant concentrations of liquidity risk.

The following table summarises the maturity profile of the Company's financial assets and financial liabilities and of the insurance and reinsurance contract liabilities, analysed by the remaining estimated duration until settlement. The insurance and reinsurance contract liabilities are presented at their recognised carrying amounts; the carrying-value column agrees to the statement of financial position. Trade and other payables are presented excluding statutory obligations (such as VAT and income tax payable) as these are not financial liabilities. The insurance and investment-contract liabilities and the investments at fair value through profit or loss are classified within the disposal group held for sale (refer to note 27).

Maturity Analysis

Liabilities	1 year or less	1-2 Years	2-3 Years	3-4 Years	4-5 Years	More than 5 Years	Carrying Value
Reinsurance contract assets held	962,664	-	-	-	-	-	962,664
Financial instruments at fair value through profit and loss	24,809,035	-	-	-	-	-	24,809,035
Trade and other receivables	1,774,904	-	-	-	-	-	1,774,904
Cash and cash equivalents	125,836	-	-	-	-	-	125,836
Total	27,672,439	-	-	-	-	-	27,672,439

Notes to the Consolidated Financial Statements

Risk and capital management (continued)

Liabilities	1 year or less	1-2 Years	2-3 Years	3-4 Years	4-5 Years	More than 5 Years	Carrying Value
Insurance contract liabilities	6,355,446	178,419	56,406	17,308	30,842	31,189	6,669,610
Reinsurance contract liability	-	-	-	-	-	-	-
Financial instruments at fair value through profit and loss	6,880,579	-	-	-	-	-	6,880,579
Trade and other payables	11,482,768	-	-	-	-	-	11,482,768
	24,718,793	178,419	56,406	17,308	30,842	31,189	25,032,957

31 March 2025

Liabilities	1 year or less	1-2 Years	2-3 Years	3-4 Years	4-5 Years	More than 5 Years	Carrying Value
Reinsurance contract assets held	962,664	-	-	-	-	-	962,664
Financial instruments at fair value through profit and loss	45,068,237	-	-	-	-	-	45,068,237
Trade and other receivables	718,784	-	-	-	-	-	718,784
Cash and cash equivalents	1,494,908	-	-	-	-	-	1,494,908
	48,244,593	-	-	-	-	-	48,244,593

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31 March 2025 (continued)

Liabilities	1 year or less	1-2 Years	2-3 Years	3-4 Years	4-5 Years	More than 5 Years	Carrying Value
Insurance contract liabilities	14,410,247	396,693	238,132	197,386	112,301	1,200,003	15,475,032
Reinsurance contract liability	-	-	-	-	-	-	-
Financial instruments at fair value through profit and loss	6,717,563	-	-	-	-	-	6,717,563
Trade and other payables	7,447,621	-	-	-	-	-	7,447,621
Total	28,575,431	396,693	238,132	197,386	112,301	1,200,003	29,640,216