INTEGRATED REPORT
2020|21

LEDA
LIMPOPO ECONOMIC DEVELOPMENT AGENCY

AN AGENCY OF THE LIMPOPO PROVINCIAL GOVERNMENT
REPUBLIC OF SOUTH AFRICA

ROOTED IN THE FUTURE

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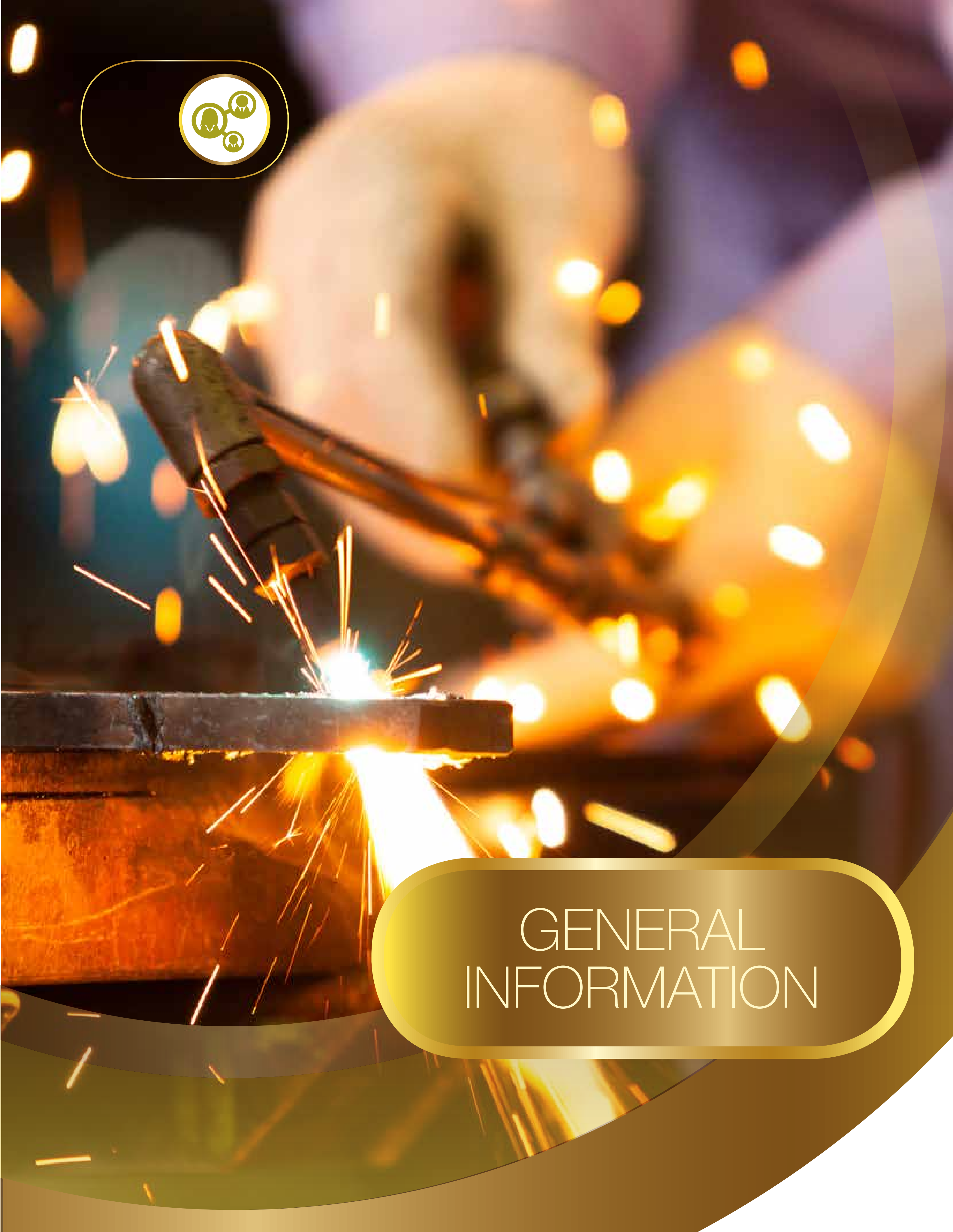


GENERAL INFORMATION

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.

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, let 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.

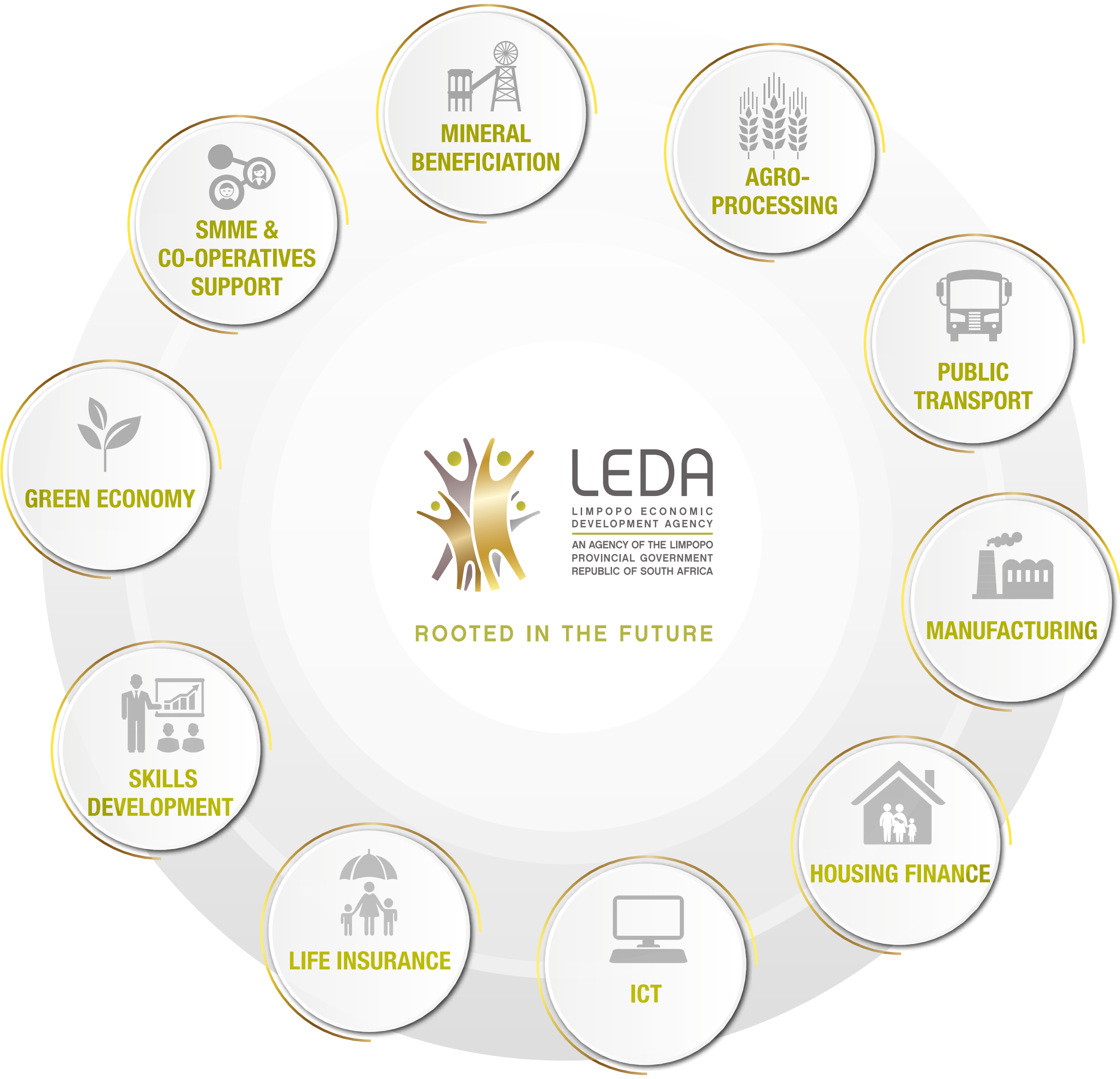
- **The Companies Act (Act 71 of 2008, as amended):**

  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?

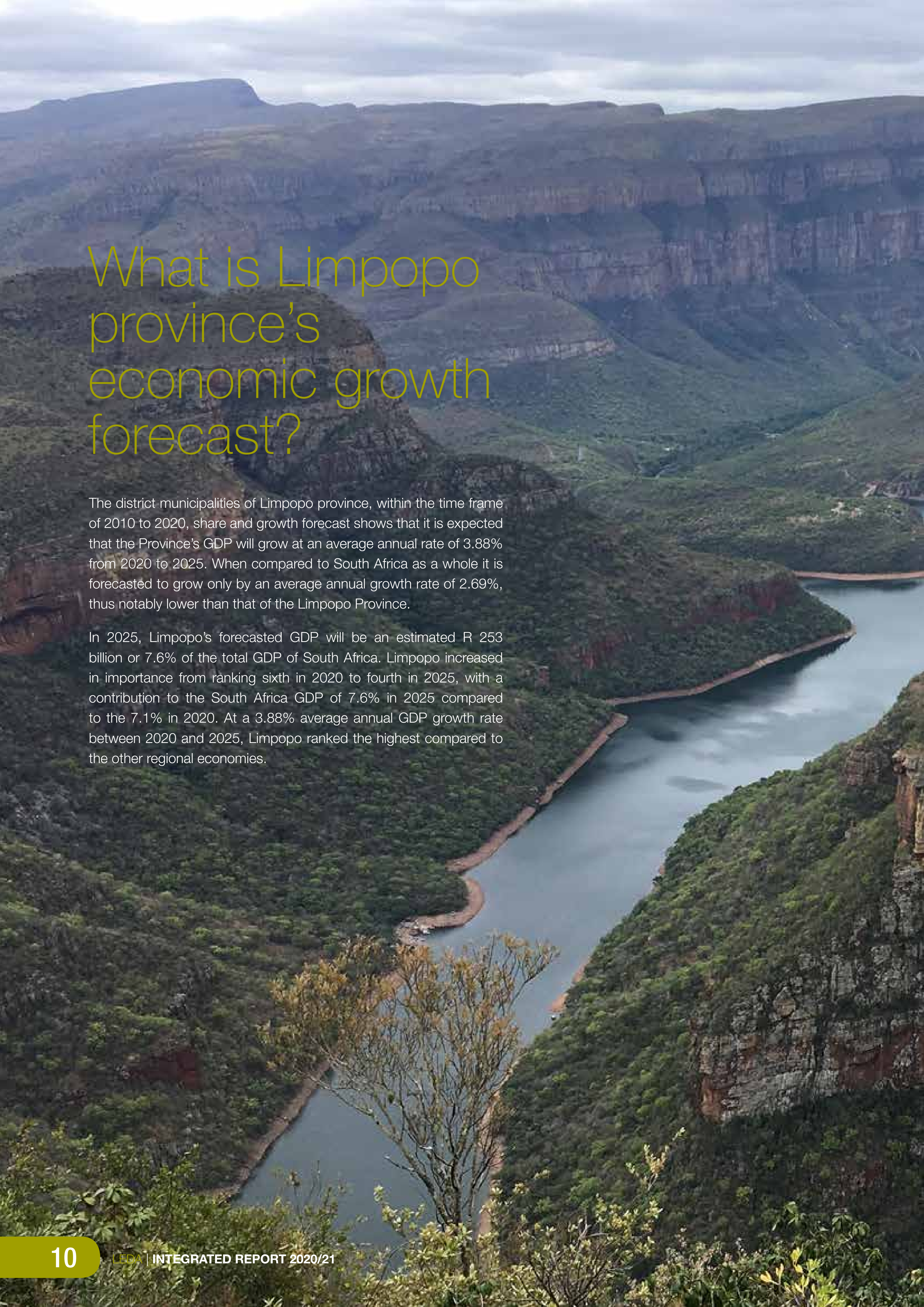
LEDA's mission is to stimulate and accelerate economic growth, development and job creation. To this end, LEDA has targeted sectors that have been identified as providing the most scope for investment opportunities, expansion on current projects and re-purposing assets. These are:



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.



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.

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: Actions speak louder than words – 'walk the talk'.

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 requires 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.

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 MEC

The refurbishment of the LEDA industrial parks should remain among the many priorities of the agency as they are the building blocks for expanding manufacturing capacity of the province, as well as the breeding ground for future industrial players.

The slow economic growth coincided with the outbreak of the Covid-19 pandemic which sent global markets into turmoil. The locking down of international trading systems and ports of entries, further exacerbated the downturn of the global business environment. The economic contraction was predicted for the foreseeable future as the spread of the pandemic became unabated, resulting in the destruction of small and micro to large business on a global scale.

South Africa's future economic outlook suffered for two consecutive years with negative ratings grades for investment by three main rating agencies. Whilst it is a common course that markets go through the phases of growth, maturity and decline and that it is during the decline phase that new products and services driven by innovation emerge to stimulate economic growth. South Africa's adaptation of the new normal of doing business was gradual across all adjusted levels of the lockdown regimes embedded in the National Disaster Management Act. As a development State, propelled on expansionary monitory policy, the country relied on inflation targeting over the past two years to alleviate the impact of inflation on households.

Our growth plans over the Medium Term Strategic Framework (MTSF) was adversely affected by raging economic disruptions following the implementation of the Disaster Management Act regulating the Covid-19. Limpopo Development Plan which pointed to many untapped opportunities across our traditional and emerging sectors; however investments in all these sectors collapsed as a result of market speculations and uncertainties. Our business communities; industrialists, SMMEs and Co-operatives whose long term existence, growth and expansion depends on local support and consumption of their products and services saw a steep decline in demand, almost leading to their demise. Our intervention was anchored on relief fund support by national government; mainly the Department of Small Business

The five year LEDA Corporate Strategy is a practical and implementable plan that should set a new trend line for the economic growth of our province.

Development, brought about the much needed relief and lifeline to these businesses. As much as we provided the financial and non-financial support, a lot of work still needs to be carried out to ensure that emerging businesses are afforded the opportunity for growth as that is our vehicle of restoring economic stability and platforms for job creation and poverty alleviation.

Substantive stakeholder engagements with business communities were conducted in Limpopo Province to support business endeavours in general. Whilst we appreciate the prompt development of the LEDA Call Centre to assist the business communities online, we are confident that the future planning for SMME and Co-operatives' development will integrate all future technologies of communications and information dissemination. My department with its business development directorates will continue to support the LEDA programmes on enterprise development and investment promotion.

The Musina-Makhado SEZ, one of our landmark industrialisation programme in the province continues to gain traction as we embark on infrastructure roll-out in the current 3 year MTEF cycle. The much-awaited record of decision on the EIA in the South Site will, once obtained provide significant impetus to the implementation of the MMSEZ. The MMSEZ emerging as another Singapore presents opportunities of a lifetime and is envisioned to see Musina and Makhado being transformed into a new smart city fully equipped to handle all viable opportunities associated with the 4th Industrial Revolution.

In our endeavour to position Fetakgomo-Tubatse proposed SEZ to be a globally recognised Centre of Excellence for Green Economy Technology and Mineral Beneficiation, LEDET seconded the Head of Department to lead the project management unit as work continues on strengthening the investment pipeline, robust marketing and infrastructure roll-out. This will strengthen the value proposition for the SEZ as we strive to localise manufacturing of both upstream and downstream activities of the PGM's and Chrome value chains.

The refurbishment of the LEDA industrial parks should remain among the many priorities of the agency as they are the building blocks for expanding manufacturing capacity of the province, as well as the breeding ground for future industrial players. As we continue to perfect our model of beneficiating our industrial base and raw materials to industrialise our economy, these industrial parks will become the feeder to mayor industrial players down the value chain. We are encouraged by the number of jobs created through these industrial parks, and the skills transfer that employees in these businesses acquire, as they are vital for the skills base in our province

The five year LEDA Corporate Strategy is a practical and implementable plan that should set a new trend line for the economic growth of our province. My department is encouraged by the bold vision set by the LEDA Board of Directors and the strategic goals and objectives embedded in the vision. It is on that basis that we believe and support the strategic direction and endeavours undertaken by this Board over the MTSF 2019-2024. Our contribution towards the achievement of the MTSF ideals of; achieving a more capable state, driving a strong and inclusive economy and building and strengthening the capabilities of South Africans, should be the rallying point for everything we do in our oversight role as the shareholder and the Board.

The appointment of the LEDA Chief Executive Officer by the Board of LEDA came at the right time of implementing the strategy and my department is convinced that, with the support of the Board and capable executive management cohort, LEDA should be able to accomplish its objectives annually to contribute to the economic growth of our province.

Last but not least I would like to express my appreciation for the support of my executive and senior management to the work undertaken by LEDA, and the legion of business development and support staff located across all the LEDA regional offices as they provide the much needed support to enterprise development and trade and investment promotion in our province.

Thabo Mokone

MEC of the Department of Economic Development, Environment and Tourism

STATEMENT BY THE CHAIRPERSON

The timeless online business registrations and its associated services put the province on par with national benchmarks of lead time to accessing business opportunities by entrepreneurs.

The LEDA Board of Directors presents the 2021 Intergrated Report at the time when the country continues to suffer from the effects of Covid-19 pandemic that ravaged the world over the past two years. As the world grapple with the scourge of new infections on one hand, and endeavour to keep the socio-economic rhythm alive on the other hand, there is growing need for public institutions such as LEDA to remain vigilant and adaptive to better ways of executing their mandates. There is a growing trend globally to evaluate what works, in the midst of scarce resources to pursue delivery of expected goals and objectives set out in the organizational plan.

During the year under review, the LEDA Board continued with its oversight responsibilities emphasizing on the review and development of policies to support corporate strategy implementation. Corporate governance is at the heart of our fiduciary responsibilities and it is therefore imperative that where there are gaps and weaknesses, the Board provides guidance to eliminate them. It must be stated that over the past twelve months, the Board has strengthened its governance oversight having considered a number of key policies and Board Charters. The Board is grateful on this important work carried out by management which continued into the new financial year. It is a demonstration of the sense of urgency towards the ideals of turning LEDA towards self sustainable institution anchored on strong principles of corporate governance. Much more work still needs to be done in the new financial year to ensure that LEDA corporate governance regime is benchmarked with national and international best practices.

The new normal of operating virtually resulting from adjusted levels of lockdowns carried under the Disaster Management Act characterized much of the year under review. Like any other public or private sector institution, LEDA had to adapt to the new normal whilst ensuring that productivity is not compromised. Whilst this new wave of interacting with our work responsibility will be part of our permanent feature, we need to appreciate the challenges that are faced by disfranchise rural communities whose access to online services is hampered by low internet penetration.

Our endeavour to industrialize the economy of Limpopo hinges to a larger extent on the technological advancement and scale across the length and breadth of the province.

This is the second Intergrated Report of this Board. The Board has during the year under review strengthened the alignment of governance and oversight to organizational performance. The Balance Scorecard framework has been introduced to measure individual and organizational performance. Other efficiency and performance measure tools will come on Board in the coming financial year.

Our strategic thrust hinges on increased start-up financing, sustainable enterprises economic development, investment and trade promotion for inclusive economic growth of Limpopo Province. The LEDA business model is gradually embracing new technological imperatives to remain relevant and agile.

The timeless online business registrations and its associated services put the province on par with national benchmarks of lead time to accessing business opportunities by entrepreneurs. LEDA therefore compares with international best practice of delivering a fully registered business service within 12 hours. In today's ever changing consumer needs, service driven global market, and stiff competition, efficiency determines success or failure. Our service delivery imperatives require that our programmes are defined within the parameters of excellence and efficiency throughout the group.

Public transport remains the backbone of the economy of the province. Great North Transport acquired 75 new buses to complement the current fleet. The delivery of the fleet goes a long way in alleviating the transport challenges that commuters and passengers face on daily basis. Although the fleet is not sufficient, Management under the strategic leadership of the Great North Transport Board of Directors are working tirelessly to arrive at a permanent solution to the matter.

Our endeavour to industrialize the economy of Limpopo hinges to a larger extent on the technological advancement and scale across the length and breadth of the province. To this end, Limpopo Connexion conceptualized the Science and Technology Park to leverage on the broadband facility for sustainability. The science and technology park will drive economic development by accelerating investments on innovation; new products, research and development.

The SEZ program is gaining traction, with more Environmental Impact Studies being completed and finalization of Environmental Impact Assessments (EIA) for the south side of the Musina Makhado Special Economic Zone (MMSEZ). The EIA remained a disjuncture between our drive to promote foreign investment and inflow of investment into the Zone and we are confident that the latest EIA report is well received by all stakeholders for the commencement of amenities that will further stimulate investment interests into the zone.

During the year under review, MMSEZ completed an investment promotion strategy, the internal master plan for the North site in preparation for bulk infrastructure development. In addition to that, pre-feasibility studies for Musina Dam, and the smart city development model were completed.

Our endeavour to reach designation status for proposed Fetakgomo-Tubatse got a major boost with the arrival of the former Head of Department of Economic Development, Environment and Tourism, as its Executive after year end under review. The allocated financial resources for the project implementation will go a long way towards the successful bidding for designation.

The Covid-19 pandemic, whose negative effects let many industrial sectors plummeting affected not only emerging economies, but also the developed economies.

The LEDA insurance and housing portfolios driven through New Era Life Insurance and Risima Housing Finance, have shown strong potential for growth in financial services offerings despite unfavourable market conditions during the year under review.

Black economic empowerment and participation in the mainstream economies is the hallmark for inclusive economic growth envisaged in our mining assets. Our imagined growth year on year is based on the proliferation of mining activities in both Sekhukhune and the Waterberg districts respectively. Corridor Mining Resources (CMR) endeavours to play a meaningful role of both investment promotion as well as advocacy for communities where mining operations take place.

Whilst our mine operations are still on the project phase and do not make profit as yet, they however facilitated to create 100 jobs for local communities and contributing to enterprise development and support with 70% of procurement spent channelled to these enterprises during the year under review. The mining right on the Fumani Gold was acquired, paving our way for raising capital and commencing operations in the future. The majority of CRM assets are in their project phase with expenses still outdoing income generated from operations. However, the company has improved its governance matters by addressing all concerns raised by the Auditor General in the previous financial year and also acquired an unqualified opinion - a solid foundation for future efforts of raising capital and investments.

We will continue to strengthen management capacity and capabilities which have been a constraint on the business due to the Provincial Government moratorium on filling positions. Post year and recently, the moratorium has been lifted which provides us with the opportunity to capacitate the Group.

Our audit outcome at consolidated Group level has regressed due to qualification of Limpopo Connexion in respect of its Broadband assets accounting allocation. The Board is however satisfied that LEDA Agency and many other subsidiaries obtained unqualified audit opinions from the Auditor General. Within these, Risima continued to be star performer having received a clean audit outcome for the third year in a row. It remains the desire of the Board to attain clean audit outcomes in the entire LEDA Group in the year ahead.

Our gratitude goes to our shareholder, as represented by the Hon MEC Thabo Andrew Mokone, for the continued support during the year under review. The oversight role of different portfolio committees is highly appreciated as they keep us on our toes in terms of obligations to the people of the province. To that end, the entire Board of Directors would like to appreciate and commit to serving the people of Limpopo Province as per our fiduciary duties, and in doing so, we endeavour to adhere to environmental and social governance principles.

We are committed to contributing to sustainable development in the Limpopo Province through ethical and responsible business practices, as well as through unlocking value for the citizens of the province and advancing an Ethical and Social Governance-aligned agenda, that is directed towards creating long term sustainability. Our commitment includes managing the environmental and social effects that LEDA's activities and solutions have in the province.

Part of our Environment and Social Governance agenda is to ensure responsible and sustainable investment drive and economic development activities. We embed the assessment of the environmental and social risks within our Enterprise-wide Risk Management (ERM) framework,

and will apply relevant globally accepted environmental and social risk management principles across our investment drive and economic development activities by:

- Utilising best practices,
- Integrating environmental and social management systems, into our operational model on a reiterative basis,
- Continuing to develop and formalise our environmental and social data collection across our operations,
- Aligning our risk control management procedures,
- Complying with best practices and other Environment and Social Governance guidelines.

The Board would like to appreciate the level commitment and sacrifices displayed by management and staff during this challenging year. Our deepest condolences go to the families of our employees who succumbed to the deadly Covid-19 disease.

Mpho Makwana
LEDA Chairman

GROUP CHIEF EXECUTIVE OFFICER'S OVERVIEW

It is with great honour and privilege to present my inaugural overview report as Group Chief Executive Officer of LEDA. An enormous responsibility is bestowed upon us to accelerate economic growth, development and job creation for the benefit of the people of Limpopo through industrialisation; promotion and facilitation of trade, investment and finance; creation and support of sustainable enterprises; and continual innovation.

LEDA recognises the need to continuously adapt and adjust in order to respond effectively to a rapidly changing environment, as we continue to play our role in the economic and industrial development of the province.

The past financial year has been challenging in many respects. We operated under unusual business conditions following the outbreak of the Covid-19 pandemic and ongoing lockdown, which necessitated a fundamental shift in how we do business, life and connect one another as people. The 'new normal' balancing work that needs to be carried out, life and livelihood.

The adverse impact brought about by this pandemic has exacerbated the already subdued financial position and performance across LEDA Agency and subsidiaries. The cash flow generating capacity remains a constraint that necessitates tightening cash flow management. LEDA Agency and all subsidiaries, save for Limpopo Connexion (which obtained qualified audit opinion), received unqualified audit opinion with Risima Housing Finance maintaining its clean audit for the third year in a row from the Auditor General. Management will work hard to address issues identified on Limpopo Connexion to return to the unqualified status in the coming year.

The year under review saw LEDA enhancing its internal control environment through developing and reviewing its policies and processes as well as the organisational structure enhancement to ensure that as a state-owned company, we are fit for purpose. The long-term sustainability of LEDA and its subsidiary remained our critical focus area as this will enable the group to fulfil its economic and developmental mandate. LEDA has, as a result, mapped its sustainability path for the next few years to ensure self-reliance and reduce financial dependency from the fiscus.

The onset of the COVID-19 pandemic triggered the implementation of our business continuity plan and resulted in our establishment of a COVID-19 response team and the prioritisation of the health, safety and well-being of our staff, our clients and other stakeholders with whom we interact. We set about implementing safety protocols throughout all our offices, ensuring adherence to Covid-19 regulations.

LEDA Group has slightly improved its financial position by 8% from the previous financial year, mainly due to the acquisition of Broadband assets. Both Own Revenue and Grant funding were decreased by 35% and 16%, respectively. Going concern of the Group is under threat. Margins are worsened by the continued losses caused by impairments or non-performance of investments.

Subsequent to the financial year end, the Group sustainability model to address the going concern has been put in place, which includes some of the following interventions.

- Recapitalisation of Great North Transport by R 182 million;
- Disinvestment/ disposal of non-core asset;
- Partnership with the private sector in key strategic assets in the agricultural sector; and
- Intensive collection strategy on all legacy Loans and Debtors.

LEDA continued to support small businesses during the year under review. Despite budgetary constraints, 118 SMMEs were supported by LEDA through the Business Incubation Program, of which 59 were Youth-Owned Enterprises. This resulted in a total of 221 employment opportunities being created and sustained, which benefited 108 females and 113 males, included herein were 123 youth. Additionally, 100 Co-operatives were supported through the Business Incubation Program, of which 20 were Youth-Owned Enterprises. A total of 737 employment opportunities were created and sustained, of which 491 were Females and 246 were Males, including 244 young people.

Our property portfolio remains pivotal as an income-generating stream for LEDA. The industrial parks are central in providing the most needed infrastructure and logistical hub for businesses to conduct their business activities in the province. During the year, LEDA continued with the refurbishment of the Seshego and Nkowankowa Industrial Parks. This accomplishment would not have been possible without the continuous support of the DTIC, who provided financial resources towards this process through its' Critical Infrastructure Programme.

The next phase of the refurbishment programme will focus on Thohoyandou Industrial Park security features and Seshego Industrial Park second phase. LEDA has already lodged an application for funding with the DTIC, and this will also include the establishment of the Digital Hub in both Seshego and Nkowankowa Industrial Parks. We have lost a number of our tenants due to the economic meltdown and COVID 19 impact. It is the intention of LEDA to continue to engage these lost tenants approach the DTIC for available incentives schemes that may assist them to minimise the impact their businesses endured.

Insofar as our subsidiary companies are concerned, Limpopo Connexion, for instance, has begun the rollout expansion of broadband network telecommunications infrastructure footprint to local municipalities. The objective of the broadband project is to establish an open-access, shared, secure, affordable next-generation broadband network infrastructure to develop ICT as an economic sector, improve service delivery, transform Limpopo into a knowledge economy and information society province and help bridge the digital divide. This is a critical project in which the community of Limpopo will benefit by accessing free connectivity in almost all corners of the province.

Risima Housing Finance remains self-sustainable and self-reliant and will continue to focus on its growth trajectory in collaboration with key strategic partners already identified.

I see the future being bright for our business through reengineering and organisational alignment.

Great North Transport (GNT) has unveiled new buses, a process that brought a sigh of relief to our commuters who rely on GNT for their safe transportation. Our Hon Premier, Mr Stanley Chupu Mathabatha, officially handed over the first batch of ten buses, and the rest being 65 buses, were delivered subsequently. The new fleet offered the necessary support to the existing fleet and further boosted the provincial economy by ensuring effective transportation of commuters to various destinations. Notwithstanding the new fleet, GNT experienced cashflow challenges during the year under review, which adversely impacted its operations attributed largely to limited busses on the routes and reduced passenger numbers to comply with Covid-19 protocols during a lockdown.

Corridor Mining Resources (CMR) has endured cashflow challenges as most of its underlying investments were not yet at maturity phases and, as such, cannot provide any dividend waterfall. LEDA has continued to provide the necessary support to CMR.

Limpopo Agribusiness is being repurposed to focus on agro-processing and moving away from primary agriculture. It is expected that this new approach will begin to bear fruit in the coming year to ensure commercial viability.

Whilst our New Era Life Insurance was impacted negatively following a large number of deaths claims due to the pandemic, its regulatory solvency and capital adequacy requirements remained within the threshold set by its regulatory authority. This business has great potential to succeed.

Musina Makhado SEZ has shown fundamental progress, including capacitation of its workforce both at the management and operational level. It has attained milestones towards the finalisation of its environmental impact assessment. Furthermore, the company continued to engage with potential strategic partners to the Special Economic Zone. The Fetakgomo Tubatse SEZ project, on the other hand, has laid the necessary groundwork which bodes well towards designation as an SEZ in the year ahead. It has identified potential investors for the project site, and engagements are ongoing.

The advent of the COVID-19 pandemic has triggered the need to implement a business continuity plan for our business. Consequently, we established a COVID-19 response team and ensured prioritisation of the health, safety and well-being of our staff, our clients and other stakeholders with whom we interact. We set about implementing safety protocols throughout all our offices, ensuring adherence to Covid-19 regulations.

I see the future being bright for our business through reengineering and organisational alignment. Whilst challenges remain in our midst, and there are endless possibilities and great potential for LEDA and its subsidiaries to change the lives of the people of Limpopo fundamentally.

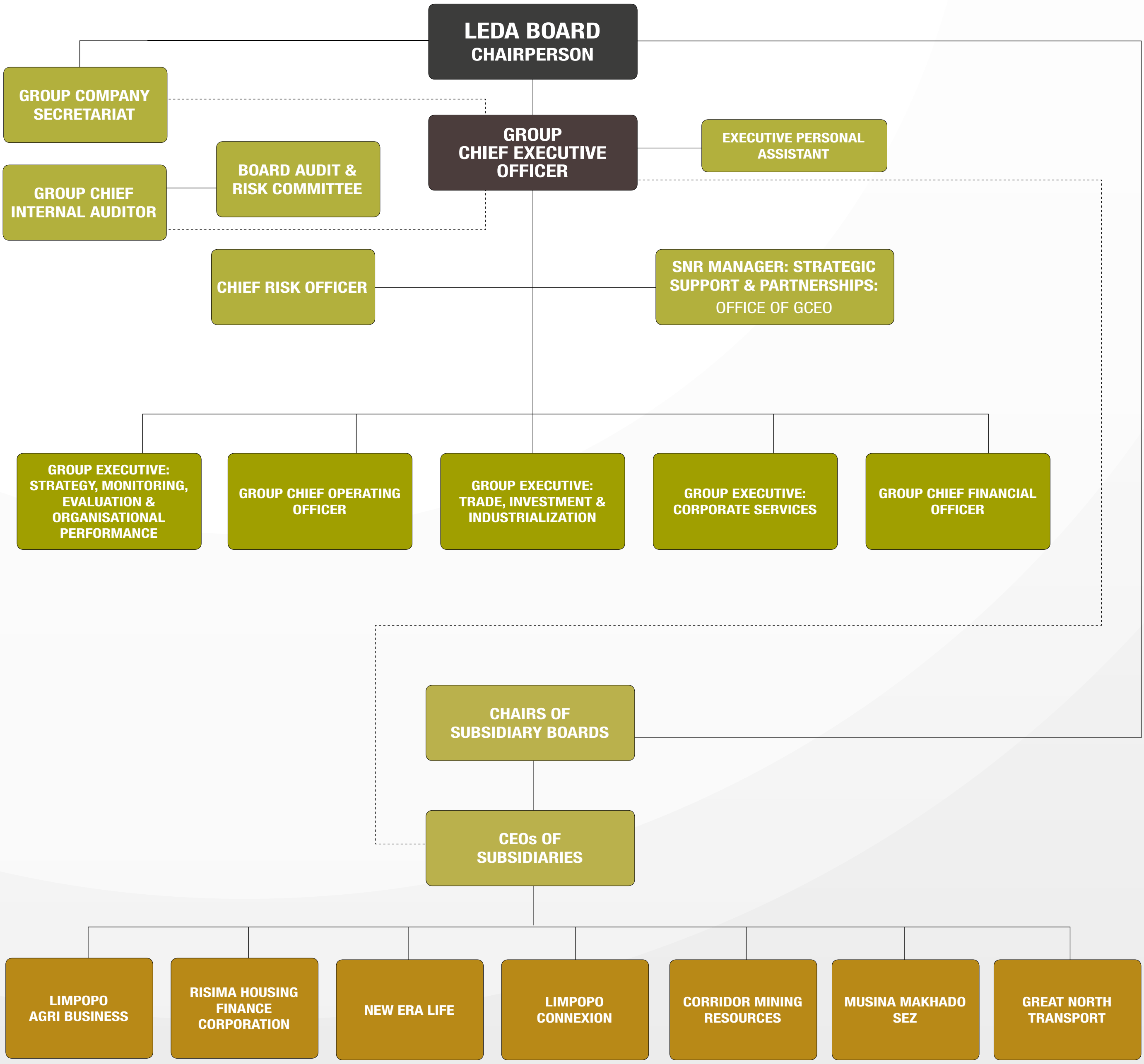
I would also like to express our deepest condolences on behalf of the LEDA group to the families and friends of our colleagues who lost their lives through Covid-19 during this period. May their soul rest in eternal peace!

On behalf of management & staff group-wide, I would like to extend our sincere gratitude to the Board of Directors, able led by our Chairman, Mr Mpho Makwana, for your support and counsel.

Our appreciation goes to the MEC for Economic Development Environment and Tourism, Hon Thabo Andrew Mokone and Team LEDET, for your continued guidance and oversight and holding us accountable.

Thakhani Makhuvha
Group Chief Executive Officer

Institutional framework



Board of Directors

MR MP MAKWANA
Chairman of the Board

Appointed: 01 December 2019

QUALIFICATIONS

- B.Admin Honours (Public Administration)
- Bachelor of Administration
- Executive Development Programme
- Post Graduate Diploma in Retail Management

MR CCT NKADIMENG
Deputy chairman

Appointed: 01 March 2021

QUALIFICATIONS

- Bachelor of Arts
- Honours of Public Governance

MR T MAKHUVHA
Group Chief Executive Officer

Appointed: 01 November 2020

QUALIFICATIONS

- MCom Financial Management
- BCompt Honours
- BCom Accounting
- Leadership Development Programme
- Senior Business Rescue Practitioner

MR MS RALEBIPI
Non-Executive Director

Appointed: 01 December 2019

QUALIFICATIONS

- BCom in Accounting
- Post Graduate Diploma in Computer Auditing
- Certificate in Risk and Information System Control
- Certificate in Strategic Leadership

MR R SHINGANGE
Non-Executive Director
(Resigned - 9 February 2021)

Appointed: 3 December 2019

QUALIFICATIONS

- B.Proc - UL
- Post Grad Dip. in Information System Måanagement - Wits

MR D KOURTOUMBELLIDES
Deputy chairman
(Deceased - 12 August 2020)

MR IM RATHUMBU
LEDET Representative

Appointed: 01 December 2019

QUALIFICATIONS

- MA in Economics
- MA Arts
- BEcon (Hons)
- BA Military Science
- Front Line & Public Relations
- Management Dev. Programme
- Labour Relations Course
- Economics Application

MS N MAGADAGELA
Non-Executive Director

Appointed: 12 January 2021

QUALIFICATIONS

- Chartered Accountant (SA)
- Bcompt Honours
- Bcom Accounting Sciences

MR M MAPHUTHA
Non-Executive Director

Appointed: 01 December 2019

QUALIFICATIONS

- Teachers Diploma
- Certificate in Corporate Governance Leadership

ADV.TM NCUBE
Non-Executive Director

Appointed: 01 December 2019

QUALIFICATIONS

- Diploma in Criminal Justice and Forensic Auditing
- LLB
- BA Law Degree

MR CA CHIKANE
Non-Executive Director

Appointed: 01 March 2021

QUALIFICATIONS

- Master of Public Administration
- Master of Town and Regional Planning
- Post Graduate Diploma in Monitoring and Evaluation
- Certificate Corporate Governance
- Certificate in Risk Management
- Advanced Programme in Project Management
- Programme in Project Management
- Executive Leadership Municipal Development Programme
- GCRA Executive Leadership Development Programme
- B Iuris
- Advance Labour law Programme
- Business Management Development Programme (BMDP)
- Executive Development Programme
- Strategic Human Resources Management

MR F MAGIDI
Group Chief Financial Officer

Appointed: 01 June 2019

QUALIFICATIONS

- Professional Accountant (SA) (SAIPA)
- Tax Practioner (SAIPA)
- Bcompt Accounting science degree

MR N MOKOBANE
Group Chief Operations Officer (Interim)

Appointed: 01 June 2019

QUALIFICATIONS

- Master's in 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)

MS MC MOKOMA
Group Company Secretary

Appointed: 1 March 2014

QUALIFICATIONS

- B. Juris
- Practical Labour Law
- Project Management
- Strategic Investment Promotion and Competitiveness

Executive Management

MR T MAKHUVHA
Group Chief Executive Officer

MR F MAGIDI
Group Chief Financial Officer

MR N MOKOBANE
Group Chief Operations Officer (Interim)

MS B GWEBU
Project Executive: Fetakgomo-Tubatse PMU

MR S KHOZA
Head: Information Technology (Interim)

MS S MAPONYA
Head: Human Resources

MR M MOLEPO
Head: Property Infrastructure Development Division

DR JM MOKOELE
Group Executive Manager: Corporate Services

MR A SHIBURI
Head: Growth Sectors

MR SH MAPHUTHA
Executive Manager: Enterprise Development and Finance (Interim)

MS T RAOPHALA
Group Chief Risk Officer

MR N MHINGA
Head: Agribusiness Development Division (Interim)

MS C MOKOMA
Group Company Secretary

CEO's of Subsidiaries

DR S NOKANENG
CEO: Risima Housing Corporation

MR K NKADIMENG
CEO: Corridor Mining Resources

MR S KHESWA
CEO: Great North Transport
(Resigned on 31 December 2020)

DR M MOKOELE
CEO: Great North Transport (Interim)
(Appointed 01 January 2021)

MR L MASOGA
CEO: Musina-Makhado Special Economic Zone

MR B RAMASOBANE
CEO: Limpopo Connexion (Interim)

MR K MKHIZE
CEO: New Era Life

Governance Report

The purpose of corporate governance is to help build an environment of trust, transparency and accountability necessary for fostering long-term investment, financial stability and business integrity, thereby supporting stronger growth and more inclusive societies.

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, 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.

The Board considers good corporate governance as fundamentally necessary for achieving the LEDA's mission, mandate, financial objectives and corporate responsibilities. The Board is committed to applying the core governance principles of fairness, accountability, responsibility, transparency, integrity and competency in dealings with its stakeholders. 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 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.

1. EXECUTIVE AUTHORITY

The 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 reviews the financial statements, business performance, 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 indicators.

3. PURPOSE AND ROLE OF THE BOARD

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. The Board operates independently of LEDA management, free of functional impairment, and is accountable to the Shareholder.

4. 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 the 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.

5. ASSURANCE

5.1. RISK MANAGENENT

The Companies Act 71 of 2008 provides for the establishment of the Audit Committee as a statutory Committee of the Board. The independent Committee oversees the monitoring and control system and is accountable to the Board. The Committee does not assume management functions, which remains the responsibility of the Executive Management, officers and other members of the senior management. 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.

5.2. 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. It submits its findings to the Audit Committee. The internal audit plan is based on the results of the group-wide risk assessment and the approved Group strategy. The plan is updated annually considering risk assessments, internal and external emerging strategic issues and the results of external audits performed. This ensures that the audit focuses on identified risks.

5.3. FRAUD AND PREVENTION

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.

5.4. CODE OF CONDUCT

LEDA is committed to the highest standards of conduct and business ethics. We have adopted a code of conduct that compels the company to conduct all its business dealings according to prevailing laws of the country. LEDA's success is built on integrity. Management as part of internal control 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.

5.5. 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 representative and employee engagements to address expectations and deliverables and restore confidence and trust.

5.6. EXTERNAL AUDIT ASSURANCE

The shareholder confirmed the reappointment of the Auditor-General South Africa as external auditors of the LEDA for 2020/21 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.

6. BOARD COMMITMENT TO EXECUTING ITS STRATEGY

The Board is empowered by the LEDA ACT No 5 of 2016 to determine the strategic direction of the LEDA and oversee the implementation and execution of the strategy by Management.

7. BOARD COMPOSITION

The Board appointed the Chief Executive Officer, Mr TR. Makhuvha, who resumed duties on 01 November 2020.

On the Human Resources and Remuneration Committee (Remco), the Board approved the revised organisational structure comprising the following critical strategic positions: Group Chief Executive Officer, Group Chief Operating Officer, Group Chief Financial Officer; Group Executive Trade, Investments & Industrialization; Group Executive Strategy, Monitoring, Evaluation and Organisational Performance; Group Executive Corporate Services and Chief Risk Officer.

The Board established six (6) Board Committees in terms of section 72 of the Companies Act.

8. DELEGATION OF AUTHORITY

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

9. RISK MANAGEMENT

The Board reviewed and adopted the risk management framework, which identifies, assesses and measures Group risks. It also approved the inclusion of enterprise risk management as a performance indicator in the corporate risk register to ensure a structured monitoring 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.

11. COMPLIANCE GOVERNANCE.

Through the Audit and Risk Committee, the Board, as well as the Credit and Investment Committee, considers 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 2020/21. 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 on ethical behaviour and leadership;
- transformation; and
- effeciecncies in the application of six capitals, namely financial capital, manufacturing capital, human capital, social and relationship capital, intellectual capital and natural capital.

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 2020/21 together with the Annual draft Plan for 2020/21 and draft Strategic Plan for 2020/25 to the Shareholder.,

The Board is satisfied that it has complied with its duties and responsibilities during the reporting period in line with the Board annual work plan.

13. GROUP COMPANY SECRETARY

MS M.C MOKOMA

Date Appointed: 01 March 2014

Qualifications:

- B Juris
- Practical Labour Law
- Project Management
- Strategic Investment Promotion and Competitiveness

14. THE BOARD

The Board comprises technical, financial, investment, commercial, legal and social expertise to fulfil its fiduciary duties. There were seven (7) non-executive and three (3) executive Directors appointed by the Member of the Executive Committee for Economic Development, Environment and Tourism during the reporting period. The Board is considered independent and diversified in gender, race and age.

14.1. BOARD OF DIRECTORS

MR MP MAKWANA

Chairman of the Board

Date Appointed: 01 December 2019

Qualifications:

- B.Admin Honours (Public Administration)
- Bachelor of Administration
- Executive Development Programme
- Post Graduate Diploma in Retail Management

MR CCT NKADIMENG

Deputy Chairman

Date Appointed: 01 March 2021

Qualifications:

- Bachelor of Arts
- Honours of Public Governance

MR M MAPHUTHA

Non-Executive Director

Date Appointed: 01 December 2019

Qualifications:

- Teachers Diploma
- Certificate in Corporate Governance Leadership

ADV.TM NCUBE

Non-Executive Director

Date Appointed: 01 December 2019

Qualifications:

- Diploma in Criminal Justice and Forensic Auditing
- LLB
- BA Law Degree

MR MS RALEBIPI

Non-Executive Director

Date Appointed: 01 December 2019

Qualifications:

- BCom in Accounting
- Post Graduate Diploma in Computer Auditing
- Certificate in Risk and Information System Control
- Certificate in Strategic Leadership

MS N MAGADAGELA

Non-Executive Director

Date Appointed: 12 January 2021

Qualifications:

- Chartered Accountant (SA)
- Bcompt Honours
- Bcom Accounting Sciences

MR CA CHIKANE

Non-Executive Director

Date Appointed: 01 March 2021

Qualifications:

- Master of Public Administration
- Master of Town and Regional Planning
- Post Graduate Diploma in Monitoring and Evaluation
- Certificate Corporate Governance
- Certificate in Risk Management
- Advanced Programme in Project Management
- Programme in Project Management
- Executive Leadership Municipal Development Programme
- GCRA Executive Leadership Development Programme
- B Iuris
- Advance Labour law Programme
- Business Management Development Programme (BMDP)
- Executive Development Programme
- Strategic Human Resources Management

MR IM RATHUMBU

DDG: Integrated Economic Dev./Shareholder Rep.

Date Appointed: 01 December 2019

Qualifications:

- MA in Economics
- MA Arts
- BEcon (Hons)
- BA Military Science
- Front Line & Public Relations
- Management Dev. Programme
- Labour Relations Course
- Economics Application

MR TR MAKHUVHA

Group Chief Executive Officer

Date Appointed: 01 November 2020

Qualifications:

- MCom Financial Management
- BCompt Honours
- BCom Accounting
- Leadership Development Programme
- Senior Business Rescue Practitioner

MR NB MOKOBANE

Group Chief Operations Officer (Interim)

Date Appointed: 01 June 2019

Qualifications:

- Master's in 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 F MAGIDI

Group Chief Financial Officer

Date Appointed: 01 June 2019

Qualifications:

- Professional Accountant (SA) (SAIPA)
- Tax Practioner (SAIPA)
- Bcompt Accounting science

15. BOARD ATTENDANCE 2020/21 (BOARD MEETINGS/WORKSHOPS)

15.1 LEDA BOARD

DIRECTORS	1 07-May-20	2 13-Jul-20	3 30-Jul-20	4 22-Sep-20	5 23-Sep-20	6 01-Oct-20	7 12-Oct-20	8 19-Nov-20	9 25-Jan-21	10 26-Jan-21	11 24-Feb-21	12 18-Mar-21
Mr MP Makwana (Chairman)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr D Kourtoumbellides (Dep.Chair) w.e.f. 01 Dec 2019 - 12 Aug 2020 [Deceased]	✓	×	×	-	-	-	-	-	-	-	-	-
Mr CC Nkadimeng (Deputy Chair) w.e.f. 01 Mar 2021	-	-	-	-	-	-	-	-	-	-	-	×
Mr M Maphutha	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Adv. TM Ncube	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Ms N Magadagela	-	-	-	-	-	-	-	-	-	✓	✓	×
Mr R Shingange w.e.f.01 Dec 2019 - 04 Jan 2021	✓	×	×	×	×	×	×	×	📫	-	-	-
Mr MS Solomon Ralebipi	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr CA Chikane w.e.f. 01 Mar 2021	-	-	-	-	-	-	-	-	-	-	-	×

15.2. BOARD AUDIT & RISK COMMITTEE

MEMBERS	1 01-May-20	2 04-May-20	3 06-May-20	4 26-May-20	5 13-Jul-20	6 27-Jul-20	7 21-Aug-20	8 08-Sep-20	9 30-Sep-20	10 12-Oct-20	11 16-Nov-20	12 10-Feb-21	13 23-Feb-21	14 26-Feb-21	15 15-Mar-21
Ms N Magadagela (Chairperson)	-	-	-	-	-	-	-	-	-	-	-	✓	✓	✓	✓
Adv. TM Ncube	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr MS Ralebipi	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr R Shingange w.e.f.01 Dec 2019 - 04 Jan 2021	×	×	✓	✓	×	×	✓	✓	✓	✓	✓	-	-	-	-

15.3. BOARD CREDIT & INVESTMENT COMMITTEE

MEMBERS	1 09-Apr-21	2 19-May-21	3 10-Aug-21
Mr M Maphutha (Chairman)	✓	✓	✓
Ms N Magadagela	✓	✓	✓
Mr CCT Nkadimeng	✓	✓	✓

15.4. BOARD SOCIAL & ETHICS COMMITTEE

MEMBERS	1 29-Sep-20	2 19-Oct-20	3 28-Apr-21	4 11-Aug-21
Mr Mpho P Makwana (Chairman)	✓	✓	✓	✓
Adv. TM Ncube	✓	✓	✓	✓
Mr MS Ralebipi	✓	✓	✓	✓

15.5. BOARD NOMINATIONS & GOVERNANCE COMMITTEE

MEMBERS	1	2	3	4	5	6	7	8
	22-Jun-20	25-Jun-20	20-Jul-20	30-Jul-20	26-Aug-20	09-Oct-20	06-Jan-21	17-Mar-21
Mr Mpho P Makwana (Chairman)	✓	✓	✓	✓	✓	✓	✓	✓
Mr D Kourtoumbellides (Dep.Chair) w.e.f. 01 Dec 2019 - 12 Aug 2020 [Deceased]	✓	✓	✓	×	-	-	-	-
Adv TM Ncube	✓	✓	✓	✓	✓	✓	✓	✓
Ms N Magadagela	-	-	-	-	-	-	-	✓

15.6. BOARD PROCUREMENT COMMITTEE

MEMBERS	1	2
	24-Jun-21	11-Aug-21
Mr CCT Nkadimeng (Chairman)	✓	✓
Mr MS Ralebipi	✓	✓
Mr M Maphutha	✓	✓
Ms N Magadagela	✓	✓

15.7. BOARD REMUNERATION & HUMAN RESOURCE COMMITTEE

MEMBERS	1	2	3	4	5
	11-Jun-20	19-Jun-20	14-Sep-20	21-Jan-21	11-Feb-21
Adv. TM Ncube (Chairperson)	✓	✓	✓	✓	✓
Mr D Kourtoumbellides (Dep.Chair) w.e.f. 01 Dec 2019 - 12 Aug 2020 [Deceased]	✓	✓	-	-	-
Mr R Shingange w.e.f.01 Dec 2019 - 04 Jan 2021	✓	×	✓	×	✓
Ms N Magadagela	-	-	-	-	✓
Mr Mpho P Makwana (invitee)	✓	✓	✓	✓	✓

15.8. RISIMA BOARD MEETINGS/WORKSHOPS

DIRECTORS	1	2	3	4	5	6
	28-Jul-20	20-Aug-20	18-Nov-20	22-Jan-21	15-Feb-21	25-Mar-21
Mr MS Ralebipi (Chairman)	✓	✓	✓	✓	✓	✓
Mr SC Nkadimeng (Deputy Chairman)	✓	✓	✓	✓	ü	ü
Mr M Maphutha	✓	✓	✓	✓	✓	✓
Mr E Mushwana	ü	ü	ü	ü	ü	ü

15.9. GREAT NORTH TRANSPORT (SOC) LTD

DIRECTORS	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
	16-Apr-20	18-May-20	28-May-20	17-Jun-20	30-Jul-20	13-Aug-20	19-Aug-20	09-Sep-20	15-Sep-20	30-Nov-20	24-Dec-20	07-Jan-21	29-Jan-21	10-Feb-21	15-Mar-21	29-Mar-21
Adv. TM Ncube (Chairman)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr CCT Nkadimeng (Deputy Chair)	✓	✓	✓	✓	✓	×	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Ms MA Mphahlele	✓	✓	×	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr NI Masekwameng	✓	✓	✓	✓	✓	×	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr MO Phasha	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr R Monakedi w.e.f. 20 Dec 19 to 21 Sep 2020	×	✓	✓	×	✓	✓	✓	×	-	-	-	-	-	-	-	-

15.10. NEW ERA INSURANCE COMPANY (SOC) LTD

DIRECTORS	1	2	3	4	5	6	7	8	9	10
	29-Apr-20	07-Aug-20	20-Aug-20	21-Sep-20	11-Nov-20	15-Dec-20	14-Jan-21	22-Jan-21	03-Mar-21	31-Mar-21
Ms N Magadagela (Chairman) w.e.f. 12 Jan 2021	-	-	-	-	-	-	-	✓	✓	✓
Ms KM Maroga (Deputy Chair)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr JA Malele	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr VL Mashabane	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Adv TM Ncube	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr SA Sebolai	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

15.11. CORRIDOR MINING RESOURCES COMPANY (SOC) LTD

DIRECTORS	1	2	3	4	5	6	7	8	9	10	11
	14-May-20	9-Jun-20	10-Jul-20	31-Jul-20	28-Aug-20	21-Oct-20	23-Oct-20	21-Jan-21	19-Feb-21	26-Feb-21	9-Mar-21
Mr R Shingange (Chairperson)	✓	✓	✓	✓	✓	✓	✓	×	×	×	×
Mr SV Chepape (Deputy Chair)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr D Kourtoumbellides	✓	✓	×	×	×	×	×	×	×	×	×
Mr P Mafologele	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr SR Monakedi	✓	✓	✓	✓	✓	×	×	×	×	×	×
Mr RP Ragimana	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

15.12. MUSINA-MAKHADO SPECIAL ECONOMIC ZONE (SOC) LTD

DIRECTORS	1 28-Apr-20	2 05-May-20	3 04-Jun-20	4 20-Jul-20	5 22-Jul-20	6 30-Jul-20	7 14-Aug-20	8 19-Aug-20	9 19-Sep-20	10 23-Oct-20	11 10-Dec-20	12 21-Jan-21	13 09-Feb-21	14 26-Feb-21
Mr R Tooley (Chairman) w.e.f. 19 Dec 2019	✓	✓	✓	✓	✓	✓	-	✓	-	-	-	-	-	-
Mr M Ralebipi (Deputy Chair)	✓	-	✓	✓	✓	-	✓	✓	✓	✓	✓	✓	✓	✓
Prof H Howard	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr P Sebola	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Ms K Selane	✓	✓	✓	✓	✓	-	✓	✓	-	✓	✓	✓	✓	-
Mr J Morotoba	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr S Zikode	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	-	✓	✓
Mr K Mphela	✓	-	-	✓	✓	✓	✓	✓	-	✓	✓	✓	✓	✓
Mr B Shibambu	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	-	✓	✓
Mr P Ragimana	✓	✓	✓	✓	✓	✓	✓	✓	-	-	-	-	-	-
Prof M Maserumule	✓	-	-	-	✓	-	✓	-	✓	✓	✓	✓	✓	✓
Dr Mofasi Lekota w.e.f. 07 Jan 2021	-	-	-	-	-	-	-	-	-	-	-	✓	✓	✓

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 LEDAs 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 from Fiscus by April 2024.

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:

1. Economic development;
2. Trade and Inverstement; and
3. 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 benefication projects contributing towards increasing Limpopo GDP from R400bn to ±R450bn

- New mineral benefication projects brought online
- Research, feasability and investment packaging
- Investment attraction
- Investment facilitation
- Investment operstionalisation and support

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

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

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

- Etablishment 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 form 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 performning 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

OUTCOME 1

Mineral Beneficiation

Outcome 1: Mineral beneficiation projects contributing towards increasing Limpopo GDP by R14.5bn (12.5% increase)

Required output: To produce goods/products from minerals within the province

Output indicator: Rand value of bankable projects exposed to potential investors

This pillar contributes towards our Medium-Term Strategic Framework (MTSF) 2019-2024 envisioned 2024 Impact Statement by prioritising economic transformation and job creation so that:

- Unemployment reduced from 20.3% to 16% with 2 million new jobs, especially for youth.
- Economic growth of 2%-3%; and
- Growth in levels of investment to 23% of GDP.

It also contributes to the Limpopo Provincial Priorities Limpopo Department of Economic Development, Environment and Tourism (LEDET) by the:

1. Rapid implementation of the Special Economic Zone (SEZ) programme.
2. SMME development and support.
3. Mining development.
4. Mobilisation of private sector investment, including foreign direct investment.

The following defines what the applicable Outcomes and Interventions are:

1. Investing for accelerated inclusive growth by improving the ease of doing business.
2. Industrialisation, localisation and exports by supporting localisation and industrialisation through government procurement (on designated products and services).
3. Reduce concentration, and monopolies and expanded small business sector by facilitating the increase in number of functional small businesses with a focus on township economies and rural development (200,000 supported) and ensuring the inclusion of SMMEs in localisation and buy local campaigns.
4. Quality and quantum of investment to support growth and job creation improved by Improving the quality and rate of infrastructure investment (R5 billion Infrastructure Fund).

Mining and quarrying is a dominant sector in the Limpopo province, contributing 24.1% to the provincial GDP in 2015. The mining sector is diverse and rich in the following key minerals: Platinum Group Metals, coal, diamond, chrome, titanium, vanadium and iron-ore. The province has 41% of South Africa's platinum group metals (PGMs) spread across the Eastern Bushveld of Dilokong Corridor (Tubatse) and the Northern Bushveld of Mokopane. 90% of South Africa's red granite resources and approximately 50% of the national's coal reserves. Antimony, a highly strategic mineral found in large quantities in China, is another of Limpopo's major assets.

Beneficiation around Limpopo's mineral wealth presents an opportunity for the following key resources, Platinum Group Metals, coal, diamond, chrome and iron-ore. The province is currently investigating possibilities for steel manufacturing in the Phalaborwa area and various smelters around the beneficiation of iron-ore to augment the existing smelters for platinum and chrome.

Product: Corridor Mining Resources

Corridor Mining Resources (CMR) remains the strategic asset to facilitate economic transformation in the mining industry. They achieve this through the facilitation and participation in the mineral and mining activities in the province.

It remains the provincial government's instrument to facilitate black economic participation through procurement opportunities and equity investment in upcoming as well as in existing mining projects.

The platinum rich province envisages that CMR identifies opportunities for mining rights, create vehicle for investment into the identified opportunity, create participation / stake for local mining community to ensure that as soon as thin mining operation commences, procurement will be done locally to empower local SMMEs.

The year under review has delivered a mix bag of results. On the one hand capital expenditure targets were missed while on the other, the mining right for Fumani Gold Mine was granted, paving way for starting of operations once efforts to raise capital become successful. The income generated continues to underperform expenses which impact on the timeless growth trajectory and its broader investment dispensation. This is due to the fact that, majority of CMR assets are still in project phase, and those operating are grappling with losses, making marginal profits or undergoing development which requires continued capital investment. The liquidity risk continues to be mitigated by the loans advanced by the parent entity, LEDA.

From stakeholder relations standpoint, the organisation continues to make improvements with variety of communities. Jobs created, business opportunities extended to locals, continuous consultations, to name but a few initiatives undertaken, have both helped to build trust and strengthening of the relations. And this has allowed the developments of projects to move forward. In terms of governance matters, the organization has improved its compliance status as reflected by successfully addressing the majority of AGSA findings of the year prior with an unqualified audit opinion. This has created a solid platform upon which future governance performance will be built towards.

Corridor Mining Resources SOC Ltd Group again, received an unqualified audit opinion from the Auditor General (South Africa) for the year ended 31 March 2021. The Consolidated

Annual Financial Statements present fairly, in all material respects, the financial position of the entity as of 31 March 2021 and its financial performance and cash flows for the year then ended and were in accordance with International Financial Reporting Standards (IFRS) and the requirements of the Public Finance Management Act (PFMA).

Progress towards realisation of company mandate of stimulating and contributing meaningfully to economic activities of the province has been made albeit at slower pace than expected. The establishment of two mining operations in two consecutive years bear testament to that effect.

CMR will continue to support mining projects that will stimulate economic activities in Limpopo and will further engage potential investors to inject their funds into the province in order to create jobs and other opportunities within the mining space.

IN SUM: DESIRED OUTCOME AND ACTUAL OUTCOME OF THE PRODUCT

The desired outcome of an increased return on investment and generating a profit stream for the LEDA Group was not achieved due to the fact that investment was disrupted by economic uncertainty brought about by Covid-19, and projects were only at the built stage and require more cash outflows than inflows. As a corrective action CMR will approach the open market to source funding and explore selling assets and raising capital from the sale. CMR has taken the corrective action of securing increased availability of funds and resources, enhanced relationship with strategic partners - DMR, etc and garnering more support from the Shareholder LEDA Group.

ANNUAL PERFORMANCE INFORMATION

OUTCOME 1: MINERAL BENEFICIATION PROJECTS CONTRIBUTING TOWARDS INCREASING LIMPOPO GDP

NO.	RESPONSIBLE BUSINESS DIVISION	REPORTING FREQUENCY	OUTPUT	OUTPUT INDICATORS	2020/21 ANNUAL TARGET (BEFORE RE-TABLING)	2020/21 ANNUAL TARGET (AFTER RE-TABLING)	ANNUAL OUTPUT		
							ACTUAL OUTPUT	REASON FOR DEVIATION	CORRECTIVE ACTION
1	Trade and Investment Promotions	Quarterly	Produce goods/ products from minerals within the province	Rand value of bankable projects exposed to potential investors	Exposing bankable projects of R7bn to potential investors (With allowable deviation of 5%	Exposing bankable projects of R2bn to potential investors (With allowable deviation of 5%	**Achieved** Lephalale logistics – potential investors are looking at R3bn investment The project has passed pre-feasibility phase. TIPS is promoting the investments in the projects	None	None

2

OUTCOME 2

Agro-Processing

Outcome 2: Agro-processing projects contributing towards increasing Limpopo GDP by R1.25bn (12.5% increase)

Required output: Produce agro-processed products within the province.

Output indicator: Rand value of bankable projects exposed to potential investors and the Agro-processing project in operationalisation of Lebowakgomo abattoir.

This pillar contributes towards our Medium-Term Strategic Framework (MTSF) 2019-2024 envisioned 2024 Impact Statement regarding the following priorities as important, namely:

PRIORITY 1: ECONOMIC TRANSFORMATION AND JOB CREATION

- Unemployment reduced to 20%-24% with 2 million new jobs, especially for youth
- Economic growth of 2%-3%; and
- Growth in levels of investment to 23% of GDP.

It also contributes to the Limpopo Provincial Priorities Limpopo Department of Economic Development, Environment and Tourism (LEDET) by the:

1. Revitalisation of primary agriculture and agro-processing.
2. Rapid implementation of the SEZ programme;
3. SMME development and support.
4. Mobilisation of private sector investment, including foreign direct investment

APPLICABLE OUTCOMES AND INTERVENTIONS

1. More decent jobs created and sustained, with youth, women and persons with disabilities prioritised by creating jobs through Job Summit commitments, Operation Phakisa and other public sector employment programmes.
2. Investing for accelerated inclusive growth by improving the ease of doing business.
3. Industrialisation, localisation and exports thus supporting localisation and industrialisation through government procurement (on designated products and services).
4. Quality and quantum of investment to support growth and job creation improved by improving the quality and rate of infrastructure investment (R5 billion Infrastructure Fund).

PRIORITY 2: SPATIAL INTEGRATION, HUMAN SETTLEMENT AND LOCAL GOVERNMENT

Achieving spatial transformation through improved integrated settlement development and linking job opportunities and housing opportunities; and rapid land and agrarian reform.

APPLICABLE OUTCOMES AND INTERVENTIONS:

1. Coordinated, Integrated and Cohesive National Spatial Development guidance to enable economic growth and Spatial Transformation by:
   - Adopting National Spatial Development Framework.
   - Establishing funding support mechanisms towards improved quality and quantum of investment and job creation that also contributes to spatial transformation and spatial justice objectives, informed by regional dynamics.
2. Functional Sub-National Regional Development in Urban and Rural Spaces by establishing regional institutional collaboration structures through joint implementation protocols or related mechanisms.
3. Spatial transformation through multi-programme integration in Priority Development Areas (PDAs) with:
   - 94 PDAs invested in
   - Rezone 100% of land acquired in 2014-2019 that falls within the PDAs.
4. Greenhouse Gas Emission Reduction (Mitigation) by:
   - Implement 4 sectors Green House Gas Emission Reduction Implementation Plan (contribution from the largest emitters of GHG);
   - Transition plans for high carbon emitting sectors (energy, transport, agriculture and waste to low carbon economy) developed by 2024.

5) State of ecological infrastructure improved by:
   - Rapidly and intensively rehabilitate and restore land
   - Water resource classes and Resource Quality Objectives (RQOs) by 2024.
6) Sustainable land reform by:
   - Land acquired for redistribution, restitution and tenure reform
   - Land reform projects provided with post settlement support.

It also contributes to the Limpopo Provincial Priorities Limpopo Department of Economic Development, Environment and Tourism (LEDET) by the revitalisation of primary agriculture and agro-processing.

ANNUAL PERFORMANCE INFORMATION

OUTCOME 2: AGRO PROCESSING PROJECTS CONTRIBUTING TOWARDS INCREASING LIMPOPO GDP

NO.	RESPONSIBLE BUSINESS DIVISION	REPORTING FREQUENCY	OUTPUT	OUTPUT INDICATORS	2020/21 ANNUAL TARGET (BEFORE RE-TABLING)	2020/21 ANNUAL TARGET (AFTER RE-TABLING)	ANNUAL OUTPUT: ACTUAL OUTPUT	ANNUAL OUTPUT: REASON FOR DEVIATION	ANNUAL OUTPUT: CORRECTIVE ACTION
2.	Trade and Investment Promotions	Quarterly	Produce agro-processed products within the province	Rand value of bankable projects exposed to potential investors	Exposing bankable projects of R1bn to potential investors (With allowable deviation of 5%)	Exposing bankable projects of R1bn to potential investors (With allowable deviation of 5%)	**Not achieved** The Conference was not held in March as previously proposed	The Conference was not held in March as previously proposed due to the disruption brought by the 2nd wave	The conference has been moved to 1 & 2 September 2021. The conference would be 100% virtual.
3.	Agri-Business	Quarterly		Agro-processing project in operation	Operationalisation Lebowakgomo	Operationalisation Lebowakgomo	**Not achieved** Lebowakgomo Abattoir not yet operational Agreements with suppliers/ farmers not yet signed	EIA and regulatory milestones needed to be reached before take-off agreements signed with suppliers	Continuation of the acquirement of all necessary compliance certification led by the partner.

Product

Musina-Makhado SEZ

The decision by the Limpopo Provincial Administration to finally breathe life into the Musina-Makhado Special Economic Zone (MMSEZ) through a commitment to unlock funds for infrastructure development in the North site over the medium term expenditure framework period will go a long way in realising the goals of this initiative.

The infrastructure rollout will be guided by the newly completed Internal Master Plan outlining the land use plan and spatial mapping of clusters. The North site of the MMSEZ is destined to become an inland port for regional trade given its strategic location adjacent to one of the busiest trade passages in the continent, Beit Bridge Border Post.

The town of Musina is host to the North site of the MMSEZ and the Beitbridge Border Post is located 20km away. The North site is designated to host light to medium industrial parks focusing on general manufacturing, agro-processing, and a logistics hub. The business case of the North site is already appealing to strategic domestic and foreign investors in the identified sectors. There is also a noticeable appetite from potential investors in the ICT and renewable energy sectors. This window of opportunity is aligned to government's industrialisation and sustainable development priorities.

One of the ground-breaking initiatives in MMSEZ's North site is the establishment of a regional fresh produce market, in collaboration with local farmers, to service both the domestic and cross-border markets. This move is an epitome of regional economic integration. The development of the regional fresh produce market is also aimed at unlocking opportunities for emerging farmers across the value chain by giving them access to a professional platform to supply their produce to new markets. The fresh produce market will be developed, managed and operated by industry led with government providing the necessary

During the period under review, the MMSEZ has also successfully completed three cluster mapping feasibility studies in agro-processing, timber beneficiation and logistics. These studies provide an insight on opportunities for industrialisation through the beneficiation of agricultural produce. Over and above the abundant fruit and vegetable produce in Vhembe, the region is well endowed with timber forests to support the targeted beneficiation initiatives. The logistics study has revealed the nature, volumes and destination of the commodities exported and imported to South Africa through the Beit Bridge Border Post.

As part of the company's strategy to empower local entrepreneurs, MMSEZ has integrated an SMME incubation centre into the North site. The incubation centre represents a strategic platform to enable entrepreneurs to fully explore their innovations and reach their full potential. The model for the incubation centre will be fourth industrial revolution - 4IR oriented. Accordingly, a partnership agreement has been signed between the MMSEZ and the Council for Scientific and Industrial Research (CSIR) to support the centre. Similarly, and in line with the strategic objective of empowering local entrepreneurs, MMSEZ has completed an Enterprise Development Strategy. The development of the enterprise strategy was characterised by massive participation of local entrepreneurs from across various sectors.

To develop the sustainable security of water supply, MMSEZ has partnered with key stakeholders in government and the private sectors to pursue the development of the Musina Dam. This development has the potential to turn around the fortunes of the communities and industry within the Musina-Makhado Corridor and beyond. The completed pre-feasibility study into the establishment of the dam, has concluded that the project is technically and commercially viable with a minimum impact on the environment. The development of the dam will not only provide a new source of water but an establishment of a new water-based economy.

A new giant for regional economic integration will rise in the North-South Corridor.

IN SUM: DESIRED OUTCOME AND ACTUAL OUTCOME OF THE PRODUCT

The target was to invest R34 million in the SEZ structure however a substantial amount of R32 832 587.69 was nevertheless utilised. The project was heavily affected by the Covid-19 pandemic and thus the corrective action taken for the next financial year would include improved expenditure based on the approved budget and infrastructure project plans.

Product
Agri-Processing and Industrial Crops

The LEDA mandate sits at the centre of the provincial strategy in terms of creating accessible resources to emerging and existing farmers to participate in the mainstream agri-processing business.

Financial resources in terms of business loans as well as non-financial loans in terms of capacity building in both technical and business skills define the role of LEDA for emerging farmers to accelerate the growth of the industry. During the year under review, the Agri-business division continued to facilitate the agribusiness development in the province by focusing on projects that are catalytic in nature, which are also characterised by these attributes; bearing benefits beyond direct beneficiaries, economic spinoffs and embraces the whole value chain

MIDI PRODUCTS

The MIDI tea, locally grown and processed in Tshivhase and Mukumbani Tea Estate in Vhembe district, is making inroads in the chain stores and food retailers of the province and parts of Mpumalanga. Midi tea is now available from Goseame Open Market and Spar stores, and the intention is to ramp up production for a scaled-up distribution across Spar stores nation-wide. The business division endeavours to commission the tea to other chain and retail stores operating in the province and country at large.

MASHASHANE HATCHERY

During the period under review Agribusiness was able to fully refurbish Mashashane Hatchery and equipped it with new state of the art machinery to improve the productivity and efficiency of producing day-old chicks. The hatchery supplies day old chicks to small scale broiler farmers in the Province. The future focus will be on infrastructure development which will aim to build infrastructure and releasing constraints for the development of enterprises within the infrastructure arena. The investment in agriculture infrastructure ensures the greater participation in the entire agriculture value chain.

IN SUM: DESIRED OUTCOME AND ACTUAL OUTCOME OF THE PRODUCT

The desired outcome of producing agro-processing product that is in operation namely Lebowakgomo abattoir could not be reached due to agreements with suppliers and farmers not agreed upon.

3

OUTCOME 3

Innovative Digital Solutions

+ Outcome 3: Innovative digital solutions to solve socio-economic challenges

Required output: Establish Innovation, Science and Technology Park.
Expand Broadband network telecommunication infrastructure footprint to municipalities.
Resources Mobilisation – Solicit potential funding from local, national and international investors

Output indicator: Number of kilometres of fibre rolled out

This pillar contributes towards our Medium-Term Strategic Framework (MTSF) 2019-2024 envisioned 2024 Impact Statement regarding the following priorities as important, namely:

PRIORITY 1: ECONOMIC TRANSFORMATION AND JOB CREATION

- Unemployment reduced to 20%-24% with 2 million new jobs, especially for youth
- Economic growth of 2%-3%; and
- Growth in levels of investment to 23% of GDP.

APPLICABLE OUTCOMES AND INTERVENTIONS

1. Improve competitiveness through ICT adoption
2. Spectrum licensing, broadband rollout and reducing the cost of communications:
   - 80% of population have access to the internet by 2024
   - Improve the quality and rate of infrastructure investment (R5 billion Infrastructure Fund).

It also contributes to the Limpopo Provincial Priorities Limpopo Department of Economic Development, Environment and Tourism (LEDET) by the:

1. Broadband roll-out.
2. SMME development and support.
3. Youth entrepreneurship development and support.

Product

Limpopo Connexion

Limpopo Connexion is an information communication technology (ICT) solution component for the service delivery imperative of the provincial government. The new business and investment environment globally is hinged on technologies that make information for innovative transition accessible to entrepreneurs at affordable costs.

These are the major drivers for economic growth and development, particularly in the emerging economies. Limpopo connexion will therefore provide support to public and private institutions with ICT infrastructure services that promote the culture of entrepreneurship in Limpopo Province.

THE CORE INFRASTRUCTURE BUILT

Having completed the data centre, the network operations and call centres, which form the core of the broadband, Limpopo Connexion has connected mainly sites to the system in the Capricorn; notably LEDA offices. This is part of the roll-out of the service which mainly includes, but is not limited to data services, voice calls services, cloud computing services, with the incorporation of other related services in the year ahead. The eight LEDA sites already linked to the system are used to monitor and demonstrate the capability of the system to ensure that when investment funding is sourced for Phase II of the roll-out, the system is fully functional and all technical glitches are eliminated from the system. The following milestones were achieved as part of the infrastructure to build business components during the year under review:

- Commercial Model and Marketing Strategy developed.
- Investor Engagement Plan developed and Funding proposal presented to the Infrastructure South Africa (ISA) Programme and the DBSA.

PHASE II OF BROADBAND ROLL-OUT

As the phase I roll out is completed during the year under review, Limpopo Connexion has put a plan to source funding for the roll-out of Phase II, which focuses on the fibre layout to districts of Limpopo province. The ultimate goal is to transform Limpopo Province and enhance and achieve internet penetration across the four corners of the province. Households, businesses, research entities and municipalities are targeted for this roll-out, which will enhance Limpopo as a knowledge economy in the near future.

CONSULTING AND SOFTWARE SOLUTIONS PROVIDED

Limpopo connexion commenced with consulting services for the ICT solutions during the year under review. Application and consulting services focuses on business advisory services, application development and support services. Free and Open-Source Software Systems (FOSS) focuses on the implementation and support of existing FOSS systems. Eight systems were implemented and supported through the consulting services during the year under review.

THE SCIENCE AND TECHNOLOGY PARK (STP)

The conceptualisation of Science and Technology Park is the brainchild of Limpopo Connexion and will leverage on the Broadband facility for its sustainability. It is also in line with the strategic 2030 Smart City vision of Polokwane Municipality. It will drive innovation and contribute to economic growth, knowledge economy and skills development. During the year under review, the following milestones were achieved:

- Master Plan and Business Plan for the Limpopo Science and Technology Park developed.
- Investor Engagement Plan developed, and Funding proposal presented to the Infrastructure South Africa (ISA) Programme and the Development Band of Southern Africa.

IN SUM: DESIRED OUTCOME AND ACTUAL OUTCOME OF THE PRODUCT

The outcome of innovative digital solutions to solve socio-economic challenges has been achieved by presenting a funding proposal presented to DBSA. The output indicator of kilometres of fibre has been achieved with 134.30 km of fibre been rolled out. 92.699 km of fibre rolled out (Q2-Q4) + 41.61 km of fibre rolled out. The outcome of increased return on investment and profit streams from the LEDA Group has been achieved with a 13% net profit.

ANNUAL PERFORMANCE INFORMATION

OUTCOME 3: INNOVATIVE DIGITAL SOLUTIONS TO SOLVE SOCIO-ECONOMIC CHALLENGES

NO.	RESPONSIBLE BUSINESS DIVISION	REPORTING FREQUENCY	OUTPUT	OUTPUT INDICATORS	2020/21 ANNUAL TARGET (BEFORE RE-TABLING)	2020/21 ANNUAL TARGET (AFTER RE-TABLING)	ANNUAL OUTPUT		
							ACTUAL OUTPUT	REASON FOR DEVIATION	CORRECTIVE ACTION
4.	Limpopo Connexion	Quarterly	Establish Innovation, Science and Technology Park	Resources Mobilisation -Solicit potential funding from local, national and international investors	Funding commitment form investors obtained	Solicit potential funding from local, national and international investors	**Achieved** Funding proposal presented to DBSA	None	None
5.		Quarterly	Expand Broadband network telecommunication infrastructure footprint to municipalities	Number of Kms of fibre rolled out	125 sites connected	100 kms of fibre rolled out	**Achieved** 134.30 kms of fibre rolled out 92.699 kms of fibre rolled out (Q2-Q4) + 41.61 kms of fibre rolled out in Q1, though the target was reported on sites connected	None	None

OUTCOME 4
Increased Domestic and Foreign Direct Investment

+ Outcome 4: Increased Domestic and Foreign Direct Investment

Required output: Produce goods/ products from minerals within the province
Produce agro processed products within the province
More goods exported

Output indicator: Rand value of bankable projects exposed to potential investors
Rand value of exports

This pillar contributes towards our Medium-Term Strategic Framework (MTSF) 2019-2024 envisioned 2024 Impact Statement regarding the following priorities as important, namely:

PRIORITY 1: ECONOMIC TRANSFORMATION AND JOB CREATION:

- Unemployment reduced to 20%-24% with 2 million new jobs, especially for youth;
- Economic growth of 2%-3%; and
- Growth in levels of investment to 23% of GDP.

APPLICABLE OUTCOMES AND INTERVENTIONS

1. Investing for accelerated inclusive growth by improving the ease of doing business.
2. Industrialisation, localisation and exports by supporting localisation and industrialisation through government procurement (on designated products and services).
3. Quality and quantum of investment to support growth and job creation improved by improving the quality and rate of infrastructure investment (R5 billion Infrastructure Fund).

It also contributes to the Limpopo Provincial Priorities Limpopo Department of Economic Development, Environment and Tourism (LEDET) by the:

1. Rapid implementation of the SEZ programme;
2. Mobilisation of private sector investment, including foreign direct investment.

PRIORITY 2: A BETTER AFRICA AND THE WORLD

APPLICABLE OUTCOMES AND INTERVENTIONS:

1. Increased foreign direct investment (FDI) into South Africa by sourcing investment for the identified sectors in the South African economy.
2. Increased and diversified exports resulted/ contributed to an export orientated economy by facilitating exports through the Export Marketing and Investment Assistance (EMIA) scheme fund.
3. Increased regional integration and trade by the Implementation of the detailed implementation plans for prioritised project of the Indicative Strategic Implementation Plan and the implementation of the African Continental Free Trade Agreement (AfCFTA) and other trade agreements in order to grow intra-Africa trade.
4. International protocols and commitments achieved through ensuring compliance to international protocol and commitments.

It also contributes to the Limpopo Provincial Priorities Limpopo Department of Economic Development, Environment and Tourism (LEDET) by the:

1. Tourism investment and marketing
2. Mobilisation of private sector investment, including foreign direct investment.

Product

Fetakgomo-Tubatse Proposed SEZ

With proliferation of mining activities, the focus on beneficiation of the industrial base to localise manufacturing of finished products, the proposed Fetakgomo Tubatse Special Economic Zone presents South Africa, and Limpopo Province in particular, with an opportunity to scale employment creation downstream and facilitate forward and backward linkages for enterprises in the province.

The establishment of the Fetakgomo Tubatse proposed special economic zone results from the policy imperatives that emphasize inclusive economic growth through the exploration of natural resources. This proposed SEZ is conceived as a one stop world class integrated sector specific SEZ for providing products and related services addressing the entire range of Mining Input Suppliers, the PGMs beneficiation value- chain (upstream and downstream beneficiation), general manufacturing (product-value add) and logistics. The main objective of this SEZ is to develop a low carbon green economy which will offer promising opportunities not only to fight climate change, but to enhance energy security and develop local industries.

This proposed SEZ is strategically located on 1 220ha of land in the industrial hub of the Steelpoort area, in between two huge Chrome mining establishments. There is a great road network, with the R36, R37 and R555 being the main regional arteries that connect directly to the SEZ site, a railway line which connects to the nearest ports and border gates, and the nearest international airport is 184km away.

INVESTMENT PROSPECTS AND OPPORTUNITIES IN FETAKGOMO-TUBATSE

With the World moving towards alternative and renewable energy to minimise the carbon footprint and safeguard the atmosphere for a sustainable future, the proposed Fetakgomo-Tubatse Special economic Zone is well positioned to become the global centre of excellence for green energy and mineral beneficiation. The strategic aim of this SEZ is to develop green primary energy supply to a localised manufacturing of both upstream and downstream activities of the PGM and Chrome value chains with a secondary backup from electricity. This will enhance energy security on the one hand but also provide a model to scale up the green energy economy to all emerging economies of the world.

THE HYDROGEN ECONOMY

The Hydrogen Economy is a potential game changer to reindustrialise global economies, and for this proposed SEZ (FT-SEZ), the Hydrogen Valley platform has the potential to drive the demand for the mining inputs supplies, thereby creating an opportunity for large scale industrialisation for both the manufacturing of mining inputs and the beneficiation of mining outputs with a potential to immensely change the Limpopo provincial economy. In addition, the Hydrogen Valley corridor, which is a national initiative, has the potential to contribute towards the Fetakgomo-Tubatse SEZ's aim of supporting a broad-based industrialisation growth path, balanced regional industrial growth and development of more competitive and productive regional economies with strong up and downstream links in strategic value chains, especially in platinum group metals and chrome. The Fetakgomo Tubatse SEZ will not only play the role of a consumer of hydrogen in the SEZ but will strive to become the producer of hydrogen and other clean energy technologies, and its participation in the SA/UK hydrogen trade deal is a pedestal that confirms the SEZ's inclination towards becoming a global centre of excellence for green technology.

BROAD BASED INDUSTRIALISATION PATH

Fetakgomo Tubatse SEZ is envisaged to contribute immensely to the imagined future characterized by heightened industrialisation of the economy, thereby stimulating rapid economic recovery and sustainable growth. The establishment will create a huge regional integration down the value chain to drive and enhance the regions' global competitiveness on the PGM economies.

PROVINCIAL AND NATIONAL GOVERNMENT SUPPORT

The Provincial Government is finalising the purchase of the Mining Input Suppliers Park (MISP) and inclusion of the Lion Ferrochrome Smelter as anchor projects in the Fetakgomo Tubatse SEZ. The commitment of funding made by provincial treasury in the current financial year, confirms the level of readiness towards the realisation of this SEZ.

Some of the key project implementation readiness activities that are being embarked on are:

- Township Establishment (land rezoning)
- Engineering designs and costing for the perimeter fence
- Site clearance and fencing
- Acquisition of the Mining Input Suppliers Park from Glencore
- Eskom cost estimation and Acceptance of quote
- Engineering designs for an Eskom switching station
- Water allocations – Assessment of demand per industry, Implementation Readiness Study and Engineering designs

THE DISTRICT DEVELOPMENT MODEL

In an attempt to harness integration within the Sekhukhune District, key economic infrastructure has been identified in a bid to strengthen the case of the SEZ. In alignment with the District Development Model, the Sekhukhune District Municipality is spearheading the development of a 'Tubatse Smarty City' which properly aligns with the vision to develop this SEZ as a globally recognised Centre of Excellence for Green Energy Technology and Mineral Beneficiation.

IN SUM: DESIRED OUTCOME AND ACTUAL OUTCOME OF THE PRODUCT

Identifying the land for Tubatse-Fetakgomo special economic zone was not achieved as the required Environmental Impact Study and township establishment process was not actioned. The corrective action undertaken for the next financial year is to complete the EIA and township establishment process.

ANNUAL PERFORMANCE INFORMATION

OUTCOME 4: INCREASED DOMESTIC DIRECT INVESTMENT AND FOREIGN DIRECT INVESTMENT

NO.	RESPONSIBLE BUSINESS DIVISION	REPORTING FREQUENCY	OUTPUT	OUTPUT INDICATORS	2020/21 ANNUAL TARGET (BEFORE RE-TABLING)	2020/21 ANNUAL TARGET (AFTER RE-TABLING)	ANNUAL OUTPUT		
							ACTUAL OUTPUT	REASON FOR DEVIATION	CORRECTIVE ACTION
6.	Chief Executive Officer	Quarterly	Limpopo Investor conference	Rand value of investment pledges	Rand value of R8bn (With allowable deviation of 5%)	Rand value of R3bn (With allowable deviation of 5%)	**Not Achieved** Limpopo Investor conference not held in 2020/21 FY	The Conference was not held in March as previously proposed due to the disruptions of the 2nd wave of COVID 19 pandemic.	The conference has been moved to 1 & 2 September 2021. The conference would be 100% virtual.
7.	Trade and Investment Promotions	Quarterly	More goods exported	Rand value of exports	Rand value of R960 million (With allowable deviation of 5%)	Rand value of R300 million (With allowable deviation of 5%)	**Achieved** R365 838 144.35	None	None
8.	Tubatse SEZ Project Team	Quarterly	Establish Tubatse/ Fetakgomo Special Economic Zone	Rand value of investment	Development of land identified for Tubatse-Fetakgomo SEZ	Development of land identified for Tubatse-Fetakgomo SEZ	**Not Achieved** Land identified for Tubatse-Fetakgomo SEZ not yet developed	Tubatse-Fetakgomo SEZ had to complete the EIA and township establishment processes.	1. Complete the EIA. 2. Kickstart the township establishment process.
9.	Musina-Makhado SEZ	Annually	Establish Musina-Makhado Special Economic Zone	Value of investment in SEZ infrastructure	R183 Million Invested in SEZ Infrastructure (With allowable deviation of 5%)	R34 Million Invested in SEZ Infrastructure	**Not Achieved** R 32 832 587.69	Projects affected by COVID19 Pandemic had negative impact on expenditure	The expenditure will be improved in the next financial year based on approved budget and infrastructure project plans.

5

OUTCOME 5

Increased Financing of SMMEs and Co-operatives

+ Outcome 5: Increased financing of housing, SMMEs and Co-operatives; and Youth entrepreneurship development

Required output: Provide loans to support business growth.
Support SMMEs and Cooperatives under incubation.
Develop skills required by the provincial economy.

Output indicator: Rand value of loans advanced.
Number of SMMEs and Cooperatives supported with incubation.
Youth entrepreneurs with bankable value proposition supported.
Develop skills required by the provincial economy by the number of start-up ideas matched with financial backing.
The number of students awarded accredited certificates (business).

This pillar contributes towards our Medium-Term Strategic Framework (MTSF) 2019-2024 envisioned 2024 Impact Statement regarding the following priorities as important, namely:

PRIORITY 1: ECONOMIC TRANSFORMATION AND JOB CREATION

- Unemployment reduced to 20%-24% with 2 million new jobs, especially for youth;
- Economic growth of 2%-3%; and
- Growth in levels of investment to 23% of GDP.

APPLICABLE OUTCOMES AND INTERVENTIONS

1. More decent jobs created and sustained, with youth, women and persons with disabilities prioritise by creating jobs through Job Summit commitments, Operation Phakisa and other public sector employment programmes.
2. Investing for accelerated inclusive growth by improving the ease of doing business.
3. Industrialisation, localisation and exports by supporting localisation and industrialisation through government procurement (on designated products and services).
4. Reduce concentration, and monopolies and expanded small business sector by facilitating the increase in number of functional small businesses with a focus on township economies and rural development (200,000 supported) and ensuring inclusion of SMMEs in localisation and buy local campaigns.
5. Increased economic participation, ownership, access to resources, opportunities and wage equality for women, youth and persons with disabilities with the minimum 40% target for Women, 30% for Youth and 7% for persons with disabilities.

It also contributes to the Limpopo Provincial Priorities Limpopo Department of Economic Development, Environment and Tourism (LEDET) by the:

1. Targeted procurement.
2. SMME development and support.
3. Youth entrepreneurship development and support.

LEDA's Enterprise Development and Finance Division offer business developmental support to SMMEs and Cooperatives through the provision of Business Loans, Business Incubation Support and Training and Development. It should be noted from the outset that the financial year 2020/21 brought about its unique challenges, not only to LEDA but to almost all economic development entities the whole world over.

ENTERPRISE FINANCING UNIT

During the previous financial year LEDA disbursed loans worth R49.5m whilst during the period under review only R18.7m has been disbursed. This is against R82m worth of applications that were received during the year under review. However, realising that the Agency is highly under-capitalised LEDA is engaging the Small Enterprise Development Agency and other Development Finance Institutions to collaborate on SMME financing matters. LEDA is however pleased to report that during the period under review it collected a total amount of R 36 238 388.70 on the disbursed loans.

SMME DEVELOPMENT SUB-UNIT

The Sub-Unit was able to meet all its targets. However, a lot must be done to encourage young unemployed individuals to participate in the mainstream economy. During the period under review, 118 SMMEs were supported through the Business Incubation Program – of which 59 were Youth-Owned Enterprises. In this regard, a total of 221 employment opportunities were sustained as follows: 108 were female, 113 were male while 123 were youth. Over and above this, 100 Co-operatives were also supported through the Business Incubation Program – of which 20 were Youth-Owned Enterprises. A total of 737 employment opportunities were sustained as follows: 491 were female, 246 were male, while 244 were youth. LEDA would like to commend and appreciate the continuous support it receives from Capricorn District Municipality by supporting incubated SMMEs in Capricorn District. To this end the municipality contributed R200.000 during 2020/21 as compared to R171.000 contributed during 2019/20 towards supporting of identified SMMEs. It should further be noted that on the target to support 20 Youth-Owned Enterprises to Access Finance, the Sub-Unit assisted 26 Youth-Owned Enterprises to access finance from different financiers.

ACCESS TO COMPANIES AND INTELLECTUAL PROPERTIES COMMISSION SERVICES

LEDA, through EDFD, extended its partnership with CIPC to assist Limpopo based SMMEs to access various CIPC services. During the year under review, LEDA assisted 4025 people to access various CIPC services ranging from Business Registration, filling of annual returns etc.

LEDA TOLL FREE CALL CENTRE (080 054 6266)

LEDA is proud to report that through its subsidiary; Limpopo Connexions a Toll-Free Call Centre was established which assisted entrepreneurs throughout Limpopo to access LEDA services. Through the Call Centre and other LEDA on-line platforms, more than 22 300 entrepreneurs were assisted on various business inquiries ranging from accessing national incentive schemes, to compliance issues, etc. In appreciating and embracing 4th IR, LEDA is in the process of automating all its operations to improve efficiencies.

IN SUM: DESIRED OUTCOME AND ACTUAL OUTCOME OF THE PRODUCT

Due to the Covid-19 there was a downscaling of the annual target which was re-tabled and approved. In the three cases where actual output was not achieved it was precisely Covid that curtailed this achievement.

The corrective actions for these three are:

- Rand value of loans advanced: ring fenced budget for business loans and enhanced collection strategy.
- In the areas of student start up ideas and financial backing as well as accredited certificates: virtual skills training programmes currently being designed to counter the disruption caused by Covid.
- The outcome desired of advancing loans of R50 million was not achieved as only R18 151 305.48 was advanced. The actual number of SMMES and Cooperatives supported, both during incubation, successfully exceeded the target output. The number of SMME's supported was 118 (target 100) and Cooperatives was 102 (target 100).
- Regarding students start up ideas matched with financial backing was only 922 (target 3 000).
- Number of students awarded accredited certificates (business) was only 1718 (target 3870).

Note: the negative impact of Covid-19 restrictions on the interaction with students is clear.

ANNUAL PERFORMANCE INFORMATION

Outcome 5: Increased financing of housing, SMMEs and Cooperatives and Youth entrepreneurship development

NO.	RESPONSIBLE BUSINESS DIVISION	REPORTING FREQUENCY	OUTPUT	OUTPUT INDICATORS	2020/21 ANNUAL TARGET (BEFORE RE-TABLING)	2020/21 ANNUAL TARGET (AFTER RE-TABLING)	ANNUAL OUTPUT: ACTUAL OUTPUT	ANNUAL OUTPUT: REASON FOR DEVIATION	ANNUAL OUTPUT: CORRECTIVE ACTION
10.	Economic Development Finance	Quarterly	Provide loans to support business growth	Rand value of loans advanced	R60m loans advanced	Loans advanced R50m	**Not Achieved** Rand value R18 151 305.48	Target not achieved due to the effect of COVID-19 on LEDA finances (Cash-flow)	Ring-fenced budget for business loans and enhanced collection strategy.
11.			Support SMMEs and Cooperatives under incubation	Number of SMMEs supported with incubation	150 SMMEs	SMMEs 100	**Achieved** SMMEs 118	None	None
12.				Number of Cooperatives supported with incubation	150 Cooperatives	Cooperatives 100	**Achieved** Cooperatives 102	None	None
13.	CEO' s office	Quarterly	Youth entrepreneurs (Start-ups) with bankable value proposition supported	Number of Start-ups ideas matched with financial backing	20 Start-ups ideas matched with financial backing	20 Start-ups ideas matched with financial backing	**Achieved** 26 cumulative to complement the annual target to match 20 Start-ups ideas with financial backing	None	None
14.	Economic Development Finance	Quarterly	Develop skills required by the provincial economy	Number of students awarded accredited certificates. (technical)	4 000 students	3 000 students	**Not Achieved** 922	All LEDA training programs were disrupted from March until September 2020 due to COVID 19 regulations.	Virtual skills training programmes are being designed to counter Covid-19 disruptions
15.				Number of students awarded accredited certificates. (Business)	5 160	3 870	**Not Achieved** 1718	All LEDA training programs were disrupted from March until September 2020 due to COVID 19 regulations.	Virtual skills training programmes are being designed to counter Covid-19 disruptions
16.	RISIMA	Quarterly	Housing and finance related services provided	Number of home loans approved	250	107	**Not Achieved** 74	Low business in-take due to COVID-19 impact on business. Deed's office was closed under certain levels of Covid-19 regulations.	More advertising to reach more potential clients and increase loan take up
17.				Rand value of home loans approved	R101m	R58,9m	**Not Achieved** R31.3m	Low business in-take due to COVID-19 impact on business. Deed's office was closed under certain levels of Covid-19 regulations.	More advertising to reach more potential clients and increase loan take up

Outcome 5: Increased financing of housing, SMMEs and Cooperatives and Youth entrepreneurship development

NO.	RESPONSIBLE BUSINESS DIVISION	REPORTING FREQUENCY	OUTPUT	OUTPUT INDICATORS	2020/21 ANNUAL TARGET (BEFORE RE-TABLING)	2020/21 ANNUAL TARGET (AFTER RE-TABLING)	ANNUAL OUTPUT		
							ACTUAL OUTPUT	REASON FOR DEVIATION	CORRECTIVE ACTION
18.	Land and Property Development	Quarterly	Support economic activities by entrepreneurs	Occupations of developed factory space	Increase occupancy by 20% of the unoccupied space (20% of 100 400 m²) (With allowable deviation of 5%)	Increase occupancy by 15% of the unoccupied space (15% of 100 400 m²) (With allowable deviation of 5%)	**Achieved** New leases over area of 17 875.31m²	None	None
19.		Quarterly		Compliance with established LEDA factory standards	Meeting pre-determined state of acceptable property standard for leased properties	Meeting pre-determined state of acceptable property standard for leased properties	**Not Achieved** 71.24% (based on annual maintenance expenditure)	More work and long periods were required to refurbish. Covid-19 regulations and lockdown disrupted the programmes and prohibited construction work.	We are currently mobilizing more resources to meet targets in 2021/22 financial year.
20.	Land and Property Development (continued)	Quarterly	Support economic activities by entrepreneurs (continued)	Amount spend on refurbishment of industrial parks	R10 million	R3 million	**Not Achieved** R2 171 133,37	More work and long periods were required to refurbish. Covid-19 regulations and lockdown disrupted the programmes and prohibited construction work.	We are currently mobilizing more resources to meet targets in 2021/22 financial year.

Product

Risima Housing Finance Corporation

The RISIMA service delivery mandate reflects the housing and human settlement imperatives that the institution aspires to achieve as part of the socio-economic development mission derived from the Limpopo Development Plan (LDP).

Through research and market surveys, Risima Housing Development Corporation has done exceptionally well over the years of existence in terms of its portfolio of products and services on the one hand and the quality of houses delivered to meet the developmental needs of the province. In fulfilling this mandate of promoting home ownership amongst the previously disadvantaged individuals, Risima Housing Finance Corporation offers 100% home loans to public servants and employees of public entities and can require as little as 10% deposit from customers working in the private sector.

PRODUCTS AND SERVICES

RISIMA prides itself in the range of products and services provided in Limpopo Province that includes the following:

- **Affordable rural and urban housing loans**

  The company provides affordable housing solutions that are more accessible to households with a combined minimum income from R800 per month.

- **Interest linked home loans**

  A home loan charged at prime plus 1% interest rate across the board with a flexible term up to 30 years. This product is suitable for consumers that aspire to switch over their capital financing and experience low interest rate

- **Incremental Housing Finance**

  Unsecured home loan finance for rural areas, which affords clients an opportunity to build their houses on a staggered approach. Loans range from R10 000 to R350 000 and the products are tailor made for low-income earners.

- **Additional home loans**

  It is a top up loan granted to the client in addition to the existing loan, in line with the value of the property and can only be applied for 12 months after of implementation of the first loan.

- **Access bond**

  All Risima Housing Finance Corporation clients who have paid their accounts in advance can apply for an amount of not less than R12 500.00 and not exceeding 80% of that advance.

- **Finance Linked Individual Subsidy Program (FLISP)**

  FLISP is aimed at individuals that earn too much to qualify for an RDP house and too little to qualify for a Bond. (GAP Market) The FLISP subsidy is used as a deposit to enable clients to qualify for a bond. Risima has been appointed by COGHSTA to administer FLISP in the province. A client who has been approved by any of the major banks may apply for the subsidy portion at Risima. On registration of the Bond, Risima will pay the FLISP subsidy directly into the client's home loan account.

HOME LOAN EQUITY FINANCE

Clients who earn less than R15 000 and have been approved for FLSP may qualify for a Home Loan Equity Finance as a form of developmental credit. Based on the value of the property, first time clients can be financed to buy a property and consolidate their commitments simultaneously.

IN SUM: DESIRED OUTCOME AND ACTUAL OUTCOME OF THE PRODUCT

The desired outcome of increased financing of housing, SMMEs and Cooperatives and Youth entrepreneurship development output was:

- **Housing and finance services provided:**
  - Output indicators:
    1. Number of home loans approved was 74 (target 107)
    2. Rand value of home loans approved was R 31.3m (target R58.9m)
    3. Note: the close of the Deeds office and Covid-19 impacted severely.
    4. Corrective to be action taken, is increased advertising campaigns.

- **Increased return on Investment (ROI) and Profit streams from LEDA Group**
  - Output indicators:
    1. Subsidiary ROI percentage was 5.37% (target 6%)
    2. Subsidiary net profit percentage was 62.26% (target 5.6%)
    3. All actuals to be adjusted after financials are audited.

OUTCOME 6

Increased Return on Investment and Profit Streams from LEDA Group

+ Outcome 6: Increased return on investment and profit streams from LEDA Group

Increase Net asset value of LEDA Group from R1.3bn to R3.5bn

Increase LEDA Group return on total assets percentage from -2% to 5%

Increase LEDA Group net profit percentage from -4% to 5%

Required output: Increased Return on Investment from LEDA Group

Output indicator: Subsidiary Return of Investment percentage.

This pillar contributes towards our Medium-Term Strategic Framework (MTSF) 2019-2024 envisioned 2024 Impact Statement regarding the following priorities as important, namely:

PRIORITY 1: A CAPABLE, ETHICAL AND DEVELOPMENTAL STATE

Public value and trust by active citizenry and partnerships in society.

APPLICABLE OUTCOMES AND INTERVENTIONS

1) Improved governance and accountability by strengthening the governance system of state-owned entities.

2) Functional, efficient and integrated government that will:

   - Enhance productivity and functionality of public sector institutions in supporting people-centred service delivery.
   - Improve financial management capability in the public sector.
   - Measures taken to reduce wasteful and fruitless expenditure, and irregular expenditure in the public sector.

It also contributes to the Limpopo Provincial Priorities Limpopo Department of Economic Development, Environment and Tourism (LEDET) by strengthening the implementation capacity of LEDA.

ANNUAL PERFORMANCE INFORMATION

OUTCOME 6: INCREASED RETURN ON INVESTMENT AND PROFIT STREAMS FROM LEDA GROUP

NO.	RESPONSIBLE BUSINESS DIVISION	REPORTING FREQUENCY	OUTPUT	OUTPUT INDICATORS	2020/21 ANNUAL TARGET (BEFORE RE-TABLING)	2020/21 ANNUAL TARGET (AFTER RE-TABLING)	ANNUAL OUTPUT		
							ACTUAL OUTPUT	REASON FOR DEVIATION	CORRECTIVE ACTION
21.	Finance	Quarterly	Revenue and debt collection	Revenue collection rate	95% revenue collection	80% revenue collection	**Achieved** 95% collected on current rental revenue of R128 million.	None	None
22.				Debt collection rate	95% of collectable debt	95% of collectable debt	**Not Achieved** R5 million (2%) collected on arrear rental revenue.	Debtors were not responsive hence all 120+ days were handed over to external debt collection services.	Debts over 120+ days were handed over to external auditors.
23.	Agency	Annually	Increased Return on Investment from LEDA Group	Net asset value of LEDA Group	R2.5 bn	R2.5 bn	**Not Achieved** R1 052 388 610	Net asset value of LEDA Group not achieved due to Covid 19 budget cuts.	Growth rate would be adjusted to new resource levels.
24.	Agency	Quarterly		LEDA Agency Return on Investment percentage	5%	5%	**Not Achieved** 0.4%	Actuals would be adjusted to the audited financials	Actuals would be adjusted to the audited financials
25.	Risima	Quarterly		Subsidiary Return on Investment percentage	10%	6%	**Not Achieved** 5.37%	Actuals would be adjusted to the audited financials	Actuals would be adjusted to the audited financials
26.	CMR	Quarterly			5%	5%	**Not Achieved** 2%	Investment drive was disrupted due to economic uncertainties brought by Covid-19.	1. CMR will go into the open market to source funding. 2. Explore asset sale as a mechanism of raising capital.

OUTCOME 6: INCREASED RETURN ON INVESTMENT AND PROFIT STREAMS FROM LEDA GROUP									
							ANNUAL OUTPUT		
NO.	RESPONSIBLE BUSINESS DIVISION	REPORTING FREQUENCY	OUTPUT	OUTPUT INDICATORS	2020/21 ANNUAL TARGET (BEFORE RE-TABLING)	2020/21 ANNUAL TARGET (AFTER RE-TABLING)	ACTUAL OUTPUT	REASON FOR DEVIATION	CORRECTIVE ACTION
27.	New Era	Quarterly	Increased Return on Investment from LEDA Group	Subsidiary Return on Investment percentage	0%	1%	**Not Achieved** (5%)	High claims stemming from the second wave of Covid-19 deaths that affected the business in January 2021. Decrease in revenue due to lapsed schemes that owe New Era Life premiums.	• Keeping costs at bay and avoid any instances of wasteful, irregular, fruitless expenditure • Increase revenue by exploiting new business opportunities through varying distribution channels • Improve loss ratios by being vigilant in terms of scheme diligently meeting our onboarding requirements • Manage shareholder funds by protecting our assets required to fund policyholder obligations • Ensure that New Era is self-sustainable by managing assets to avoid dependencies on LEDA, with the view that the business will return to profitability and future pay dividends
28.	GNT	Quarterly			10%	2%	**Not Achieved** (38%)	Actuals would be adjusted to the audited financials	Actuals would be adjusted to the audited financials
29.	Agency	Quarterly	Increased profit streams from the LEDA group	LEDA Agency net profit percentage	5%	2%	**Not Achieved** 0.2%%	Actuals would be adjusted to the audited financials	Actuals would be adjusted to the audited financials
30.	Risima	Quarterly		Subsidiary net profit percentage	9.24%	5.6%	**Achieved** 62.66%	Actuals would be adjusted to the audited financials	Actuals would be adjusted to the audited financials
31.	CMR	Quarterly			5%	Break-even	**Not Achieved** (300%)	Projects still at build phase and requires more cash outflows than inflows.	1. CMR will go into the open market to source funding. 2. Explore asset sale as a mechanism of raising capital.
32.	Limpopo Connexion	Quarterly			0%	Break-even	**Achieved** Net profit - 13%	None	None

OUTCOME 6: INCREASED RETURN ON INVESTMENT AND PROFIT STREAMS FROM LEDA GROUP									
NO.	RESPONSIBLE BUSINESS DIVISION	REPORTING FREQUENCY	OUTPUT	OUTPUT INDICATORS	2020/21 ANNUAL TARGET (BEFORE RE-TABLING)	2020/21 ANNUAL TARGET (AFTER RE-TABLING)	ANNUAL OUTPUT		
							ACTUAL OUTPUT	REASON FOR DEVIATION	CORRECTIVE ACTION
33.	New Era	Quarterly	Increased profit streams from the LEDA group (continued)	Subsidiary net profit percentage (continued)	2%	2%	**Not Achieved** (73%)	Unprofitable loss ratios as a result of high claims and low revenue margins affected the business in terms of profitability. High claims caused by the second wave of Covid-19 where large deaths were experienced due to the festive season. Most scheme not paying their premiums and rather opting to self-insure their books. Premiums in the industry tend to be low during this time of year as schemes reprioritise premiums to other requirements and see underwriting as discretionary spend as deaths are low in the summer months.	Keeping costs at bay to avoid wastage caused by overruns in professional fees. • Increase revenue by exploiting new business opportunities through varying distribution channels • Improve loss ratios by • Improve revenue by increasing premium rates and increasing new business volumes • Improve the quality of new business underwritten and ensure previously non-underwritten schemes serve their waiting period • Effectively manage claims expenses to reduce loss ratio • Ensure that administration costs are kept at bay and wastage/ leakages avoid at all costs • Renegotiate acquisition costs to ensure that the maximum commission paid to all intermediaries does not exceed 18% • Increase sales by enhancing or revamping product offering to increase market share in the funeral and credit life business

OUTCOME 6: INCREASED RETURN ON INVESTMENT AND PROFIT STREAMS FROM LEDA GROUP

NO.	RESPONSIBLE BUSINESS DIVISION	REPORTING FREQUENCY	OUTPUT	OUTPUT INDICATORS	2020/21 ANNUAL TARGET (BEFORE RE-TABLING)	2020/21 ANNUAL TARGET (AFTER RE-TABLING)	ANNUAL OUTPUT		
							ACTUAL OUTPUT	REASON FOR DEVIATION	CORRECTIVE ACTION
			Increased profit streams from the LEDA group (continued)	Subsidiary net profit percentage (continued)					• Remodel the business to focus more on individual book of business and reduce dependencies on group funeral schemes • Focus on organisational effectiveness by increase staff and executive capacity, focus on technology and utilisation of systems for ease of user interface • Improve competitiveness by ensuring that claims are paid speedily, within 48 hours. • Maximise relationships with LEDA and subsidiaries to expand and distribute our products especially in the Limpopo province
34.	GNT	Quarterly			3%	Break-even	**Not Achieved** (R119 m)	Actuals would be adjusted to the audited financials	Actuals would be adjusted to the audited financials

Product
The New Era Life

The mandate of New Era Life is to generate return on investment by distributing affordable value for money financial products and services for the benefit of the population of Limpopo Province

New Era Life had a bittersweet year as the drive to grow revenue was soon watered down by the outbreak of the COVID-19 pandemic and the subsequent lockdowns. These brought the wheels to a grinding halt as the insurer. The highlight of the year under review was the phenomenal tenfold growth in policyholder numbers from the legacy 4500 to 46 000, as the enrolled groups rose from 62 to 212. The growth in membership led to unprecedented growth in gross written premiums, rising from R6.5m to R21m. On the flip side the gains were wiped out by the flurry of claims emanating from the growth in membership, growth in group schemes, exacerbated by the COVID-19 related death claims. This called for a concerted effort on compliance and put strains on the company resources in so far as risk management was concerned. We tightened our policies by appointing the Chief Risk Officer and passing the GOI5 policies through the board for approval, which included insurance fraud risk policy, ORSA policies.

The Management of New Era Life, in recognition of the need to contribute towards economic development in Limpopo, went on a drive across the province to identify nodes with critical mass with a view to setting up a physical presence in the province. Plans were set afoot for the offices in Mokopane and Tzaneen, and these were slowed down by the announcement of alert level 4 of the COVID-19 lockdowns. The impact of opening these offices will be skills transfer in insurance, revenue generation from the business activities of these two towns, and job creation in the communities we serve. The organisational capacity will now be bolstered by the recent lifting of the moratorium on recruitments, which will see the appointment of the Business Development Team and fast-track New Era Life's market presence well into the future.

Product

Great North Transport

Great North Transport continued to provide essential bus services to the people of Limpopo Province and some parts of Mpumalanga despite operating under a difficult economic environment. The financial year which ended on 31 March 2021 has seen GNT transporting 6.4 million passengers. These are Covid-19 impacted and significantly reduced numbers as compared to the period before the Covid-19 era. Great North Transport however continues to pride itself with a route network that has a potential to transport over 30 million passengers per annum. Some of the negative side effects of the pandemic were the significant loss of revenue, negative cash flows and delay in implementation of the approved turnaround strategy.

EFFECTS OF LOCKDOWN ON THE BUSINESS

The lockdown regulations which restricted the loading capacity and reduced the movement of people through the use of curfews has had a huge impact on the transportation systems in the world and GNT was not excluded. The GNT revenue stream consists of subsidy and cash components from commuters and passengers respectively. As more and more companies were forced to operate with skeletal staff, it meant that fewer people will be travelling, consequently affecting transportation systems and more directly the variable costs associated with business operations. Public transport is the backbone of the provincial economy and the effects of restrictions had a snow-balling effect on many fronts.

NEW FLEET

The delivery of 75 new buses bought during the year under review was shared between Polokwane and Makhado depots respectively. Although these buses brought about some relief to the two depots, the impact on the overall performance of the company remained minimal. The 75 buses improved the quality of transportation services significantly in the two towns in terms of reliability and availability.

AUCTION OF OLD ASSETS

The company further embarked on phase two of the auction process to dispose of its old buses and ancillary vehicles that are no longer economical to repair. The auction process took place during the alert level 3 of the nationwide lockdown and a total amount of R2million revenue was generated. In attempts to minimise the negative impact of the pandemic, GNT applied for business relief funds from the Department of Labour. An amount of R15.3 million was successfully claimed which was utilised for the compensation of employees in the affected hard(?) periods. Despite the hardships experienced by the companies in both commerce and industry, GNT was able to pay salaries to employees month to month.

DEPLOYMENT OF INTERIM CHIEF EXECUTIVE OFFICER

The Shareholder deployed Dr. M Mokoele from 01 January 2021 as the interim CEO following the resignation of the GNT's former CEO.

AUDIT OUTCOME: FINANCIAL YEAR-ENDED 31 MARCH 2021

GNT managed to maintain the unqualified audit opinion for the third time in a row regardless of the operational challenges it was faced with. Management is still looking forward to work together on addressing the historical audit issues for the betterment of the audit outcome in the future.

IN SUM: DESIRED OUTCOME AND ACTUAL OUTCOME OF THE PRODUCT

The desired outcome of Increased Return on Investment and profit streams from LEDA Group

The increased return on Investment from LEDA Group

Output indicators showed:

- Annual target of 2% and break-even are not achieved, respectively being (38%) and (R119 m)

Note: reasons for deviations and corrective actions are all subject to actual financials being audited.

7

OUTCOME 7

A Well-Capacitated and Performing Organisation

+ Outcome 7: A well-capacitated and performing organisation

100% clean audit for all eight companies

LEDA Group achieve 90% of performance targets

Required output: Effectiveness of internal controls through self-assessment
Sound governance and compliance
Employee training and development

Output indicator: Net profit percentage
Percentage of controls identified in the operational self tested
Number of unqualified external audit opinion on the prior year
Number of job specific skills training interventions

This pillar contributes towards our Medium-Term Strategic Framework (MTSF) 2019-2024 envisioned 2024 Impact Statement regarding the following priorities as important, namely:

PRIORITY 1: A CAPABLE, ETHICAL AND DEVELOPMENTAL STATE

- Public value and trust
- Active citizenry and partnerships in society.

APPLICABLE OUTCOMES AND INTERVENTIONS

1. Improved governance and accountability by strengthening the governance system of state-owned entities.
2. Functional, efficient and integrated government by:
    - Enhancing productivity and functionality of public sector institutions in supporting people-centred service delivery
    - Improving financial management capability in the public sector
    - Taking measures to reduce wasteful and fruitless expenditure, and irregular expenditure in the public sector.
3. Professional, meritocratic and ethical public administration by building programmes for building a professional public administration.
4. Social compact and engagement with key stakeholders by utilising participatory governance mechanisms and citizen engagement.
5. Mainstreaming of gender, youth and disability, empowerment and development institutionalised by the implementation of Gender, Youth and Disability responsive planning, budgeting, interventions, policies and legislations.

It also contributes to the Limpopo Provincial Priorities Limpopo Department of Economic Development, Environment and Tourism (LEDET) by strengthening the implementation capacity of LEDA.

ANNUAL PERFORMANCE INFORMATION

OUTCOME 7: A WELL CAPACITATED AND PERFORMING ORGANISATION

NO.	RESPONSIBLE BUSINESS DIVISION	REPORTING FREQUENCY	OUTPUT	OUTPUT INDICATORS	2020/21 ANNUAL TARGET (BEFORE RE-TABLING)	2020/21 ANNUAL TARGET (AFTER RE-TABLING)	ANNUAL OUTPUT		
							ACTUAL OUTPUT	REASON FOR DEVIATION	CORRECTIVE ACTION
35.	CEO's office	Quarterly	Strengthened internal control environment and financial management	Positive External Audit opinion	Unqualified opinion	Unqualified opinion	**Achieved** Unqualified audit opinion obtained	None	None
36.	CEO's office	Quarterly	Enhanced business integration and optimisation and ICT support	Multi-year (MTEF-aligned) ICT Master Plan approved and thereafter implemented	Automation of identified processes	Automation of identified processes	**Achieved** Two IT projects (Application system) implemented. Diligent and EDFD Loan origination Automation, COVID 19 questionnaire.	None	None
37.	CEO's office	Quarterly	Efficient and effective operations	Skills matching strategy	Skills matching jobs profile	Skills matching jobs profile	**Partially Achieved** Skills Matching –Job Profiling achieved at 100%	Training based on the Skills Report suspended due to the pandemic in 2021/22	Training will be implemented during 2021/22 financial year

Corporate Services

There are many stakeholders that make a contribution towards the strategic goals of LEDA. The following section depicts the value and activities undertaken during the period under review, of our corporate services division that consists of Human resources and development department and our marketing and communications department.

HUMAN RESOURCES

In order to add significant value to a business, HR must be able to support and enable the execution of strategy through building organisational capability. This is a role that cannot be automated, shared as a service or outsourced. It comes from an intimate knowledge of the business's strategy and the existing capabilities of the organisation.

1. GROUP LEDA STAFF PROFILE

LEDA's mandate and objectives are dependent on a variety of stakeholders. Our employees are one of the key success factors as they contribute towards value generation for LEDA. Uultimately, all strategy is executed by people – people who need to be supported, trained and equipped to fulfil the strategic vision of LEDA.

Below is our staff profile:

We collaborate with our employees to help them realise their worth. We are committed to providing a stimulating work environment and development opportunities. Training and development are prioritised in our human resources strategy,

2. SOUND LABOUR RELATIONS

The Labour Relations programme ensures that employees of LEDA are treated fairly and that LEDA adheres to the legislation governing employment, relationship and practices. This includes treating our employees fairly and equitably, with due concern being for their job security and the principle of Freedom of Association and Disassociation.

As a department our purpose is to advance the economic development, social justice, labour peace and democratisation of the workplace by fulfilling the primary objects of the Labour Relations Act No. 66 of 1995.

EMPLOYEE LEVEL	APPROVED ESTABLISHMENT	VACANCIES	RACE		GENDER		STAFF TERMINATIONS	
			AFRICANS	WHITES	MALES	FEMALES	MALES	FEMALES
Top Management (P1 – P3)	12	7	6	0	6	0	0	0
Senior Management & high-level specialists (P4 – P6)	104	45	48	4	34	18	7	3
Middle Management & lower level specialists (P7 – P9)	247	49	175	1	103	73	5	3
Supervisory & high level skilled / Clerical (P10 – P12)	110	38	97	0	29	68	1	1
Lower-level skilled / Clerical (P13 – P16)	36	23	15	0	10	5	3	2
Very low skilled (P17)	96	13	83	0	20	63	0	1
TOTAL PERMANENT	**605**	**175**	**424**	**5**	**202**	**227**	**16**	**10**
Temporary Staff	1	0	1	0	1	0	0	0
Interns	6	0	6	0	1	5	0	0
TVET Learners	2	0	2	0	1	1	0	0
TOTAL	**614**	**175**	**433**	**5**	**206**	**233**	**16**	**10**

We understand that it is our responsibility to understand what motivates our staff to perform at the highest level possible while maintaining an organisational culture of high morale.

3. KEEPING OUR EMPLOYEES SAFE, SOUND AND RECOGNISED

- **Occupational Health and Safety**

  LEDA subscribes to the provisions of the Occupational Health and Safety Act, No. 85 of 1993, as amended. This concerns the health and safety of persons at work, as well as the health and safety of persons using operational equipment. It also includes the protection against hazards to health and safety of persons other than employees at the workplace arising out of and in connection with the activities of persons at work. Another objective is to establish a health and safety committee to provide for matters connected therewith and prevent and report work-place injuries.

- **Employee Wellness Programme (EWP)**

  LEDA cares for the health and well-being of its employees and recognises that a variety of personal problems can disrupt employees' work lives. Attached to the WSP is the Employee Assistance Programme (EAP) with the purpose to offer confidential assistance to employees who have the potential to be adversely affected by both personal and work-related challenges. The Employee Wellness Programme enables LEDA to provide access to professional counselling services for all employees and encourages them to use the service in order to remain fit for purpose. The programme is a free service available to all employees and their immediate dependants. It gives access to specialist information from consultants who provide information and advice using both telephone and face-to-face counselling on a range of both work and domestic issues for 24/7/365

- **Long – Service Recognition Awards**

  LEDA has a long – service award recognition policy to reward staff loyalty and dedication, which serves as a staff retention strategy.

4. SKILLS DEVELOPMENT

LEDA values a strong people development ethic and is committed to the growth of its employees. Training and development processes form an important component of human resources management within the organisation and programmes are in place that up-skill employees for the immediate requirements of their jobs and to better prepare them for horizontal and vertical career development opportunities in future.

The realisation of such opportunities in practice is based on sound individual performance taking into account employee aspirations and potential as well as organisational needs.

In line with the above philosophy, LEDA is committed to exposing employees to structured external management programmes as well as supporting employees who are prepared to undertake relevant studies through the Educational Financial Assistance, provided that such studies are linked to business needs and to the employee's career goals. LEDA identified principles applied to implement talent management and succession planning processes which recognises LEDA as Employer of Choice. The mode of delivery for the skills development in LEDA includes internship, learnership and developmental programmes that are undertaken to release the potential of our employees and prospective employees.

4.1 ANNUAL MASTER TRAINING PLAN (AMTP):

The HRM has developed an Annual Master Training Plan (AMTP) to support LEDA's mission and identified a comprehensive set of educational goals and objectives that fosters professional development and provides the skills training necessary for employees to perform their duties in an unbiased, safe and proficient manner. The plan also relates and is linked to personal development plans for all employees through the LEDA performance management system.

4.2. GROUP LEDA SKILLS MATCH EXERCISE

LEDA conducted a Skills Matching exercise where each employee`s skills and job profile were matched with the requirements for the job and his /her qualifications with a view to identifying employees with gaps in their qualifications and skills requirements and positions they are holding. The report will guide the Skills Development programmes and deployments across the group and promotions where possible going forward.

4.3 LEARNERSHIPS AND INTERNSHIPS

Due to challenges posed by the COVID 19 pandemic, LEDA did not host learners or interns during the financial year 2020/21.

5. PERFORMANCE MANAGEMENT SYSTEM

LEDA has a Performance Management and Development System (PMDS) which is focused on the development of employees to optimise and exceed organisational, team, and individual levels and to align them with best practice.

PMDS is a means of getting better results by understanding and managing performance within an agreed framework of planned goals, standards and competency requirements. Its primary focus is the development and growth of employees to drive excellent performance. The PMDS supports performance planning in the context of the organisational strategy and divisional business plans.

6. EMPLOYMENT EQUITY

LEDA has developed an employment equity plan with required numeric goals. The plan is monitored and evaluated according to EEA guidelines. This is a standard requirement and management submitted the equity plan as well as report to the Department of Labour. The EE Plan will be considered whenever recruitment takes place in order to attain the numerical targets as set.

Marketing and Communications

The Marketing and Communications department plays the critical role of supporting the LEDA Corporate Strategy in terms of the dissemination of key messages of economic development for inclusive growth. This department consists of various sub sections whose focus and specialities complement each other towards the accomplishment of the annual plan imbedded in the LEDA Annual Operations Plan (AOP). The advent of Covid-19 has accelerated the application and use of electronic media in communicating our messages.

CORPORATE COMMUNICATIONS

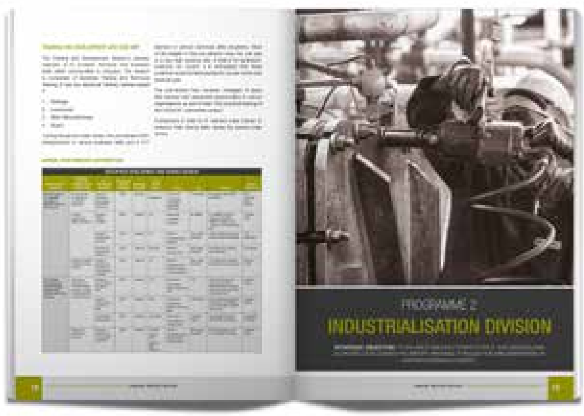
Corporate Communications forms the heartbeat of LEDA's information dissemination, public relations and linkages with local, national and international stakeholders. During the year under review, corporate communications implemented programs and activities as follows:

ELECTRONIC MEDIA

LEDA used its media platforms; the website, Facebook and Twitter to distribute business development information to business communities. To date, the LEDA Facebook account has about 9000 followers and we hope to grow the account tenfold as we increase our content distribution online. The launch of new Great North Transport buses by the Premier of Limpopo Province is among the highlights of information dissemination. As the semi-rural province, radio is the medium that still remains the source of information for communities in the five districts. The department collaborated with local radio stations, the SABC Combo in responding to queries and enquiries. Much of the enquiries and queries related to the activities and programs undertaken by LEDA and its subsidiaries in terms of the LEDA mandate of growing the economy.

PRINT MEDIA

The Print media remains the most important information dissemination tool outside of LEDA's own mediums. LEDA's interest in transport, mining, housing, and business development are subjects of continuous debates in the business communities and the broad communities at large. During the year under review, print media enquiries were on Corridor Mining Resources, Musina-Makhado Special Economic Zones as well as Great North Transport tragedies that affected communities. The print media was also used by LEDA communications to disseminate information on the



Covid-19 relief funds for manufacturing and services SMMEs operating in the province.

CORPORATE BRANDING

The corporate branding section is responsible for the development, management and maintenance of the LEDA Brand. This work is carried through the brand audit to ensure that the application of the LEDA Brand elements is at all times aligned and subscribe to the brand manual. During the year under review, the corporate branding section provided a supportive role to the establishment of the Limpopo Province One Stop Shop, a branch of the Department of Trade, Industry and Competition responsible for supporting investment drives by the province. Among the other activities, the branding sections carried out the following activities:

- Preparations and coordination of the memorial service of the late deputy chairman of LEDA board, Mr D Kourtoumbellides.
- Assisted with the design of the 2019/20 LEDA annual report.
- Registration of LEDA under provincial government handbook.
- Re-design of LEDA letterhead.

CORPORATE SOCIAL INVESTMENT (CSI)

The LEDA CSI positions LEDA as a corporate citizen by identifying community-based development initiatives and makes contributions for sustainable development of those initiatives. The initiatives are mainly in education, skills development and health. Our contribution to these focus areas has over the years changed the lives of communities in the five districts of the province as we rotate our involvement throughout the province within the limited resources. The Covid-19 pandemic and the resultant lockdowns affected the implementation of some of the activities aimed at the CSI in light of budget cuts as well as limitation for travelling and interaction with communities. However, the CSI reviewed both the sponsorship and CSI policies which were approved by the LEDA Board of Directors. Again, with partnership with private sector company, VBK Milling, the CSI identified the NPO in Waterberg for investment.

Information Technology

LEDA IT has achieved significant progress in the past year towards achieving its mandate to support the rest of the business units by providing the Information technology services that enable them to achieve their strategic goals.

It has endeavoured to meet its service level agreements with business, despite all the challenges experienced during the year. LEDA IT will continue its efforts to align to industry standards and guidelines such as King Iv, ITIl, and COBIT. The primary focus within IT during the past financial year continued to be on stabilising and improving existing IT capabilities.

Specifically, IT activities were focused on the following areas:

IT Governance	Operational Efficiency	Cyber Security
More attention was given to addressing audit and risk issues that were outstanding for a while, and creating awareness of the approved governance structures and policies. A significant number of audit issues were addressed through the review of internal policies like IT user policy, accounts management and development of new IT plan. Implementation of projects like office 365. The digital transformation strategy gave Management an opportunity to identify priority projects to be implemented during 2020/2021 financial year.	Power outages were eradicated by implementing green energy in the main data centre. systems were kept relatively stable during the year achieving an average availability of 90%. The focus was on the efficient utilisation of IT resources (people & IT infrastructure) and cost effective use of IT for growth. The migration of corporate network to utilise Limpopo broadband improved connectivity and use of digital technologies.	Cyber security activities gained momentum during the year. Focus was put on equipping the IT security functions by increase user awareness at Group level. Operational activities like firewall and patch management were given attention. Cloud based solution was deployed on our critical infrastructure to fight the outbreak of ransomware. Vulnerability and threat monitoring of the environment continued to be carried out through the use of Managed security services. The security policy was revised to address issues of data classification.

During the year under review, a number of projects were delivered. Some of the projects worth noting are the following.

- Corporate network migration: the migration of the network into Limpopo Broadband enabled LEDA offices connectivity enhanced including the use of digital platforms like Ms Teams.
- The implement of work from home plan driven by digital technologies enabled LEDA to operational during the pandemic in particular hard lockdowns.
- The development of IT Digital transformation strategy that is aligned to the Group Strategy.

GOING FORWARD

While the emphasis will continue to be on stabilisation of the IT systems environment, focus within IT will gradually move towards becoming a true business partner by providing flexible and scalable solutions that will be responsive to business need. This will be achieved through considering modern ways of provisioning IT services and transforming the IT environment to move with current trends. It will need to build sufficient competence and investment to become a true partner and support business in realising its strategies.

The cost of software licensing will continue to pose challenge but with the outcome of the FOSS assessment (conducted by Limpopo Connexion) well-defined technology architecture and strategy will assist the IT Department to reduce cost. The IT Department will enhance its project execution capability to improve speed of execution and ensure that projects are delivered within acceptable timelines. It will also build capacity to manage contracts and licensing arrangements more efficiently.

LEDA'S VALUE PROPOSITION

LEDA, with unparalleled local and international partnerships, strives to be the preferred catalyst efficiently connecting local and international finance availability to a wide variety of aspirant individuals and entities to create sustainability of their function in mutually profitable partnerships, to maximise ongoing job creation in the area and the clients it serves.

OUTLOOK AND CHALLENGES FACING THE COMPANY AND THEIR IMPLICATIONS

LEDA has and faces numerous challenges brought about through global, macro and micro socio-economic factors, as the synergistic interplay of cause and effect has only been re-emphasised by the impact brought about t by the covid-19 pandemic. In truly assessing and mitigating risk, it requires outlier thinking that not only understands how everything is linked together, but how a risk can become a positive opportunity that can benefit the an individual, family or the broader community.

Based on the foregoing, the analysis of planned outcomes and currently identified key risks together with actions to mitigate said risks are addressed below.

1. MINERAL BENEFICIATION PROJECTS CONTRIBUTING TOWARDS INCREASING LIMPOPO GDP FROM R400BN TO +- R450BN

There has been a lack of stakeholder buy-in, which can be mitigated by the development and implementation of a stakeholder management strategy. We are faced with an inadequate infrastructure, however with an integrated planning and partnership with local and other spheres of government, it can be resolved. South Africa and consequently our province faces an energy crisis, though LEDA is focusing on integrated energy solutions in our planning and designing of projects that exist already and creating new projects. The world is facing water scarcity as a resource, just as Limpopo is, but with local and other spheres of government involved in planning and partnership we can and will come up with a solution. Commodity prices is a risk that can be addressed with forward thinking agreements and utilising leveraging of other financial instruments better.

2. AGRO-PROCESSING PROJECTS CONTRIBUTING TOWARDS INCREASING LIMPOPO GDP FROM R400BN TO +-R450BN

Economic uncertainty has resulted in a paucity of stakeholder buy-in, however we are developing and implementing a compelling stakeholder management strategy that can result in real economic dividends. The global threat of climate change, especially addressing drought nationally, we can strive to innovate and integrate projects that can impact our climate footprint positively, indeed it our projects of hydrogen and solar implantation can be seen as global trend setters towards positive impact of climate change. In terms of drought, we are redeploying and reorganising our natural agricultural resources that takes into account drought prevention strategies.

3. INNOVATIVE DIGITAL SOLUTIONS TO SOLVE SOCIO-ECONOMIC CHALLENGES

There is a risk regarding a lack of consumer readiness for digitisation, as well as tough competition and well-established current competitors within the digital solutions environment. What this target market also offers however, is an opportunity for LEDA to provide a consumer engagement strategy after conducting an intensive market analysis based on available data. LEDA's market within this objective of providing innovative digital solutions is very expansive. It potentially covers all market segments in the province, from: provincial governments departments as indirect customers, parastatals, large and small organisations, large and small businesses, non-profit businesses, individuals and general public at large, local government and its entities, state owned enterprises, and education institutions.

4. INCREASED DOMESTIC DIRECT INVESTMENT AND FOREIGN DIRECT INVESTMENT

The covid-19 pandemic made a devastating economic impact on our economy as a nation that already faced incredibly difficult economic challenges. The negative credit ratings exaggerated the economic environment situation in the country, consequently ffecting the economic growth of Limpopo Province. All these developments affected not only national institutions but also LEDA in the province . LEDA has taken the foresight to engage broader stakeholders, is repackaging investment projects to re-ignite the economy..

5. INCREASED FINANCING OF SMMES AND COOPERATIVES; AND YOUTH ENTREPRENEURSHIP DEVELOPMENT

The risks that LEDA is faced with this objective has been largely due to investments that were not as sound as it should have been, however by implementing further adequate credit risk analysis will enhance the quality of business start-ups . Collection should have been opitmised that will be addressed by incorporating more effective policies and procedures. There is a need for more forward planning and how it can contribute towards better partnerships more effectively and addressing SMMEs collapsing with agile planning.

6. INCREASED RETURN ON INVESTMENT AND PROFIT STREAMS FROM LEDA GROUP

There is a risk regarding contractual arrangements entered into, however our risk mitigation decision is to source and involve commercial legal expertise applicable to deal making and contracts. Through education, training and upskilling, more sound investment decisions are possible, guided by policy. There is a need to have more effective coordination between LEDA Group Holdings and its subsidiaries.

7. A WELL CAPACITATED AND PERFORMING ORGANISATION

A challenging environment requires an organisation to be responsive and proactive in order to thrive. Organisational structure, skilled and knowledgeable employees ensures that an organisation can do so. LEDA will mitigate any risk associated with this so that the required and available skills set of employees match the required expertise to contribute towards an organisational structure that fits the purpose of the organisation. An annual skills audit and corresponding implementation of training programmes will contribute towards preventing this as a foregoing risk.

LEDA has a solid five-year strategy plan that will contribute towards our objectives, especially establishing financial independence by April 2024 from Fiscus. As an organisation, we are committed to making every effort possible to ensure that the jewel in South Africa's crown, Limpopo, will shine the brightest of all our nine provinces.

ANNUAL FINANCIAL STATEMENTS

General Information

COUNTRY OF INCORPORATION AND DOMICILE	South Africa
NATURE OF BUSINESS AND PRINCIPAL ACTIVITIES	Financing, Development, Business and Financial Management 1) Economic development, (2) Trade and Investment promotion, and (3) Development finance, through SMME support, investment in mining exploration and beneficiation
DIRECTORS	Mr M Makwana (Chairman) Mr CC Nkadimeng (Deputy chairman) Mr T Makhuvha (Group Chief Executive) Adv Ncube Mr MS Ralebipi Mr M Maphutha Mr CA Chikane Mr IM Rathumbu Ms N Magadagela (Barc chairperson) Mr F Magidi (Group Financial Officer) Mr NB Mokobane Chief Operations Officer (Interim)
REGISTERED OFFICE	Enterprise Development House Main Road Lebowakgomo 0737
BUSINESS ADDRESS	Enterprise Development House Main Road Lebowakgomo 0737
POSTAL ADDRESS	P O Box 760 Lebowakgomo 0737
ULTIMATE HOLDING COMPANY	Limpopo Department of Economic Development, Environment and Tourism (LEDET) incorporated in South Africa
BANKERS	ABSA Bank Limited
AUDITOR	Auditor General of South Africa
COMPANY SECRETARY	Ms MC Mokoma
LEVEL OF ASSURANCE	These consolidated financial statements have been audited in compliance with the applicable requirements of the Companies Act 71 of 2008.
PREPARER	The consolidated financial statements were internally compiled by: F. Magidi Group Chief Financial Officer

Report of the Board Audit and Risk Committee

REPORT OF THE BOARD AUDIT AND RISK COMMITTEE IN TERMS OF TREASURY REGULATION 27.1.7 AND 27.1.10(B) AND (C) OF THE PUBLIC FINANCE

In meeting its responsibilities and in executing its duties, the Board Audit and Risk Committee is required to consider the adequacy and effectiveness of the Group'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 Group's operations to be covered in the scope of internal audits;
- Activities of the internal audit function to determine the effectiveness thereof;
- Internal audit reports, including the response of management to issues raised therein;
- 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 Group'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 outcome 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 consolidated financial statements for the year, we are in agreement with the external auditor's opinion.

1. MEMBERS OF THE BOARD AUDIT AND RISK COMMITTEE

The members of the Board Audit and Risk committee are all independent non-executive directors of the group and include:

NAME	QUALIFICATION
Mr MS Ralebipi	BCOM (Acc)
Adv MT Ncube	LLB
Mr R Shingange	B Proc
Ms N Magadagela (Chairperson)	Chartered Accountant (SA)

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 71 of 2008, Public Finance Management Act, 1 of 1999 (PFMA), Regulation 42 of the Companies Regulation, 2011, and is in compliance wth King IV, at least three members have qualified experience.

2. MEETINGS HELD BY THE AUDIT COMMITTEE

The Audit and Risk 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 auditor.

The Committee held 15 scheduled meetings during 2021 and attendance was as follows:

MEMBERS	NUMBER OF MEETINGS ATTENDED
Ms N Magadagela (Chairperson)*	4
Mr MS Ralebipi	15
Adv TM Ncube	15
Mr R Shingange**	7

* Ms Magadagela joined LEDA on 12 January 2021
** Resigned 9 February 2021

3. EXTERNAL AUDITOR

The Committee satisfied itself through enquiry that the external auditor is independent as defined by the Public Audit Act, 25 of 2001 (revised in 2004) as per the standards stipulated by the auditing profession. Requisite assurance was sought and provided by the Companies Act 71 of 2008 that internal governance processes within the firm support and demonstrate the claim to independence.

The Audit 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 Board Audit and Risk Committee

Ms N Magadagela
Board Audit and Risk Committee Chairperson

Directors' Responsibilities and Approval

The Directors are required in terms of the Companies Act 71 of 2008 and the Public Finance Management Act 1 of 1999 (PFMA) to maintain adequate accounting records and are responsible for the content and integrity of the consolidated and separate financial statements and related financial information included in this report. It is their responsibility to ensure that the consolidated and separate financial statements fairly present the state of affairs of the Group and the Agency as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards. The external auditor is engaged to express an independent opinion on the consolidated and separate financial statements.

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

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

The Directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the 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 2022 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 Group does not expect liquidity risk in the foreseeable future due to the Corona Virus Pandemic, as the impact of the Corona Virus Pandemic is not significant to the group.

The external auditor is 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 auditor and their report is presented on page 96.

The consolidated financial statements set out on pages 102 to 224, which have been prepared on the going concern basis, were approved by the Board on 31 May 2021 and were signed on their behalf by:

Approval of financial statements

Mr M Makwana
Chairman

Mr TR Makhuvha
GCEO

Group Company Secretary's Certification

In terms of Section 88(2)(e) of the Companies Act 71 of 2008, as amended, I commit that the group shall lodge with the Commissioner all such returns as are required of a public company in terms of the Act and that all such returns shall be true, correct and kept up to date.

Ms MC Mokoma
Group 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 (the Group) for the year ended 31 March 2021.

1. NATURE OF BUSINESS

Limpopo Economic Development Agency and its subsidiaries (LEDA 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 LEDA Group for the year ending 31 March 2021 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 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	CHANGES
Mr M Makwana	Chairperson	Non-executive Independent	Appointed 3 December 2019
Mr CCT Nkadimeng	Deputy Chairman	Non-executive Independent	Appointed 01 March 2021
Mr TR Makhuvha	GCEO	Executive	Appointed 01 November 2020
Adv TM Ncube	Director	Non-executive Independent	Appointed 3 December 2019
Mr MS Ralebipi	Director	Non-executive Independent	Appointed 3 December 2019
Mr M Maphutha	Director	Non-executive Independent	Appointed 3 December 2019
Mr A Chikane	Director	Non-executive Independent	Appointed 01 March 2021
Mr IM Rathumbu	Director	Non-executive Independent	Appointed 3 December 2019
Ms N Magadagela	Director	Non-executive Independent	Appointed 12 January 2021
Mr F Magidi	GCFO	Executive	Appointed 01 June 2019
Mr NB Mokobane	Interim COO	Executive	Appointed 01 June 2019
Mr R Shingange	Director	Non-executive Independent	Resigned 9 February 2021

6. INTERESTS IN SUBSIDIARIES, ASSOCIATES AND JOINT ARRANGEMENTS

Details of material investments in subsidiary companies, associates and joint arrangements are presented in the consolidated financial statements in notes 9, 10 and 11.

There were no significant acquisitions or divestitures during the year ended 31 March 2021.

7. HOLDING COMPANY

The group's holding company is Limpopo Department of Economic Development, Environment and Tourism (LEDET) which holds 100% (2020: 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.

8. EVENTS AFTER THE REPORTING PERIOD

During December 2019, an urgent health notice was issued by China about Corona Virus (COVID-19). This virus was officially declared a Public Health Emergency of International Concern (PHEIC or pandemic) on 30 January 2020 by the Word Health Organisation. Many actions taken by governments and the private sector to respond to the outbreak resulted in a decline in the global economy.

The President of the Republic of South Africa declared a National State of Disaster, effective 26 March 2020. This resulted in a lockdown of the economy, affecting all major business sectors. Management is still in the process of carefully assessing the specific facts and circumstances that existed for the entity at the time of the outbreak and the effect thereof on the entity.

Currently, the impact of COVID-19 on the entity cannot be measured with any degree of accuracy.

Management did however compile an assessment of going concern and is satisfied that the entity will be able to continue its operations for the foreseeable future.

The outbreak of Corona Virus (COVID-19) that started in the previous financial year had a significant impact on the South African economy with the historic decline in the economic activities leading to economic pressure still felt even after the easing of lock-down rules for the financial period ending 31 March 2021.

Details of the impact are set out in Note 58.

9. AUDITORS

The Office of the Auditor General of South Africa will continue in 2021 as the auditors for the LEDA Group excluding New Era Life Insurance Company Limited and Sefateng Chrome Mine (Pty) Ltd

10. SECRETARY

The company secretary is Ms MC Mokoma.

Business address: Enterprise Development House
Main Road
Lebowakgomo
0737

Mr M Makwana
Chairman of the Board

Independent Auditor's Report

REPORT OF THE AUDITOR-GENERAL TO LIMPOPO PROVINCIAL LEGISLATURE ON LIMPOPO ECONOMIC DEVELOPMENT AGENCY AND ITS SUBSIDIARIES

REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

QUALIFIED OPINION ON THE CONSOLIDATED FINANCIAL STATEMENTS AND UNQUALIFIED OPINION ON THE SEPARATE FINANCIAL STATEMENTS

1. I have audited the consolidated and separate financial statements of the Limpopo Economic Development Agency and its subsidiaries (the group) set out on pages 102 to 224 which comprise the consolidated and separate statement of financial position as at 31 March 2021, consolidated and separate statement of profit or loss and other comprehensive income, statement of changes in equity, and statement of cash flows for the year then ended, as well as the notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

2. In my opinion, except for the effects and possible effects of the matters described in the basis for qualified opinion section of this auditor's report, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Limpopo Economic Development Agency and its subsidiaries (the group) as at 31 March 2021, and the group s financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and the requirements of the Public Finance Management Act of South Africa (Act No.1 of 1999) (PFMA) and the Companies Act of South Africa, 2008 (Act No.71 of 2008) (Companies Act).

3. In my opinion, the separate financial statements present fairly, in all material respects, the financial position of Limpopo Economic Development Agency as at 31 March 2021 and its separate financial performance and separate cash flows for the year then ended, in accordance with the in accordance with International Financial Reporting Standards (IFRS) and the requirements of the Public Finance Management Act of South Africa (Act No.1 of 1999) (PFMA) and the Companies Act of South Africa, 2008 (Act No.71 of 2008) (Companies Act).

BASIS FOR QUALIFIED OPINION ON THE CONSOLIDATED FINANCIAL STATEMENTS

PROPERTY. PLANT AND EQUIPINENT

4. The financial statements of Limpopo Connexion SOC Limited, which is a subsidiary of Limpopo Economic Development Agency, were materially misstated, as completed assets that were ready for use in terms of IAS 16, Property, plant and equipment were incorrectly classified as work in progress. The effect on the consolidated financial statements was overstatement of work in progress and understatement of completed assets by R37 486 852 (2020: R22 727 218). In addition, I identified differences between the work in progress register, fixed asset register and the annual financial statements. I was unable to quantify the misstatement of the depreciation, deferred income, grant income realized, intangible assets, lease liability, right of use of asset and retained earnings because it was impracticable to do so.

5. The Limpopo Connexion SOC Limited, which is a subsidiary of Limpopo Economic Development Agency, did not assign unique identifying codes for completed assets. As a result, was unable to obtain sufficient appropriate audit evidence relating to the existence and completeness of these assets. Consequently, I was unable to determine whether any further adjustments were necessary to property, plant and equipment stated at R1 119 468 212 (2020: R621 657 529) in note 3 to the financial statements. I was unable to verify these by alternative means.

CONTEXT FOR THE OPINION

6. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the consolidated and separate financial statements section of my report.

7. I am independent of the entity in accordance with the International Ethics Standards Board for Accountants International code of eth/cs for professional accountants (including International Independence Standards) (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.

8. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

EMPHASIS OF MATTER

9. I draw attention to the matters below. My opinion is not modified in respect of these matters.

UNCERTAINTY RELATING TO THE FUTURE OUTCOME OF EXCEPTIONAL LITIGATION

10. With reference to note 51 to the consolidated and separate financial statements, the group is the defendant in a number of law suits. The group is opposing the claims, as it believes that the claims can be successfully defended. The ultimate outcome of these matters could not be determined and no provision for any liability that may result was made in the financial statements.

RESTATEMENT OF CORRESPONDING FIGURES

11. As disclosed in note 54 to the consolidated and separate financial statements, the corresponding figures for 31 March 2020 were restated as a result of an error in the financial statements of the group at, and for the year ended, 31 March 2021.

MATERIAL IMPAIRMENTS

12. As disclosed in note 12, to the consolidated and separate financial statements, material impairments amounting to R373 549 884 and R183 553 668 were made to loans to subsidiaries and associates, respectively, as a result of losses incurred by subsidiaries and associates.

13. As disclosed in note 14 to the consolidated and separate financial statements, material impairments amounting to R141 528 267 and R133 836 190 were made to other financial assets as a result of irrecoverable loans and investments.

14. As disclosed in note 21 to the consolidated and separate financial statements, material impairments amounting to R214 889 495 and R208 663 955 were made to trade and other receivables as a result of irrecoverable trade and other receivables.

OTHER MATTER

15. I draw attention to the matter below. My opinion is not modified in respect of this matter.

UNAUDITED SUPPLEMENTARY SCHEDULES

16. The supplementary information set out on page 225 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion on them.

RESPONSIBILITIES OF THE ACCOUNTING AUTHORITY FOR THE FINANCIAL STATEMENTS

17. The board of directors, which constitutes the accounting authority is responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with IFRS and the requirements of the PFMA and the Companies Act, and for such internal control as the accounting authority determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

18. In preparing the consolidated and separate financial statements, the accounting authority is responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the group or to cease operations, or has no realistic alternative but to do so.

AUDITOR-GENERAL'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

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

20. A further description of my responsibilities for the audit of the consolidated and separate financial statements is included in the annexure to this auditor's report.

REPORT ON THE AUDIT OF THE ANNUAL PERFORMANCE REPORT

INTRODUCTION AND SCOPE

21. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for selected objectives presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.

22. My procedures address the usefulness and reliability of the reported performance information, which must be based on the public entity's approved performance planning documents. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures do not examine whether the actions taken by the group enabled service delivery. My procedures do not extend to any disclosures or assertions relating to the extent of achievements in the current year or planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.

23. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected objectives presented in the public entity's annual performance report for the year ended 31 March 2021:

OBJECTIVES	PAGES IN THE ANNUAL PERFORMANCE REPORT
Objective 2 — Agro-processing projects contributing towards increasing Limpopo	44-49
Objective 5 — Increased financing of housing, SMMEs and cooperatives and youth entrepreneurship development.	60-67

24. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

25. I did not identify any material findings on the usefulness and reliability of the reported performance information for these objectives:

- Objective 2 - Agro-processing projects contributing towards increasing Limpopo GDP
- Objective 5 - Increased financing of housing, SMMEs and cooperatives and youth entrepreneurship development

OTHER MATTERS

26. I draw attention to the matters below.

ACHIEVEMENT OF PLANNED TARGETS

27. Refer to the annual performance report on page 40 to 84 for information on the achievement of planned targets for the year and management explanations provided for the underachievement of targets. This information should be considered in the context of the opinions expressed on the usefulness and reliability of the reported performance information in paragraphs 22 and 23 of this report.

REPORT ON THE AUDIT OF COMPLIANCE WITH LEGISLATION

INTRODUCTION AND SCOPE

28. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the public entity's compliance with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.

29. The material findings on compliance with specific matters in key legislation are as follows:

ANNUAL FINANCIAL STATEMENTS

30. The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework and supported by full and proper records, as required by section 55(1)(a) and (b) of the PFMA.

    Material misstatements were identified in the submitted financial statements and were not adequately corrected and/or the supporting records were not provided resulting in the financial statements receiving a qualified audit opinion.

CONSEQUENCE MANAGEMENT

31. I was unable to obtain sufficient appropriate audit evidence that disciplinary steps were taken against officials who had incurred irregular expenditure as required by section 51(1)(e)(iii) of the PFMA. This was due to proper and complete records that were not maintained as eVidence to support the investigations into irregular expenditure.

32. I was unable to obtain sufficient appropriate audit evidence that disciplinary steps were taken against officials who had incurred fruitless and wasteful expenditure as required by section 51(1)(e)(iii) of the PFMA. This was due to proper and complete records that were not maintained as evidence to support the investigations into fruitless and wasteful eXpenditure.

REVENUE MANAGEMENT

33. Effective and appropriate steps were not taken to collect all revenue due, as required by section 51(1)(b)(i) of the PFMA.

EXPENDITURE MANAGEMENT

34. Effective steps were not taken to prevent fruitless and wasteful expenditure amounting to R404 251, as disclosed in note 62 to the annual financial statements, as required by section 51(1)(b)(ii) of the PFMA. The majority of the fruitless and wasteful expenditure was caused by interest charged on overdue accounts.

OTHER INFORMATION

35. The accounting authority is responsible for the other information. The other information comprises the information included in the intergrated report, which includes the directors' report, the audit committee's report and the company secretary's certificate, as required by the Companies Act. The other information does not include the consolidated and separate financial statements, the auditor's report and those selected objectives presented in the annual performance report that have been specifically reported in this auditor's report.

36. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion on it.

37. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements and the selected objectives presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

38. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

INTERNAL CONTROL DEFICIENCIES

39. I considered internal controls relevant to my audit of the consolidated and separate financial statements, reported performance information and compliance

with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the qualified opinion, the findings on the performance report and on compliance with legislation included in this report.

40. The accounting authority did not adequately prepare regular, accurate and complete financial reports that are supported and evidenced by reliable information as the financial statements contained numerous misstatements that were not corrected.

41. The entity did not ensure that staff were trained to apply proper records management procedures to facilitate sound records management which resulted in significant delays in management providing the required information and an extensive effort to obtain sufficient appropriate audit evidence.

42. Non-compliance with legislation could have been prevented had compliance been properly reviewed and monitored.

43. The internal audit function was not adequately and appropriately resourced relative to the size of the entity and the nature of its operations.

Auditor-General

Polokwane

23 September 2021

AUDITOR-GENERAL SOUTH AFRICA

Auditing to build public confidence

Annexure

Auditor-general's responsibility for the audit

1. As part of an audit in aCcordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the consolidated and separate financial statements and the procedures performed on reported performance information for selected objectives and on the public entity's compliance with respect to the selected subject matters.

FINANCIAL STATEMENTS

2. In addition to my responsibility for the audit of the consolidated and separate financial statements as described in this auditor's report, I also:

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

   - obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the public entity s internal control

   - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board of directors, which constitutes the accounting authority

   - conclude on the appropriateness of the board of directors, which constitutes the accounting authority's use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the Limpopo Economic Development Agency and its subsidiaries to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor s report. However, future e\ lents or conditions may cause a public entity to cease operating as a going concern

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

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

COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

3. I communicate with the accounting authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

4. I also confirm to the accounting authority that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to have a bearing on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

Statement of Financial Position

AS AT 31 MARCH 2021

		GROUP		COMPANY	
	NOTES	2021 R	2020 R	2021 R	2020 R
ASSETS					
NON-CURRENT ASSETS					
Property, plant and equipment	3	1 119 468 212	621 657 529	42 442 700	46 191 358
Right-of-use assets	4	20 391 319	28 109 475	1 046 533	347 556
Investment property	5	185 257 881	191 070 058	180 174 542	185 974 251
Goodwill	7	-	31 649 157	-	-
Intangible assets	8	148 635 027	124 517 496	93 673	252 562
Investments in subsidiaries	9	-	-	178 052 207	236 954 810
Investments in associates	11	91 025 491	89 024 627	3 503 094	3 503 094
Other financial assets	14	561 188 445	660 775 464	31 597 005	74 389 077
Deferred tax	17	1 194 752	-	-	-
Environmental rehabilitation deposit	19	27 023 239	31 584 787	-	-
		2 154 184 366	**1 778 388 593**	**436 909 754**	**547 612 708**
CURRENT ASSETS					
Biological assets	6	796 167	2 282 964	-	-
Inventories	20	14 621 439	19 861 733	615 996	750 410
Loans to group companies	12	-	36 285 240	82 997 368	137 368 838
Loans to shareholders	13	1 500 000	1 500 000	-	-
Trade and other receivables	21	148 337 113	137 195 397	58 160 183	64 886 216
Other financial assets	14	135 779 277	93 463 956	11 040 785	2 204 274
Prepayments	18	4 576 140	4 380 786	-	-
Other receivables	64	715 707	56 834 961	-	-
Cash and cash equivalents	22	229 954 958	375 479 378	38 104 439	132 437 307
		536 280 801	**727 284 415**	**190 918 771**	**337 647 045**
Assets held for sale	67	4 454 880	-	-	-
Total Assets		**2 694 920 047**	**2 505 673 008**	**627 828 525**	**885 259 753**
EQUITY AND LIABILITIES					
EQUITY					
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF PARENT					
Share capital	23	409 216 005	409 216 005	409 216 005	409 216 005
Retained income		543 883 716	702 455 821	12 527 713	143 540 813
		953 099 721	**1 111 671 826**	**421 743 718**	**552 756 818**
Non-controlling interest		6 733 876	3 752 586	-	-
		959 833 597	**1 115 424 412**	**421 743 718**	**552 756 818**

Statement of Financial Position

AS AT 31 MARCH 2021 (CONTINUED)

		GROUP		COMPANY	
	NOTES	2021 R	2020 R	2021 R	2020 R
LIABILITIES					
NON-CURRENT LIABILITIES					
Loans from shareholders	25	2 399 502	2 399 502	-	-
Insurance Contracts	26	6 714 340	6 864 275	-	-
Investment Contracts	27	6 125 197	5 993 562	-	-
Finance lease liabilities	4	12 009 184	19 779 671	343 465	389 709
Retirement benefit obligation	16	27 765 839	27 405 839	14 842 000	14 273 000
Employee benefits	34	4 944 000	4 625 000	882 000	881 000
Deferred income	35	662 110 816	658 767 798	5 077 264	27 537 249
Deferred tax	17	-	9 950 685	-	-
Provisions	28	84 329 128	77 477 027	-	-
Rural Housing Loan Finance Fund (RHLF)	30	5 926 502	20 702 446	-	-
Borrowings	32	299 294 385	-	-	-
		1 111 618 893	**833 965 805**	**21 144 729**	**43 080 958**
CURRENT LIABILITIES					
Trade and other payables	33	399 572 453	334 104 776	146 471 327	210 597 767
Loans from group companies	24	-	-	-	13 569 471
Loans from shareholders	25	38 003 998	38 003 998	-	-
Insurance Contracts	26	9 571 549	10 388 138	-	-
Finance lease liabilities	4	7 961 819	10 820 691	892 631	-
Operating lease liability	15	2 425	2 425	-	-
Retirement benefit obligation	16	3 371 000	3 493 000	1 747 000	1 742 000
Employee benefits	34	1 492 001	1 272 000	322 000	272 000
Deferred income	35	120 511 577	116 438 647	35 507 120	63 240 739
Current tax payable	36	4 257 952	4 257 952	-	-
Provisions	28	4 108 157	2 716 336	-	-
Other liability	29	1 807 411	1 807 411	-	-
Rural Housing Loan Finance Fund (RHLF)	30	14 861 339	12 530 674	-	-
FLISP Fund	31	17 945 876	20 446 743	-	-
		623 467 557	**556 282 791**	**184 940 078**	**289 421 977**
Total Liabilities		**1 735 086 450**	**1 390 248 596**	**206 084 807**	**332 502 935**
Total Equity and Liabilities		**2 694 920 047**	**2 505 673 008**	**627 828 525**	**885 259 753**

Statement of Profit or Loss and Other Comprehensive Income

FOR THE YEAR ENDED 31 MARCH 2021

		GROUP		COMPANY	
	NOTES	2021 R	2020 R	2021 R	2020 R
Revenue	37	638 125 645	983 887 143	117 220 655	115 356 519
Cost of sales	38	(171 015 870)	(357 130 255)	-	-
Gross profit		**467 109 775**	**626 756 888**	**117 220 655**	**115 356 519**
Other operating income	39	117 678 656	43 460 388	17 643 501	4 266 662
Government grants	63	382 705 944	453 056 076	266 135 586	322 097 436
Other operating gains (losses)	40	1 269 357	1 597 595	(51 534)	1 709 777
Expected credit loss allowance	41	(31 574 521)	(89 463 965)	(216 711 832)	(165 078 364)
Other operating expenses	68	1 084 906 842)	(1 164 458 429)	(325 493 087)	(405 852 523)
Operating (loss) profit	41	**(147 717 631)**	**(129 051 447)**	**(141 256 711)**	**(127 500 493)**
Investment income	44	21 640 215	22 626 510	12 029 605	13 641 969
Finance costs	45	(11 019 637)	(14 371 712)	(1 785 994)	(1 444 579)
Fair value gains / (losses)		-	(282 601)	-	(282 601)
Income from equity accounted investments	66	9 113 769	3 677 900	-	-
Other non-operating gains (losses)	46	(39 162 968)	(8 630 865)	-	-
(Loss) profit before taxation		**(167 146 252)**	**(126 032 215)**	**(131 013 100)**	**(115 585 704)**
Taxation	47	11 145 437	(2 664 153)	-	-
(Loss) profit for the year		**(156 000 815)**	**(128 696 368)**	**(131 013 100)**	**(115 585 704)**
OTHER COMPREHENSIVE INCOME:					
ITEMS THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS:					
Remeasurements on net defined benefit liability/asset	48	410 000	(1 348 000)	-	-
Other comprehensive income for the year net of taxation	48	**410 000**	**(1 348 000)**	**-**	**-**
Total comprehensive (loss) income for the year		**(155 590 815)**	**(130 044 368)**	**(131 013 100)**	**(115 585 704)**
(LOSS) PROFIT ATTRIBUTABLE TO:					
Owners of the parent		(158 982 105)	(128 870 709)	(131 013 100)	(115 585 704)
Non-controlling interest	9	2 981 290	174 341	-	-
		(156 000 815)	**(128 696 368)**	**(131 013 100)**	**(115 585 704)**
TOTAL COMPREHENSIVE (LOSS) INCOME ATTRIBUTABLE TO:					
Owners of the parent		(158 572 105)	(130 218 709)	(131 013 100)	(115 585 704)
Non-controlling interest		2 981 290	174 341	-	-
		(155 590 815)	**(130 044 368)**	**(131 013 100)**	**(115 585 704)**

Statement of Changes in Equity

FOR THE YEAR ENDED 31 MARCH 2021

	NOTE	Share capital R	Revaluation reserve R	Retained income R	Total attributable to equity holders of the group / company R	Non-controlling interest R	Total equity R
GROUP							
Opening balance as previously reported		409 216 005	(2 607 151)	826 622 636	1 233 231 490	3 578 245	1 236 809 735
Adjustments							
Prior year adjustments	54	-	-	6 655 493	6 655 493	-	6 655 493
Balance at 01 April 2019 as restated		**409 216 005**	**(2 607 151)**	**833 278 129**	**1 239 886 983**	**3 578 245**	**1 243 465 228**
Loss for the year		-	-	(128 870 709)	(128 870 709)	174 341	(128 696 368)
Other comprehensive income	48	-	-	(1 348 000)	(1 348 000)	-	(1 348 000)
Total comprehensive loss for the year		**-**	**-**	**(130 218 709)**	**(130 218 709)**	**174 341**	**(130 044 368)**
Adjustment from the adoption of IFRS 16		-	-	(603 599)	(603 599)	-	(603 599)
Movement in revaluation reserve		-	2 607 151	-	2 607 151	-	2 607 151
Total contributions by and distributions to owners of company recognised directly in equity		**-**	**2 607 151**	**(603 599)**	**2 003 552**	**-**	**2 003 552**
Opening balance as previously reported		409 216 005	-	696 989 290	1 106 205 295	3 752 586	1 109 957 881
Adjustments							
Prior year adjustments	54	-	-	5 466 531	5 466 531	-	5 466 531
Balance at 01 April 2020 as restated		**409 216 005**	**-**	**702 455 821**	**1 111 671 826**	**3 752 586**	**1 115 424 412**
Loss for the year		-	-	(158 982 105)	(158 982 105)	2 981 290	(156 000 815)
Other comprehensive income	48	-	-	410 000	410 000	-	410 000
Total comprehensive Loss for the year		**-**	**-**	**(158 572 105)**	**(158 572 105)**	**2 981 290**	**(155 590 815)**
Balance at 31 March 2021		**409 216 005**	**-**	**543 883 716**	**953 099 721**	**6 733 876**	**959 833 597**
Notes		23					

Statement of Changes in Equity

FOR THE YEAR ENDED 31 MARCH 2021(CONTINUED)

	NOTE	Share capital R	Revaluation reserve R	Retained income R	Total attributable to equity holders of the group / company R	Non-controlling interest R	Total equity R
COMPANY							
Opening balance as previously reported		409 216 005	-	259 007 751	668 223 756	-	668 223 756
Adjustments							
Prior year adjustments	54	-	-	201 826	201 826	-	201 826
Balance at 01 April 2019 as restated		**409 216 005**	**-**	**259 209 577**	**668 425 582**	**-**	**668 425 582**
Loss for the year		-	-	(115 585 704)	(115 585 704)	-	(115 585 704)
Total comprehensive Loss for the year		**-**	**-**	**(115 585 704)**	**(115 585 704)**	**-**	**(115 585 704)**
Transfer between reserves		-	-	(83 060)	(83 060)	-	(83 060)
Total contributions by and distributions to owners of company recognised directly in equity		**-**	**-**	**(83 060)**	**(83 060)**	**-**	**(83 060)**
Opening balance as previously reported		409 216 005	-	144 477 947	553 693 952	-	553 693 952
Adjustments							
Prior year adjustments	54	-	-	(937 134)	(937 134)	-	(937 134)
Balance at 01 April 2020 as restated		**409 216 005**	**-**	**143 540 813**	**552 756 818**	**-**	**552 756 818**
Loss for the year		-	-	(131 013 100)	(131 013 100)	-	(131 013 100)
Other comprehensive income		-	-	-	-	-	-
Total comprehensive Loss for the year		**-**	**-**	**(131 013 100)**	**(131 013 100)**	**-**	**(131 013 100)**
Balance at 31 March 2021		**409 216 005**	**-**	**12 527 713**	**421 743 718**	**-**	**421 743 718**
Note(s)		23					

The accounting policies on pages 108 to 139 and the notes on pages 140 to 224 form an integral part of the consolidated financial statements.

Statement of Cash Flows

FOR THE YEAR ENDED 31 MARCH 2021

		GROUP		COMPANY	
	NOTES	2021 R	2020 R	2021 R	2020 R
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash receipts from customers		997 446 198	1 687 282 356	390 082 274	479 332 086
Cash paid to suppliers and employees		(946 145 674)	(1 308 494 775)	(439 517 887)	(370 715 717)
Cash (used in)/generated from operations	49	**51 300 524**	**378 787 581**	**(49 435 613)**	**108 616 356**
Interest income		21 640 215	22 626 510	4 390 813	7 511 579
Dividends received		-	-	7 638 792	6 130 390
Finance costs		(11 019 637)	(14 371 712)	(1 785 994)	(1 444 579)
Tax received (paid)		-	6 353 993	-	-
Net cash from operating activities		**61 921 102**	**393 396 372**	**(39 192 002)**	**120 813 760**
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of property, plant and equipment	3	(591 407 999)	(163 425 655)	(1 184 096)	(11 004 352)
Sale of property, plant and equipment	3	3 088 925	4 218 082	107 083	1 779 780
Biological assets		1 486 797	2 822 060	-	-
Purchase of investment property	5	(2 357 014)	(17 549 950)	(2 357 014)	(17 549 950)
Purchase of other intangible assets	8	(36 312 758)	(2 555 342)	-	-
Movement in investments (incl subs, JVs & Assoc)		(2 000 846)	(732 526)	(6 000 000)	(29 000 000)
Loans advanced to group companies		-	-	(68 756 927)	(66 480 181)
Other financial assets		58 025 150	(89 942 765)	37 294 179	21 310 887
Movement in environmental rehabilitation deposit		4 561 548	3 036 009	-	-
Assets held for sale		(4 454 880)	-	-	-
Net cash from investing activities		**(569 371 095)**	**(264 130 087)**	**(40 656 383)**	**(100 943 813)**
CASH FLOWS FROM FINANCING ACTIVITIES					
Repayment of loans from group companies		36 284 132	9 496 902	(13 569 471)	13 569 471
Investment contracts		131 635	138 138	-	-
Insurance contracts		(966 524)	(749 298)	-	-
Movement in RHLF liability		(12 445 279)	(11 414 524)	-	-
Movement in FLISP Fund liability		(2 500 867)	(2 316 074)	-	-
Other payables		-	1 807 411	-	-
Finance lease obligation		(13 991 163)	(10 288 691)	(915 012)	(941 695)
Other receivables		56 119 254	(55 126 403)	-	-
Borrowings		299 294 385	-	-	-
Net cash from financing activities		**361 925 573**	**(68 452 539)**	**(14 484 483)**	**12 627 776**
Total cash movement for the year		**(145 524 420)**	**60 813 746**	**(94 332 868)**	**32 497 723**
Cash at the beginning of the year		375 479 378	314 665 632	132 437 307	99 939 584
Total cash at end of the year	22	**229 954 958**	**375 479 378**	**38 104 439**	**132 437 307**

Accounting Policies

CORPORATE INFORMATION

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

The consolidated and separate consolidated financial statements for the year ended 31 March 2021 were authorised for issue in accordance with a resolution of the directors on 31 May 2021.

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 consolidated 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 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.

NON-CONTROLLING INTERESTS

NCI are measured initially at their proportionate share of the acquiree's identifiable net assets at the date of acquisition. Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

LOSS OF CONTROL

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

INTERESTS IN EQUITY-ACCOUNTED INVESTEES

The Group's interests in equity-accounted investees comprise interests in associates and a joint venture. Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in associates and the joint venture are accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and OCI of equity accounted investees, until the date on which significant influence or joint control ceases.

TRANSACTIONS ELIMINATED ON CONSOLIDATION

Intra-group balances and transactions, and any unrealised income and expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity- accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

MATERIALITY AND AGGREGATION

Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.

Each material class of similar items must be presented separately in the financial statements. Dissimilar items may be aggregated only if they are individually immaterial.

However, information should not be obscured by aggregating or by providing immaterial information, materiality considerations apply to all the parts of the financial statements, and even when a standard requires specific disclosure, materiality considerations do apply.

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 group has control of an entity when the group has power over the investee and is exposed to or has rights to variable returns from involvement with the entity and it has the ability to affect those returns through use of its power over the entity.

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 balance sheet respectively.

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.

Non-controlling interests in the acquiree are measured on an acquisition-by-acquisition basis either at fair value or at the non- controlling 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. Where the existing shareholding was classified as an available-for-sale financial asset, the cumulative fair value adjustments recognised previously to other comprehensive income and accumulated in equity are recognised in profit or loss as a reclassification adjustment.

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 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 equity through to other comprehensive income.

SIGNIFICANT ESTIMATE: KEY ASSUMPTIONS USED FOR VALUE-IN-USE CALCULATIONS

The Group tests whether goodwill has suffered any impairment on an annual basis. The recoverable amount of the cash- generating 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.

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

1.3 JOINT ARRANGEMENTS

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

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

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.

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 Non-current Assets Held for Sale and Discontinued Operations*.

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.

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.

POLICY LIABILITIES FOR INSURANCE CONTRACTS

DISCOUNTED LIABILITIES

The key assumptions used in the calculation of the insurance liabilities are based on recent experience investigations of the company's business. The intention is to arrive at a best estimate of the company's experience. Once the best estimate is determined, compulsory margins (per SAP104 Version 10) are incorporated as described above. Where data is not credible (e.g. withdrawal and mortality on individual business), more prudent assumptions are used based on industry data, where available.

The results of the experience investigations are briefly described below:

DEMOGRAPHIC ASSUMPTIONS

MORTALITY

The mortality basis remained unchanged at 100% of SA85-90 with a constant addition of 0.00412 for discounted liabilities.

To allow for the expected deterioration in claims due to AIDS, the AIDS tables produced by the Actuarial Society of South Africa were used as a base. The AIDS assumption remained unchanged.

WITHDRAWALS

Withdrawal assumptions were left unchanged as 20% in year 1, 10% in year 2 and 5% in years 3 onwards.

ECONOMIC ASSUMPTIONS

INVESTMENT RETURN

The nominal government bond ("risk free") yield curve as at 31 March 2021 as published by the Prudential Authority was used to discount the cashflows for valuation purposes. The same approach was used in the previous valuation using the respective yield curve as at 31 March 2020.

INFLATION

Similarly, inflation rates implied by the nominal and real yield curves were used to inflate expenses at both the current and the previous valuations.

EXPENSES

Different per policy renewal expenses were increased in line with inflation from the previous valuation period and assumed across different products.

An expense over-run reserve was established to cover excess expenses that were not covered by the expenses. This method is consistent with that used in the previous valuation.

TAXATION

Future taxation and taxation relief are allowed for at the rates and on the bases applicable to Section 29A of the Income Tax Act at the reporting date. The company's current tax position is taken into account, and taxation rates, consistent with that position and the likely future changes in that position, are allowed for.

EFFECT OF CHANGE IN ASSUMPTIONS

The changes in economic assumptions resulted in a R 274 464 (2020: R 213 455) reduction in the liabilities.

There was no change in decrement assumptions, this resulted in a Rnil (2020: R 23 200) reduction in liabilities.

SENSITIVITY ANALYSIS

The sensitivity of the insurance liabilities to the main assumptions was tested by calculating the effect of certain assumptions not being met. The following sensitivities were tested:

- Increasing renewal expenses by 10%;
- Increasing withdrawals by 10%;
- Increasing the yield curve by 1% (absolute change in rates);
- Decreasing the yield curve by 1% (absolute change in rates); and
- Increasing claims experience by 10%.

The results of the sensitivity analysis (gross of reinsurance) on the actuarial liabilities (in R'000), can be summarised as follows:

	GROSS LIABILITY R'000		PERCENTAGE CHANGE RELATIVE TO MAIN BASIS %	
	2021	2020	2021	2020
Main basis		14 934		
Renewal expenses +10%		15 274	%	2.28%
Withdrawals +10%		14 856	%	-0.52%
Yield curve +1%		14 656	%	-1.93%
Yield curve -1%		15 249	%	2.11%
Risk experience +10%		15 172	%	1.60%

The above figures combine discounted and undiscounted liabilities. The latter are not sensitive to the assumptions as they are valued retrospectively.

The investment contracts are also not sensitive to changes in assumptions.

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:

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.

Information about the specific techniques and inputs of the various assets and liabilities is disclosed and reference must be made to note 56.

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.

PROVISIONS

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.

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

The rehabilitation provision is quantified by the surveyed amount of rehabilitation to be performed at market related rates at year end.

Provisions are inherently based on assumptions and estimates using the best information available. Additional disclosure of these estimates of provisions are included in note 28.

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.

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.

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.

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, or service a property. If a replacement part is recognised in the carrying amount of the investment property, the carrying amount of the replaced part is derecognised.

COST MODEL

Investment property is carried at cost less depreciation less any accumulated impairment losses.

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	Straight line	Indefinite
Property - buildings	Straight line	50 years
Capitalised renovations and other components	Straight line	5 to 50 years

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.

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.

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

ITEM	DEPRECIATION METHOD	AVERAGE USEFUL LIFE
Land	Straight line	Indefinite
Buildings	Straight line	50 years
Communication equipment	Straight line	5 years
Plant and machinery	Straight line	2 to 30 years
- For agricultural use	Straight line	2 to 30 years
- For mining use	Straight line	20 years
- For operation use	Straight line	2 to 10 years
Leasehold improvements and temporary buildings	Straight line	5 to 10 years
IT equipment	Straight line	2 to 6 years
Motor vehicles	Straight line	5 to 50 years
Office equipment	Straight line	5 years
Mining assets	Straight line	per mines useful lives
Ancilliary vehicles	Straight line	200 000 kilometres
Sundry equipment	Straight line	5 to 10 years
Security equipment	Straight line	4 years
Workshop equipment	Straight line	5 years
Operating equipment	Straight line	4 years
Furniture's and fixtures	Straight line	3 to 35 years
Computer software	Straight line	3 to 8 years
Broadband IT equipment	Straight line	5 to 10 years
Broadband civil works	Straight line	30 to 50 years
Broadband fibre works	Straight line	25 to 30 years

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 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.

1.9 SITE RESTORATION AND DISMANTLING COST

The company has an obligation to dismantle, remove and restore items of property, plant and equipment. Such obligations are referred to as 'decommissioning, restoration and similar liabilities'.

1.10 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 carried at cost less any accumulated amortisation and any impairment losses.

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

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 capitalised 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.

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

ITEM	AVERAGE USEFUL LIFE
Bulk sampling selling	Over the prospecting right period
Mining Rights - Sefateng Chrome	41 300 000tns - Life of mine
Mine Mining asset - Fumani Project	1.8m ounces of Gold available for production
Mining asset - Tshepong Project	UoP method - 2200000
Computer software	3 to 5 years
Computer licences	As per the licence term
Rights to water usage	25 years
Broadband licence	Not amortised until licence terms are effective
Bus routes	10 years
Lebelelo Water Project	25 years
Work in progress	Not assessed until brought into use by management

FINANCIAL INSTRUMENT

CLASSIFICATION

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

- Financial assets at fair value through profit or loss - designated
- 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.

FINANCIAL ASSETS

The group recognises a financial asset, it classifies it based on the Agency'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 measured at fair value through other comprehensive income.

Financial assets are classified and measured at fair value through other comprehensive income if they are held in a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

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 available-for-sale financial assets.

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

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.

In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered an indicator of impairment. If any such evidence exists for available-for-sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognised in profit or loss - is removed from equity as a reclassification adjustment to other comprehensive income and recognised in profit or loss.

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.

Reversals of impairment losses are recognised in profit or loss except for equity investments classified as available-for-sale.

Impairment losses are also not subsequently reversed for available-for-sale equity investments which are held at cost because fair value was not determinable.

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 an Agency designates to be measured at fair value through profit or loss (see 'fair value option' below).

All Agency's financial liabilities are measured at amortised costs as derivation after initial recognition, an Agency cannot reclassify any financial liability.

FAIR VALUE OPTION

An Agency 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 TO (FROM) GROUP COMPANIES

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.

Loans to group companies are classified as loans and receivables.

Loans from group companies are classified as financial liabilities measured at amortised cost.

LOANS TO SHAREHOLDERS, DIRECTORS, MANAGERS AND EMPLOYEES

These financial assets are classified as loans and receivables.

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.

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.

TRADE AND OTHER PAYABLES

Trade and other payables, excluding VAT and amounts received in advance, are classified as financial liabilities subsequently measured at amortised cost.

They are recognised when the company becomes a party to the contractual provisions, and are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest method.

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.

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.

1.12 HEDGE ACCOUNTING

At the inception of the hedge relationship, the group documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the group documents whether the hedging instrument is effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk, which is when the hedging relationships meet all of the following hedge effectiveness requirements:

- there is an economic relationship between the hedged item and the hedging instrument;
- the effect of credit risk does not dominate the value changes that result from that economic relationship; and
- the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the group actually hedges and the quantity of the hedging instrument that the group actually uses to hedge that quantity of hedged item.

If a hedging relationship ceases to meet the hedge effectiveness requirement relating to the hedge ratio but the risk management objective for that designated hedging relationship remains the same, the group adjusts the hedge ratio of the hedging relationship (i.e. rebalances the hedge) so that it meets the qualifying criteria again.

The group designates the full change in the fair value of a forward contract (i.e. including the forward elements) as the hedging instrument for all of its hedging relationships involving forward contracts.

The group excludes the time value of options and designates only the intrinsic value of options as the hedging instruments in hedges involving options as the hedging instruments. The change in fair value attributable to the time value of options is recognised in other comprehensive income and accumulated in equity as deferred hedging gains (losses). The group only hedges time period related hedged items using options. The change in the aligned time value is recognised in other comprehensive income and is amortised on a systematic and rational basis over the period during which the hedge adjustment for the option's intrinsic value could affect profit or loss (or other comprehensive income, if the hedged item is an equity instrument at fair value through other comprehensive income). However, if hedge accounting is discontinued the net amount (i.e. including cumulative amortisation) that has been accumulated in the deferred hedging reserve is immediately reclassified into profit or loss.

1.13 TAX

CURRENT TAX ASSETS AND LIABILITIES

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

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

DEFERRED TAX ASSETS AND LIABILITIES

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. A deferred tax asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for the carry forward of unused tax losses and unused STC credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused STC credits can be utilised.

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

TAX EXPENSES

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

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

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

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

1.14 LEASES

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

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 41) 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).

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 45).

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 group will exercise a purchase, termination or extension option.	Ddiscounting 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 payments using a revised 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.

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 lease liability 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.

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

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.

1.15 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 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 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.

1.16 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.

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 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 included in expected credit loss allowance.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease.

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.

1.17 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.

1.18 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.

1.19 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.

The amount of a provision is the present value of the expenditure 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 income.

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.

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.

1.20 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 income 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.

1.21 REVENUE

SALES 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

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.

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.

GOVERNMENT AND OTHER GRANTS

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.

1.22 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 income 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 BORROWING COSTS

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset until such time as the asset is ready for its intended use. The amount of borrowing costs eligible for capitalisation is determined as follows:

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

The capitalisation of borrowing costs commences when:

- expenditures for the asset have occurred;
- borrowing costs have been incurred, and
- activities that are necessary to prepare the asset for its intended use or sale are in progress.

Capitalisation is suspended during extended periods in which active development is interrupted.

Capitalisation ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

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

1.24 TRANSLATION OF FOREIGN CURRENCIES

INVESTMENTS IN SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES

The results and financial position of a foreign operation are translated into the functional currency using the following procedures:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- income and expenses for each item of profit or loss are translated at exchange rates at the dates of the transactions; and
- all resulting exchange differences are recognised to other comprehensive income and accumulated as a separate component of equity.

Exchange differences arising on a monetary item that forms part of a net investment in a foreign operation are recognised initially to other comprehensive income and accumulated in the translation reserve. They are recognised in profit or loss as a reclassification adjustment through to other comprehensive income on disposal of net investment.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition of that foreign operation are treated as assets and liabilities of the foreign operation.

The cash flows of a foreign subsidiary are translated at the exchange rates between the functional currency and the foreign currency at the dates of the cash flows.

1.25 RELATED PARTIES

The Group operates in an economic environment currently dominated by entities directly or indirectly owned by the South 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.

1.26 IRREGULAR AND FRUITLESS AND WASTEFUL EXPENDITURE

Fruitless expenditure 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.

National Treasury practice note no. 4 of 2008/2009 which was issued in terms of sections 76(1) to 76(4) of the PFMA requires the following (effective from 1 April 2008):

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.

1.27 CLASSIFICATION OF INSURANCE AND INVESTMENT CONTRACTS

Contracts under which the company accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder or other beneficiary if a specified uncertain future event (the insured event) adversely affects the policyholder or other beneficiary, are classified as insurance contracts. Insurance risk is risk other than financial risk. Financial risk is the risk of a possible future change in one or more of a specified interest rate, security price, commodity price, foreign exchange rate, index of prices or rate, a credit rating or credit index or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract. Insurance contracts may also transfer some financial risk.

Policyholder contracts that do not transfer significant insurance risks are classified as investment contracts.

1.28 RECOGNITION AND MEASUREMENT OF INSURANCE CONTRACTS PREMIUMS, ACQUISITION COSTS AND POLICYHOLDER BENEFITS PREMIUMS

Group scheme premiums receivable in terms of policy contracts are accounted for as premium income when receivable and where there is reasonable assurance of collection in terms of the policy contracts. Where premiums are not determined in advance, they are accounted for upon receipt. Premiums are shown before the deduction of acquisition costs. Premiums written include adjustments to premiums written in prior accounting periods.

Outward re-insurance premiums are accounted for in the same accounting year as the premiums for the related direct insurance.

ACQUISITION COSTS

Expenses for the acquisition of insurance contracts consist of commission and marketing costs paid by the company upon the acquisition of new and additional insurance business and are expensed in full when incurred.

The related reinsurance commission, which consists of commission received or earned on insurance premiums ceded to reinsurers, is measured at fair value of the considerations received or receivable and represents the amount receivable for services provided in the normal course of business.

POLICYHOLDER BENEFITS

Policyholder benefits comprise insurance claims paid and claims events that have occurred but not yet reported to the company.

INSURANCE CLAIMS

Claims on insurance contracts include benefit payments that are charged to profit or loss when the company is notified of a claim by policyholders. The amount is based on the estimated liability for compensation owed to the policyholder.

Insurance claims are recorded as an expense gross of any reinsurance recovery when they are incurred. Claims incurred consist of claims paid during the financial year together with the movement in the provision for outstanding claims. The provision for outstanding claims comprises the company's estimate of the undiscounted ultimate cost of settling all claims incurred but not paid at the reporting date whether reported or not.

Reinsurance recoveries are recognised in profit or loss in the same financial year as the related gross claim at the undiscounted amount receivable in terms of the contract. Anticipated reinsurance recoveries are disclosed separately as assets. These estimated reinsurance and other recoveries are assessed consistently with the assessment of claims outstanding.

POLICYHOLDER LIABILITIES

DISCOUNTED LIABILITIES

A liability for contractual benefits that are expected to be incurred in the future is recorded when the premiums are recognised. The liability is determined as the sum of the expected discounted value of the benefit payments and the future administration expenses that are directly related to the contract, less the expected discounted value of the premiums. The liability is based on mortality, persistency, maintenance expenses and investment income assumptions adjusted if necessary, during the valuation. A margin for adverse deviations is included in the assumptions.

Policyholder liabilities have been established in accordance with the Financial Soundness Valuation basis as set out in the guidelines issued by the Actuarial Society of South Africa in Prudential Guidance Note (SAP 104) (Version 10). Under this guideline, provisions are valued using realistic expectations of future experience, with prescribed margins for prudence and deferral of profit emergence.

UNDISCOUNTED LIABILITIES

The OCP, which consists of NOCP and IBNR claims provision, has been established. The IBNR claims provision is based on an estimated delay in reporting claims. Benefit payments in respective of maturities and surrenders that have not been included in the schedules of paid, outstanding and intimated claims provided by management have also been included in the NOCP.

REINSURANCE CONTRACTS HELD

The company reinsures insurance risk in the normal course of business for the purpose of limiting its net loss potential through the diversification of its risks. Reinsurance arrangements do not relieve the company of its direct obligations to its policyholders.

Contracts entered into by the company with reinsurers under which the company is compensated for losses on one or more contracts issued by the company and that meet the classification requirements for insurance contracts, are classified as reinsurance contracts held.

The benefits to which the company is entitled under reinsurance contracts held are recognised as reinsurance assets. These assets consist of short-term balances due from reinsurers that are dependent on the expected claims and benefits arising under the related reinsured insurance contracts. Amounts recoverable from or due to reinsurers are measured consistently with the amounts associated with the reinsured insurance contract and in accordance with the terms of each reinsurance contract.

The company assesses its reinsurance assets for impairment on an annual basis. If there is objective evidence that the reinsurance asset is impaired, the company reduces the carrying amount of the reinsurance asset to its recoverable amount and recognises the impairment loss in profit or loss.

RECEIVABLES AND PAYABLES RELATED TO INSURANCE CONTRACTS

Receivables and payables related to insurance contracts and reinsurance contracts are initially measured at fair value and subsequently at amortised cost. They are recognised when due or owing. These include amounts due to and from agents, brokers and insurance contract holders.

LIABILITIES AND RELATED ASSETS UNDER LIABILITY ADEQUACY TESTS

The net liability recognised for insurance contracts is tested for adequacy by discounting current best estimates of all future contractual cash flows, which comprise future premiums, claims, claims handling and administration expenses, as well as investment income from the assets backing such liabilities. Where a shortfall is identified, an additional provision is made and the company recognises the deficiency in profit or loss.

1.29 RECOGNITION AND MEASUREMENT OF INVESTMENT CONTRACTS

The company issues investment contracts where the returns are directly linked to the performance of the underlying investments.

Provision is made for expected payments to policyholders in terms of policies that incorporate a savings element and are in force at year end. The provision is calculated based on the terms and conditions of the policies in place at year end. Except for facility and administration fees, the receipts from and payments against investment contracts are excluded from profit or loss and recognised directly against the liability or asset.

Investment contract liabilities are reflected at fair value. The fair value of the liability is set equal to the accumulated fair value of the underlying assets. The profits or losses that accrue to shareholders are equal to fees received during the year.

Fair value movements are reflected in profit or loss.

1.30 PROPERTIES IN POSSESSION

Properties in possession comprise 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 Company 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'.

1.31 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-cancellable or only cancellable 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.

1.32 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).

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.

1.33 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.

1.34 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).

1.35 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.

Notes to the Annual Financial Statements

2. NEW STANDARDS AND INTERPRETATIONS

2.1 STANDARDS AND INTERPRETATIONS NOT YET EFFECTIVE OR RELEVANT

The following standards and interpretations have been published and are mandatory for the group's accounting periods beginning on or after 01 April 2021 or later periods but are not relevant or yet effective to its operations:

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 group does not envisage the adoption of the amendment until such time as it becomes applicable to the group's operations.

It is unlikely that the amendment will have a material impact on the group's consolidated financial statements.

DISCLOSURE OF ACCOUNTING POLICIES: AMENDMENTS TO IAS 1 AND IFRS PRACTICE STATEMENT 2

IAS 1 was amended to require that only material accounting policy information shall be disclosed in the consolidated financial statements. The amendment will not result in changes to measurement or recognition of financial statement items, but management will undergo a review of accounting policies to ensure that only material accounting policy information is disclosed.

The effective date of the amendment is for years beginning on or after 01 January 2023.

The group does not envisage the adoption of the amendment until such time as it becomes applicable to the group's operations.

It is unlikely that the amendment will have a material impact on the group's consolidated financial statements.

DEFINITION OF ACCOUNTING ESTIMATES: AMENDMENTS TO IAS 8

The definition of accounting estimates was amended so that accounting estimates are now defined as "monetary amounts in consolidated financial statements that are subject to measurement uncertainty."

The effective date of the amendment is for years beginning on or after 01 January 2023.

The group does not envisage the adoption of the amendment until such time as it becomes applicable to the group's operations.

It is unlikely that the amendment will have a material impact on the group's consolidated financial statements.

CLASSIFICATION OF LIABILITIES AS CURRENT OR NON-CURRENT - AMENDMENT TO IAS 1

The amendment changes the requirements to classify a liability as current or non-current. If an entity has the right at the end of the reporting period, to defer settlement of a liability for at least twelve months after the reporting period, then the liability is classified as non-current.

If this right is subject to conditions imposed on the entity, then the right only exists, if, at the end of the reporting period, the entity has complied with those conditions.

In addition, the classification is not affected by the likelihood that the entity will exercise its right to defer settlement. Therefore, if the right exists, the liability is classified as non-current even if management intends or expects to settle the liability within twelve months of the reporting period. Additional disclosures would be required in such circumstances.

The effective date of the amendment is for years beginning on or after 01 January 2023.

The group does not envisage the adoption of the amendment until such time as it becomes applicable to the group's operations.

It is unlikely that the amendment will have a material impact on the group's consolidated financial statements.

IFRS 17 INSURANCE CONTRACTS

The IFRS establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts issued.

The effective date of the standard is for years beginning on or after 01 January 2023.

The group does not envisage the adoption of the standard until such time as it becomes applicable to the group's operations.

The expected impact of the standard is significant specifically in areas such as profit recognition, presentation in the statement of comprehensive income and level of transparency of components of reserving. Data collection and storage, modelling and general ledger configuration will require significant development. In addition, the proposal made by the South African Revenue Services to move to an IFRS adjusted basis for taxation of insurers means IFRS 17 is likely to have significant taxation consequences. An entity may re-assess its classification and designation of financial instruments under IFRS 9, on adoption of IFRS 17.

ANNUAL IMPROVEMENT TO IFRS STANDARDS 2018-2020: AMENDMENTS TO IFRS 1

A subsidiary that uses the cumulative translation differences exemption, may elect in its financial statements, to measure cumulative translation differences for all foreign operations at the carrying amount that would be included in the parent's consolidated financial statements, based on the parent's date of transition to IFRS if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary.

The effective date of the group is for years beginning on or after 01 January 2022.

The group does not envisage the adoption of the amendment until such time as it becomes applicable to the group's operations.

It is unlikely that the amendment will have a material impact on the group's consolidated financial statements.

REFERENCE TO THE CONCEPTUAL FRAMEWORK: AMENDMENTS TO IFRS 3

The amendment makes reference to the Conceptual Framework for Financial Reporting issued in 2018 rather than to the IASC's Framework for the Preparation and Presentation of Financial Statements. The amendment specifically points to the treatment of liabilities and contingent liabilities acquired as part of a business combination, and which are in the scope of IAS 37 Provisions, Continent Liabilities and Contingent Assets or IFRIC 21 Levies. It clarifies that the requirements of IAS 37 or IFRIC 21 should be applied to provisions, contingent liabilities or levies to determine if a present obligation exists at the Acquisition date. The amendment further clarifies that contingent assets of acquirees share not be recognised as part of the business combination.

The effective date of the group is for years beginning on or after 01 January 2022.

The group does not envisage the adoption of the amendment until such time as it becomes applicable to the group's operations.

It is unlikely that the amendment will have a material impact on the group's consolidated financial statements.

ANNUAL IMPROVEMENT TO IFRS STANDARDS 2018-2020: AMENDMENTS TO IFRS 9

The amendment concerns fees in the '10 per cent' test for derecognition of financial liabilities. Accordingly, in determining the relevant fees, only fees paid or received between the borrower and the lender are to be included.

The effective date of the group is for years beginning on or after 01 January 2022.

The group does not envisage the adoption of the amendment until such time as it becomes applicable to the group's operations.

It is unlikely that the amendment will have a material impact on the group's consolidated financial statements.

PROPERTY, PLANT AND EQUIPMENT: PROCEEDS BEFORE INTENDED USE: AMENDMENTS TO IAS 16

The amendment relates to examples of items which are included in the cost of an item of property, plant and equipment. Prior to the amendment, the costs of testing whether the asset is functioning properly were included in the cost of the asset after deducting the net proceeds of selling any items which were produced during the test phase. The amendment now requires that any such proceeds and the cost of those items must be included in profit or loss in accordance with the related standards. Disclosure of such amounts in now specifically required.

The effective date of the group is for years beginning on or after 01 January 2022.

The group does not envisage the adoption of the amendment until such time as it becomes applicable to the group's operations.

It is unlikely that the amendment will have a material impact on the group's consolidated financial statements.

ONEROUS CONTRACTS - COST OF FULFILLING A CONTRACT: AMENDMENTS TO IAS 37

The amendment defined the costs that are included in the cost of fulfilling a contract when determining the amount recognised as an onerous contract. It specifies that the cost of fulfilling a contract comprises the costs that relate directly to the contract. These are both the incremental costs of fulfilling the contract as well as an allocation of other costs that relate directly to fulfilling contracts (for example depreciation allocation).

The effective date of the group is for years beginning on or after 01 January 2022.

The group does not envisage the adoption of the amendment until such time as it becomes applicable to the group's operations.

It is unlikely that the amendment will have a material impact on the group's consolidated financial statements.

ANNUAL IMPROVEMENT TO IFRS STANDARDS 2018-2020: AMENDMENTS TO IAS 41

"Taxation" has been removed from the list of cash flows excluded from the fair value determination of biological assets. The effective date of the group is for years beginning on or after 01 January 2022.

The group does not envisage the adoption of the amendment until such time as it becomes applicable to the group's operations.

It is unlikely that the amendment will have a material impact on the group's consolidated financial statements.

3. PROPERTY, PLANT AND EQUIPMENT

GROUP	2021 Cost or revaluation R	2021 Accumulated depreciation R	2021 Carrying value R	2020 Cost or revaluation R	2020 Accumulated depreciation R	2020 Carrying value R
Land	6 049 625	-	6 049 625	6 027 225	-	6 027 225
Buildings	98 881 269	(31 764 144)	67 117 125	76 041 796	(28 505 271)	47 536 525
Leasehold property	3 266 497	(1 866 570)	1 399 927	7 947 044	(1 248 110)	6 698 934
Plant and machinery	79 063 255	(32 934 949)	46 128 306	74 727 493	(29 183 755)	45 543 738
Furniture and fixtures	13 582 099	(11 593 137)	1 988 962	13 722 671	(10 876 367)	2 846 304
Motor vehicles	421 154 381	(165 806 032)	255 348 349	344 511 363	(164 260 063)	180 251 300
Office equipment	10 079 666	(8 747 808)	1 331 858	10 242 312	(8 378 976)	1 863 336
IT equipment	241 809 194	(43 359 163)	198 450 031	68 304 731	(19 690 850)	48 613 881
Sundry equipment	4 351 568	(1 801 366)	2 550 202	4 346 428	(1 391 679)	2 954 749
Leasehold improvements	126 115	(37 735)	88 380	84 107	(15 484)	68 623
Bearer plants	1 266 341	(145 618)	1 120 723	1 266 341	(96 447)	1 169 894
Specialised equipment infrastructure	55 184	(46 678)	8 506	55 184	(41 160)	14 024
Workshop equipment	22 623 847	(14 999 441)	7 624 406	21 457 338	(10 449 460)	11 007 878
Rehabilitation assets	106 667 017	(6 689 054)	99 977 963	94 040 915	(6 304 229)	87 736 686
WIP Broadband infrastructure	234 432 011	-	234 432 011	179 324 432	-	179 324 432
Development assets	195 851 838	-	195 851 838	-	-	-
Total	**1 439 259 907**	**(319 791 695)**	**1 119 468 212**	**902 099 380**	**(280 441 851)**	**621 657 529**

COMPANY	2021 Cost or revaluation R	2021 Accumulated depreciation R	2021 Carrying value R	2020 Cost or revaluation R	2020 Accumulated depreciation R	2020 Carrying value R
Land	2 793 839	-	2 793 839	2 771 439	-	2 771 439
Buildings	42 947 521	(17 089 938)	25 857 583	42 603 715	(16 193 663)	26 410 052
Plant and machinery	2 162 881	(1 201 110)	961 771	1 519 300	(1 019 333)	499 967
Furniture and fixtures	9 763 848	(8 181 456)	1 582 392	9 812 766	(7 532 022)	2 280 744
Motor vehicles	5 086 797	(4 996 435)	90 362	5 086 797	(4 994 448)	92 349
Office equipment	6 791 945	(5 872 272)	919 673	6 800 021	(5 513 181)	1 286 840
IT equipment	19 100 559	(15 361 236)	3 739 323	18 970 327	(14 171 896)	4 798 431
Sundry equipment	4 196 697	(1 667 236)	2 529 461	4 196 697	(1 258 397)	2 938 300
Workshop equipment	8 303 657	(4 335 361)	3 968 296	8 303 657	(3 190 421)	5 113 236
Total	**101 147 744**	**(58 705 044)**	**42 442 700**	**100 064 719**	**(53 873 361)**	**46 191 358**

3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

RECONCILIATION OF PROPERTY, PLANT AND EQUIPMENT - GROUP - 2021

	Opening balance R	Additions R	Write-offs and Disposals R	Transfers R	Reclassifications R	Depreciation R	Impairment loss R	Impairment reversal R	Total R
Land	6 027 225	-	-	22 400	-	-	-	-	6 049 625
Buildings	47 536 525	16 070 658	(105 389)	5 796 480	-	(2 181 149)	-	-	67 117 125
Leasehold property	6 698 934	-	-	(4 064 902)	-	(1 234 105)	-	-	1 399 927
Plant and machinery	45 543 738	1 627 237	(966)	3 759 798	-	(4 801 501)	-	-	46 128 306
Furniture and fixtures	2 846 304	15 936	(82 530)	-	-	(790 147)	(601)	-	1 988 962
Motor vehicles	180 251 300	131 050 314	(1 556 945)	-	(4 454 887)	(24 531 023)	(25 410 410)	-	255 348 349
Office equipment	1 863 336	93 174	(5 676)	(27 421)	-	(591 305)	(250)	-	1 331 858
IT equipment	48 613 881	1 010 796	(42 760)	171 490 050	-	(22 621 936)	-	-	198 450 031
Sundry equipment	2 954 749	5 140	-	-	-	(409 687)	-	-	2 550 202
Leasehold improvements	68 623	42 008	-	-	-	(22 251)	-	-	88 380
Bearer plants	1 169 894	-	-	-	-	(49 171)	-	-	1 120 723
Specialised equipment infrastructure	14 024	-	-	-	-	(5 518)	-	-	8 506
Workshop equipment	11 007 878	60 743	(25 302)	1 505 926	-	(4 924 839)	-	-	7 624 406
Rehabilitation assets	87 736 686	12 016 527	-	-	-	(384 824)	-	609 574	99 977 963
Work in progress	179 324 432	233 563 628	-	(178 456 049)	-	-	-	-	234 432 011
Development assets	-	195 851 838	-	-	-	-	-	-	195 851 838
	621 657 529	**591 407 999**	**(1 819 568)**	**26 282**	**(4 454 887)**	**(62 547 456)**	**(25 411 261)**	**609 574**	**1 119 468 212**

3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

RECONCILIATION OF PROPERTY, PLANT AND EQUIPMENT - GROUP - 2020

	Opening balance R	Additions R	Write-offs and Disposals R	Transfers R	Depreciation R	Impairment loss R	Total R
Land	6 027 225	-	-	-	-	-	6 027 225
Buildings	44 975 572	781 802	(8 627)	7 458 381	(2 362 307)	(3 308 296)	47 536 525
Leasehold property	4 680 551	3 266 493	-	-	(1 248 110)	-	6 698 934
Plant and machinery	41 603 799	829 608	(113 984)	20 241 691	(7 087 624)	(9 929 752)	45 543 738
Furniture and fixtures	3 796 720	74 595	(5 251)	(45 797)	(969 244)	(4 719)	2 846 304
Motor vehicles	131 429 595	70 024 443	(2 315 712)	120 525	(15 495 243)	(3 512 308)	180 251 300
Office equipment	2 242 389	311 436	(18 758)	(24 345)	(647 564)	178	1 863 336
IT equipment	50 734 032	1 643 458	(156 520)	(35 825)	(3 613 131)	41 867	48 613 881
Sundry equipment	36 695	3 806 906	-	-	(888 852)	-	2 954 749
Leasehold improvements	-	84 107	-	-	(15 484)	-	68 623
Bearer plants	1 219 071	-	-	-	(49 177)	-	1 169 894
Specialised equipment infrastructure	19 543	-	-	-	(5 519)	-	14 024
Workshop equipment	8 466 026	4 695 117	(1 635)	-	(2 151 630)	-	11 007 878
Rehabilitation assets	74 028 359	14 630 724	-	-	(922 397)	-	87 736 686
Work in progress	116 047 466	63 276 966	-	-	-	-	179 324 432
	485 307 043	**163 425 655**	**(2 620 487)**	**27 714 630**	**(35 456 282)**	**(16 713 030)**	**621 657 529**

3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

RECONCILIATION OF PROPERTY, PLANT AND EQUIPMENT - COMPANY - 2021

	Opening balance R	Additions R	Write-offs and Disposals R	Transfers R	Depreciation R	Total R
Land	2 771 439	-	-	22 400	-	2 793 839
Buildings	26 410 052	304 976	-	3 883	(861 328)	25 857 583
Plant and machinery	499 967	643 581	-	-	(181 777)	961 771
Furniture and fixtures	2 280 744	-	(13 334)	-	(685 018)	1 582 392
Motor vehicles	92 349	-	-	-	(1 987)	90 362
Office equipment	1 286 840	14 690	(3 254)	-	(378 603)	919 673
IT equipment	4 798 431	220 849	(42 029)	-	(1 237 928)	3 739 323
Sundry equipment	2 938 300	-	-	-	(408 839)	2 529 461
Workshop equipment	5 113 236	-	-	-	(1 144 940)	3 968 296
	46 191 358	**1 184 096**	**(58 617)**	**26 283**	**(4 900 420)**	**42 442 700**

RECONCILIATION OF PROPERTY, PLANT AND EQUIPMENT - COMPANY - 2020

	Opening balance R	Additions R	Disposals R	Depreciation R	Total R
Land	2 771 439	-	-	-	2 771 439
Buildings	26 437 449	781 802	-	(809 199)	26 410 052
Plant and machinery	20 567	571 528	-	(92 128)	499 967
Furniture and fixtures	3 006 677	58 023	-	(783 956)	2 280 744
Motor vehicles	475 579	-	(70 003)	(313 227)	92 349
Office equipment	1 424 225	252 992	-	(390 377)	1 286 840
IT equipment	5 252 584	963 622	-	(1 417 775)	4 798 431
Sundry equipment	19 772	3 806 906	-	(888 378)	2 938 300
Workshop equipment	1 522 339	4 569 478	-	(978 581)	5 113 236
	40 930 631	**11 004 351**	**(70 003)**	**(5 673 621)**	**46 191 358**

PROPERTY, PLANT AND EQUIPMENT ENCUMBERED AS SECURITY

Refer to Note 67 for non-current relating to buses and ancillary vehicles that are currently held for sale and accordingly reclassified to current assets as per IFRS 5 requirements.

CHANGES IN ESTIMATES

The group reassesses the useful lives and residual values of items of group 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.

3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

LIMPOPO AGRIBUSINESS

CHANGES IN ESTIMATES

The useful lives and residual values of items of property, plant and equipment are reassessed 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. The latest reassessment of the useful lives will be effective from 1 April 2020.

The depreciation methods and average useful lives of property, plant and equipment have been assessed and based on this analysis. The impact of the change is a reduction in the annual depreciation charge for the current year of R 75 539.

DEPRECIATION METHOD

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.

None of the property plant and equipment are restricted through title and/or pledges or serve as security of any of the liabilities in the Group.

A register containing the information required by paragraph 25(3) of Schedule 4 of the Companies Act is available for inspection at the registered office of the company.

4. RIGHT OF USE ASSETS/LEASES (GROUP AS LESSEE)

	GROUP		COMPANY	
	2021 R	2020 R	2021 R	2020 R

The group leases several assets, including buildings, plant and IT equipment. The average lease term is 7 years.

NET CARRYING AMOUNTS OF RIGHT-OF-USE ASSETS

	Group 2021 R	Group 2020 R	Company 2021 R	Company 2020 R
The carrying amounts of right-of-use assets are as follows:				
Buildings	7 334 112	9 527 594	1 046 533	15 055
Motor vehicles	6 505 471	7 864 823	-	-
Office equipment	3 595 515	5 393 384	-	332 501
Fibre leases	476 470	2 504 468	-	-
PPE subject to operating lease arrangements	2 479 751	2 819 206	-	-
	20 391 319	**28 109 475**	**1 046 533**	**347 556**

ADDITIONS TO RIGHT-OF-USE ASSETS

	Group 2021 R	Group 2020 R	Company 2021 R	Company 2020 R
Buildings	1 910 159	13 173 326	1 761 399	142 776
Motor vehicles	-	9 224 175	-	-
Office equipment	-	7 668 598	-	1 105 568
PPE subject to operating lease arrangements	1 627 335	5 750 861	-	-
Fibre leases	-	2 709 079	-	-
	3 537 494	**38 526 039**	**1 761 399**	**1 248 344**

TERMINATION OF BUILDINGS AND OFFICE EQUIPMENT CONTRACTS

	Group 2021 R	Group 2020 R	Company 2021 R	Company 2020 R
Buildings	(175 690)	-	-	-

4. RIGHT OF USE ASSETS/LEASES (GROUP AS LESSEE)

	GROUP		COMPANY	
	2021 R	2020 R	2021 R	2020 R

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 41), as well as depreciation which has been capitalised to the cost of other assets.

	Group 2021 R	Group 2020 R	Company 2021 R	Company 2020 R
Buildings	6 131 641	5 665 591	729 921	137 430
Motor vehicles	1 359 352	1 359 352	-	-
Office equipment	1 797 868	2 275 214	332 501	773 067
PPE subject to operating lease arrangements	1 791 100	2 931 655	-	-
	11 079 961	**12 231 812**	**1 062 422**	**910 497**

OTHER DISCLOSURES

	Group 2021 R	Group 2020 R	Company 2021 R	Company 2020 R
Interest expense on lease liabilities	2 244 099	3 380 505	235 734	152 635
Total cash outflow	16 914 658	14 814 200	1 150 746	1 094 330

FINANCE LEASE LIABILITIES

	Group 2021 R	Group 2020 R	Company 2021 R	Company 2020 R
Within one year	7 961 819	10 820 691	892 631	-
Two to five years	12 009 184	19 779 672	343 465	389 709
	19 971 003	**30 600 363**	**1 236 096**	**389 709**
Non-current liabilities	12 009 184	19 779 671	343 465	389 709
Current liabilities	7 961 819	10 820 691	892 631	-
	19 971 003	**30 600 362**	**1 236 096**	**389 709**

EXPOSURE TO LIQUIDITY RISK

Refer to note 56 Financial instruments and risk management for the details of liquidity risk exposure and management.

EXPOSURE TO CURRENCY RISK

Refer to note 56 Financial instruments and financial risk management for details of currency risk management for lease liabilities.

5. INVESTMENT PROPERTY

	2021			2020		
GROUP	Cost / Valuation R	Accumulated depreciation R	Carrying value R	Cost / Valuation R	Accumulated depreciation R	Carrying value R
Investment property	338 393 334	(153 135 453)	185 257 881	336 122 512	(145 052 454)	191 070 058
COMPANY						
	333 272 276	(153 097 734)	180 174 542	331 001 454	(145 027 203)	185 974 251

RECONCILIATION OF INVESTMENT PROPERTY - GROUP - 2021

	Opening balance R	Additions R	Transfers R	Depreciation R	Impairments R	Total R
Investment property	191 070 058	2 357 014	(26 283)	(8 058 462)	(84 446)	185 257 881

RECONCILIATION OF INVESTMENT PROPERTY - GROUP - 2020

	Opening balance R	Additions R	Transfers R	Depreciation R	Total R
Investment property	208 495 953	17 549 950	(27 630 237)	(7 345 608)	191 070 058

RECONCILIATION OF INVESTMENT PROPERTY - COMPANY - 2021

	Opening balance R	Additions R	Transfers R	Depreciation R	Impairments R	Total R
Investment property	185 974 251	2 357 014	(26 283)	(8 045 994)	(84 446)	180 174 542

RECONCILIATION OF INVESTMENT PROPERTY - COMPANY - 2020

	Opening balance R	Additions R	Disposals R	Depreciation R	Total R
Investment property	175 757 596	17 549 950	(2)	(7 333 293)	185 974 251

	GROUP		COMPANY	
	2021 R	2020 R	2021 R	2020 R
Fair value of investment properties	322 988 247	316 707 075	322 988 247	316 707 075

The fair value of the property reflects the present value of the total future benefits which an owner may expect to derive from the property.

These benefits are expressed in monetary terms and are based upon the estimated rentals such a property would generate in the market between a willing landlord and tenant.

The fair value of investment property is calculated based on the Group's actual rate of return which should be higher or equal to the expected rate of return of 12% which is a rate agreed with the shareholder.

5. INVESTMENT PROPERTY (CONTINUED)

	GROUP 2021 R	GROUP 2020 R	COMPANY 2021 R	COMPANY 2020 R

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.

AMOUNTS RECOGNISED IN PROFIT AND LOSS FOR THE YEAR

	GROUP 2021 R	GROUP 2020 R	COMPANY 2021 R	COMPANY 2020 R
Rental income from investment property	112 393 344	106 207 902	112 393 344	106 207 902
Direct operating expenses from rental generating property	(44 151 675)	(68 203 054)	(44 151 675)	(68 203 054)
	68 241 669	**38 004 848**	**68 241 669**	**38 004 848**

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.

None of the investment property is restricted through title and / pledges or serves as security of any of the liabilities in the Group.

DETERMINATION OF FAIR VALUE OF INVESTMENT PROPERTY

In estimating the fair value of the properties, the highest and best use of the properties is their current use which is commercial rental.

In calculating the annual fair value of investment property the following estimates or totals are used:

- net profit that can be directly attributed to the investment property accounting cycle. This will include all direct rental income less expenses that can be directly linked to generating the rental income,
- The expected rate of return for future benefits on the investment property is set at a rate higher than 12% or 12%. A rate higher than 12% will only be used if there is visible proof that a rate in the open market is higher than 12%. At the end of the financial year the expected rate of 12% was agreed by the shareholder. Should the rate of return drop materially below 12% the expected rate will be approved and adjusted accordingly.

There has been no change in the valuation technique during the year.

6. BIOLOGICAL ASSETS

GROUP	2021 Cost / Valuation R	2021 Accumulated depreciation R	2021 Carrying value R	2020 Cost / Valuation R	2020 Accumulated depreciation R	2020 Carrying value R
Tea leaves	796 167	-	796 167	2 282 964	-	2 282 964

RECONCILIATION OF BIOLOGICAL ASSETS - GROUP - 2021	Opening balance R	Fair value adjustment R	Total R
Tea leaves	2 282 964	(1 486 797)	796 167

6. BIOLOGICAL ASSETS (CONTINUED)

RECONCILIATION OF BIOLOGICAL ASSETS - GROUP - 2020

	Opening balance R	Decrease due to harvest / sales R	Physical changes R	Gains (losses) arising from changes in fair value R	Shortages R	Total R
Tea leaves	2 192 809	-	-	90 155	-	2 282 964
Laying hens	2 112 233	(1 610 221)	(240 882)	-	(261 130)	-
Hatchable eggs	799 982	(799 982)	-	-	-	-
	5 105 024	**(2 410 203)**	**(240 882)**	**90 155**	**(261 130)**	**2 282 964**

NON – FINANCIAL INFORMATION

QUANTITIES OF EACH BIOLOGICAL ASSET

	GROUP 2021 R	GROUP 2020 R	COMPANY 2021 R	COMPANY 2020 R
Tea leaves	14 050	33 573	-	-

FINANCIAL RISK MANAGEMENT STRATEGIES RELATED TO AGRICULTURAL ACTIVITY

The group is not exposed to any specific financial risks related to agricultural activities other than the normal price fluctuations in the market prices of agricultural produce. The group is not exposed to any foreign currency risk in its agricultural activities as it does not export. The group does not have any formal financial risk management strategies in place regarding its agricultural activities. Most strategies are focused on operational measures to increase production and reduce input costs.

NATURE OF THE ACTIVITIES INVOLVING EACH GROUP OF BIOLOGICAL ASSETS

TEA LEAVES

The group harvests green tea leaves from tea plants which qualifies as agricultural produce. The tea leaves are harvested for further processing to produce Midi Tea. The tea plants are accounted for in bearer plants as part of property, plant and equipment

None of the biological assets are restricted through title and / pledges or serve as security for any of the liabilities in the Group.

NET BIOLOGICAL ASSETS

Current assets	796 167	2 282 964	-	-

7. GOODWILL

GROUP	2021 Cost / Valuation R	2021 Accumulated impairment R	2021 Carrying value R	2020 Cost / Valuation R	2020 Accumulated impairment R	2020 Carrying value R
Goodwill	-	-	-	31 649 157	-	31 649 157

	Opening balance R	Impairment loss R	Total R
Goodwill	31 649 157	(31 649 157)	-

7. GOODWILL (CONTINUED)

RECONCILIATION OF GOODWILL - GROUP - 2020	Opening balance R	Total R
Goodwill	31 649 157	31 649 157

The purchase of New Era Life Insurance Co. Limited share investment of 100% in 2017 contributed to goodwill in the group amounting to in 2020: R 31 649 157. The group impaired goodwill in 2021.

IMPAIRMENT LOSS

According to the accounting standards, in assessing whether there is any indication that an asset may be impaired, an entity shall consider, as a minimum, the following indications:

EXTERNAL SOURCES:

- There are observable indications that the asset's value has declined during the period significantly more than would be expected because of the passage of time or normal use.
- Significant changes with an adverse effect on the entity have taken place during the period, or will take place in the near future, in the technological, market, economic or legal environment in which the entity operates or in the market to which an asset is dedicated.
- Market interest rates or other market rates of return on investments have increased during the period, and those increases are likely to affect the discount rate used in calculating an asset's value in use and decrease the asset's recoverable amount materially.
- The carrying amount of the net assets of the entity is more than its market capitalisation.

INTERNAL SOURCES:

- Evidence is available of obsolescence or physical damage of an asset.
- Significant changes with an adverse effect on the entity have taken place during the period or are expected to take place in the near future, in the extent to which, or way, an asset is used or is expected to be used. These changes include the asset becoming idle, plans to discontinue or restructure the operation to which an asset belongs, plans to dispose of an asset before the previously expected date, and reassessing the useful life of an asset as finite rather than indefinite.
- Evidence is available from internal reporting that indicates that the economic performance of an asset is, or will be, worse than expected.

According to the latest impairment calculations performed for the LEDA investment in New Era, the value of the company declined resulting in an impairment of the investment in 2021. This is mainly due to the loss-making history of the Company.

The Directors are of the opinion that the balance of the goodwill no longer represents the true reflection of Company as was at the acquiring stage. Based on the above it was decided to fully impair the goodwill asset.

The impairment affects the following balances on the group financial statements:

- Goodwill on the statement of financial position,
- Impairment losses on the statement of financial performance.

8. INTANGIBLE ASSETS

	2021			2020		
GROUP	Cost / Valuation R	Accumulated amortisation R	Carrying value R	Cost / Valuation R	Accumulated amortisation R	Carrying value R
Mining right	53 086 408	(3 563 449)	49 522 959	53 086 408	(3 331 703)	49 754 705
Broadband intangible assets	61 083 808	(11 655 512)	49 428 296	-	-	-
Broadband licenses	-	-	-	100 000	-	100 000
WIP Broadband computer	-	-	-	25 025 590	-	25 025 590
Computer software	2 562 179	(2 468 495)	93 684	2 562 179	(2 402 942)	159 237
Intangible assets under development	6 213 432	(1 993 827)	4 219 605	5 958 892	(1 851 411)	4 107 481
Bus routes	2 675 000	-	2 675 000	2 675 000	-	2 675 000
Exploration and evaluation assets	47 787 587	(5 829 803)	41 957 784	47 787 587	(5 829 803)	41 957 784
Broadband servitudes	737 699	-	737 699	737 699	-	737 699
Total	**174 146 113**	**(25 511 086)**	**148 635 027**	**137 933 355**	**(13 415 859)**	**124 517 496**

COMPANY						
Broadband licenses	-	-	-	100 000	-	100 000
Computer software	807 978	(714 305)	93 673	807 978	(655 416)	152 562
Total	**807 978**	**(714 305)**	**93 673**	**907 978**	**(655 416)**	**252 562**

RECONCILIATION OF INTANGIBLE ASSETS - GROUP - 2021

	Opening balance R	Additions R	Transfers R	Amortisation R	Total R
Mining right	49 754 705	-	-	(231 746)	49 522 959
Broadband intangibles assets	-	-	61 083 808	(11 655 512)	49 428 296
Broadband licenses	100 000	-	(100 000)	-	-
WIP Broadband computer	25 025 590	36 058 218	(61 083 808)	-	-
Computer software	159 237	-	-	(65 553)	93 684
Intangible assets under development	4 107 481	254 540	-	(142 416)	4 219 605
Bus routes	2 675 000	-	-	-	2 675 000
Exploration and evaluation assets	41 957 784	-	-	-	41 957 784
Broadband servitudes	737 699	-	-	-	737 699
	124 517 496	**36 312 758**	**(100 000)**	**(12 095 227)**	**148 635 027**

8. INTANGIBLE ASSETS (CONTINUED)

RECONCILIATION OF INTANGIBLE ASSETS - GROUP - 2020	Opening balance R	Additions R	Amortisation R	Impairment loss R	Total R
Environmental rehabilitation asset	50 381 181	-	(626 476)	-	49 754 705
Broadband licenses	100 000	-	-	-	100 000
WIP Broadband computer	25 025 590	-	-	-	25 025 590
Computer software	324 135	-	(164 898)	-	159 237
Intangible assets under development	3 393 359	856 538	(142 416)	-	4 107 481
Bus routes	2 675 000	-	-	-	2 675 000
Exploration and evaluation assets	41 162 533	961 105	-	(165 854)	41 957 784
Broadband servitudes	-	737 699	-	-	737 699
	123 061 798	**2 555 342**	**(933 790)**	**(165 854)**	**124 517 496**

RECONCILIATION OF INTANGIBLE ASSETS - COMPANY - 2021	Opening balance R	Transfers R	Amortisation R	Total R
Broadband licenses	100 000	(100 000)	-	-
Computer software	152 562	-	(58 889)	93 673
	252 562	**(100 000)**	**(58 889)**	**93 673**

RECONCILIATION OF INTANGIBLE ASSETS - COMPANY - 2020	Opening balance R	Amortisation R	Total R
Broadband licenses	100 000	-	100 000
Computer software	303 298	(150 736)	152 562
	403 298	**(150 736)**	**252 562**

OTHER INFORMATION

CORRIDOR MINING RESOURCES

MINING RIGHT

Sefateng Chrome Mine (Pty) Ltd successfully obtained a mining right for opencast and underground mining. Management performs a discounted cash flow to assess the recoverability of the mining right. No impairment was deemed necessary. The useful life of the Mining Asset has been assessed as the life of mine. This is estimated at total production tonnages of approximately 41,3 million tonnes.

WATER USE RIGHTS - LEBALELO

The remaining useful life at date of assessment is 12 years (2020:13 years)

EXPLORATION AND EVALUATION ASSET

The projects categorised as exploration and evaluation asset have been fully impaired. These projects do not seem feasible.

MINING ASSET

Tshepong project and Fumani Greenstone project have been classified as Mining assets. The feasibility of these projects have been determined. Fumani Greenstone project has been granted a mining right but this has not been executed as yet. Corridor Mining Resources is in the process of applying for the Mining Right on the Tshepong Project.

Mining assets are amortised on the unit of production method.

8. INTANGIBLE ASSETS (CONTINUED)

GREAT NORTH TRANSPORT

The computer software under development represents a financial system that will be implemented once tested and approved. The final development cost will be capitalised in the intangible fixed asset register when the software development is finalised and ready for use.

The residual values and useful lives of intangible assets were reviewed, and possible impairment has been assessed at reporting date. The residual values and useful lives of these assets were reviewed by Management as per IAS 16, 36 and 38, as well as reports were obtained from independent valuator. The last valuation for bus routes was done on 31st of March 2017 and there has not been material changes in manner or pattern in which assets are used. Therefore, the current residual values and useful lives of the assets were found appropriate.

None of the intangible assets are restricted through title and / pledges or serve as security of any of the liabilities in the Group.

The intangible assets have a finite useful life. Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values. Refer to accounting policy 1.10 for the useful lives of the intangible assets.

9. INVESTMENTS IN SUBSIDIARIES INCLUDING CONSOLIDATED STRUCTURED ENTITIES

The following table lists the entities which are controlled directly by the company, and the carrying amounts of the investments in the company's separate financial statements.

Name of company	Held by	% voting power 2021	% voting power 2020	% holding 2021	% holding 2020	Carrying amount 2021 R	Carrying amount 2020 R
Risima Housing Finance Corporation (SOC) Limited	Unlisted	100%	100%	100%	100%	156 953 900	156 953 900
Great North Transport (SOC) Limited	Unlisted	100%	100%	100%	100%	500 000	500 000
Corridor Mining Resources (SOC) Limited	Unlisted	100%	100%	100%	100%	100	100
New Era Life (SOC) Limited	Unlisted	100%	100%	100%	100%	85 500 000	79 500 000
Musina Makhado SEZ (SOC) Limited	Unlisted	100%	100%	100%	100%	100	100
Bakgaga Bakone Crossing (SOC) Limited	Unlisted	51%	51%	51%	51%	510	510
Limpopo Connexion (SOC) Limited	Unlisted	100%	100%	100%	100%	100	100
Limpopo Agribusiness (SOC) Limited	Unlisted	100%	100%	100%	100%	100	100
						242 954 810	**236 954 810**
Impairment of investment in subsidiaries						(64 902 603)	-
						178 052 207	**236 954 810**

SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS

The following information is provided for subsidiaries with non-controlling interests which are material to the reporting company. The summarised financial information is provided prior to intercompany eliminations.

9. INVESTMENTS IN SUBSIDIARIES INCLUDING CONSOLIDATED STRUCTURED ENTITIES (CONTINUED)

2021 SUMMARISED STATEMENT OF FINANCIAL POSITION	Non-current assets R	Current assets R	Total assets R	Non-current liabilities R	Current liabilities R	Total liabilities R	Carrying amount of non- controlling interest R
Corridor Mining Resources (SOC) Limited	529 170 987	46 815 235	575 986 222	(383 623 513)	(262 777 008)	(646 400 521)	6 733 876
Great North Transport (SOC) Limited	283 329 394	38 300 092	321 629 486	(257 448 431)	(296 781 731)	(554 230 162)	-
Risima Housing Finance Corporation (SOC) Limited	520 499 677	122 042 199	642 541 876	(84 937 993)	(43 826 526)	(128 764 519)	-
Limpopo Connexion (SOC) Limited	383 651 108	75 568 553	459 219 661	(422 197 061)	(14 822 739)	(437 019 800)	-
Bakgaga Bakone Crossing (SOC) Limited	4 834 000	-	4 834 000	(4 876 953)	-	(4 876 953)	-
Musina-Makhado Special Economic Zone (SOC) Limited	17 362 152	78 518 652	95 880 804	-	(42 423 997)	(42 423 997)	-
New Era Life Insurance Co Limited	1 466 467	55 736 007	57 202 474	(13 908 950)	(22 054 178)	(35 963 128)	-
Limpopo Agribusiness (SOC) Limited Total	67 790 639	18 086 145	85 876 784	(4 376 477)	(133 363 798)	(137 740 275)	-
	1 808 104 424	**435 066 883**	**2 243 171 307**	**(1 171 369 378)**	**(816 049 977)**	**(1 987 419 355)**	**6 733 876**

2021 SUMMARISED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	Revenue R	Profit/(loss) before tax R	Tax expense R	Profit (loss) R	Other comprehensive income R	Total comprehensive income R	Profit (loss) allocated to non-controlling interest R
Corridor Mining Resources (SOC) Limited	132 621 880	(57 418 421)	11 145 437	(46 272 984)	-	(46 272 984)	2 981 290
Great North Transport (SOC) Limited	281 122 744	(131 756 590)	-	(131 756 590)	410 000	(131 346 590)	-
Risima Housing Finance Corporation (SOC) Limited	45 572 190	25 412 952	-	25 412 952	-	25 412 952	-
Limpopo Connexion (SOC) Limited	2 458 115	16 736 010	-	16 736 010	-	16 736 010	-
Bakgaga Bakone Crossing (SOC) Limited	-	(41 100)	-	(41 100)	-	(41 100)	-
Musina-Makhado Special Economic Zone (SOC) Limited	-	12 344 963	-	12 344 963	-	12 344 963	-
New Era Life Insurance Co Limited	57 491 870	(9 576 147)	-	(9 576 147)	-	(9 576 147)	-
Limpopo Agribusiness (SOC) Limited Total	4 032 750	(49 977 119)	-	(49 977 119)	-	(49 977 119)	-
	523 299 549	**(194 275 452)**	**11 145 437**	**(183 130 015)**	**410 000**	**(182 720 015)**	**2 981 290**

9. INVESTMENTS IN SUBSIDIARIES INCLUDING CONSOLIDATED STRUCTURED ENTITIES (CONTINUED)

2020 SUMMARISED STATEMENT OF FINANCIAL POSITION	Non-current assets R	Current assets R	Total assets R	Non-current liabilities R	Current liabilities R	Total liabilities R	Carrying amount of non- controlling interest R
Corridor Mining Resources (SOC) Limited	221 534 774	97 962 346	319 497 120	(87 427 712)	(256 210 723)	(343 638 435)	3 752 586
Great North Transport (SOC) Limited	212 039 620	164 446 415	376 486 035	(258 744 052)	(218 996 069)	(477 740 121)	-
Risima Housing Finance Corporation (SOC) Limited	573 726 614	55 927 458	629 654 072	(84 210 157)	(57 079 509)	(141 289 666)	-
Limpopo Connexion (SOC) Limited	262 863 865	164 752 891	427 616 756	(401 150 363)	(21 002 541)	(422 152 904)	-
Bakgaga Bakone Crossing (SOC) Limited	4 834 000	-	4 834 000	(4 835 853)	-	(4 835 853)	-
Musina-Makhado Special Economic Zone (SOC) Limited	302 119	45 661 441	45 963 560	-	(4 851 718)	(4 851 718)	-
New Era Life Insurance Co Limited	1 638 732	57 704 929	59 343 661	(14 182 825)	(20 345 344)	(34 528 169)	-
Limpopo Agribusiness (SOC) Limited Total	73 920 282	23 978 520	97 898 802	(4 623 451)	(95 161 725)	(99 785 176)	-
	1 350 860 006	**610 434 000**	**1 961 294 006**	**(855 174 413)**	**(673 647 629)**	**(1 528 822 042)**	**3 752 586**

2020 SUMMARISED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	Revenue R	Profit before tax R	Tax expense R	Profit (loss) R	Other comprehensive income R	Total comprehensive income R	Profit (loss) allocated to non-controlling interest R
Corridor Mining Resources (SOC) Limited	376 529 794	(17 354 740)	(2 664 153)	(20 018 893)	-	(20 018 893)	174 341
Great North Transport (SOC) Limited	419 300 636	(61 453 027)	-	(61 453 027)	(1 348 000)	(62 801 027)	-
Risima Housing Finance Corporation (SOC) Limited	59 475 728	38 289 070	-	38 289 070	-	38 289 070	-
Limpopo Connexion (SOC) Limited	115 853	5 957 051	-	5 957 051	-	5 957 051	-
Bakgaga Bakone Crossing (SOC) Limited	-	(2 853)	-	(2 853)	-	(2 853)	-
Musina-Makhado Special Economic Zone (SOC) Limited	-	24 971 591	-	24 971 591	-	24 971 591	-
New Era Life Insurance Co Limited	6 932 995	(6 474 810)	-	(6 474 810)	-	(6 474 810)	-
Limpopo Agribusiness (SOC) Limited Total	6 291 470	(73 237 953)	-	(73 237 953)	-	(73 237 953)	-
	868 646 476	**(89 305 671)**	**(2 664 153)**	**(91 969 824)**	**(1 348 000)**	**(93 317 824)**	**174 341**

10. JOINT ARRANGEMENTS

JOINT VENTURES

UNRECOGNISED LOSSES

The investment is equity accounted for and hence the investment in Rock Island 17 (Pty) Ltd has reduced by the accumulated losses to zero on group level.

11. INVESTMENTS IN ASSOCIATES

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

GROUP Name of company	Held by	% ownership interest 2021	% ownership interest 2020	Carrying amount 2021 R	Carrying amount 2020 R
Vanadium & Magnetite Exploration & Development Co. (SA) (Proprietary) Limited		33.33 %	33.33 %	300 000	300 000
AttaClay (Proprietary) Limited		30.00 %	30.00 %	2 462 260	4 269 843
Makapan Mall (Proprietary) Limited		50.00 %	50.00 %	53 742 273	52 901 199
OK Bazaars Venda Limited		33.33 %	33.33 %	29 346 932	28 247 554
AON Limpopo (Proprietary) Limited		48.48 %	48.48 %	4 642 040	3 306 031
NTK Venda Roller Mills (Proprietary) Limited		36.36 %	36.36 %	531 986	-
				91 025 491	**89 024 627**

COMPANY Name of company	Held by	% ownership interest 2021	% ownership interest 2020	Carrying amount 2021 R	Carrying amount 2020 R
ASA Metals (Proprietary) Limited	Unlisted	40.00 %	40.00 %	13 750 000	13 750 000
AttaClay (Proprietary) Limited	Unlisted	30.00 %	30.00 %	30	30
Makapan Mall (Proprietary) Limited trading as Mokopane Mall	Unlisted	50.00 %	50.00 %	2 250 500	2 250 500
Mahube Mining (Proprietary) Limited	Unlisted	21.00 %	21.00 %	200	200
The New Chuene Resort (Proprietary) Limited	Unlisted	30.00 %	30.00 %	1 000 000	1 000 000
OK Bazaars Venda Limited	Unlisted	33.33 %	33.33 %	951 800	951 800
Rent a sign Lebowa (Proprietary) Limited	Unlisted	50.00 %	50.00 %	500	500
AON Limpopo (Proprietary) Limited	Unlisted	48.48 %	48.48 %	9 914	9 914
NTK Venda Roller Mills (Proprietary) Limited	Unlisted	36.36 %	36.36 %	290 850	290 850
				18 253 794	**18 253 794**
Impairment of investments in associates				(14 750 700)	(14 750 700)
				3 503 094	**3 503 094**

SIGNIFICANT EVENTS REGARDING ASSOCIATES

ASA Metals (Pty) Ltd started with business processes during February 2016. The business process has recently been finalised with LEDA receiving no proceeds from the business rescue process. The Directors of LEDA are in a consultative process to consider writing off the Investment in and loan account to ASA Metals.

11. INVESTMENTS IN ASSOCIATES (CONTINUED)

MATERIAL ASSOCIATES

The following associates are material to the group:

GROUP Name of company	Country of incorporation	Method	% Ownership interest 2021	 2020
AON Limpopo (Proprietary) Limited	South Africa	Equity	48.48 %	48.48 %
Makapan Mall (Proprietary) Limited trading as Mokopane Mall	South Africa	Equity	50.00 %	50.00 %
AttaClay (Proprietary) Limited	South Africa	Equity	30.00 %	30.00 %
OK Bazaars Venda Limited	South Africa	Equity	33.33 %	33.33 %
NTK Venda Roller Mills (Proprietary) Limited	South Africa	Equity	36.36 %	36.36 %
Vanadium & Magnetite Exploration (Proprietary) Limited	South Africa	Equity	33.33 %	33.33 %

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 a 33.33% shares in Vanadium & Magnetite Exploration & Development Co. (SA) (Proprietary) Limited, a company whose main activities include obtaining mining rights and concessions and to explore such grants towards the mining and marketing of mineral products. Negotiations to transfer a percentage of the shareholding to the effected community is in progress. Corridor Mining Resources will then have a remainder of 24.67%.

SUMMARISED FINANCIAL INFORMATION OF MATERIAL ASSOCIATES

2021

SUMMARISED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	Revenue R	Profit (loss) from continuing operations R	Total comprehensive income R
AON Limpopo (Proprietary) Limited	12 540 825	2 755 794	2 755 794
Makapan Mall (Proprietary) Limited trading as Mokopane Mall	14 769 414	8 082 149	8 082 149
AttaClay (Proprietary) Limited	26 867 787	(402 037)	(402 037)
OK Bazaars Venda Limited	170 107 500	11 554 750	11 554 750
NTK Venda Roller Mills (Proprietary) Limited	85 391 528	1 463 109	1 463 109
	309 677 054	**23 453 765**	**23 453 765**

SUMMARISED STATEMENT OF FINANCIAL POSITION	Non-current assets R	Current assets R	Non-current liabilities R	Current liabilities R	Total net assets R
AON Limpopo (Proprietary) Limited	684 150	38 054 585	293 115	27 763 274	10 682 346
Makapan Mall (Proprietary) Limited trading as Mokopane Mall	149 909 864	4 529 530	29 303 697	10 610 962	114 524 735
AttaClay (Proprietary) Limited	590 048	18 349 253	550 354	4 866 876	13 522 071
OK Bazaars Venda Limited	7 586 228	87 447 016	2 101 824	21 462 520	71 468 900
NTK Venda Roller Mills (Proprietary) Limited	7 446 385	12 293 198	906 096	19 172 950	(339 463)
	166 216 675	**160 673 582**	**33 155 086**	**83 876 582**	**209 858 589**

11. INVESTMENTS IN ASSOCIATES (CONTINUED)

RECONCILIATION OF NET ASSETS TO EQUITY ACCOUNTED INVESTMENTS IN ASSOCIATES	Total net assets R	Interest in associate at % ownership R	Investment in associate R
AON Limpopo (Proprietary) Limited	10 682 346	5 178 801	5 178 801
Makapan Mall (Proprietary) Limited trading as Mokopane Mall	114 524 735	57 262 368	57 262 368
AttaClay (Proprietary) Limited	13 522 071	4 056 621	4 056 621
OK Bazaars Venda Limited	71 468 900	23 820 584	23 820 584
NTK Venda Roller Mills (Proprietary) Limited	(339 463)	(123 429)	(123 429)
	209 858 589	**90 194 945**	**90 194 945**

RECONCILIATION OF MOVEMENT IN INVESTMENTS IN ASSOCIATES	Investment at beginning of 2021 R	Share of profit / (loss) R	Dividends received from associates R	Investment at end of 2021 R
AON Limpopo (Proprietary) Limited	3 306 031	1 336 009	-	4 642 040
Makapan Mall (Proprietary) Limited trading as Mokopane Mall	52 901 199	4 041 075	(3 200 000)	53 742 274
AttaClay (Proprietary) Limited	4 269 843	(120 611)	(1 686 971)	2 462 261
OK Bazaars Venda Limited	28 247 554	3 851 198	(2 751 820)	29 346 932
NTK Venda Roller Mills (Proprietary) Limited	-	531 986	-	531 986
Vanadium & Magnetite Exploration (Proprietary) Limited	300 000	-	-	300 000
	89 024 627	**9 639 657**	**(7 638 791)**	**91 025 493**

2020

SUMMARISED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	Revenue R	Profit (loss) from continuing operations R	Total comprehensive income R
AON Limpopo (Proprietary) Limited	11 236 281	2 403 484	2 403 484
Makapan Mall (Proprietary) Limited trading as Mokopane Mall	16 012 932	3 414 108	3 414 108
AttaClay (Proprietary) Limited	22 118 304	1 761 556	1 761 556
OK Bazaars Venda Limited	156 895 750	9 796 000	9 796 000
NTK Venda Roller Mills (Proprietary) Limited	101 412 302	-	-
	307 675 569	**17 375 148**	**17 375 148**

SUMMARISED STATEMENT OF FINANCIAL POSITION	Non-current assets R	Current assets R	Non-current liabilities R	Current liabilities R	Total net assets R
AON Limpopo (Proprietary) Limited	152 273	19 839 700	17 558	11 451 160	8 523 255
Makapan Mall (Proprietary) Limited trading as Mokopane Mall	148 213 716	8 266 302	30 335 522	14 362 471	111 782 025
AttaClay (Proprietary) Limited	797 993	14 216 508	(612 238)	2 473 471	13 153 268
OK Bazaars Venda Limited	7 586 228	87 447 016	2 101 824	21 462 520	71 468 900
NTK Venda Roller Mills (Proprietary) Limited	8 119 298	8 711 815	917 832	17 715 852	(1 802 571)
	164 869 508	**138 481 341**	**32 760 498**	**67 465 474**	**203 124 877**

11. INVESTMENTS IN ASSOCIATES (CONTINUED)

RECONCILIATION OF NET ASSETS TO EQUITY ACCOUNTED INVESTMENTS IN ASSOCIATES	Total net assets R	Interest in associate at % ownership R	Investment in associate R
AON Limpopo (Proprietary) Limited	8 523 255	4 132 074	4 132 074
Makapan Mall (Proprietary) Limited trading as Mokopane Mall	111 782 025	55 891 013	55 891 013
AttaClay (Proprietary) Limited	13 153 268	3 945 980	3 945 980
OK Bazaars Venda Limited	71 468 900	23 820 584	23 820 584
NTK Venda Roller Mills (Proprietary) Limited	(1 802 571)	(655 415)	(655 415)
Vanadium & Magnetite Exploration (Proprietary) Limited	-	-	-
	203 124 877	**87 134 236**	**87 134 236**

RECONCILIATION OF NET ASSETS TO EQUITY ACCOUNTED INVESTMENTS IN ASSOCIATES	Investment at beginning of 2020 R	Share of profit R	Dividends received from associates R	Investment at end of 2020 R
AON Limpopo (Proprietary) Limited	3 352 724	1 165 257	(1 211 950)	3 306 031
Makapan Mall (Proprietary) Limited trading as Mokopane Mall	52 041 899	1 709 300	(850 000)	52 901 199
AttaClay (Proprietary) Limited	4 735 876	528 467	(994 500)	4 269 843
OK Bazaars Venda Limited	27 274 732	4 046 762	(3 073 940)	28 247 554
NTK Venda Roller Mills (Proprietary) Limited	586 871	(586 871)	-	-
Vanadium & Magnetite Exploration (Proprietary) Limited	300 000	-	-	300 000
	88 292 102	**6 862 915**	**(6 130 390)**	**89 024 627**

ASSOCIATES WITH DIFFERENT REPORTING DATES

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 2021 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 March 2021. The adjustments to the year ending 31 March 2021 were not significant to the group.

Associates with different year-ends equity accounted (with consideration to significant transactions) are:

ASA Metals (Proprietary) Limited	31 December 2020
Makapan Mall (Proprietary) Limited	28 February 2021
OK Bazaars Venda Limited	30 June 2020 (All transactions included up until 31 March 2021)
AttaClay (Proprietary) Limited	30 June 2020 (All transactions included up until 31 March 2021)
AON Limpopo (Proprietary) Limited	31 December 2020

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 51 Contingencies for details of contingencies related to associates.

12. LOANS TO GROUP COMPANIES

	GROUP		COMPANY	
	2021 R	2020 R	2021 R	2020 R
SUBSIDIARIES				
Bakgaga Bakone Crossing (SOC) Limited	-	-	2 483 648	2 436 343
Limpopo Connexion (SOC) Limited	-	-	1 546 278	-
Great North Transport (SOC) Limited	-	-	58 286 466	56 524 612
Musina Makhado Special Economic Zone (SOC) Limited	-	-	549 678	-
Limpopo Agribusiness (SOC) Limited	-	-	119 109 048	65 054 069
Risima Housing Finance Corporation (SOC) Limited	-	-	78 417 765	78 401 382
Corridor Mining Resources (SOC) Limited	-	-	196 136 496	185 307 076
New Era Life Insurance Co	-	-	17 873	307 232
Provision for impairment of loans to subsidiaries	-	-	(373 549 884)	(250 661 876)
Total for subsidiaries	**-**	**-**	**82 997 368**	**137 368 838**

Limpopo Economic Development Agency (LEDA) has deferred its right to claim payment of debts owing to it by the subsidiaries until their assets, fairly valued, exceeds their liabilities. Loans to subsidiaries where their liabilities are exceeding their assets, have been subordinated in favour of the other creditors. The Agency also issued letters of financial support to these subsidiaries for them to meet their liabilities as they become due in normal course of business on an ongoing basis.

Limpopo Economic Development Agency (LEDA) has an intention to continue to provide shared service and financial support. The loans bear no interest

These loans are unsecured and have no fixed repayment terms.

Maximum risk exposure: where subsidiaries are unable to pay debts, LEDA will be forced to impair the loans and where the loans become irrecoverable, write off the loans after Board approval is obtained.

Limpopo Economic Development Agency (LEDA) has subordinated the right to claim or accept payment of the loan to them in favour of other creditors until the assets of Great North Transport (SOC) Ltd, Corridor Mining Resources (SOC) Ltd and Limpopo Agribusiness (SOC) fairly valued, exceeds it's liabilities. The subordination agreements were signed subsequent to year-end.

JOINT VENTURES

Rock Island Trading 17 (Proprietary) Limited	-	26 582 907	-	-

The loan is unsecured, has no fixed terms of repayment and is by intent of a long term nature and bears interest at prime plus 1%.

ASSOCIATES

Vanadium & Magnetite Exploration & Development Co. (SA) (Proprietary) Limited	-	9 702 333	-	-
ASA Metals (Proprietary) Limited	114 695 897	114 695 897	114 695 897	114 695 897
Rent-a-sign Lebowa (Proprietary) Limited	1 635 082	1 633 974	1 635 082	1 633 974
Mahube Mining (Proprietary) Limited	67 222 689	67 222 689	67 222 689	67 222 689
Provision for impairment of loans to associates	(183 553 668)	(183 552 560)	(183 553 668)	(183 552 560)
Total for associates	**-**	**9 702 333**	**-**	**-**
Group total for loans to group companies	**-**	**36 285 240**	**82 997 368**	**137 368 838**

12. LOANS TO GROUP COMPANIES (CONTINUED)

	GROUP		COMPANY	
	2021 R	2020 R	2021 R	2020 R

ASA METALS (PTY) LTD

Except for the loans below the above loans bear no interest. No securities are in place for the loans and no fixed terms of repayment have been negotiated:

- Mahube Mining (Proprietary) Limited which carries interest at prime less 0.5%.

GRAND TOTAL FOR LOANS TO GROUP COMPANIES

CURRENT ASSETS

	Group 2021 R	Group 2020 R	Company 2021 R	Company 2020 R
Loans to group companies	183 553 668	219 837 800	640 100 920	571 583 274
Provision for impairment	(183 553 668)	(183 552 560)	(557 103 552)	(434 214 436)
	-	**36 285 240**	**82 997 368**	**137 368 838**

LOANS TO GROUP COMPANIES IMPAIRED

As at 31 March 2021, the loans to subsidiaries and associates of R557 103 552 (2020: R434 214 436) were impaired in the Company and R183 553 668 (2020: R183 552 560) in the Group.

ASSUMPTIONS USED IN IMPAIRMENT LOANS TO GROUP COMPANIES

The Company measures the loss allowances for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on the financial instrument has increased significantly since the initial recognition.

The Company measures the expected credit losses of the inter-group loans in a way that reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes,
- The time value of money, and
- Reasonable and supportive information that is available without undue cost or effort at the reporting date about passed events, current conditions and forecasts of future economic conditions.

In calculating the expected credit losses for the individual inter-group loans trends and ratios were also taken into consideration:

- Current liquidity and solvency ratios per latest annual financial statements and current financial management reporting information,
- Future cash flow and financial operational forecasts,
- Past history on the financial performance of the entities,
- Past loan re-payment history,
- Recoverability of balances that are long overdue,
- Past history in respect of calculation of expected credit losses.

In the evaluation process for possible impairment of inter group loan accounts the evaluations are performed per entity.

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.

RECONCILIATION OF LOSS ALLOWANCES

FAIR VALUE OF GROUP LOANS RECEIVABLE

The fair value of group loans receivable approximates their carrying amounts.

13. LOANS TO SHAREHOLDERS

	GROUP		COMPANY	
	2021 R	2020 R	2021 R	2020 R
Calipso Motlhwa Mining (Pty) Ltd	1 500 000	1 500 000	-	-

The loan bears no interest and has no fixed repayment terms and is by intent of a long term nature.

SPLIT BETWEEN NON-CURRENT AND CURRENT PORTIONS

Current assets	1 500 000	1 500 000	-	-

FAIR VALUE OF LOANS TO SHAREHOLDERS

The fair value of loans to shareholders approximates their carrying amounts.

14. OTHER FINANCIAL ASSETS

Designated as FV through profit / (loss)	52 948 838	88 987 067	99 546	22 099 546
At amortised cost	785 093 519	807 194 953	176 473 980	191 768 159
Credit losses or allowances	(141 528 267)	(142 322 120)	(133 935 736)	(137 274 354)
Other investments - INCA Mining	453 632	379 520	-	-
	696 967 722	**754 239 420**	**42 637 790**	**76 593 351**

NON-CURRENT ASSETS

Designated as at FV through profit (loss) (FV through income)	7 916 995	34 613 705	-	22 000 000
At amortised cost	552 817 818	625 782 238	31 597 005	52 389 077
Other investment - INCA Mining	453 632	379 521	-	-
	561 188 445	**660 775 464**	**31 597 005**	**74 389 077**

CURRENT ASSETS

Designated as at FV through profit (loss) (FV through income)	44 932 297	54 273 815	-	-
At amortised cost	90 846 980	39 190 141	11 040 785	2 204 274
	135 779 277	**93 463 956**	**11 040 785**	**2 204 274**
	696 967 722	**754 239 420**	**42 637 790**	**76 593 351**

FAIR VALUE INFORMATION

Financial assets at fair value through profit or loss are recognised at fair value, which is therefore equal to their carrying amounts.

14. OTHER FINANCIAL ASSETS (CONTINUED)

	GROUP		COMPANY	
	2021 R	2020 R	2021 R	2020 R
FAIR VALUES OF OTHER FINANCIAL ASSETS				
Financial Assets at amortised cost - loans and receivables	694 246 539	768 004 812	165 433 195	189 563 885
Credit losses or allowances	(141 428 721)	(142 222 574)	(133 836 190)	(137 174 808)
Subtotal	**552 817 818**	**625 782 238**	**31 597 005**	**52 389 077**
Other financial assets INCA Mining	453 632	379 521		-
	553 271 450	**626 161 759**	**31 597 005**	**52 389 077**
Financial assets at fair value through profit or loss	8 016 541	34 713 251	99 546	22 099 546
Credit Loss Allowance	(99 546)	(99 546)	(99 456)	(99 456)
Sub-total	**7 916 995**	**34 613 705**	**-**	**-**
	561 188 445	**660 775 464**	**31 597 005**	**74 389 077**

CURRENT PORTION

	GROUP 2021 R	GROUP 2020 R	COMPANY 2021 R	COMPANY 2020 R
Financial assets at amortised costs - current portion	44 932 297	54 273 815	11 040 785	2 204 274
Financial assets at fair value - current portion	90 846 980	39 190 141	-	-
	696 967 722	**754 239 420**	**42 637 790**	**76 539 351**

OTHER FINANCIAL ASSETS IMPAIRED

As of 31 March 2021, loans and receivables of R141 528 267 (2020: R142 322 120) for the Group were impaired and provided for.

RECONCILIATION OF PROVISION FOR IMPAIRMENT OF OTHER FINANCIAL ASSETS

CREDIT LOSS ALLOWANCES

	GROUP 2021 R	GROUP 2020 R	COMPANY 2021 R	COMPANY 2020 R
Opening balance	(142 322 120)	(25 942 911)	(137 274 354)	(22 936 256)
Provision for impairment - decrease / (increase)	793 853	(116 379 209)	3 338 618	(114 338 098)
	(141 528 267)	**(142 322 120)**	**(133 935 736)**	**(137 274 354)**

GROUP

AGENCY

EDFU LOANS

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:

LIFETIME PD BAND AT INITIAL RECOGNITION	INCREASE IN LIFETIME	PD AT REPORTING DATE WHICH IS CONSIDERED SIGNIFICANT
EDFU Loans	20%	10 Basis Points

14. OTHER FINANCIAL ASSETS (CONTINUED)

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.

EXPECTED CREDIT LOSSES

Expected credit losses are calculated using the following model ECL = EAD × LGD × 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.

	PROBABILITY	RECOVERY RATE
Scenario 1	0.80	0.90
Scenario 2	0.20	0.67

STAGES IN TERMS OF IFRS 9

Under the General Approach, at each reporting date, entities are required to determine whether there has been a Significant Increase in Credit Risk (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.

14. OTHER FINANCIAL ASSETS (CONTINUED)

	GROUP		COMPANY	
	2021 R	2020 R	2021 R	2020 R

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.

	Group 2021 R	Group 2020 R	Company 2021 R	Company 2020 R
LEVEL 1				
Product A	-	-	-	-
LEVEL 2				
Product A	4 269 774	10 065 062	4 269 774	10 065 062
LEVEL 3				
Product A	112 113 069	106 474 648	112 113 069	106 474 648

RISIMA HOUSING FINANCE CORPORATION

REPOSSESSED PROPERTIES

Properties held for sale comprise two vacant stands that have been acquired as a result of repossession on default repayments of debt. Properties are sold on an open and active market as soon as there is a willing buyer. The amount includes the two vacant stands with a current land claim against the land. The outcome of the claim is yet to be finalised. The valuation of properties were carried out in 2019 financial year and are valid for the next 5 years: 2021: R312 772 (2020: R312 772).

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:

RETAIL MORTGAGE LOANS

LIFETIME PD BAND AT INITIAL RECOGNITION	INCREASE IN LIFETIME	PD AT REPORTING DATE WHICH IS CONSIDERED SIGNIFICANT
Product A	5%	4 Basis Points
Product B	1%	2 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

14. OTHER FINANCIAL ASSETS (CONTINUED)

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.

EXPECTED CREDIT LOSSES

Expected credit losses are calculated using the following model ECL = EAD × LGD × 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 entity also considered the impact of the Covid 19 pandemic on possible potential outcomes. The national lockdown commenced on 26 March 2020 (in effect for more than a year) and the effects of the lockdown on the economy and debtors is now history as it is reflected in the level of arrears already reported at year-end. South Africa's economy is expected to rebound in 2021 and 2022 after the dire impact of COVID-19. The sharp contraction in 2020, due to enforced shutdowns and the resulting lack of economic activity, resulted in a high expected growth rate of 3.3% in 2021 due, in part, to base effects (growing from a lower base). The entity also took into account the substantial interest rate decreases that have been implemented since the previous year.

The prime lending rate decreased from 8.75% in the prior year to 7.00% at year-end and remained at 7.00% after year-end. The decrease of 1.75% (at year-end) in the prime lending rate has reduced instalments on loans and has improved the ability of borrowers to pay. The expected growth rate of at least 3% and the reduced interest rates supports a reduction in the probability rate for scenario 1 of between 3 and 4 basis points. The impact of the third wave of COVID-19 is however not known and it was therefore resolved to keep the probability unchanged for the current year due to the unknown impact of the third wave on the projected economic recovery.

	PROBABILITY	RECOVERY RATE
Scenario 1	0,75	0,8
Scenario 2	0,25	0,6

STAGES IN TERMS OF IFRS 9

Under the General Approach, at each reporting date, entities are required to determine whether there has been a Significant Increase in Credit Risk (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).

14. OTHER FINANCIAL ASSETS (CONTINUED)

	GROUP		COMPANY	
	2021 R	2020 R	2021 R	2020 R

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.

LEVEL 1

Product A	1 149 014	1 197 774	-	-
Product B	8 568	44 581	-	-

LEVEL 2

Product A	218 761	63 815	-	-
Product B	25 269	8 313	-	-

LEVEL 3

Product A	6 112 161	3 733 283	-	-
Product B	78 756	-	-	-

LOANS AND RECEIVABLES IMPAIRED

As of 31 March 2021, loans and receivables of R 598 345 811 (2020: R 607 719 324) were accounted for. The amount of the provision was R 7 592 531 as of 31 March 2021 (2020: R 5 047 766).

The ageing of these loans is as follows:

3 to 6 months	40 313 766	18 426 254	-	-
Over 6 months	568 169 340	594 341 836	-	-
Impaired	(7 592 531)	(5 047 766)	-	-

15. OPERATING LEASE ASSET (ACCRUAL)

Current liabilities	(2 425)	(2 425)	-	-

16. RETIREMENT BENEFIT OBLIGATION

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.

The estimate cost of post-employment benefit accruing over the year following the valuation date of 31 March 2021 is R0 in respect of service cost and interest cost respectively. The expected future payments for the next financial year is R1 742 000.

At this stage there are no planned amendments, curtailments and settlements to the plan.

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.

HEALTH CARE 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.

16. RETIREMENT BENEFIT OBLIGATION (CONTINUED)

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 2021, at the appropriate term. The discount rate that was used is 9.10% which is taken from the South African government zero coupon bond yield curve as at 31 March 2021.

The health cost inflation of 7,65% per annum implies that a real discount rate of 1.35% 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.

16. RETIREMENT BENEFIT OBLIGATION (CONTINUED)

	GROUP		COMPANY	
	2021 R	2020 R	2021 R	2020 R

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.

CARRYING VALUE

	Group 2021 R	Group 2020 R	Company 2021 R	Company 2020 R
Non-current liabilities	(27 765 839)	(27 405 839)	(14 842 000)	(14 273 000)
Current liabilities	(3 371 000)	(3 493 000)	(1 747 000)	(1 742 000)
	(31 136 839)	**(30 898 839)**	**(16 589 000)**	**(16 015 000)**

MOVEMENTS FOR THE YEAR

	Group 2021 R	Group 2020 R	Company 2021 R	Company 2020 R
Opening balance	30 898 839	31 931 839	16 015 000	15 536 000
Contributions by members	(3 493 000)	(3 300 000)	(1 742 000)	(1 541 000)
Net expense recognised in profit or loss	3 731 000	2 267 000	2 316 000	2 020 000
	31 136 839	**30 898 839**	**16 589 000**	**16 015 000**

NET EXPENSE RECOGNISED IN PROFIT OR LOSS

	Group 2021 R	Group 2020 R	Company 2021 R	Company 2020 R
Interest cost	3 089 000	2 703 000	1 606 000	1 319 000
Actuarial gains (losses)	642 000	(436 000)	710 000	701 000
	3 731 000	**2 267 000**	**2 316 000**	**2 020 000**

KEY ASSUMPTIONS USED

	GROUP		COMPANY	
Assumptions used on the last valuation:	2021	2020	2021	2020
Subsidised weighted average age	60	65	60	65
Discount rates used	9.10 %	10.60 %	9.10 %	10.60 %
Health care cost of inflation	7.65 %	7.57 %	7.65 %	7.57 %

ACCRUED CONTRACTUAL LIABILITY

The contractual liability (contributions liability) is the present value of the employer’s share of the total expected future post-employment 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 2021 the implied consumer price inflation rate amounted to 5.65% 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 members eligible for post employment health care subsidation, therefore pre-retirement mortality is not applicable.

17. DEFERRED TAX

	GROUP		COMPANY	
	2021 R	2020 R	2021 R	2020 R
DEFERRED TAX LIABILITY				
Property plant and equipment	1 194 752	(9 950 685)	-	-

The deferred tax assets and the deferred tax liability relate to income tax in the same jurisdiction, and the law allows net settlement. Therefore, they have been offset in the statement of financial position as follows:

Deferred tax liability	1 194 752	(9 950 685)	-	-

RECONCILIATION OF DEFERRED TAX ASSET / (LIABILITY)

At beginning of year	(9 950 685)	(6 934 785)	-	-
Taxable / (deductible) temporary difference movement on tangible fixed assets	11 145 437	(3 015 900)	-	-
	1 194 752	**(9 950 685)**	**-**	**-**

18. PREPAYMENTS

The balance for prepaid expenses relates to payments made for bus licences and subscription services.

Current assets	4 576 140	4 380 786	-	-

19. ENVIRONMENTAL REHABILITATION DEPOSIT

The environmental rehabilitation deposits comprise of the following components:

1) All entities listed below, with the exception of Sefateng Chrome Mine, have paid a cash deposit to the Department of Mineral Resources as guarantee for future rehabilitation activities on the prospecting areas and / or mining permit areas.
2) Sefateng Chrome Mine has invested funds at Lombard Insurance Company with a current value as indicated below and has ceded this guarantee to the Department of Mineral Resources as security for future rehabilitation activities over the whole mining right area.

Fumani Green Stone	1 958 904	1 958 904	-	-
Khumong Chrome mine	70 000	70 000	-	-
Tshepong Chrome mine	12 060	12 060	-	-
Sefateng Chrome mine	24 982 275	29 543 823	-	-
	27 023 239	**31 584 787**	**-**	**-**

20. INVENTORIES

Stationery and consumables	11 670 109	16 501 063	615 996	750 410
Production supplies	1 860 440	2 474 601	-	-
Inventories other	1 086 271	484 500	-	-
Diesel	2 084	401 569	-	-
Agricultural produce - pepper stock	2 535	-	-	-
	14 621 439	**19 861 733**	**615 996**	**750 410**

INVENTORY RECONCILIATION

Opening balance	19 861 733	35 675 635	750 410	815 814
Net: purchases / issues	(5 240 294)	(15 813 902)	(134 414)	(65 404)
Closing balance	**14 621 439**	**19 861 733**	**615 996**	**750 410**

INVENTORY PLEDGED AS SECURITY

The group has no external liabilities and no inventory serves as security for any liabilities.

21. TRADE AND OTHER RECEIVABLES

	GROUP		COMPANY	
	2021 R	2020 R	2021 R	2020 R
FINANCIAL INSTRUMENTS				
Trade receivables - other	279 929 100	242 376 782	256 225 733	226 567 994
Rental debtors	872 061	912 690	-	-
Deposits	2 681 481	2 526 698	825 366	763 293
Trade receivables - Student debtors	8 618 434	8 450 589	4 560 822	3 821 121
Other receivables	(412 598)	28 341 258	5 212 217	10 581 922
Provision for bad debt	(214 889 495)	(182 423 643)	(208 663 955)	(176 848 114)
NON-FINANCIAL INSTRUMENTS				
VAT	48 931 448	16 340 653	-	-
Grants receivable	22 436 246	20 499 934	-	-
Prepayments	170 436	170 436	-	-
Total trade and other receivables	**148 337 113**	**137 195 397**	**58 160 183**	**64 886 216**

SPLIT BETWEEN NON-CURRENT AND CURRENT PORTIONS

Current assets	148 337 113	137 195 397	58 160 183	64 886 216

FINANCIAL INSTRUMENT AND NON-FINANCIAL INSTRUMENT COMPONENTS OF TRADE AND OTHER RECEIVABLES

At amortised cost	76 798 998	100 184 374	58 160 183	64 886 216
Non-financial instruments	71 538 130	37 011 023	-	-
	148 337 128	**137 195 397**	**58 160 183**	**64 886 216**

EXPOSURE TO CREDIT RISK

Trade receivables inherently expose the group to credit risk, being the risk that the group will incur financial loss if customers fail to make payments as they fall due.

The group's historical credit loss experience does not show significantly different loss patterns for different customer segments. The provision for credit losses is therefore based on past due status without disaggregating into further risk profiles.

RECONCILIATION OF LOSS ALLOWANCES

The following table shows the movement in the loss allowance (lifetime expected credit losses) for lease receivables:

Opening balance in accordance with IFRS 9	182 423 643	111 722 474	176 848 114	105 730 339
Provision raised on new trade receivables	32 465 852	70 701 169	31 815 841	71 117 775
Closing balance	**214 889 495**	**182 423 643**	**208 663 955**	**176 848 114**

CONTRACT RECEIVABLES (STUDENT DEBT)

Total outstanding student debt at the end of the financial year amounted to R 4 560 822 (2020: R 3 821 121).The impairment on student debt is included in the total impairment balance above and amounts to R 3 834 653 (2020: R 3 695 368).

21. TRADE AND OTHER RECEIVABLES (CONTINUED)

Impairment provided for in the current year amounted to R (139 285) , (2020: R 2 468 552) and was allocated to the statement of financial performance as part of the impairment total. The biggest portion of the balances impaired are overdue for longer than 120 days. LEDA Agency has subsequently implemented credit control measures that require that students must first settle student fees outstanding before any certificates will be issued or before they can register for the next course.

The student loans are interest free and therefore not affected by possible interest rate risks.

FAIR VALUE OF TRADE AND OTHER RECEIVABLES

The fair value of trade and other receivables approximates their carrying amounts.

ASSUMPTIONS USED IN IMPAIRMENTS

STUDENT DEBTORS

The Company measures the loss allowances for a financial instrument (student debtors) at an amount equal to the lifetime expected credit losses if the credit risk on the financial instrument has increased significantly since the initial recognition.

The Company measures the expected credit losses of the student debtors in a way that reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes,
- The time value of money, and
- Reasonable and supportive information that is available without undue cost or effort at the reporting date about passed events, current conditions and forecasts of future economic conditions.

In calculating the expected credit losses for student debtors the alternative method was followed and the following trend and rations were also taken into consideration:

- Payment history per ageing reports per group and individual debtors,
- Recoverability of balances that are long overdue,
- Past history in respect of calculation of expected credit losses.

History shows that on average, for the past three years, 92% of new loans granted are paid. Therefore only 5% of the current balances are provided as expected credit losses. The risk of non-recoverability therefore lies in accounts in arrears after the current ageing period. Based on the above and taking into consideration past history all balances in arrears for 30 days and over are deemed as high risk and are therefore provided in full as expected credit losses.

RENTAL DEBTORS

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.

21. TRADE AND OTHER RECEIVABLES (CONTINUED)

QUALITATIVE CRITERIA

For loan 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.

EXPECTED CREDIT LOSSES

Expected credit losses are calculated using the simplified approach of provision matrix, where :

- The contractual cash flows that are due to an entity under the contract
- Probability of default
- Present value of the net of cash flows due and the 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.

STAGES IN TERMS OF IFRS 9

Under the Simplified approach, at each reporting date, entities are required to determine whether there has been a Significant Increase in Credit Risk (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.

21. TRADE AND OTHER RECEIVABLES (CONTINUED)

	GROUP		COMPANY	
	2021 R	2020 R	2021 R	2020 R
LEVEL 1				
Product A	-	-	-	-
LEVEL 2				
Product A	9 446 809	28 601 886	9 446 809	28 601 886
LEVEL 3				
Product A	200 670 925	187 861 346	200 670 925	187 861 346

22. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of:				
Cash on hand	7 986	49 025	2 810	34 001
Bank balances	65 523 896	112 773 108	8 288 307	30 187 006
Short-term deposits	140 101 854	251 349 943	29 813 322	102 216 300
Other cash and cash equivalents	24 321 222	11 307 302	-	-
	229 954 958	**375 479 378**	**38 104 439**	**132 437 307**

ABSA account number 6900642659 with a balance of R 553 161 (2020: R 553 161) serves as security for Eskom guarantee. This balance is included in the total of bank balance above.

23. SHARE CAPITAL

AUTHORISED				
409 216 005 Ordinary shares of R1 each	409 216 005	409 216 005	409 216 005	409 216 005
ISSUED				
Ordinary shares	409 216 005	409 216 005	409 216 005	409 216 005

24. LOANS FROM GROUP COMPANIES

SUBSIDIARIES				
Limpopo Connexion (SOC) Limited	-	-	-	5 883 112
Musina-Makhado SEZ (SOC) Limited	-	-	-	7 686 359
	-	**-**	**-**	**13 569 471**

SPLIT BETWEEN NON-CURRENT AND CURRENT PORTIONS

Non-current liabilities	-	-	-	-
Current liabilities	-	-	-	13 569 471
	-	**-**	**-**	**13 569 471**

Limpopo Economic Development Agency (LEDA) has deferred its right to claim payment of debts owing to it by the subsidiaries until their assets, fairly valued, exceeds their liabilities. Loans to subsidiaries where their liabilities are exceeding their assets, have been subordinated in favour of the other creditors. The Agency also issued letters of financial support to these subsidiaries for them to meet their liabilities as they become due in normal course of business on an ongoing basis.

FAIR VALUE OF GROUP LOANS PAYABLE

The fair value of group loans payable approximates their carrying amounts.

25. LOANS FROM SHAREHOLDERS

	GROUP		COMPANY	
	2021 R	2020 R	2021 R	2020 R
BEE Partners	38 003 998	38 003 998	-	-
Bakgaga Bakone (SOC) Ltd.	2 399 502	2 399 502	-	-
	40 403 500	**40 403 500**	**-**	**-**

SPLIT BETWEEN NON-CURRENT AND CURRENT PORTIONS

Non-current liabilities	2 399 502	2 399 502	-	-
Current liabilities	38 003 998	38 003 998	-	-
	40 403 500	**40 403 500**	**-**	**-**

Bolepu Holdings (Proprietary) Limited is a minority shareholder of Sefateng Chrome Mine (Proprietary) Limited, a subsidiary of Corridor Mining Resources (Proprietary) Limited and a sub-subsidiary of the Agency. The loan to Batho Panda Mining and Trading CC is to a minority shareholder of Bakgaga Bakone Crossing (SOC) Limited, a subsidiary of Limpopo Economic Development.

The loans bear no interest and have no fixed repayment terms and are by intent of a long term nature.

26. INSURANCE CONTRACTS

Insurance contracts	16 285 889	17 252 413	-	-

SPLIT BETWEEN NON-CURRENT AND CURRENT PORTIONS

Non-current policyholder liabilities	6 714 340	6 864 275	-	-
Current policyholder liabilities	9 571 549	10 388 138	-	-
	16 285 889	**17 252 413**	**-**	**-**

INSURANCE CONTRACTS

Policy holder liabilities for insurance contracts	12 925 682	14 933 515	-	-
Outstanding claims	3 360 207	2 318 898	-	-
	16 285 889	**17 252 413**	**-**	**-**

THE MOVEMENT IN THE POLICY HOLDER LIABILITIES FOR INSURANCE CONTRACTS DURING THE YEAR IS AS FOLLOWS:

Balance at the beginning of the year	14 933 515	15 744 577	-	-
Transfer to/from profit or loss	(2 007 834)	(811 062)	-	-
	12 925 681	**14 933 515**	**-**	**-**

RECONCILIATION OF TRANSFER TO/FROM PROFIT OR LOSS:

Movement in the policy holder liabilities for insurance contracts	(2 007 834)	(811 062)	-	-
Movement in the reinsurance asset	18 744	(61 276)	-	-
	(1 989 090)	**(872 338)**	**-**	**-**

THE MOVEMENT IN OUTSTANDING CLAIMS DURING THE YEAR IS AS FOLLOWS:

Balance at the beginning of the year	2 318 898	2 257 134	-	-
Current year claims intimated	18 744	(61 764)	-	-
	2 337 642	**2 195 370**	**-**	**-**

26. INSURANCE CONTRACTS (CONTINUED)

	GROUP		COMPANY	
	2021 R	2020 R	2021 R	2020 R
NET POLICY HOLDER LIABILITIES FOR INSURANCE CONTRACTS:				
Policy holder liabilities for insurance contracts	12 925 681	14 933 515	-	-
Reinsurer's share of policy holder liabilities for insurance contracts	(357 532)	(376 276)	-	-
	12 568 149	**14 557 239**	**-**	**-**
THE NET POLICY HOLDER LIABILITIES FOR INSURANCE CONTRACTS ARE SPLIT BETWEEN DISCOUNTED AND UNDISCOUNTED LIABILITIES AS FOLLOWS:				
Discounted liabilities	7 517 010	8 706 918	-	-
Undiscounted liabilities	5 051 139	5 850 321	-	-
	12 568 149	**14 557 239**	**-**	**-**

At each reporting date, the adequacy of the insurance 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.

The compulsory margins used for the discounted policy holder liabilities were as follows:

ASSUMPTION	MARGINS	
Investment return	0.25 %	Increase / decrease *
Mortality	7.50 %	Increase
Expenses	10.00 %	Increase
Expenses inflation	10.00 %	Increase
Lapses (where relevant)	25.00 %	Increase / decrease *
Surrenders (where relevant)	10.00 %	Increase / decrease *

* Depending on which change increases the liability.

27. INVESTMENTS CONTRACTS

	GROUP 2021 R	GROUP 2020 R	COMPANY 2021 R	COMPANY 2020 R
Investments contracts	6 125 197	5 993 562	-	-

The fair value of the liabilities is set equal to the accumulated fair value of the underlying assets which are classified as level 2 fair value assets.

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.

	GROUP 2021 R	GROUP 2020 R	COMPANY 2021 R	COMPANY 2020 R
Opening Balance	5 993 561	5 855 424	-	-
Proceeds on investment contracts	9 148	7 544	-	-
Investment returns	122 487	130 593	-	-
	6 125 196	**5 993 561**	**-**	**-**

	GROUP		COMPANY	
27. INVESTMENT CONTRACTS (CONTINUED)	**2021 R**	**2020 R**	**2021 R**	**2020 R**

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:

SPLIT BETWEEN NON-CURRENT AND CURRENT PORTIONS				
Benefits expected to be paid after 12 months	6 125 197	5 993 562	-	-
Benefits expected to be paid within 12 months	-	-	-	-

FAIR VALUE DISCLOSURES

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.

28. PROVISIONS

RECONCILIATION OF PROVISIONS - GROUP - 2021	Opening balance R	Additions R	Utilised during the year R	Total R
Environmental rehabilitation	77 477 027	16 711 453	(9 859 352)	84 329 128
Long service awards	595 629	1 743 168	(550 055)	1 788 742
Incentive bonus	2 120 707	2 408 729	(2 210 021)	2 319 415
	80 193 363	**20 863 350**	**(12 619 428)**	**88 437 285**

RECONCILIATION OF PROVISIONS - GROUP - 2020

	Opening balance R	Additions R	Reversed during the year R	Utilised during the year R	Total R
Environmental rehabilitation	61 747 439	15 729 588	-	-	77 477 027
Long service awards	326 000	269 629	-	-	595 629
Incentive bonus provision	9 720 055	2 143 497	(5 752 721)	(3 990 124)	2 120 707
	71 793 494	**18 142 714**	**(5 752 721)**	**(3 990 124)**	**80 193 363**

RECONCILIATION OF PROVISIONS - COMPANY - 2021	Opening balance R	Reversed during the year R	Paid during the year R	Total R
Incentive bonus	18 282 274	(16 185 756)	(2 096 518)	-

Non-current liabilities	84 329 128	77 477 027	-	-
Current liabilities	4 108 157	2 716 336	-	-
	88 437 285	**80 193 363**	**-**	**-**

LEDA group policy is to pay all full-time employees after a number of years continuous unbroken service. The amount payable is determined and approved by the Board.

LEDA Group has a performance management system in place. The Policy regulates both the performance employee and the entity. The policy is approved by the Board .

28. PROVISIONS (CONTINUED)

CORRIDOR MINING RESOURCES

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 remain 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 an external independent expert – Gudani Consulting Environmental and Social Scientist represented by Mr. Setenane Nkopane (Pr.Sci.Nat). 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.

The environmental rehabilitation provision is raised on the estimated future discounted cash flow value of rehabilitating the full mining for the sub-subsidiaries of LEDA held by Corridor Mining Resources (SOC) Limited.

The provision for legal proceedings are claims provided for, as a reliable estimate regarding the cost can be determined, but where the timing of the outflow is still pending the court case finalisation.

Long service awards are valued at a discounted cash flow basis by external valuators and the assumptions used are based on a discount rate of 9,18% (2020: 10,73%) and a retirement age of 65, and are based on the Long service awards as per the human resources policies of the Group and Agency respectively.

A provision for incentive bonuses is calculated annually based on short term employee benefits which are based on the performance contract of individual employees entered into with the Agency and Group.

The Board took a decision during the year to not continue paying the incentive bonus and to replace it with the 13th Cheque bonus.

29. OTHER LIABILITY

	GROUP		COMPANY	
	2021 R	2020 R	2021 R	2020 R
MICT SETA	1 807 411	1 807 411	-	-
SPLIT BETWEEN NON-CURRENT AND CURRENT PORTIONS				
Current liabilities	1 807 411	1 807 411	-	-

30. RURAL HOUSING LOAN FINANCE FUND (RHLF)

	GROUP		COMPANY	
	2021 R	2020 R	2021 R	2020 R

Risima Housing Finance corporation (SOC) Limited received a loan of R 50 000 000 from Rural Housing Loan Finance (RHLF) towards the end of March 2018.

Interest is payable monthly in arrears on the amount outstanding from time to time on an interest rate of prime minus 1.5%, compounded monthly. Repayment of capital shall commence 6 months after the advance date, thereafter amortised in instalments over a period of 54 months.

Risima Housing Finance Corporation (SOC) Limited has been appointed to administer and implement Finance Linked Individual Subsidy Program (FLISP) by COGHSTA up to 2021.

	Group 2021 R	Group 2020 R	Company 2021 R	Company 2020 R
RHLF fund - liability	20 787 841	33 233 120	-	-
Non-current liabilities	5 926 502	20 702 446	-	-
Current liabilities	14 861 339	12 530 674	-	-
	20 787 841	**33 233 120**	**-**	**-**

31. FLISP FUND (FINANCE LINKED INDIVIDUAL SUBSIDY PROGRAMME)

Risima Housing Finance Corporation (SOC) Limited has been appointed to administer and implement Finance Linked Individual Subsidy Programme (FLISP) by COGHSTA up to 2021 amounting to R 17 945 876 (2020: R 20 446 743).

32. BORROWINGS

HELD AT AMORTISED COST

	Group 2021 R	Group 2020 R	Company 2021 R	Company 2020 R
Development facility	299 294 385	-	-	-

SEFATENG CHROME MINE (PTY) LTD (EXEMPT FROM PFMA)

The Development Facility Agreement ("Facility") was entered into on the 16 March 2021 between The Company and Sefateng Chrome Valley Development Pty Ltd ("SCVD") for the development of the mine. The Facility is denominated in South African Rands. The Facility is partially secured by pledge of shares, bears interest of Prime Rate plus 1% and shall be repaid by way of repayment equal to ZAR511/Tonne of product delivered to SCVD under and in terms of the off-take agreement. SCVD has also undertaken to provide continued financial support to the Company to enable it to fulfil its obligations as they fall due.

33. TRADE AND OTHER PAYABLES

	GROUP		COMPANY	
	2021 R	2020 R	2021 R	2020 R
FINANCIAL INSTRUMENTS:				
Trade payables	115 719 055	96 587 394	51 714 060	31 678 990
Grants payable to subsidiaries	-	-	461 347	74 161 676
Unknown deposits	90 493 636	56 836 865	3 485 997	5 926 975
Annual bonus - 13th cheque	10 860 509	30 493 526	-	13 707 849
Accrued leave pay	57 545 134	38 521 623	12 958 581	9 853 690
Accrued bonus	2 942 402	3 236 810	2 942 402	2 496 334
Accruals	24 517 594	13 897 735	4 620 309	3 617 838
Other payables	10 149 863	10 209 749	7 949 863	7 155 120
Incentive bonusses	749 082	152 792	-	-
Deposits received	18 108 555	17 969 995	16 431 803	15 526 442
Other payables	6 554 281	6 299 823	1 612 186	3 240 295
NON-FINANCIAL INSTRUMENTS:				
Amounts received in advance	10 054 372	10 000 000	-	-
Refund liability	5 051 284	5 051 284	-	-
VAT	46 826 686	44 847 180	44 294 779	43 232 558
	399 572 453	**334 104 776**	**146 471 327**	**210 597 767**

FINANCIAL INSTRUMENT AND NON-FINANCIAL INSTRUMENT COMPONENTS OF TRADE AND OTHER PAYABLES

At amortised cost	337 640 111	274 206 312	102 176 548	167 365 209
Non-financial instruments	61 932 342	59 898 464	44 294 779	43 232 558
	399 572 453	**334 104 776**	**146 471 327**	**210 597 767**

EXPOSURE TO CURRENCY RISK

Refer to note 56 Financial instruments and financial risk management for details of currency risk management for trade payables.

EXPOSURE TO LIQUIDITY RISK

Refer to note 56 Financial instruments and financial risk management for details of liquidity risk exposure and management.

EXPOSURE TO INTEREST RATE RISK

Refer to note 56 Financial instruments and financial risk management for details of interest rate risk management for trade and other payables.

FAIR VALUE OF TRADE AND OTHER PAYABLES

The fair value of trade and other payables approximates their carrying amounts.

AGENCY

The amount disclosed as grants payable to subsidiaries amounting to 2021: R 461 347 (2020: R 74 161 676) represents grants received that have not been paid over to Great North Transport 2021: R 461 347 (2020: R 48 361 676) and Limpopo Connection 2021:R - (2020: R 25 800 000).

34. EMPLOYEE BENEFITS

	GROUP 2021 R	GROUP 2020 R	COMPANY 2021 R	COMPANY 2020 R
SUMMARY OF LONG SERVICE AWARDS				
Long service award	6 436 001	5 897 000	1 204 000	1 153 000
MOVEMENT FOR THE YEAR				
Opening balance	5 897 000	6 281 500	1 153 000	1 322 000
Net expense recognised in profit or loss	539 001	(384 500)	51 000	(169 000)
	6 436 001	**5 897 000**	**1 204 000**	**1 153 000**
SPLIT BETWEEN NON-CURRENT AND CURRENT PORTIONS				
Non-current liabilities	4 944 000	4 625 000	882 000	881 000
Current liabilities	1 492 001	1 272 000	322 000	272 000
	6 436 001	**5 897 000**	**1 204 000**	**1 153 000**

The long service award benefit value is summarised below.

The last actuarial valuation for the long service award was concluded on 31 March 2021.

During the valuation process the following key assumptions were used:

Discounted rate			9.18	10.73
Active members			438	432
Expected average retirement age			63.70	63.60
Liability duration in years			7.00	7.00

The provision for incentive bonuses are calculated annually based on short term employee benefits which are based on the performance contract of individual employees entered into the Agency.

35. DEFERRED INCOME

	GROUP		COMPANY	
	2021 R	2020 R	2021 R	2020 R
Non-current liabilities	662 110 816	658 767 798	5 077 264	27 537 249
Current liabilities	120 511 577	116 438 647	35 507 120	63 240 739
	782 622 393	**775 206 445**	**40 584 384**	**90 777 988**
Musina Makhado - Special Economic Zone	34 782 609	643 528	-	643 528
Transnet	1 392 000	1 392 000	1 392 000	1 392 000
Technology Innovation Agency Project	1 514 408	1 514 408	1 514 408	1 514 408
Sanitation Project (Department of Education)	23 172	23 172	23 172	23 172
Department of Science and Technology Project	574 650	574 650	574 650	574 650
Dilokong Chrome Mine	-	40 792 981	-	40 792 981
Marula Festival	-	9 300 000	-	9 300 000
GNT - Recapitalisation grant	279 995 154	263 036 879	-	-
Limpopo Connexion - Operating grant	420 743 356	396 820 851	-	-
Business Training	5 919 203	12 617 427	5 919 203	12 617 427
One Stop Shop	4 031 185	16 074 249	4 031 185	16 074 249
Revitalisation of industrial park	6 461 418	7 845 572	6 461 418	7 845 573
Limpopo Agribusiness	6 516 890	24 570 728	-	-
Covid Relief	10 000 000	-	10 000 000	-
Digital Hub	10 477 739	-	10 477 739	-
Business Incubation Programme	190 609	-	190 609	-
	782 622 393	**775 206 445**	**40 584 384**	**90 777 988**
Opening balance	775 206 447	418 960 676	90 777 988	97 613 385
Funding received	189 517 923	455 450 504	20 668 348	14 983 547
Expenses transferred to grant income	(182 101 977)	(99 204 735)	(70 861 952)	(21 818 944)
- Equitable share	-	-	(58 905 326)	-
- Expenditure incurred	-	-	(11 956 626)	(21 818 944)
	782 622 393	**775 206 445**	**40 584 384**	**90 777 988**

The deferred income liability is secured by a separate call account with a balance of 2021: R 29 574 169 (2020: R 99 971 859) at year end.

NATURE AND EXTENT OF DEFERRED REVENUE GRANT- AGENCY

MUSINA - MAKHADO - SPECIAL ECONOMIC ZONE (DEFERRED REVENUE OF 2021: R 0 ;2020: R643 528)

The grant was received from the Provincial Treasury. The grant was received to perform a detailed environmental impact study, finalise the project master plan and implement the special economic zone.

TRANSNET (DEFERRED REVENUE OF 2021: R 1 392 000;2020: R1 392 000)

The grant was received from Transnet. The funding was provided to assist in the establishment of a business hub for small and medium business enterprises in the Tubatse area of Limpopo.

TECHNOLOGY INNOVATION AGENCY PROJECT (DEFERRED REVENUE OF 2021:R 1 514 408; 2020: R1 514 408)

The grant was received from the Technology and Innovation Agency. The SIP capital funding received is used to fund small and medium business enterprises to be established.

35. DEFERRED INCOME (CONTINUED)

SANITATION PROJECT (DEPARTMENT OF EDUCATION) (DEFERRED REVENUE OF 2021:R 23 172; 2020: R 23 172)

The grant was received from the Department of Education (DoE) for the cleaning project. LEDA was appointed as the project administrator/coordinator - It involves the cleaning of pit latrines in schools. The Annual grant of R5 000 000 was extended to LEDA to identify relevant service providers. The project ended in 2017/18, no further funding was received from DoE.

DEPARTMENT OF SCIENCE AND TECHNOLOGY (DEFERRED REVENUE OF 2021: R 574 650; 2020: R 574 650)

The grant was received from the Department of Science and Technology. The grant was received to provide financial support for small amd medium business enterprises.

DILOKONG CHROME MINE (DEFERRED REVENUE OF 2021: R 0;2020: R40 792 981)

The grant was received from the Provincial Treasury to bid for Dilokong Chrome Mine. It is currently used for paying legal fees in respect to the Bid process.

MARULA FESTIVAL (DEFERRED REVENUE OF 2021: R 0;2020: R9 300 000)

The grant was allocated from LEDET, the funds were allocated for the purchase of Inkwe Park for the development of Marula products, including promotion/marketing those products.

The Section 54 approval was received from Treasury during the current financial year and the project will be finalised once the funds are available.

BUSINESS TRAINING (DEFERRED REVENUE OF 2021: R5 919 203; 2020: R12 617 427)

The grant was received from the Provincial Treasury. The funding on the grant is utilised to assist with the accreditation of training centres and the procuring of required materials at these training centres.

ONE STOP SHOP (DEFERRED REVENUE OF 2021: R 4 031 185; 2020: R16 074 249)

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 2021 R 6 461 418;2020: R7 845 573)

This is the confirmed investment amount of Seshego Industrial Park phase 1B refurbishment of security features.

The DTIC runs the revitalisation and /or refurbishment of state owned Industrial Parks (IPs) throughout South Africa. LEDA is a beneficiary of the programme in Limpopo. Three IPs (Seshego,Nkowankowa and Thohoyandou) will be refurbished.

COVID RELIEF FUND (DEFERRED REVENUE OF 2021: R10 000 000; 2020: R0)

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.

DIGITAL HUB FUND (DEFERRED REVENUE OF 2021: R10 477 739; 2020: R0)

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 unemployed 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.

35. DEFERRED INCOME (CONTINUED)

BUSINESS INCUBATION PROGRAM (DEFERRED REVENUE OF 2021: R 190 609; 2020 R0)

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.

LIMPOPO AGRIBUSINESS

CSIR (DEFERRED REVENUE OF 2021: R3 470 993; 2020: R3 688 236)

This grant was received from the Department of Agriculture as well as the Department of Science and Technology (DST). A number of assets were bought for use by Venteco (Pty) Ltd at the Tshivhase Tea Estate for production purposes.

USE OF GOVERNMENT HOUSING (DEFERRED REVENUE OF 2021: R905 484; 2020: R935 315)

The company has access to exclusive use of residential houses on Government land. The right of use is recorded as deferred revenue and the amount is amortised over the useful life of the related asset.

POTATO PROJECT (DEFERRED REVENUE OF 2021:R0; 2020: R12 000 000)

The grant was received from the Department of Agriculture. The R12 000 000 was returned to the Department of Agriculture as Covid-19 support to the government.

BUSINESS PLAN (DEFERRED REVENUE OF 2021: R2 140 413; 2020: R5 000 000)

The grant was received by the Department of Agriculture for the use to undertake a comprehensive situation analysis and develop a bankable business plan for restitution projects.

The remaining balance of the R17m deferred revenue balance of the prior year is R2 140 413 . This amount is the remaining balance of the business plan with an initial grant of R5m.

HATCHERY EQUIPMENT (DEFERRED REVENUE OF 2021: R0; 2020: R2 947 276)

The grant was received from the Department of Agriculture for the purchase of equipment for the Hatchery. The total amount of the grant was spent and hatchery equipment was transferred to Property, plant and equipment.

The deferred revenue balance of R17m is not fully funded by cash as some of the cash was utilised to fund operational expenses that were supposed to be funded by the shareholder. The shareholder will therefore fund the utilisation of the deferred revenue balance of R17m.

LIMPOPO CONNEXION

OPERATING GRANT (DEFERRED REVENUE OF 2021: R420 743 356; 2020: R396 820 851)

The majority of government grants received in the current year related to designing, building, operating and maintaining a transmission carried broadband open access secure and affordable network infrastructure.

GREAT NORTH TRANSPORT

RECAPITALISATION GRANT (DEFERRED REVENUE OF 2021: R279 995 154; 2020: R263 036 879)

The nature and extent of government grants recognised in the financial statements and an indication of other forms of government assistance from which the entity has directly benefited. Unfulfilled condition attaching to government assistance that has been recognised relating to the acquisition of busses.

36. CURRENT TAX PAYABLE (RECEIVABLE)

	GROUP 2021 R	GROUP 2020 R	COMPANY 2021 R	COMPANY 2020 R
Current tax payable	4 257 952	4 257 952	-	-

37. REVENUE

REVENUE FROM CONTRACTS WITH CUSTOMERS

	GROUP 2021 R	GROUP 2020 R	COMPANY 2021 R	COMPANY 2020 R
Students revenue (business support)	1 385 520	4 092 780	1 385 520	4 092 780

REVENUE OTHER THAN FROM CONTRACTS WITH CUSTOMERS

	GROUP 2021 R	GROUP 2020 R	COMPANY 2021 R	COMPANY 2020 R
Other rental income	112 803 315	106 445 276	112 393 344	106 207 902
Interest received - Other financial as-sets held at cost	3 340 593	4 850 850	3 340 593	4 850 850
Gross premiums & rendering of services	57 650 535	7 107 890	95 108	174 894
Subsidy received from Department of Roads and Transport	191 379 868	234 633 009	6 090	30 093
Sale of goods	237 155 913	542 234 756	-	-
Private hire and contract revenue	1 475 931	17 899 621	-	-
Subsidised tickets	32 933 970	66 622 961	-	-
	636 740 125	**979 794 363**	**115 835 135**	**111 263 739**
	638 125 645	**983 887 143**	**117 220 655**	**115 356 519**

The total disclosed as contract revenue represents class fees paid by students to attend classes to possibly obtain certificates. Revenue is currently acknowledged in the financial year that students register. At the end of each financial year an analysis is performed to determine the revenue that falls outside the financial period. As the total of the differences is not material, the financial statements are not adjusted.

The balances of students that failed to pay student fees are evaluated at the end of each financial period and such balances are impaired. Refer to note 21 of the financial statements in respect of impairment of student balances.

38. COST OF SALES

	GROUP 2021 R	GROUP 2020 R	COMPANY 2021 R	COMPANY 2020 R
Sale of goods	150 043 260	349 224 921	-	-
Rendering of services	6 590 163	2 084 369	-	-
Re-insurance premiums	10 940 167	2 756 540	-	-
Manufactured goods:				
Depreciation and impairment	3 442 280	3 064 425	-	-
	171 015 870	**357 130 255**	**-**	**-**

39. OTHER OPERATING INCOME

	GROUP 2021 R	GROUP 2020 R	COMPANY 2021 R	COMPANY 2020 R
Administration and management fees received	209 800	380 692	209 800	380 692
Fees earned	3 545 282	3 216 177	-	-
Compensation from insurance claims	292 629	193 011	-	-
Other recoveries	17 425 621	2 738 840	17 421 421	2 735 840
Sundry income	2 857 647	2 725 118	-	-
Sponsorships	12 280	1 150 130	12 280	1 150 130
Other income	21 754 179	7 559 412	-	-
GNR Reinsurance profit share	1 622 699	262 934	-	-
Transfer from policyholder liabilities for insurance contracts	2 007 834	872 338	-	-
Donor funding	54 927 060	23 234 861	-	-
Group funeral claims reinsured	13 023 625	1 126 875	-	-
	117 678 656	**43 460 388**	**17 643 501**	**4 266 662**

40. OTHER OPERATING GAINS (LOSSES)

GAINS (LOSSES) ON DISPOSALS, SCRAPPINGS AND SETTLEMENTS

	Note	GROUP 2021 R	GROUP 2020 R	COMPANY 2021 R	COMPANY 2020 R
Property, plant and equipment	3	1 269 357	1 597 595	(51 534)	1 709 777

41. OPERATING PROFIT (LOSS)

Operating (loss) profit for the year is stated after charging (crediting) the following, amongst others:

AUDITOR'S REMUNERATION - EXTERNAL

	GROUP 2021 R	GROUP 2020 R	COMPANY 2021 R	COMPANY 2020 R
Audit fees	20 100 194	18 425 032	9 309 471	8 858 457

REMUNERATION, OTHER THAN TO EMPLOYEES

	GROUP 2021 R	GROUP 2020 R	COMPANY 2021 R	COMPANY 2020 R
Administrative and managerial services	9 221 810	10 030 612	-	221 073
Consulting and professional services	30 168 361	32 333 445	13 013 788	21 786 051
Secretarial services	532 406	312 105	-	-
	39 922 577	**42 676 162**	**13 013 788**	**22 007 124**

EMPLOYEE COSTS

	GROUP 2021 R	GROUP 2020 R	COMPANY 2021 R	COMPANY 2020 R
Salaries, wages, bonuses and other benefits	480 634 811	514 210 590	190 193 674	208 972 436
Directors fees	11 224 326	18 323 510	1 386 988	3 247 543
Other short term costs	61 928 796	63 672 618	28 128	929 959
Retirement benefit plans: de-fined contribution expense	(30 830)	98 960	(30 830)	98 960
Retirement benefit plans: defined benefit expense	1 000	-	-	-
Long term incentive scheme	(110 000)	8 000	(129 000)	8 000
Total employee costs	**553 648 103**	**596 313 678**	**191 448 960**	**213 256 898**

41. OPERATING PROFIT (LOSS) (CONTINUED)

LEASES

OPERATING LEASE CHARGES

	GROUP 2021 R	GROUP 2020 R	COMPANY 2021 R	COMPANY 2020 R
Premises	1 887 080	1 791 675	-	-
Equipment	258 102	162 360	235 734	152 636
Operating lease (other)	6 402 462	11 187 967	-	-
	8 678 665	**13 644 170**	**235 734**	**152 636**

CONTINGENT RENTALS ON OPERATING LEASES

	GROUP 2021 R	GROUP 2020 R	COMPANY 2021 R	COMPANY 2020 R
Equipment	(6 880)	838 168	(6 880)	838 168
Total operating lease charges	**8 671 785**	**14 482 338**	**228 854**	**990 804**

DEPRECIATION AND AMORTISATION

	GROUP 2021 R	GROUP 2020 R	COMPANY 2021 R	COMPANY 2020 R
Depreciation of investment property on the cost model	8 058 471	7 354 608	8 045 994	7 333 293
Depreciation of property, plant and equipment	62 547 456	35 456 282	4 900 420	5 673 622
Depreciation of right-of-use assets	11 079 961	12 231 812	1 062 422	910 497
Amortisation of intangible assets	12 095 227	933 790	58 889	150 735
Total depreciation and amortisation	**93 781 115**	**55 976 492**	**14 067 725**	**14 068 147**
Less: Depreciation included in cost of merchandise sold and inventories	(3 442 280)	(3 064 425)	-	-
Total depreciation and amortisation expensed	**90 338 835**	**52 912 067**	**14 067 725**	**14 068 147**

IMPAIRMENT LOSSES

	GROUP 2021 R	GROUP 2020 R	COMPANY 2021 R	COMPANY 2020 R
Investment property	84 446	-	84 446	-
Property, plant and equipment	24 801 687	16 713 030	-	-
Goodwill	31 649 157	- 165 854	-	-
Intangible assets	-	16 878 884	-	-
	56 535 290		**84 446**	**-**

MOVEMENT IN CREDIT LOSS ALLOWANCES

	GROUP 2021 R	GROUP 2020 R	COMPANY 2021 R	COMPANY 2020 R
Expected credit loss allowance	31 574 521	89 463 965	216 711 832	165 078 364

The total represents the expected credit loss allowance for the year for investment in associates, other financial assets, investments in subsidiaries and trade and other receivables.

42. EMPLOYEE COSTS

	GROUP		COMPANY	
	2021 R	2020 R	2021 R	2020 R
EMPLOYEE COSTS				
Basic	443 789 620	458 157 440	176 492 362	182 061 245
Bonus	8 323 694	37 396 747	7 409 448	28 998 374
SDL	4 320 124	4 704 042	1 569 313	1 739 063
Other payroll levies	805 669	1 210 170	-	-
Leave pay provision charge	23 395 704	12 742 191	4 722 551	(3 826 246)
Directors fees	11 224 326	18 323 510	1 386 988	3 247 543
Other short term costs	61 928 796	63 672 618	28 128	929 959
Retirement benefit plans	(29 830)	98 960	(30 830)	98 960
Long-term benefits - incentive scheme	(110 000)	8 000	(129 000)	8 000
	553 648 103	**596 313 678**	**191 448 960**	**213 256 898**

43. DEPRECIATION, AMORTISATION AND IMPAIRMENT LOSSES

DEPRECIATION				
Property, plant and equipment	59 105 176	32 400 857	4 900 420	5 673 622
Right-of-use assets	11 079 961	12 231 812	1 062 422	910 497
Investment property on the cost model	8 058 471	7 345 608	8 045 994	7 333 293
	78 243 608	**51 978 277**	**14 008 836**	**13 917 412**
AMORTISATION				
Intangible assets	12 095 227	933 790	58 889	150 735
IMPAIRMENT LOSSES				
Property, plant and equipment	24 801 687	16 713 030	-	-
Investment property	84 446	-	84 446	-
Intangible assets	-	165 854	-	-
Goodwill	31 649 157	-	-	-
	56 535 290	**16 878 884**	**84 446**	**-**
TOTAL DEPRECIATION, AMORTISATION AND IMPAIRMENT				
Depreciation	78 243 608	51 978 277	14 008 836	13 917 412
Amortisation	12 095 227	933 790	58 889	150 735
Impairment losses	56 535 290	16 878 884	84 446	-
	146 874 125	**69 790 951**	**14 152 171**	**14 068 147**

44. INVESTMENT INCOME

	GROUP		COMPANY	
	2021 R	2020 R	2021 R	2020 R
DIVIDEND INCOME				
GROUP ENTITIES:				
Associates - Local	-	-	4 438 792	5 280 390
EQUITY INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS:				
Unlisted investments - Local	-	-	3 200 000	850 000
EQUITY INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME:				
Listed investments - local	4 910 196	-	-	-
	4 910 196	**-**	**7 638 792**	**6 130 390**
INTEREST INCOME				
INVESTMENTS IN FINANCIAL ASSETS:				
Bank and other cash	16 730 019	22 626 510	4 390 813	7 511 579
Total investment income	**21 640 215**	**22 626 510**	**12 029 605**	**13 641 969**

Investment income on financial instruments which are available for sale or held to maturity is only presented for comparative purposes for financial instruments held in the prior reporting period but which were disposed of prior to the beginning of the 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.

45. FINANCE COSTS

	Group 2021 R	Group 2020 R	Company 2021 R	Company 2020 R
Shareholders	-	2 970	-	-
Employee benefits and creditors	8 690 329	9 874 956	1 779 181	1 444 574
Bank overdraft	130 762	158 970	6 813	5
Interest paid - other	1 983 483	4 040 008	-	-
Other interest paid	215 063	294 808	-	-
Total finance costs	**11 019 637**	**14 371 712**	**1 785 994**	**1 444 579**

46. OTHER NON-OPERATING GAINS (LOSSES)

	Note	Group 2021 R	Group 2020 R	Company 2021 R	Company 2020 R
IMPAIRMENT LOSSES ON					
Other financial assets	14	(39 102 211)	-	-	-
FAIR VALUE GAINS (LOSSES)					
Financial assets designated as at fair value through profit or loss		(4 696 710)	747 204	-	-
Net gains (losses) on the hedging instrument in fair value hedges		4 635 953	(9 378 069)	-	-
		(60 757)	**(8 630 865)**	**-**	**-**
Total other non-operating gains (losses)		**(39 162 968)**	**(8 630 865)**	**-**	**-**

47. TAXATION

	GROUP		COMPANY	
	2021 R	2020 R	2021 R	2020 R
MAJOR COMPONENTS OF THE TAX (INCOME) EXPENSE				
DEFERRED:				
Originating and reversing temporary differences	(11 145 437)	2 664 153	-	-

RECONCILIATION OF THE TAX EXPENSE

Reconciliation between accounting profit and tax expense.

	GROUP 2021 R	GROUP 2020 R	COMPANY 2021 R	COMPANY 2020 R
Accounting loss	(167 146 252)	(126 032 215)	-	-
Tax at the applicable tax rate of 28% (2020: 28%)	(46 800 951)	(35 289 020)	-	-
TAX EFFECT OF ADJUSTMENTS ON TAXABLE INCOME				
Temporary difference on deferred tax movement	11 145 437	(2 664 153)	-	-
Exempt entities	24 510 077	40 617 326	-	-
	(11 145 437)	**2 664 153**	**-**	**-**

48. OTHER COMPREHENSIVE INCOME

COMPONENTS OF OTHER COMPREHENSIVE INCOME - GROUP - 2021	Gross R	Tax R	Net R
ITEMS THAT WILL NOT BE RECLASSIFIED TO PROFIT (LOSS)			
Remeasurements on net defined benefit liability/asset	410 000	-	410 000

COMPONENTS OF OTHER COMPREHENSIVE INCOME - GROUP - 2020	Gross R	Tax R	Net R
ITEMS THAT WILL NOT BE RECLASSIFIED TO PROFIT (LOSS)			
Remeasurements on net defined benefit liability/asset	(1 348 000)	-	(1 348 000)

49. CASH (USED IN)/GENERATED FROM OPERATIONS

	GROUP 2021 R	GROUP 2020 R	COMPANY 2021 R	COMPANY 2020 R
Loss before taxation	(156 000 815)	(128 696 368)	(131 013 100)	(115 585 704)
Adjustments for:				
Depreciation and amortisation	93 781 105	55 967 493	14 067 726	14 058 437
(Gains) losses on disposals, scrappings and settlements of assets and liabilities	(1 269 357)	(1 597 595)	51 534	(1 709 777)
Expected credit losses	31 713 508	88 357 385	-	-
Actuarial loss on net defined benefits	410 000	(1 348 000)	-	-
Dividends received (trading)	-	-	(7 638 792)	(6 130 390)
Interest income	(21 640 215)	(22 626 510)	(4 390 813)	(7 511 579)
Finance costs	11 019 637	14 371 712	1 785 994	1 444 579
Impairment loss/(reversal) PPE and Investment property	24 886 133	16 878 884	216 352 280	165 046 523
Movements in retirement benefit assets and liabilities	238 000	(1 033 000)	574 000	479 000
Movements in provisions	8 243 922	(9 624 736)	-	(18 282 274)
Revaluation of assets	-	2 607 151	-	-
Transfer of assets	4 554 881	(84 393)	-	-
Taxation provision	(11 145 437)	2 664 153	-	-
Goodwill impaired	31 649 157	-	-	-
Changes in working capital:				
Inventories	5 240 294	15 813 902	134 414	65 404
Trade and other receivables	(43 607 568)	(57 741 895)	(25 089 808)	(29 239 645)
Prepayments	(195 354)	299 708	-	-
Trade and other payables	65 467 684	46 627 414	(64 126 444)	112 986 179
Employee benefits	539 001	(384 500)	51 000	(169 000)
Deferred income	7 415 948	358 336 776	(50 193 604)	(6 835 397)
	51 300 524	**378 787 581**	**(49 435 613)**	**108 616 356**

50. COMMITMENTS

AUTHORISED CAPITAL EXPENDITURE

ALREADY CONTRACTED FOR BUT EXPENSES NOT YET INCURRED

	GROUP 2021 R	GROUP 2020 R	COMPANY 2021 R	COMPANY 2020 R
• Capital commitments	114 705 819	258 216 752	-	-
• Investment in joint ventures	5 770 031	-	-	-
	120 475 850	**258 216 752**	**-**	**-**

Represent capital expenditure contracts entered into for which work has not yet been committed at year-end.

CONTRACTUAL COMMITMENTS

MINIMUM LEASE PAYMENTS DUE

	GROUP 2021 R	GROUP 2020 R	COMPANY 2021 R	COMPANY 2020 R
• within one year	79 760 506	263 861 763	-	-

OPERATING LEASES – AS LESSEE (EXPENSE) (IAS 17)

MINIMUM LEASE PAYMENTS DUE

	GROUP 2021 R	GROUP 2020 R	COMPANY 2021 R	COMPANY 2020 R
• within one year	6 983 716	20 419 310	-	-
• in second to fifth year inclusive	6 842 604	18 477 796	-	-
	13 826 320	**38 897 106**	**-**	**-**

50. COMMITMENTS (CONTINUED)

	GROUP 2021 R	GROUP 2020 R	COMPANY 2021 R	COMPANY 2020 R
OTHER COMMITMENTS - SERVICE LEVEL AGREEMENT				
MINIMUM LEASE PAYMENTS DUE				
• first year	48 364 241	73 803 682	30 384 434	32 053 917
• second to fifth year	62 111 617	99 224 409	46 643 086	59 736 116
• later than five years	3 600	-	3 600	-
	110 479 458	**173 028 091**	**77 031 120**	**91 790 033**

COMMITTED PURCHASE ORDERS BEFORE YEAR END

The committed purchase orders represent orders issued to specific suppliers or service providers for which the goods or services have not yet been supplied at year end. The outstanding purchase orders are all payable within one year.

	GROUP 2021 R	GROUP 2020 R	COMPANY 2021 R	COMPANY 2020 R
Amounts payable within one year	9 210 065	1 434 166	9 210 065	1 434 166

51. CONTINGENCIES

The following contingencies are in place, and are disclosed in the financial statements of the Group and its subsidiaries, namely:

CONTINGENT LIABILITIES

LEDA 2021

Litigation is in process against the company due to repairs of vandalised property before transferring to the owner, M.E. Khangale who bought the property. The current owner has since passed away and we are waiting for the appointment of an executor in order to substitute the deceased in the litigation proceedings. The amount of contingent liability is unquantified.

The Haxane traditional authority is demanding payment of R 300 000 for alleged outstanding rental on land utilised by LEDA. The land is however registered in the name of the South African Government as government owned land and LEDA is confident that the claim will be successfully defended.

Litigation is underway by S. Ndou, T. Madilonga and J. Howell regarding claims for passing of transfer of properties arising from sales of various immovable properties sold by LEDA to various purchasers. Their claims have prescribed in that summons was served very late upon LEDA. The amount is non-monetary and LEDA is of the opinion that the case will be successfully defended.

Litigation by KJ Lephauphau and others is underway for a claim for passing of transfer of properties arising from the sale of various immovable properties sold by LEDA to various purchasers. LEDA is of the opinion that the claim will be successfully defended and the amount is estimated as R 121 500 or the amount is alternatively unquantified.

The Department of Labour has instituted litigation against Venteco (a division of LEDA) for failure to submit Employment Equity Plans and related reports to the Department. The estimated amount of fine, penalties and litigation is estimated at R1,5 million but LEDA is of the opinion that case will be successfully defended.

LEDA is currently being sued by the Polokwane Municipality for payment for water and electricity allegedly consumed by LEDA's tenant. LEDA denies liability and is challenging the validity of the bill in that it was raised or billed after the tenant had already vacated the premises and after LEDA having notified the municipality about the tenant's vacation of the premises. The estimated amount is R 758 481,70.

Demand for transfer or refund of purchase price R 113 314 or alternatively unquantified damages claim by MG Lamola due to LEDA's failure in passing transfer of Portion 10 of Erf 224, Thohoyandou A.

Demand for transfer or refund of purchase price R 121 500 or alternatively unquantified damages claim by YM & M Patel due to LEDA's failure in passing transfer of Portion 6 of Erf 224, Thohoyandou A.

Demand for transfer or refund of amount unquantified by Aaron Madiba due to LEDA's failure in passing transfer of Portion 17 of Erf 224, Thohoyandou A. The amount of contingent liability is unquantified.

51. CONTINGENCIES (CONTINUED)

LEDA is going to court to request the suspension of the section 11 consent and to prevent Cheetah Chrome from purchasing Dilokong Chrome. The Competition Commission approved the sale to Cheetah Chrome. The Limpopo Economic Development Agency (Leda) has gone to court to try to protect and retain its 40% stake in a chrome mine after its Chinese partner ran the enterprise into business rescue and the assets were sold to another Chinese company. The amount of the contingent liability is non-monetary.

LEDA is being sued for by Maphetho Business Service for the refusal to adjust the security rates in line with the Ministerial Sectoral Determination for the security industry for the payment of R 3 087 101.

LEDA is currently being sued for vacant land that was unlawfully claimed and registered in the name of LEDA. LEDA is being sued by N.O Livuwani Gloria Simali on behalf of her late father's estate. The amount of the contingent liability is non-monetary.

LEDA is being sued by Mike's Kitchen for 1 day old chickens that were sold and delivered. The lawsuit contracted a payment of R163 641.

LEDA is being sued by Motse LMI CC for the payment of R781 458 for architectural, mechanical, electrical and civil engineering services that were rendered for LEDA One Stop Shop and not yet paid.

The Traditional Council is suing LEDA, seeking to give them back land as LEDA derives occupation on the land from a Permission to Occupy that was issued to LEDA. Leda is being sued by Rubye Charles Mohlaba N.O. The amount of the contingent liability is non-monetary.

Damages claim for injuries sustained by ME Malatse, PM Modjadji, MD Makgalemele and PT Masindi for a ceiling that fell upon the employees at one of the LEDA premises which is leased by the South African Post Office. The estimated amount of litigation is estimated at R 100 000 for each employee, summing to a total of R 400 000.

Demand for transfer or refund of purchase price R 114 000 by Aaron Madiba due to LEDA's failure in passing transfer of Portion 17 of Erf 224, Thohoyandou A.

GREAT NORTH TRANSPORT

Litigation is in process against the company by twenty (2020: eighteen) former employees relating to labour disputes. The following table refers:

PARTIES	DESCRIPTION	2021	2020
M.N. Gololo	Dismissal	R 3 036 272	R 3 036 272
T.J. Sekgobela	Dismissal	Cannot be estimated reliably	Cannot be estimated reliably
P. Motshana	Dismissal	Cost cannot be estimated reliably	Cost cannot be estimated reliably
Marble Hall Employees	Demand for payment for no work no pay during national bus driver's strike	R 547 000	R 547 000
NN Hlungwane	Dismissal	R 1 200 000	R 1 200 000
W. Ledwaba	Dismissal for misconduct	Cost cannot be estimated reliably	Cost cannot be estimated reliably
M.P. Mathebula	Dismissal for misconduct	Cost cannot be estimated reliably	Cost cannot be estimated reliably
L. Notley	Dispute over settlement award	R 1 800 000	R 1 800 000
Khoza and other	Fixed term contract: to enjoy same benefits	Cost cannot be estimated reliably	Cost cannot be estimated reliably
S. Maphosa	Dismissal	Cost cannot be estimated reliably	Cost cannot be estimated reliably

51. CONTINGENCIES (CONTINUED)

PARTIES	DESCRIPTION	2021	2020
M. Makgatho	Dismissal	Cost cannot be estimated reliably	Cost cannot be estimated reliably
TOWU obo 8 Employees	Dismissal	Cost cannot be estimated reliably	Cost cannot be estimated reliably
S.G. Makhudu	Contract not renewed	Cost cannot be estimated reliably	Cost cannot be estimated reliably
M. Makgoka	Dismissal for misconduct	-	Cost cannot be estimated reliably
Ndlovu	Dismissal	-	Cost cannot be estimated reliably
Mphela and others	Dismissal for misconduct	Cost cannot be estimated reliably	Cost cannot be estimated reliably
Mbambo	Dismissal for misconduct	-	Cost cannot be estimated reliably
Manyathela	Dismissal for misconduct	-	Cost cannot be estimated reliably
F.B. Monyai	Dismissal for misconduct	-	Cost cannot be estimated reliably
Ramewela Mosibudi and others	Dismissal	Cost cannot be estimated reliably	-

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.

The Company is sued by Mr MP Raboyanyana for R 400 000 for defamation of character. The company is sued by D. Maila for R 900 000 for defamation of character.

The company is sued by M.M. Seakamela for R 100 000 for defamation of character.

Litigation is in process against the company in respect of rental of sleeping grounds payment as a result of the tribal authority ownership dispute, the total claim amount is R350 000.

Litigation is in process against the company by Kgaphola Investments. The dispute is for bus routes. The amount of the claim is R 29 648 170.

Contingent liability exists in respect of the contractual dispute with the contracted bus operator, Kopani 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.

Management is of the opinion that, after consultation with the company's legal advisors, the above claims, which amount to an estimated total R 40,5 million against the company will not succeed and has therefore not provided for any losses.

CONTINGENT ASSETS

Litigation is in the process by GNT against Nnyofu Attorneys. The company is suing for services paid but not provided by the supplier. The amount of the claim is R 448 635

51. CONTINGENCIES (CONTINUED)

CORRIDOR MINING RESOURCES (SOC) LIMITED

TSHEPONG CHROME MINE SOC LTD

VAT refundable amounting to R3 581 812 (2020: R3 451 754) and Current tax receivable amounting to R10 080 518 (2020: R1 532 285) has been identified as a contingent asset until confirmation is received from SARS that the money will be refunded to the entity. The amounts receivable have been fully provided for until clarity is obtained on the outcome of the amounts as disclosed. Investigations relating to fraud committed at SARS regarding the refund of the VAT amount into the perpetrators' bank account is still in progress. 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.

LEDA 2020

Litigation is in the process against the LEDA due to repairs of vandalised property before transferring to the owner, M.E. Khangale who bought the property. The current owner has since passed away and we are waiting for the appointment of an executor in order to substitute the deceased in the litigation proceedings. No provision has been made for the claim as the outcome and final amount cannot be confirmed.

The Haxane traditional authority is demanding payment for alleged outstanding rental on land utilised by LEDA. The land is however registered in the name of the South African Government as government owned land and LEDA is confident that the claim will be successfully defended.

Litigation is underway by Mr. S.N. Tshimange on behalf of his daughter for damages occurred on a vacant stand next to LEDA's owned property. No provision has been made as LEDA is confident of successfully defending the claim.

Litigation is undway by S. Ndou, T. Madilonga and J. Howell regarding claims for passing of transfer of properties arising from sales of various immovable properties sold by LEDA to various purchasers. Their claims have prescribed in that summons was served very late upon LEDA. The amount is not determinable and LEDA is of the opinion that the case will be successfully defended.

Litigation by KJ Lephauphau and others is underway for claims for passing of transfer of properties arising from sale of various immovable properties sold by LEDA to various purchasers. LEDA is of the opinion that the claim will be successfully defended and the amount is estimated as R 121 500.

The Department of Labour has instituted litigation against Venteco (a division of LEDA) for failure to submit Employment Equity Plans and related reports to the Department. The estimated amount of fine, penalties and litigation is estimated at R1,5 Million but LEDA is of the opinion that case will be successfully defended.

LEDA is currently being sued by the Polokwane Municipality for payment for water and electricity allegedly consumed by LEDA's tenant. LEDA denies liability and is challenging the validity of the bill in that it was raised or billed after the tenant had already vacated the premises and after LEDA had notified the municipality about the tenant's vacation of the premises. The estimated amount is R 758 481,70.

Damages claim for injuries sustained by ME Malatse, PM Modjadji, MD Makgalemele and PT Masindi for a ceiling that fell upon the employees at one of LEDA premises which is leased by the South African Post Office. The estimated amount of litigation is estimated at R 100 000 for each employee, summing to a total of R 400 000.

Demand for transfer or refund of purchase price R 113 314 by MG Lamola due to LEDA's failure in passing transfer of Portion 10 of Erf 224, Thohoyandou A.

51. CONTINGENCIES (CONTINUED)

Demand for transfer or refund of purchase price R 121 500 by YM & M Patel due to LEDA's failure in passing transfer of Portion 6 of Erf 224, Thohoyandou A.

Demand for transfer or refund of purchase price R 114 000 by Aaron Madiba due to LEDA's failure in passing transfer of Portion 17 of Erf 224, Thohoyandou A.

Demand for transfer by MC Sadiki of Erf 169 Thohoyandou Q. The purchase price was not paid but was to be secured or covered by a guarantee from a Bank. The estimated amount cannot be quantified.a

LEDA is going to court to request the suspension of the section 11 consent and to prevent Cheetah Chrome from purchasing Dilokong Chrome. The Competition Commission approved the sale to Cheetah Chrome. The Limpopo Economic Development Agency (Leda) has gone to court to try to protect and retain its 40% stake in a chrome mine after its Chinese partner ran the enterprise into business rescue and the assets were sold to another Chinese company.

GREAT NORTH TRANSPORT – 2020

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.

The Company is sued by Mr MP Raboyanyana for R 400 000 for defamation of character. The company is sued by D. Maila for R 900 000 for defamation of character.

The company is sued by M.M. Seakamela for R 100 000 for defamation of character.

Litigation is in process against the company by Kgaphola Investments. The dispute is for bus routes. The amount of the claim is R 29 648 170.

Contingent liability exists in respect of the contractual dispute with the contracted bus operator 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.

Management is of the opinion that, after consultation with the company's legal advisors, the above claims, which amount to an estimated total R 40.2 million against the company will not succeed and has therefore not provided for any losses.

CONTINGENT ASSETS

Litigation is in process by GNT against Nnyofu Attorneys. The company is suing for services paid for but not provided by the supplier. The amount of the claim is R448 635.

52. RELATED PARTIES (CONTINUED)

RELATIONSHIPS

Holding company	Limpopo Department of Economic Development, Environment and Tourism (LEDET) Mr M Rathumbu Respresentative - Ms L Maja Limpopo Tourism Agency (Refurbishment of Limpopo Tourism building)
Subsidiaries	Refer to note 9
Joint ventures	Refer to note 10
Associates	Refer to note 11
Subsidiaries (Group and Agency)	MokopaneKodumela Mining Investments Sefateng Chrome Mine Fumani Green Stone Tshepong Chrome Mine Autumn Star Trading 625 Maruleng Mining and Construction Khumong Venteco Inca Mining Kulungisa
Directors and executive manager holding key management positions	Refer to Note 34 (Group and Agency)
Subsidies received (Group - Great North Transport (SOC) Limited)	Limpopo Department of Transport
Permission to occupy land for Agricultural purposes and Project revenue	Limpopo Department of Agriculture (Group)
Special Economic Zone - Funding	Department of Trade and Industry
Post employment benefit plan for employees of entity and/or other related parties	Multikor Southern Life Metropolitan MedScheme

RELATED PARTY TRANSACTIONS

GRANT RECEIVED FROM SHAREHOLDER UTILISED IN CURRENT YEAR	GROUP 2021 R	GROUP 2020 R	COMPANY 2021 R	COMPANY 2020 R
Limpopo Department of Economic Development, Environment and Tourism (LEDET)	554 305 324	379 498 423	274 532 324	323 391 085

The grant received represents equitable shares, of unconditional nature for the funding of the operations of the company. Balance disclosed exclude the apportionment for VAT.

COMPENSATION TO DIRECTORS AND OTHER KEY MANAGEMENT

Refer to note 53 for details on compensation paid to directors and other key management for Limpopo Economic Development Agency and its subsidiaries (the Group).

Compensation to key management personnel:

53. DIRECTORS' AND PRESCRIBED OFFICER'S EMOLUMENTS

EXECUTIVE GROUP: 2021	Salary R	S & T R	Bonus R	Total R
Ms MC Mokoma	2 036 682	-	-	2 036 682
Mr KR Nkadimeng	2 465 088	-	-	2 465 088
Mr NB Mokobane	2 106 031	1 710	-	2 107 741
MR D Rankwe	919 879	-	-	919 879
Dr JM Mokoele	2 755 467	847	-	2 756 314
Mr F Magidi	2 410 247	-	-	2 410 247
Mr SH Maphutha	2 188 457	-	-	2 188 457
Ms MT Raphoalo	1 954 322	855	-	1 955 177
Mr MLA Masoga	2 024 799	-	-	2 024 799
Mr K Bogatsu	1 185 021	-	-	1 185 021
Mr MD Matshamba	1 838 867	-	-	1 838 867
Mr R Zitha	1 668 043	-	-	1 668 043
Mr SJ Kwesa	2 279 939	687 991	27 000	2 994 930
Mr I Hlongwane	1 258 216	228 203	-	1 486 419
Mr BR Mkhize	2 092 847	34 271	-	2 127 118
Mr RB Ramasobane	2 835 885	20 221	-	2 856 106
Mr ND Maloba	1 949 503	-	-	1 949 503
Mr TR Makhuvha	1 596 733	-	-	1 596 733
Mr GJ Blaauw	1 990 719	-	-	1 990 719
Dr SMH Nokaneng	3 509 142	-	-	3 509 142
Mr MM Nkosi	1 112 673	38 829	60 833	1 212 335
	42 178 560	**1 012 927**	**87 833**	**43 279 320**

EXECUTIVE GROUP: 2020				
Mr R Zitha	1 502 957	63 307	-	1 566 264
Ms MC Mokoma	1 944 239	-	248 359	2 192 598
Mr SH Maphutha	1 811 508	88 154	204 084	2 103 746
Mr MD Mashamba	2 505 120	15 040	133 337	2 653 497
Mr RB Ramasobane	2 261 469	47 402	322 005	2 630 876
Mr KR Nkadimeng	2 688 384	-	-	2 688 384
Dr SHM Nokaneng	3 450 462	128 358	-	3 578 820
Mr F Magidi	2 885 846	50 621	324 682	3 261 149
Mr MB Mphahlele	2 300 565	24 558	90 228	2 415 351
Dr JM Mokoele	2 144 500	28 911	172 253	2 345 664
Mr M Matwla	1 967 410	11 917	242 931	2 222 258
Mr ND Maloba	1 904 234	-	-	1 904 234
Mr SJ Keswa	1 606 016	801 659	108 000	2 515 675
Mr I Hlongwane	1 250 283	228 203	-	1 478 486
Mr MLA Masoga	1 242 121	-	-	1 242 121
Mr K Bogatsu	509 900	20 202	-	530 102
Mr BR Mkhize	1 741 666	-	-	1 741 666
Mr H Augustyn	483 276	-	-	483 276
Mr MM Nkosi	166 833	13 839	12 167	192 839
	34 366 789	**1 522 171**	**1 858 046**	**37 747 006**

53. DIRECTORS' AND PRESCRIBED OFFICER'S EMOLUMENTS (CONTINUED)

NON-EXECUTIVE GROUP: 2021	Directors' fees R	S & T R	Total R
Mr D Kourtoumbellides (Deceased 12 August 2020)	84 418	920	85 338
Mr SV Chepape	191 572	9 412	200 984
Ms KM Maroga	204 434	-	204 434
Mr M Maphutha	277 267	-	277 267
Mr JA Malele	173 312	-	173 312
Ms MA Mphahlele	174 747	-	174 747
Prof MH Maserumule	221 472	-	221 472
Mr TP Sebola	239 758	-	239 758
Mr KJ Mphela	195 022	-	195 022
Mr MJ Morotoba	261 024	-	261 024
Ms K Selane	253 984	-	253 984
Mr S Lediga	122 861	13 693	136 554
Mr NI Masekwameng	122 861	-	122 861
Mr MS Ralebipi	664 888	-	664 888
Mr A Kale	141 005	29 356	170 361
Mr R Tooley	111 720	-	111 720
Mr B Shibabmu	338 938	-	338 938
Dr MH Lekota	42 720	-	42 720
Mr RP Ragimana	230 401	3 567	233 968
Mr SR Monakedi	58 320	222	58 542
Mr R Shingange	233 785	-	233 785
Mr NT Mathabatha	126 749	5 586	132 335
Mr SA Sebolai	263 451	8 284	271 735
Mr E Thuketana	118 973	19 981	138 954
Mr V Mashabane	180 950	-	180 950
Mr E Mushwana	80 093	-	80 093
Mr TC Nkadimeng	201 830	-	201 830
Mr MO Phaasha	146 189	-	146 189
Mr PA Mafologelo	126 749	10 884	137 633
Mr SC Nkadimeng	96 009	-	96 009
Mr MP Makwana	419 986	13 524	433 510
Adv TM Ncube	1 383 963	3 889	1 387 852
Mr CA Chikane	8 611	-	8 611
Prof RL Howard	430 331	1 553	431 884
Ms N Magagadela	150 508	-	150 508
Mr MF Maguga	95 955	-	95 955
Mr M Mhinga	1 306 510	-	1 306 510
Mr P Ngwasheng	1 622 089	-	1 622 089
	11 103 455	**120 871**	**11 224 326**

53. DIRECTORS' AND PRESCRIBED OFFICER'S EMOLUMENTS (CONTINUED)

NON-EXECUTIVE GROUP: 2020	Directors' fees R	S & T R	Total R
Dr MH Lekota	1 023 667	45 744	1 069 411
Mr D Kourtoumbellides	1 119 101	11 246	1 130 347
Mr SV Chepape	2 076 315	11 938	2 088 253
Ms KM Maroga	1 271 143	24 450	1 295 593
Mr ML Mokoatlo	384 675	-	384 675
Mr SC Nkadimeng	651 236	9 162	660 398
Mr M Maphutha	374 991	17 014	392 005
Mr JA Malele	464 103	-	464 103
Ms MA Mphahlele	555 583	6 471	562 054
Prof MH Maserumule	129 884	5 153	135 037
Mr TP Sebola	110 444	21 482	131 926
Mr KJ Mphela	110 444	11 090	121 534
Mr MJ Morotoba	230 923	9 896	240 819
Ms K Selane	129 884	5 511	135 395
Ms MM Ntsaba	88 355	12 739	101 094
Ms S Maleka	88 355	511	88 866
Mr TA Mokone	31 108	-	31 108
Mr TL Makunyane	285 386	-	285 386
Mr S Lediga	370 356	61 677	432 033
Mr NI Masekwameng	262 480	47 712	310 192
Mr MW Ramoshaba	88 355	7 825	96 180
Mr MS Ralebipi	635 588	18 213	653 801
Mr R Tooley	379 709	5 357	385 066
Mr LS Morallane	267 387	-	267 387
Prof. R Howard	701 527	20 576	722 103
Mr BR Shibabmu	77 311	4 156	81 467
Mr A Kale	384 903	7 280	392 183
Mr M Makwana	290 781	-	290 781
Adv T Ncube	1 405 700	33 905	1 439 605
Ms R Nkadimeng	925 112	-	925 112
Mr R Shinange	160 834	-	160 834
Ms YSM Mathabatha	26 364	-	26 364
Mr S Sebolai	77 271	-	77 271
Mr E Thuketana	26 364	-	26 364
Mr V Mashabane	50 907	-	50 907
Mr PA Mafologelo	26 364	-	26 364
Mr TC Nkadimeng	214 679	11 160	225 839
Mr R Monakedi	56 616	171	56 787
Mr MO Phaasha	138 047	9 082	147 129
Mr P Ragimana	68 048	29 370	97 418
Mr E Mushwana	26 364	-	26 364
Ms MM Sebothoma	424 068	-	424 068
Mr M Mhinga	1 524 354	-	1 524 354
Mr P Ngwasheng	139 533	-	139 533
	17 874 619	**448 891**	**18 323 510**

53. DIRECTORS' AND PRESCRIBED OFFICER'S EMOLUMENTS (CONTINUED)

NON-EXECUTIVE - AGENCY: 2021	Salary R	S & T R	Total R
Mr PM Makwana	419 986	13 524	433 510
Mr D Kourtoumbellides	68 866	460	69 326
Adv TM Ncube	296 374	3 889	300 263
Mr MS Ralebipi	257 679	-	257 679
Mr R Shingange	64 075	-	64 075
MR TC Nkadimeng	7 246	-	7 246
Mr M Maphuta	197 174	-	197 174
Mr CA Chikane	3 381	-	3 381
Mr N Magagadela	54 334	-	54 334
	1 369 115	**17 873**	**1 386 988**

NON-EXECUTIVE - AGENCY: 2020	Salary R	S & T R	Total R
Mr MH Lekota	614 034	26 961	640 995
Mr D Kourtoumbellides	796 290	10 450	806 740
Mr M Maphuta	260 272	17 014	277 286
Ms MA Mphahlele	232 772	6 134	238 906
Mr TL Makunyane	197 031	-	197 031
Mr S Lediga	255 637	45 386	301 023
Mr MS Ralebipi	134 229	11 683	145 912
Mr M Makwana	290 781	-	290 781
Adv T Ncube	117 461	-	117 461
Ms R Nkadimeng	121 777	-	121 777
Mr R Shingange	109 630	-	109 630
	3 129 914	**117 628**	**3 247 542**

AGENCY EXECUTIVE: 2021	Salary R	S & T R	Total R
Ms MC Mokoma	2 036 682	-	2 036 682
Mr NB Mokobane	2 106 031	1 710	2 107 741
Dr JM Mokoele	2 755 467	847	2 756 314
Mr F Magidi	2 410 247	-	2 410 247
Mr SH Maphutha	2 188 457	-	2 188 457
Ms MT Raophala	1 954 322	855	1 955 177
Mr TR Makhuvha	1 596 733	-	1 596 733
	15 047 939	**3 412**	**15 051 351**

AGENCY EXECUTIVE: 2020	Salary R	S & T R	Bonus R	Total R
Ms Mokoma	1 944 239	-	248 359	2 192 598
Mr NB Mokobane	1 811 508	88 154	204 084	2 103 746
Dr JM Mokoele	2 885 846	50 621	324 682	3 261 149
Mr F Magidi	2 300 565	24 558	90 228	2 415 351
Mr SH Maphutha	2 144 500	28 911	172 253	2 345 664
Ms MT Ramphalo	1 967 410	11 917	242 931	2 222 258
	13 054 068	**204 161**	**1 282 537**	**14 540 766**

54. PRIOR PERIOD ADJUSTMENTS

LIMPOPO ECONOMIC DEVELOPMENT AGENCY

2020 FINANCIAL YEAR - ADJUSTMENTS

LOANS TO/(FROM) GROUP COMPANIES

Correction of the intergroup balances between the subsidiaries. The balances of the following subsidiaries was adjusted:

SUBSIDIARIES	ADJUSTMENT R
Corridor Mining Resources (SOC) Limited	517 062
Limpopo Connexion (SOC) Limited	(124 511)
Venteco Limpopo Agribusiness (SOC) Limited	(1 703 923)
Limpopo Agribusiness (SOC) Limited	676 231
Musina Makhado Special Economic Zone (SOC) Limited	222 305
Risima Housing Finance Corporation (SOC) Limited	(597 470)
Mashashane Hatchery	209 900
	(800 406)

TRADE AND OTHER RECEIVABLES

Increase due to sale of investment property not previously accounted for (R860 000) and reclassification of human resource receivable balances (R47 124).

TRADE AND OTHER PAYABLES

Increase due to additional creditors provisions amounting to R1 720 665, while reclassification to receivables amounted to R 47 124, adjustment to human resource balances amounted to (R 415 018).

OTHER INCOME

The balance of human resource expenses recovered decreased by R260 877.

INVESTMENT INCOME

Adjustment to interest received not previously accounted for and bank account due to differences between bank statement and bank confirmation letter.

PROFIT AND LOSS ON DISPOSAL OF WRITE OFF

Profit increased due to sale of investment property that was not previously accounted for. Also refer to increase in trade and other receivables.

OTHER OPERATING EXPENSES

Increase mainly due to additional expenses provided for as well as adjustment to human resource expense balances.

INVESTMENT PROPERTY

The adjustment of R 214 012 in respect of the investment property is due to the following:

- Renovation expenses not previously capitalised - R 226 790
- Depreciation on renovation expenses capitalised - (R 7 669)
- Repairs and maintenance expenses incorrectly capitalised - (R 5 109)

54. PRIOR PERIOD ADJUSTMENTS (CONTINUED)

LOAN FROM GROUP COMPANY

Correction of loan account balances to agree to the financial statements of group companies.

IMPAIRMENT OF CREDIT LOSSES

Represent the reversal of Mahube Mining interest that was included in the credit loss total.

GREAT NORTH TRANSPORT (SOC) LTD

RIGHT OF USE ASSETS

Right of use assets increased due to right of use assets that were incorrectly estimated to have a useful life in line with the lease term instead of useful life of the underlying asset in accordance with IFRS 16.

INVENTORY

Inventory increased as a result of adjustments made to accruals for the 2020 financial year.

PREPAID EXPENSES

Prepaid expenses decreased as a result of understatement of accruals for the 2020 financial year.

TRADE AND OTHER PAYABLES

The trade and other payables increased as a result of an understatement of accruals for the 2020 financial year.

OTHER OPERATING EXPENSES

- Other operating expenses decreased by R 1 271 652 due to depreciation relating to right of use assets that were incorrectly estimated to have a useful life in line with the lease term instead of useful life of the underlying asset in accordance with IFRS 16.
- Other operating expenses increased due to correction of understatement of accruals for the 2020 financial year. The categories of affected operating expenses accounts are as per below:

OPERATING EXPENSE	INCREASED/ (DECREASED) R
Advertising and marketing expenses	(300)
Bank charges	1
Consulting and professional fees- Legal fees	138 000
Tickets	43 044
Tow-in services	3 680
Fines and penalties	7 186
Printing and stationary	(1 962)
Repairs and maintenance	(28 487)
Security	198 536
Subscriptions	9 157
Telephone and fax	2 404
Transport and freight	(3 273)
	367 986

54. PRIOR PERIOD ADJUSTMENTS (CONTINUED)

CORRIDOR MINING RESOURCES SOC LTD AND ITS SUBSIDIARIES

CORRIDOR MINING RESOURCES SOC LTD

Late invoices were received from suppliers relating to the previous financial year. The invoices amount to R37 448 in total.

It was identified that a creditor had been accounted for twice in the prior financial year which was corrected in the current financial year amounting to R16 566.

An amount of R12 060 for environmental rehabilitation deposit expensed during the 2017 financial year was reallocated to environmental rehabilitation deposits.

The amount of R173 323 for irregular expenditure in the prior year caused by an overpayment of director fees were not included in the disclosure in the sign off of the 2020 Audited Annual Financial Statements - this disclosure being corrected in the current financial year

During the current period under review, it was noted that interest charges from the prior year were not captured against a creditor. This was corrected during the current period. The amount being R27 344-32. The error was also corrected in the disclosure of fruitless and wasteful expenditure note.

During the period under review it was identified that the CIPC costs paid by Corridor Mining Resources on behalf of the subsidiaries in the prior years should be accounted for as loans to the subsidiaries. The total amount of R27 200 was corrected and restated as follows:

- Tshepong Chrome Mine SOC Ltd R14 550
- Khumong Chrome Mine SOC Ltd R3 050
- Mokopane-Kodumela Mining Investments R3 050
- Fumani Greenstone SOC Ltd R3 050
- Autumn Star Trading SOC Ltd R3 500

It was noted that the management fee received amounting to R270 000 was with regards to services rendered by a director to a subsidiary in the prior period. This was adjusted and restated.

A vat output portion amounting to R1 228 070-16 on a prepayment on anticipated future sales in 2012 was reversed to the prepayment amount - The sale transactions did not occur and hence the prepayment is to the full value as received.

SEFATENG CHROME MINE (PTY) LTD

Various line items of Sefateng Chrome Mine had been adjusted in the prior year as the financial statements of Sefateng. Chrome Mine were not finalised by Deloitte Inc. at the time that the Corridor Mining Resources consolidation was signed off by the Auditor-General (S.A).

TSHEPONG CHROME MINE SOC LTD

During the period under review it was identified that the CIPC costs paid by Corridor Mining Resources on behalf of the company in the prior years should be accounted for as loans from shareholder. The amount of R14 550 was corrected and restated in 2020. The disclosure for fruitless and wasteful expenditure was also updated amounting to R3 150 for the 2020 financial year.

MOKOPANE KODUMELA MINING INVESTMENTS SOC LTD

During the period under review it was identified that the CIPC costs paid by Corridor Mining Resources on behalf of the company in the prior years should be accounted for as loans from shareholder. The amount of R3 050 was corrected and restated in 2020. The disclosure for fruitless and wasteful expenditure was also updated amounting to R350 for the 2020 financial year.

54. PRIOR PERIOD ADJUSTMENTS (CONTINUED)

KHUMONG CHROME MINE SOC LTD

During the period under review it was identified that the CIPC costs paid by Corridor Mining Resources on behalf of the company in the prior years should be accounted for as loans from shareholder. The amount of R3 050 was corrected and restated in 2020. The disclosure for fruitless and wasteful expenditure was also updated amounting to R350 for the 2020 financial year.

AUTUMN STAR TRADING 625 SOC LTD

During the period under review it was identified that the CIPC costs paid by Corridor Mining Resources on behalf of the company in the prior years should be accounted for as loans from shareholder. The amount of R3 500 was corrected and restated in 2020. The disclosure for fruitless and wasteful expenditure was also updated amounting to R350 for the 2020 financial year.

FUMANI GREENSTONE SOC LTD

During the period under review it was identified that the CIPC costs paid by Corridor Mining Resources on behalf of the company in the prior years should be accounted for as loans from shareholder. The amount of R3 050 was corrected and restated in 2020. The disclosure for fruitless and wasteful expenditure was also updated amounting to R350 for the 2020 financial year.

ADJUSTMENTS IN SEFATENG CHROME MINE (PTY) LTD	INCREASED/ (DECREASED) R
Cost of Sales	1 948 626
Depreciation	102 654
Operating expenses	728 197
Taxation - Deferred + Royalties	(1 025 443)
Retained Income	1 079 641
Property, plant and equipment	8 152 785
Trade and other receivables	(2 095 960)
Provisions	(9 916 344)
Deferred tax	716 612
SARS - Royalties payable	308 830

LIMPOPO AGRIBUSINESS (SOC) LTD

PROPERTY, PLANT AND EQUIPMENT

The investment property was reclassified to property, plant and equipment in the prior year but the depreciation was not transferred correctly.

An asset was written off in the prior year but the asset is still in use and was incorrectly written off with the Mununzwu assets.

TRADE AND OTHER RECEIVABLES

Trade and other receivables were overstated with R1 869 in the previous year due to the VAT component of the incorrect accruals made. Trade and other receivables was overstated with R220 564 in the prior year due to the allocation between debtors invoices and payments received not being correct resulting in provisions for bad debt and the Customer control account not being correct. Trade and other receivables were understated with R44 002.06 in the previous year due to the interest received on the Eskom deposit not being accounted for in the correct period.

54. PRIOR PERIOD ADJUSTMENTS (CONTINUED)

TRADE AND OTHER PAYABLES

Trade and other payables were overstated with R14 327 due to accrual made in the prior year for expenses that relate to the 2021 financial year. Trade and other payables was overstated with R351 302 in the prior year due to the amount that is claimed as income received in advance not being correct as the allocation between debtors invoices and payments received was not correct.

OTHER EXPENSES

The investment property was reclassified to property, plant and equipment in the prior year but the depreciation was not transferred correctly. An asset was written off in the prior year but the asset is still in use and was incorrectly written off with the Mununzwu assets. Other operating expenses were overstated in the prior year with R12 458 due to accruals made for expenses that relate to the 2021 financial year. Other operating expenses was overstated with R571 866 due to the allocation between debtors invoices and payments received not being correct resulting in provisions for bad debt and the Customer control account not being correct.

INVESTMENT INCOME

Investment income was understated with R44 002.06 in the previous year due to the interest received on the Eskom deposit not being accounted for in the correct period.

LIMPOPO CONNEXION (SOC) LTD

Included in the adjustment for property, plant and equipment is the correction of the fixed asset register where assets that were disposed of incorrectly, was reversed as they were still in use. Broadband Work in Progress assets were adjusted where it was accounted for in the incorrect period and this also resulted in corrections processed to trade payables and deferred income.

Additional adjustments were made to property, plant and equipment where broadband sites and assets were capitalised from work-in-progress. Adjustments to lease liabilities, finance cost and right-of-use assets were as a result of accounting for the 15 Biccard office and Fibre/POP rentals in terms of IFRS 16 - Leases.

Corrections processed to trade receivables and accrued interest relate to a correction processed for the under provision of accrued interest in the prior periods as well as R115 853 for revenue from broadband services that were not accounted for.

Corrections processed in loans to shareholders, employee cost and local travel relate to directors remuneration and disbursements that were not accounted for in the prior period. Corrections processed to finance cost and trade payables relate to interest and penalties levied by SARS for the late payment of EMP201 submissions in the prior year.

Corrections made in trade payables, deferred income, other income and project expenses all relate to donor funding that was received and realised in the prior periods not being accounted for correctly. The net effect of the above mentioned transactions was accounted for in retained earnings where the resulting income statement effect had to be accounted for.

BAKGAGA BAKONE CROSSING (SOC) LIMITED

The correction below relates to audit fees that were never accounted for.

STATEMENT OF FINANCIAL POSITION

Loan from shareholders (2021: R-) ; (2020: -R 2 853)

PROFIT OR LOSS

Audit fees (2021: R-) ; (2020: R 2 853)

54. PRIOR PERIOD ADJUSTMENTS (CONTINUED)

The correction of the error(s) results in adjustments as follows:

GROUP: 2020 STATEMENT OF FINANCIAL POSITION	As previously reported 2020 R	Prior year adjustments R	2020 restated R
Property, plant and equipment	617 164 708	4 492 821	621 657 529
Right of use assets	19 364 692	8 744 783	28 109 475
Investment property	190 856 046	214 012	191 070 058
Goodwill	31 649 157	-	31 649 157
Intangible assets	123 779 797	737 699	124 517 496
Investment in associates	89 024 627	-	89 024 627
Other financial assets	660 775 473	(9)	660 775 464
Environmental rehabilitation deposit	31 572 727	12 060	31 584 787
Biological assets	2 282 964	-	2 282 964
Inventories	19 859 125	2 608	19 861 733
Loans to group companies	36 285 241	(1)	36 285 240
Loans to shareholders	1 500 000	-	1 500 000
Trade and other receivables	135 952 267	1 243 130	137 195 397
Other financial assets	93 463 956	-	93 463 956
Prepayments	4 482 018	(101 232)	4 380 786
Other receivables	56 834 961	-	56 834 961
Cash and cash equivalents	375 479 378	-	375 479 378
Share capital	(409 216 005)	-	(409 216 005)
Non-controlling interest	(3 752 586)	-	(3 752 586)
Loans from shareholders	(2 399 502)	-	(2 399 502)
Insurance contracts	(6 864 275)	-	(6 864 275)
Investment contracts	(5 993 562)	-	(5 993 562)
Finance lease liabilities	(17 217 464)	(2 562 207)	(19 779 671)
Retirement benefit obligation	(27 405 839)	-	(27 405 839)
Employee benefits	(4 625 000)	-	(4 625 000)
Deferred income	(439 914 617)	(218 853 181)	(658 767 798)
Deferred tax	(10 667 297)	716 612	(9 950 685)
Provisions	(68 862 513)	(8 614 514)	(77 477 027)
RHLF Fund - liability	(20 702 446)	-	(20 702 446)
Trade and other payables	(320 522 222)	(13 582 554)	(334 104 776)
Loans from shareholders	(38 003 998)	-	(38 003 998)
Insurance contracts	(10 388 138)	-	(10 388 138)
Finance lease liabilities	(9 878 348)	(942 343)	(10 820 691)
Operating lease liability	(2 425)	-	(2 425)
Retirement benefit obligation	(3 493 000)	-	(3 493 000)
Employee benefits	(1 258 900)	(13 100)	(1 272 000)
Deferred income	(351 006 223)	234 567 576	(116 438 647)
Current tax payable	(4 257 952)	-	(4 257 952)
Provisions	(2 120 707)	(595 629)	(2 716 336)
RHLF Fund - liability	(12 530 674)	-	(12 530 674)
FLISP Fund	(22 254 154)	1 807 411	(20 446 743)
Other liability	-	(1 807 411)	(1 807 411)
Retained income	**696 989 290**	**5 466 531**	**702 455 821**

54. PRIOR PERIOD ADJUSTMENTS (CONTINUED)

GROUP: 2020

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	As previously reported 2020 R	Prior year adjustments R	2020 restated R
Revenue	983 887 143	-	983 887 143
Cost of sales	(353 422 754)	(3 707 501)	(357 130 255)
Other income	17 148 086	26 312 302	43 460 388
Government grants	464 352 479	(11 296 403)	453 056 076
Other operating gains losses	(8 687 900)	10 285 495	1 597 595
Impairments and allowance for credit losses	(96 506 765)	7 042 800	(89 463 965)
Other operating expenses	(1 152 092 269)	(12 366 160)	(1 164 458 429)
Investment income	34 949 870	(12 323 360)	22 626 510
Finance costs	(13 809 581)	(562 131)	(14 371 712)
Income from equity accounted investments	3 677 900	-	3 677 900
Other non-operating gains and losses	-	(8 630 865)	(8 630 865)
Taxation	(3 380 765)	716 612	(2 664 153)
Fair value adjustment	464 603	(747 204)	(282 601)
Non-controlling interest	(174 341)	-	(174 341)
(Loss) / profit for the year	**(123 594 294)**	**(5 276 415)**	**(128 870 709)**

AGENCY: 2020

STATEMENT OF FINANCIAL POSITION	As previously reported 2020 R	Prior year adjustments R	2020 restated R
Property Plant and Equipment	46 191 359	(1)	46 191 358
Right of use asset	347 556	-	347 556
Investments Property	185 760 239	214 012	185 974 251
Intangible Assets	252 562	-	252 562
Investments in subsidiaries	236 954 810	-	236 954 810
Investments in associates	3 503 094	-	3 503 094
Other financial assets	74 389 077	-	74 389 077
Inventory	750 410	-	750 410
Loan to group companies	138 267 039	(898 201)	137 368 838
Trade and other receivables	63 979 091	907 125	64 886 216
Other financial assets	2 204 274	-	2 204 274
Cash and cash equivalent	132 437 307	-	132 437 307
Share capital	(409 216 005)	-	(409 216 005)
Finance Lease Liabilities	(389 709)	-	(389 709)
Deferred income	(27 537 249)	-	(27 537 249)
Retirement obligation	(14 273 000)	-	(14 273 000)
Employee benefits	(881 000)	-	(881 000)
Provisions	-	-	-
Trade and other payables	(209 339 899)	(1 257 868)	(210 597 767)
Loans from group companies	(13 667 266)	97 795	(13 569 471)
Retirement obligation	(1 742 000)	-	(1 742 000)
Employee benefits	(272 000)	-	(272 000)
Deferred income	(63 240 738)	(1)	(63 240 739)
Provisions	-	-	-
Retained income	**144 477 952**	**(937 139)**	**143 540 813**

54. PRIOR PERIOD ADJUSTMENTS (CONTINUED)

AGENCY: 2020

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	As previously reported 2020 R	Prior year adjustments R	2020 restated R
Revenue	115 356 519	-	115 356 519
Other income	4 527 539	(260 877)	4 266 662
Other operating gains	809 777	900 000	1 709 777
Government Grants	322 097 436	-	322 097 436
Impairment and allowance for credit losses	(172 121 164)	7 042 800	(165 078 364)
Other operating expenses	(403 842 849)	(2 009 674)	(405 852 523)
Investment income	20 453 187	(6 811 218)	13 641 969
Finance cost	(1 444 579)	-	(1 444 579)
Fair Value gain	(282 601)	-	(282 601)
(Loss)/profit for the year	**(114 446 735)**	**(1 138 969)**	**(115 585 704)**

54. PRIOR PERIOD ADJUSTMENTS (CONTINUED)

GROUP: 2019 STATEMENT OF FINANCIAL POSITION	As previously reported 2019 R	Prior year adjustments R	2019 restated R
Property, plant and equipment	485 307 042	-	485 307 042
Right of use assets	-	1 815 249	1 815 249
Investment property	208 495 953	-	208 495 953
Biological assets	2 112 233	-	2 112 233
Goodwill	31 649 157	-	31 649 157
Intangible assets	123 061 800	-	123 061 800
Investment in associates	88 292 101	-	88 292 101
Other financial assets	609 008 230	-	609 008 230
Environmental rehabilitation deposit	34 620 796	-	34 620 796
Biological assets	2 992 791	-	2 992 791
Inventories	35 675 635	-	35 675 635
Loans to group companies	45 811 686	-	45 811 686
Loans to shareholders	1 500 000	-	1 500 000
Trade and other receivables	151 906 765	(1 752 002)	150 154 763
Other financial assets	72 915 004	-	72 915 004
Current tax receivables	6 002 246	-	6 002 246
Prepayments	4 680 494	-	4 680 494
Other receivables	1 708 558	-	1 708 558
Cash and cash equivalents	314 665 632	-	314 665 632
Share capital	(409 216 005)	-	(409 216 005)
Reserves	2 607 151	-	2 607 151
Non-controlling interest	(3 578 245)	-	(3 578 245)
Loans from shareholders	(2 399 502)	-	(2 399 502)
Insurance contracts	(9 152 525)	-	(9 152 525)
Investment contracts	(5 827 560)	-	(5 827 560)
Finance lease liabilities	-	(1 745 313)	(1 745 313)
Retirement benefit obligation	(28 626 839)	-	(28 626 839)
Employee benefits	(4 613 000)	-	(4 613 000)
Deferred income	(293 566 420)	-	(293 566 420)
Deferred tax	(6 934 785)	-	(6 934 785)
Provisions	(61 747 439)	-	(61 747 439)
RHLF Fund - liability	(33 252 959)	-	(33 252 959)
Trade and other payables	(292 428 529)	4 951 168	(287 477 361)
Loans from shareholders	(38 003 998)	(1)	(38 003 999)
Insurance contracts	(8 849 186)	-	(8 849 186)
Investment contracts	(27 864)	-	(27 864)
Finance lease liabilities	(14 102)	-	(14 102)
Operating lease liability	(2 425)	-	(2 425)
Retirement benefit obligation	(3 305 000)	-	(3 305 000)
Employee benefits	(1 668 500)	-	(1 668 500)
Deferred income	(126 757 972)	3 454 723	(123 303 249)
Current tax payable	(4 257 952)	-	(4 257 952)
Provisions	(28 002 329)	(68 331)	(28 070 660)
RHLF Fund - liability	(11 394 685)	-	(11 394 685)
FLISP Fund	(22 762 817)	-	(22 762 817)
Retained income	**826 622 636**	**6 655 493**	**833 278 129**

54. PRIOR PERIOD ADJUSTMENTS (CONTINUED)

GROUP: 2019

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	As previously reported 2019 R	Prior year adjustments R	2019 restated R
Revenue	1 165 517 752	(94 595)	1 165 423 157
Cost of sales	(467 947 713)	(1 760 500)	(469 708 213)
Other income	21 522 816	3 272 397	24 795 213
Government grants	330 192 796	97 524	330 290 320
Fair value gain	1 483 758	-	1 483 758
Impairments and allowance for credit losses	16 115 530	-	16 115 530
Other operating expenses	(1 169 745 533)	-	(1 169 745 533)
Investment income	34 194 103	65 694	34 259 797
Finance costs	(7 456 004)	(115 414)	(7 571 418)
Income from equity accounted investments	12 653 920	-	12 653 920
Taxation	(822 200)	-	(822 200)
Other operating gains losses	(1 920 005)	-	(1 920 005)
Non-controlling interest	5 621 240	-	5 621 240
(Loss) / profit for the year	**(60 589 540)**	**1 465 106**	**(59 124 434)**

AGENCY: 2019

STATEMENT OF FINANCIAL POSITION	As previously reported 2019 R	Prior year adjustments R	2019 restated R
Property Plant and Equipment	40 930 632	(1)	40 930 631
Investments Property	175 757 596	-	175 757 596
Intangible Assets	403 298	-	403 298
Investments in subsidiaries	207 954 810	-	207 954 810
Investments in associates	3 503 094	-	3 503 094
Other financial assets	102 899 786	1	102 899 787
Inventory	815 814	-	815 814
Loan to group companies	149 231 938	-	149 231 938
Trade and other receivables	106 764 346	-	106 764 346
Other financial assets	10 589 921	-	10 589 921
Cash and cash equivalent	99 939 585	(1)	99 939 584
Share capital	(409 216 005)	-	(409 216 005)
Deferred income	(38 979 478)	-	(38 979 478)
Retirement obligation	(13 990 000)	-	(13 990 000)
Employee benefits	(1 199 000)	-	(1 199 000)
Provisions	-	-	-
Trade and other payables	(97 813 410)	201 824	(97 611 586)
Retirement obligation	(1 546 000)	-	(1 546 000)
Employee benefits	(123 000)	-	(123 000)
Deferred income	(58 633 906)	-	(58 633 906)
Provisions	(18 282 274)	-	(18 282 274)
Retained income	**259 007 747**	**201 823**	**259 209 570**

54. PRIOR PERIOD ADJUSTMENTS (CONTINUED)

AGENCY: 2019

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	As previously reported 2019 R	Prior year adjustments R	2019 restated R
Revenue	112 299 791	1	112 299 792
Other income	10 602 893	-	10 602 893
Government Grants	292 604 300	-	292 604 300
Other operating gains/(losses)	6 154 173	-	6 154 173
Impairment and allowance for credit losses	17 428 019	-	17 428 019
Other operating expenses	(503 784 035)	182 088	(503 601 947)
Investment income	18 281 612	(1)	18 281 611
Finance cost	(192 953)	-	(192 953)
Fair Value gain	8 733 497	-	8 733 497
(Loss)/profit for the year	**(37 872 703)**	**182 088**	**(37 690 615)**

55. COMPARATIVE FIGURES

Certain comparative figures have been reclassified and restated. Refer to Note 54.

56. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

CATEGORIES OF FINANCIAL INSTRUMENTS

CATEGORIES OF FINANCIAL ASSETS

GROUP - 2021	Note(s)	Fair value through other comprehensive income - debt instruments R	Amortised cost R	Total R
Loans to shareholders		-	1 500 000	1 500 000
Other receivables	64	-	715 707	715 707
Trade and other receivables	21	-	148 337 113	148 337 113
Other financial assets	14	53 302 924	643 664 798	696 967 722
Cash and cash equivalents	22	-	229 954 958	229 954 958
Prepayments	18	-	4 576 140	4 576 140
		53 302 924	**1 028 748 716**	**1 082 051 640**

GROUP - 2020				
Loans to group companies	12	-	36 285 240	36 285 240
Loans to shareholders	13	-	1 500 000	1 500 000
Other receivables	64	-	56 834 961	56 834 961
Trade and other receivables	21	-	137 195 397	137 195 397
Cash and cash equivalents	22	-	375 479 378	375 479 378
Prepayments	18	-	4 380 786	4 380 786
Other financial assets	14	88 954 269	665 285 151	754 239 420
		88 954 269	**1 276 960 913**	**1 365 915 182**

56. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

COMPANY - 2021	Note(s)	Amortised cost R	Total R
Loans to group companies	12	82 997 368	82 997 368
Trade and other receivables	21	58 160 183	58 160 183
Cash and cash equivalents	22	38 104 439	38 104 439
Other financial assets	14	42 637 790	42 637 790
		221 899 780	**221 899 780**

COMPANY - 2020	Note(s)	Fair value through other comprehen- sive income - debt instruments R	Amortised cost R	Total R
Loans to group companies	12	-	137 368 838	137 368 838
Trade and other receivables	21	-	64 886 216	64 886 216
Cash and cash equivalents	22	-	132 437 307	132 437 307
Other financial assets	14	22 000 000	54 593 351	76 593 351
		22 000 000	**389 285 712**	**411 285 712**

CATEGORIES OF FINANCIAL LIABILITIES

GROUP - 2021	Note(s)	Fair value through profit or loss - Designated R	Amortised cost R	Total R
Trade and other payables	33	-	337 640 111	337 640 111
Loans from shareholders	13	-	40 403 500	40 403 500
Insurance contracts	26	-	16 285 889	16 285 889
RHLF Fund - liability	30	-	20 787 841	20 787 841
Investment contracts	27	6 125 197	-	6 125 197
Borrowings	22	-	299 294 385	299 294 385
Operating lease liabilities	29	-	2 425	2 425
FLISP Fund	32	17 945 876	-	17 945 876
Finance lease liabilities	4	19 971 003	-	19 971 003
		44 042 076	**714 414 151**	**758 456 227**

GROUP - 2020				
Trade and other payables	33	-	274 206 312	274 206 312
Loans from shareholders	13	-	40 403 500	40 403 500
Insurance contracts	26	-	17 252 413	17 252 413
Investment contracts	27	5 993 562	-	5 993 562
Operating lease liability	29	-	2 425	2 425
RHLF Fund - liability	30	-	33 233 120	33 233 120
FLISP Fund	32	20 446 743	-	20 446 743
Finance lease liabilities	4	30 600 362	-	30 600 362
		57 040 667	**365 097 770**	**422 138 437**

56. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

COMPANY - 2021	Note(s)	Fair value through other comprehen- sive income - debt instruments R	Amortised cost R	Total R
Trade and other payables	33	-	102 176 548	102 176 548
Finance lease liability	4	1 236 096	-	1 236 096
		1 236 096	**102 176 548**	**103 412 644**

COMPANY - 2020				
Trade and other payables		-	167 365 209	167 365 209
Loans from group companies		-	13 569 471	13 569 471
Finance lease obligations		389 709	-	389 709
		389 709	**180 934 680**	**181 324 389**

FINANCIAL RISK MANAGEMENT

OVERVIEW

The group is exposed to the following risks from its use of financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk (currency risk, interest rate risk, cash flow interest rate risk and price risk).

The Group's overall risk management programme focusses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

Risk management is carried out by the Group Chief Risk Officer under policies approved by the LEDA Board. Risk management identifies, evaluates and manages certain financial risks. The Board of Directors provides oversight on risk management activities.

CREDIT RISK

Credit risk is the risk of financial loss to the group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk consists mainly of cash deposits, cash equivalents, derivative financial instruments and trade debtors. The agency only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Trade receivables comprise a widespread customer base. Management evaluated credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The utilisation of credit limits is regularly monitored. Sales to retail customers are settled in cash or using major credit cards.

Credit guarantee insurance is purchased when deemed appropriate.

No credit limits were exceeded during the reporting period, and management does not expect any losses from nonperformance by these counter-parties.

Where management did expect potential losses from non-performance by the parties listed, sufficient provision had been made for credit loss allowances.

56. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

The group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on the payment profiles of sales over a period of 12 months and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The group has identified the GDP (economic growth) and the unemployment rate to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

Trade receivables and contract assets are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the group, and a failure to make contractual payments for a period of greater than 120 days past due. Impairment losses on trade receivables and contract assets are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

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

FINANCIAL INSTRUMENT	Group 2021 R	Group 2020 R	Agency 2021 R	Agency 2020 R
Cash and cash equivalents	229 954 958	375 479 378	38 104 439	132 437 307
Trade and other receivables	148 337 113	137 195 397	58 160 183	64 886 216
Other financial assets	696 967 722	754 239 420	42 637 790	76 593 351
Loans to shareholders	1 500 000	1 500 000	-	-
Prepayments	4 576 140	4 380 786	-	-
Loans to group companies	-	36 285 240	82 997 368	137 368 838
Other receivables	715 707	56 834 961	-	-
	1 082 051 640	**1 365 915 182**	**221 899 780**	**411 285 712**

LIQUIDITY RISK

Liquidity risk is the risk encountered by an entity in the event of difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash and other financial assets.

The group's risk to liquidity is a result of the funds available to cover future commitments. The Group manages liquidity risk through an ongoing review of future commitments and credit facilities. The Group's policy to counteract credit exposures uncertainty that only counter parties of a high credit standing are used for the investment of excess cash.

Cash flow forecasts are prepared and adequate utilised borrowing facilities are monitored. Surplus cash is invested in short term investment call accounts. At the reporting date the Group and Agency's held liquid assets.

The Group determines the liquidity risk and cash flow forecasts monthly to meet these commitments.

56. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

The table below analyses the Group's non-derivative financial liabilities exposed to liquidity risk into relevant maturity groupings:

GROUP - 2021		Less than 1 year R	1 to 2 years R	Total R	Carrying amount R
Trade and other payables	29&33	337 640 111	-	337 640 111	337 640 111
Loans from shareholders	24	38 003 998	2 399 502	40 403 500	40 403 500
Insurance contracts	26	9 571 549	6 714 340	16 285 889	16 285 889
Investment contracts	27	-	6 125 197	6 125 197	6 125 197
Finance lease liabilities	4	7 961 819	12 009 184	19 971 003	19 971 003
Borrowings	50	-	299 294 385	299 294 385	299 294 385
RHLF Fund Liability	30	14 861 339	5 926 502	20 787 841	20 787 841
FLISP Fund Liability	32	17 945 876	-	17 945 876	17 945 876
Operating lease liability	15	2 425	-	2 425	2 425
		425 987 117	**332 469 110**	**758 456 227**	**758 456 227**

GROUP - 2020					
Trade and other payables	33	274 206 312	-	274 206 312	274 206 312
Loans from shareholders	25	38 003 998	2 399 502	40 403 500	40 403 500
Finance lease liabilities	4	10 820 691	19 779 671	30 600 362	30 600 362
Operating lease liability	15&29	2 425	-	2 425	2 425
Investment contracts	50	-	5 993 562	5 993 562	5 993 562
Insurance contract	26	10 388 138	6 864 275	17 252 413	17 252 413
RHLF Fund Liability	30	12 530 674	20 702 446	33 233 120	33 233 120
FLISP Fund Liability	32	20 446 743	-	20 446 743	20 446 743
		366 398 981	**55 739 456**	**422 138 437**	**422 138 437**

COMPANY - 2021					
Trade and other payables	33	102 176 548	-	102 176 548	102 176 548
Finance lease liabilities	4	892 631	343 465	1 236 096	1 236 096
		103 069 179	**343 465**	**103 412 644**	**103 412 644**

COMPANY - 2020					
Trade and other payables	33	167 365 209	-	167 365 209	167 365 209
Loans from group companies	24	13 569 471	-	13 569 471	13 569 471
Finance lease liabilities	4	-	389 709	389 709	389 709
		180 934 680	**389 709**	**181 324 389**	**181 324 389**

INTEREST RATE RISK

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The group has no significant interest-bearing assets.

The interest rate risk arises from interest rates charged on the loans to group companies. Loans are issued at a variable rate that exposes the Group to a fair value interest rate risk.

The Group's exposure to interest rate risk is managed by the Risk Management and Credit Risk Divisions. It is a policy of the Group to charge its related parties a rate linked to the prime interest rate as determined by the Reserve Bank. The prime rate decreased in the current year from 8,75% to 7%. This policy has not changed since the prior year.

56. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)	GROUP		COMPANY	
	2021 R	2020 R	2021 R	2020 R

RISIMA HOUSING FINANCE

The company interest rate risk arises from interest rate charged on the housing loans debt. Housing loans are issued at a prime linked interest rate and it exposes the company to fair value interest rate risk.

The company's exposure to interest rate risk is managed by the Credit Risk Division. It is a policy of the company to charge its clients prime interest rate as determined by the Reserve bank. This policy has not changed since prior year.

The company has investments in financial assets (home loans) as per note 3 of the financial statements and in 32 days' notice and current bank accounts.

At the end of the reporting period the profile of the company's interest-bearing financial instruments as reported to the management of the company was as follows:

The company monitors the potential impact on interest revenue or potential changes to the interest rate. Below is the sensitivity analysis of the effect of a 1.75% movement in interest rates.

1,75% Increase in prime rate: R 9 000 342

1,75% Decrease in prime rate: R (11 917 518)

Other financial assets: Home loans	598 658 583	608 010 603	-	-
Cash and cash equivalents	41 887 045	18 598 692	-	-
	640 545 628	**626 609 295**	**-**	**-**

CASH FLOW SENSITIVITY ANALYSIS

The interest rate remained steady at 7% after year end.

MARKET RISK

Market risk is the risk that changes in market prices such as interest rates and foreign exchange rates affecting the Group's income or the value of its financial instrument holdings. The objective of market risk management is to manage and control market risk exposure within acceptable parameters, while optimising the return on the risk.

PRICE RISK

The Group is exposed to equity securities price risk because of investments held by the group and classified on the consolidated statement of financial position either as available-for-sale or at fair value through profit or loss. The group is not exposed to commodity price risk. To manage its price risk arising from investments in equity securities, the group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the group.

Post-tax profit for the year would increase/decrease as a result of gains or losses on equity securities classified as at fair value through profit or loss. Other components of equity would increase/decrease as a result of gains or losses on equity securities classified as available-for-sale.

IMPAIRMENT OF LOANS AND OTHER FINANCIAL ASSETS

The loss allowances 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.

The group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information.

56. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

Especially the following indicators are incorporated:

- internal credit rating
- external credit rating (as far as available)
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations
- actual or expected significant changes in the operating results of the borrower significant increases in credit risk on other financial instruments of the same borrower
- significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements
- significant changes in the expected performance and behaviour of the borrower, including changes in the payment status of borrowers in the group and changes in the operating results of the borrower. Macroeconomic information (such as market interest rates or growth rates) is incorporated as part of the internal rating model.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 90 days past due in making a contractual payment.

A default on a financial asset is when the counterparty fails to make contractual payments within 60 days of when they fall due.

57. GOING CONCERN

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.

The ability of the Group 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 agency and that the shareholder Limpopo Economic Development, Environment and Tourism (LEDET) will continue to support the Group.

We draw attention to the fact that at 31 March 2021, the Group had accumulated income of R 543,9 million (2020: R 702,5 million) and the Group's total assets exceed its liabilities by R 959,8 million (2020: R 1 115,4 million).

The ability of the Group to continue as a going concern is dependent on several factors which include some of the following interventions:

- LEDA Group has revised the annual plan for the financial year 2021/22 considering the allocation of the Grant by the Provincial Treasury
- LEDA Group is currently operating in terms of negotiated subsidy contracts with the Department of Transport. These contracts are subject to renewal on an annual basis. The current contracts have been extended for 3 years from 1 April 2021 to 31 March 2024
- Limpopo Executive Council has further directed the Provincial Treasury to reprioritize the allocation of R 182 million to the subsidiary GNT.
- The leasing out of the Lebowakgomo Chicken abattoir is in the implementation phase and is expected to positively contribute to the cash flows of Limpopo Agribusiness and the Group.
- CMR has revised their turnaround strategy which has been approved by the Board.

58. EVENTS AFTER THE REPORTING PERIOD

During December 2019, an urgent health notice was issued by China about Corona Virus (COVID-19). This virus was officially declared a Public Health Emergency of International Concern (PHEIC or pandemic) on 30 January 2020 by the Word Health Organisation. Many actions taken by governments and the private sector to respond to the outbreak resulted in a decline in the global economy.

The President of the Republic of South Africa declared a National State of Disaster, effective 26 March 2020. This resulted in a lockdown of the economy, affecting all major business sectors. Management is still in the process of carefully assessing the specific facts and circumstances that existed for the entity at the time of the outbreak and the effect thereof on the entity. Currently, the impact of COVID-19 on the entity cannot be measured with any degree of accuracy.

Management did however compile an assessment of going concern and is satisfied that the entity will be able to continue its operations for the foreseeable future.

59. COVID-19

Since 31 December 2019, the spread of COVID-19 has severely impacted many local economies around the globe. In many countries, businesses are being forced to cease or limit operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. Global stock markets have also experienced great volatility and a significant weakening. Governments and central banks have responded with monetary and fiscal interventions to stabilise economic conditions.

The Company has determined that these events are non-adjusting subsequent events. Accordingly, the financial position and results of operations as of and for the year ended 31 March 2021 have not been adjusted to reflect their impact. The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the Company for future periods.

60. ADDITIONAL DISCLOSURE IN TERMS OF THE HOME AND LOAN MORTGAGE DISCLOSURE ACT NO. 63 OF 2000

RISIMA HOUSING FINANCE CORPORATE	2021		2020	
TYPE	Number	Value R	Number	Value R
Applications received	99	42 963 298	221	120 598 073
Declined applications / cancellations	(16)	(8 054 021)	(20)	(14 151 878)
Approved applications	83	34 909 277	201	106 446 195
Withdrawals of applications	(3)	(1 170 148)	(9)	(5 496 873)
	80	**33 739 129**	**192**	**100 949 322**

Risima operates in five regional districts in the Limpopo province and the loans approved during the current year were:

REGION	Number	Value R
Sekhukhune	**1**	**257 300**
Vhembe	**5**	**1 806 343**
Waterberg	**8**	**2 732 397**
Mopani	**26**	**7 484 535**
Capricorn	**40**	**21 458 554**
	80	**33 739 129**

The reason for the declined applications were due to over-indebtedness and non-compliance in terms of National Credit Act and to Risima housing policy.

67 home loans were disbursed/implemented in the current financial year amounting to R39,1m which include outstanding from/prior financial year, compared to 169 home loans valued ar R95.6m in the 2019/2020 financial year.

61. PUBLIC PRIVATE PARTNERSHIP

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 Lebowakgomo corridor as a sub-contractor to GNT under the Seshego depot. Permits were transferred to Kopano to operate these routes.

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 R9,2m (2020: R 9,8m). This agreement will expire with the expiry of the negotiated contracts held by the company or by mutual agreement of both parties.

During the year under review Great North Transport subcontracted it's bus operation in Bushbuckridge depot to Myboet Trading. Subsidies relating to these routes are claimed by Great North Transport and paid over to Myboet less 5% management fee.

62. FRUITLESS AND WASTEFUL EXPENDITURE

	GROUP		COMPANY	
	2021 R	2020 R	2021 R	2020 R
Opening balance	55 624 891	29 190 550	3 004 352	1 964 997
Add: Fruitless and wasteful expenditure - current year	16 142 794	26 434 341	404 251	1 039 355
	71 767 685	**55 624 891**	**3 408 603**	**3 004 352**

Fruitless and wasteful expenditure was as a result of interest and penalties paid on overdue accounts. Management has not yet instituted processes to investigate the fruitless and wasteful expenditure.

63. GOVERNMENT GRANTS

LEDET	337 707 581	397 517 623	254 178 960	300 278 492
Grants realised from deferred income	44 998 363	55 538 453	11 956 626	21 818 944
	382 705 944	**453 056 076**	**266 135 586**	**322 097 436**

64. OTHER RECEIVABLES

Deposit paid - buses	-	56 050 006	-	-
Sundry deposits	358 175	408 679	-	-
Reinsurance assets	357 532	376 276	-	-
	715 707	**56 834 961**	**-**	**-**

65. IRREGULAR EXPENDITURE

Opening balance	445 232 159	295 573 116	80 421 623	67 144 715
Irregular expenditure incurred in the current year	76 198 258	149 659 043	825 541	13 276 908
Irregular expenditure condoned	(60 000)	-	-	-
	521 370 417	**445 232 159**	**81 247 164**	**80 421 623**

Irregular expenditure was as a result of payment of directors fees not in line with Treasury regulations, payments made on expired contracts and non- compliance with SCM regulations. Management has not yet instituted processes to investigate the irregular expenditure.

66. INCOME FROM EQUITY ACCOUNTED INVESTMENTS

GROUP: 2021	Revenue R	Profit R	Total comprehensive income R	% held	Share of profit / (loss) R
AON Limpopo	12 540 825	2 755 794	2 755 794	48.48 %	1 336 009
Atta Clay	2 867 787	(402 037)	(402 037)	30.00 %	(120 611)
Makapan Mall	14 769 414	8 082 149	8 082 149	50.00 %	4 041 075
NTK Venda Roller Mills	85 391 528	1 463 109	1 463 109	36.36 %	531 986
OK Bazaar	170 107 500	11 554 750	11 554 750	33.33 %	3 851 198
Rock Island	-	-	-	45.00 %	(525 888)
Vanadium & Magnetite Exploration & Development Co.	-	-	-	33.33 %	-
	285 677 054	**23 453 765**	**23 453 765**		**9 113 769**

GROUP: 2020	Revenue R	Profit R	Total comprehensive income R	% held	Share of profit / (loss) R
AON Limpopo	11 236 281	2 403 584	2 403 584	48.48 %	1 165 257
Atta Clay	22 118 304	1 761 556	1 761 556	30.00 %	528 467
Makapan Mall	16 012 932	3 414 108	3 414 108	50.00 %	1 709 300
NTK Venda Roller Mills	101 412 302	-	-	36.36 %	(586 870)
OK Bazaar	156 895 750	9 796 000	9 796 000	33.33 %	4 046 762
Rock Island	-	-	-	45.00 %	(3 185 016)
Vanadium & Magnetite Exploration & Development Co.	-	-	-	33.00 %	-
	307 675 569	**17 375 248**	**17 375 248**		**3 677 900**

67. ASSETS HELD FOR SALE

The company has decided to dispose of buses and ancillary vehicles that are no longer economical to repair as per approved disposal listing. These assets are expected to be sold through a public auction which is expected to take place within the next 12 months. The details of the assets (disposal group) are set out below.

	GROUP		COMPANY	
ASSETS HELD FOR SALE	2021 R	2020 R	2021 R	2020 R
Property, plant and equipment	4 454 880	-	-	-

68. OPERATING EXPENSES

		GROUP		COMPANY	
		2021 R	2020 R	2021 R	2020 R
Actuarial fees		1 023 345	1 046 883	-	-
Administration and management fees	41	9 221 810	10 030 612	-	221 073
Advertising		1 733 754	3 841 892	23 203	1 739 654
Amortisation	43	12 095 227	933 790	58 889	150 735
Auditors remuneration - external auditors	41	20 100 194	18 425 032	9 309 471	8 858 457
Bad debts		(123 393)	3 111 960	-	-
Bank charges		1 639 732	2 923 397	226 264	693 356
Business training		4 621 526	26 969 355	709 717	21 001 713
Cleaning		1 830 736	722 728	1 813 957	711 291
Computer expenses		3 684 913	2 309 118	3 438 306	2 123 046
Consulting and professional fees		30 168 361	32 333 445	13 013 788	21 786 051
Consumables		21 310	37 391	-	-
Depreciation	43	78 243 608	51 969 277	14 000 901	13 907 702
Donations		13 586	1 731 605	-	1 689 066
Employee costs	42	553 648 103	596 313 678	191 448 960	213 256 898
Entertainment		1 846 365	2 089 377	212 057	1 368 304
Fines and penalties		3 384 256	4 939 128	-	-
Fire prevention costs		219 174	31 098	219 174	31 098
Flowers		9 109	2 999	-	-
Gifts		325 480	1 555 734	-	-
IT expenses		21 261	176 473	21 261	48 865
Impairment	43	56 535 290	16 878 884	84 446	-
Inspection costs		3 701 260	4 409 978	-	-
Insurance		29 505 841	37 748 954	14 062 648	24 412 213
Lease rentals on operating lease		8 671 785	14 482 338	228 854	990 804
Levies		1 444 161	1 260 757	1 280 277	1 015 079
Social Responsibility		23 133 091	23 518 089	-	201 600
Marketing expense - Marula Festival		-	2 961 660	-	2 961 660
Medical expenses		11 705 851	2 540 817	-	-
Motor vehicle expenses		57 542 985	110 264 090	724 824	1 177 504
Municipal expenses		39 638 362	32 782 640	30 632 447	25 362 398
Other expenses		25 040 365	12 387 107	-	-
Other farming expenses		-	54 496	-	-
Pest control		52 772	212 900	295	98 900
Placement fees		623 832	147 264	440 135	147 264
Postage		42 758	70 006	41 284	60 802
Printing and stationery		1 538 621	2 084 521	195 640	1 062 732
Protective clothing		977 199	179 268	889 503	179 268
Rental expenses		3 081 167	3 912 358	3 081 167	3 776 358
Repairs and maintenance		18 580 187	26 712 225	1 932 480	10 834 976
Royalties and license fees		1 220 939	2 302 302	-	-
Sanitation project expenses		511 102	4 606 151	619 717	2 456 118
Secretarial fees		532 406	312 105	-	-
Security		48 314 232	35 832 507	24 376 873	14 418 153
Seminar - events and conferences		829 742	7 355 618	133 209	5 871 395
Staff welfare		2 083 213	2 430 577	741 097	1 010 245
Subscriptions		2 499 553	2 270 628	916 888	1 163 660
Telephone and fax		14 171 743	12 246 754	9 240 488	8 917 385
Ticket costs		417 315	773 969	-	-
Training		1 236 600	5 304 855	825 569	4 629 620
Transport and freight		1 289 991	2 372 773	-	-
Travel - local		2 019 436	11 414 386	549 310	7 079 765
Travel - overseas		-	2 390 496	-	250 225
Youth entrepreneur project expense		3 117 442	19 361 294	-	187 090
		1 084 906 842	**1 164 458 429**	**325 493 087**	**405 852 523**

Notes

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Fetakgomo Local Municipality Offices,
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LEDA

LIMPOPO ECONOMIC DEVELOPMENT AGENCY

AN AGENCY OF THE LIMPOPO PROVINCIAL GOVERNMENT REPUBLIC OF SOUTH AFRICA

ROOTED IN THE FUTURE

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