Please note: These annual financial statements will only be approved by the shareholders at the Annual General Meeting held on 23 August 2019.

Inqo Investments Limited and its subsidiaries

Consolidated and separate annual financial statements

for the year ended 28 February 2019

Audited

Prepared by
B Jones CA(SA)
of Green Bean Financial Management CC

Inqo Investments Limited and its subsidiaries
(Reg No 1998/024741/06)

Consolidated and separate annual financial statements
for the year ended 28 February 2019

Contents

Preparation of consolidated and separate annual financial statements

The financial statements were audited in terms of section 30 of the Companies Act of South Africa. Brigitte Jones CA(SA), of Green Bean Financial Management CC, prepared the consolidated and separate annual financial statements.

These consolidated and separate financial statements for the year ended 28 February 2019 were published on 30 July 2019.

Inqo Investments Limited and its subsidiaries

(Reg No 1998/024741/06)

Consolidated and separate annual financial statements

for the year ended 28 February 2019

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Preparation of consolidated and separate annual financial statements

The financial statements were audited in terms of section 30 of the Companies Act of South Africa. Brigitte Jones CA(SA), of Green Bean Financial Management CC, prepared the consolidated and separate annual financial statements.

These consolidated and separate financial statements for the year ended 28 February 2019 were published on 31 July 2019.

Inqo Investments Limited and its subsidiaries

Directors' Responsibility Statement

The directors are responsible for the preparation and fair presentation of the consolidated and separate annual financial statements of Inqo Investments Limited, comprising the statements of financial position at 28 February 2019, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes, in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa. In addition, the directors are responsible for preparing the Directors' Report.

The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error, and for maintaining adequate accounting records and an effective system of risk management.

The directors have made an assessment of the ability of the company and its subsidiaries to continue as going concerns and there is no reason to believe the businesses will not be going concerns in the year ahead.

The auditor is responsible for reporting on whether the consolidated and separate financial statements are fairly presented in accordance with the applicable financial reporting framework.

Approval of consolidated and separate annual financial statements

The consolidated and separate annual financial statements of Inqo Investments Limited, as identified in the first paragraph, were approved by the directors on 29 July 2019 and signed by

K Tan
Authorised Director

C Bern
Authorised Director

Inqo Investments Limited and its subsidiaries

Company Secretary's Certificate

In my capacity as company secretary, I hereby confirm, in terms of the Companies Act of South Africa, that for the year ended 28 February 2019, the company has lodged with the Registrar of Companies all such returns as are required of a public company in terms of this Act and that all such returns are true, correct and up to date.

Christopher Bertie

Company Secretary

29 July 2019
Date

Inqo Investments Limited and its subsidiaries

Directors' Report

For the year ended 28 February 2019

Nature of business

The directors have pleasure in presenting their report for the year ended 28 February 2019.

Business activities

The company is a social impact investment company that invests in businesses that tackle poverty and the social needs of the poor. The company believes that enterprise is the best way to tackle poverty through creating sustainable employment that empowers the poor and thereby transforms communities. As a social venture investment company, Inqo invests in businesses that create jobs, provide services and products for the poor as well as tackle environmental issues. We invest in small to medium size enterprises that are scalable and have potential for growth and appreciation.

The current portfolio companies include:

- **Kuzuko Lodge (Pty) Ltd (South Africa)** is a subsidiary entity that operates a Five Star game lodge. This entity created in excess of 200 jobs during the construction of the lodge and currently employs 68 staff, 55 of whom are members of local communities. This entity also provides skills training to people from local communities that were previously unemployed. The business entity is an operation based in the Eastern Cape which combines job creation, conservation and transformation in an eco-tourism environment.
- **Kuzuko Foundation Trust** provides conservation education in the Kuzuko Educational Park and tours through the reserve for children from disadvantaged backgrounds during school holidays.
- **Spekboom Trading (Pty) Ltd (South Africa)** rehabilitates degraded land on the Inqo Investments Limited property with the introduction of the indigenous Spekboom shrub. This project has re-forested 500 acres of degraded land through the employment of 100 people that were previously unemployed from the local community.
- **Bee Sweet Honey Ltd (Zambia)** where Inqo had purchased wooden bee hives, and earns the income that accrues from the sale of honey attributable to these hives. The company is an organic forest honey producer in the Mhlobo region of Northern Zambia, partnering with over 10 000 famers in Zambia who maintain the 85 512 hives. This approach creates a dual economic and environmental benefit by providing a powerful incentive for the beekeepers to expand their operation. It also prevents the beekeepers from cutting down the forests for income and allows the bees to generate sustainable revenue instead.
- **Four One Financial Services Limited (Uganda)** manages the Mazima Retirement Plan which is a voluntary retirement savings scheme for low income earners in the informal sector of the economy in Uganda. It is regulated by the Uganda Retirements Benefits Regulatory Authority (URBRA). Under the Mazima scheme, saving is flexible – the minimum is –US$0.60 with no regular savings required by informal workers. By aggregating the small savings, Mazima is able to get higher Fixed Deposit (FD) rates than would be available to the small savers. Each saver has his/her own account managed by the custodian bank, Housing Finance Bank. The company currently has 2100+ registered savers with a cumulative fund of UGX 1,500,000,000 and returned an average of 8.6% net in 2018.

Directors' report (continued)

For the year ended 28 February 2019

Going concern

The company made a loss before taxation for the year ended 28 February 2019 of R1 963 957 (2018: loss of R3 528 127).

The directors have made an assessment of the ability of the company and its subsidiaries to continue as going concerns and there is no reason to believe the businesses are not to continue as going concerns in the year ahead.

Directors

The directors in office at the date of this report are –

Mr David Andrew Louw
Dr Kim Tan †
Mr Christopher Bertie

†Malaysian

Share capital

There has been no change to the authorised share capital in the current financial year.

The company entered into a private placement of shares whereby existing shareholders could subscribe for ordinary shares during the 2018 and 2019 financial years. As a result, 1 361 112 Ordinary shares were issued in 2018 for R 19 352 305. The second tranche of the private placement took place in February 2019, when a further 1 111 112 Ordinary shares were issued for R 18 210 000. At 28 February 2019 the R18 210 000 was recorded as a receivable. The R18 210 000 has been received subsequent to year end.

Secretary

The company secretary is Mr Christopher Bertie.

Business address –	**Postal address –**
C/o Dorrington Jessop	Suite 90
28 Draper Square	Private Bag X9190
Draper Street	Cape Town
Claremont	8000
7708	

Inqo Investments Limited and its subsidiaries

Audit Committee Report

For the year ended 28 February 2019

The audit committee has pleasure in submitting its report as required by section 94 of the Companies Act.

The audit committee's brief covers all entities within the Inqo Investments Group. The audit committee has performed the following activities during the year:

- Review of the consolidated and separate annual financial statements, culminating in a recommendation to the board to adopt them.
- Taken appropriate steps to ensure that the consolidated and separate annual financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) and in the manner required by the Companies Act of South Africa.
- Consider, and when appropriate, makes recommendations on internal financial controls.
- Review and consider the risk management reports.
- The committee is satisfied that the external auditors KPMG Inc. and the designated audit partner are independent of the group and management, and are therefore able to express an independent opinion on the fair presentation of the consolidated and separate annual financial statements.

The audit committee comprised of: D Louw, C Bertie and K Tan.

Expertise and experience of the financial director:

The Audit committee has satisfied itself that the Financial Director has the appropriate expertise and experience.

D Louw
Chairman of the Audit Committee
29 July 2019

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Independent Auditor's Report

To the Shareholders of Inqo Investments Limited

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated and separate financial statements of Inqo Investments Limited (the group and company), set out on page 11 to 65 which comprise the statements of financial position at 28 February 2019, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Inqo Investments Limited at 28 February 2019, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements* section of our report. We are independent of the group and company in accordance with the sections 290 and 291 of the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors (Revised January 2018)*, parts 1 and 3 of the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors (Revised November 2018)* (together the IRBA Codes) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities, as applicable, in accordance with the IRBA Codes and in accordance with other ethical requirements applicable to performing audits in South Africa.

The IRBA Codes are consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* respectively. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	**How our audit addressed the key audit matter**
Valuation of land and buildings Refer to accounting policy note 1.6 and notes 6 and 30 This key audit matter is applicable to both the consolidated and separate financial statements.	
Land and buildings at fair value included in property, plant and equipment amounts to R130.3 million at year end, which represents 72.0% of total group assets and 72.6% of total company assets. Land and buildings are valued every second year by an independent valuator. An external independent valuation of the land and building was performed in the current year. The following key significant assumptions were applied by the valuator in the valuation of the land and buildings: • Market values realised in respect of other recent sales based on veld farm and irrigated farm sales within the region during the financial year. • Condition of the access roads to the property, the availability of water as well as the condition of the vegetation on the property. • The age and condition of the buildings as well as the appropriateness of the depreciation factor applied, taking into account any improvements made on the buildings.	Our audit procedures included: The key assumptions used in the calculation of the value of land and buildings were assessed by the audit team through comparing them with corroborating internal and external data. We challenged the valuator's assumptions as follows: • We compared the market values achieved on recent veld farm and irrigated farm sales in the area to publicly available property sales data. • We inspected the land size, access to water, condition of vegetation and road accessibility per the valuation to actual data per the deeds office and to actual physical verification performed at the property. • We inspected the buildings at the lodge and through our inspection compared the physical condition of all the buildings, as well as the game fenced land and the property's access to water and services, to the valuation received. • We challenged the estimated depreciation factor applied for each building by the valuator to the actual depreciation rate applied in the depreciation calculation. We evaluated the appointment, competence, independence and experience of the valuator and considered the extent of management influence over the valuator.

KPMG

Key audit matter	How our audit addressed the key audit matter
Due to the judgement applied by the valuator in the valuation of land and buildings, this was considered a key audit matter in our audit of the consolidated and separate financial statements.	We evaluated the adequacy of the disclosures in the financial statements related to the valuation of land and buildings in relation to the requirements of IFRS 13 *Fair Value Measurements*.

Other Information

The directors are responsible for the other information The other information comprises the information included in the document titled "Inqo Investments Limited and its subsidiaries consolidated and separate annual financial statements for the year ended 28 February 2019", which includes the Directors' Report, the Audit Committee Report and the Company Secretary's Certificate as required by the Companies Act of South Africa. The other information does not include the consolidated and separate financial statements and our auditor's reports thereon.

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

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

Responsibilities of the Directors for the Consolidated and Separate Financial Statements

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

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

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

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

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

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

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

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

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

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

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

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

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

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that KPMG Inc. has been the auditor of Inqo Investments Limited for 21 years.

KPMG Inc.

Per Alan Barr
Chartered Accountant (SA)
Registered Auditor
Director
31 July 2019

Inqo Investments Limited and its subsidiaries

Statements of profit or loss and other comprehensive income

for the year ended 28 February 2019

		Group		Company	
	Note	**2019 R**	2018 R	**2019 R**	2018 R
Revenue	*4*	**23 795 780**	22 962 689	**1 071 331**	510 965
Cost of Sales		**(3 458 913)**	(3 045 679)	**-**	-
Gross profit		**20 336 867**	19 917 010	**1 071 331**	510 965
Other income		**853 457**	146 083	**853 457**	3 646 083
Personnel expense		**(8 176 415)**	(7 771 969)	**(713 519)**	(653 608)
Depreciation		**(2 697 401)**	(2 447 768)	**(2 411 408)**	(2 261 774)
Listing expenses		**(834 420)**	(721 820)	**(834 420)**	(721 820)
Professional fees		**(621 023)**	(467 034)	**(416 626)**	(375 340)
Selling and administrative expenses		**(13 390 120)**	(12 732 322)	**(1 672 842)**	(1 721 028)
Operating loss	2	**(4 529 055)**	(4 077 820)	**(4 124 027)**	(1 576 522)
Fair value adjustment	*25*	**1 178 484**	(2 052 000)	**1 178 484**	(2 052 000)
Net financing income	*3*	**849 854**	135 222	**981 586**	100 395
Finance income		**1 060 337**	166 386	**1 012 215**	131 559
Finance expense		**(210 483)**	(31 164)	**(30 629)**	(31 164)
Loss before taxation		**(2 500 717)**	(5 994 598)	**(1 963 957)**	(3 528 127)
Taxation	*5*	**638 435**	1 719 982	**638 435**	1 719 982
Loss for the year		**(1 862 282)**	(4 274 616)	**(1 325 522)**	(1 808 145)
Loss attributable to:					
Equity holders		**(2 010 654)**	(4 760 503)	**(1 325 522)**	(1 808 145)
Non-controlling interest	*26*	**148 372**	485 887	**-**	-
		(1 862 282)	(4 274 616)	**(1 325 522)**	(1 808 145)

Statements of profit or loss and other comprehensive income (continued)

for the year ended 28 February 2019

	Note	Group **2019** **R**	Group 2018 R	Company **2019** **R**	Company 2018 R
Other comprehensive income - Items that will not subsequently be reclassified to profit or loss:					
		2 378 659	-	**2 378 659**	-
Revaluation of land and buildings	*16*	**3 065 283**	-	**3 065 283**	-
Deferred tax on revaluation	*16, 10*	**(686 624)**	-	**(686 624)**	-
Total comprehensive income for the year		**516 377**	(4 274 616)	**1 053 137**	(1 808 145)
Total comprehensive income attributable to:					
Equity holders		**368 005**	(4 760 503)	**1 053 137**	(1 808 145)
Non-controlling interest		**148 372**	485 887	**-**	-
		516 377	(4 274 616)	**1 053 137**	(1 808 145)
Loss per share (rands)	*28*	**(0.15)**	**(0.41)**		
Diluted loss per share (rands)	*28*	**(0.15)**	**(0.41)**		

Inqo Investments Limited and its subsidiaries

Statements of financial position

at 28 February 2019

	Note	Group 2019 R	Group 2018 R	Company 2019 R	Company 2018 R
Assets					
Non-current assets		**137 200 760**	131 196 218	**140 463 369**	134 692 994
Property, plant and equipment	6	**135 554 591**	129 724 998	**134 782 148**	129 204 934
Intangible assets	7	**14 853**	15 397	**-**	-
Loans to subsidiaries	8	**-**	-	**4 049 336**	4 031 668
Other investments	27	**1 631 316**	1 013 326	**1 631 316**	1 013 326
Loan receivable	27	**-**	442 497	**-**	442 497
Investments in subsidiaries	9		-	**569**	569
Current assets		**43 689 793**	28 766 861	**38 933 932**	22 297 353
Inventories	13	**910 830**	730 380	**-**	-
Trade and other receivables	11	**23 513 461**	22 667 550	**22 131 710**	20 267 499
Biological assets	25	**7 707 812**	2 463 128	**6 797 784**	1 553 100
Cash and cash equivalents	12	**11 557 690**	2 905 803	**10 004 438**	476 754
Total assets		**180 890 553**	159 963 079	**179 397 301**	156 990 347
Equity and liabilities					
Capital and reserves					
Ordinary share capital	14	**70 559 195**	65 003 635	**70 559 195**	65 003 635
Share premium	15	**83 428 888**	70 774 448	**83 428 888**	70 774 448
Revaluation reserve	16	**73 152 702**	70 774 043	**73 152 702**	70 774 043
Accumulated loss		**(65 557 058)**	(63 546 404)	**(60 352 470)**	(59 026 948)
Equity attributable to equity holders of Inqo Investments Limited		**161 583 727**	143 005 722	**166 788 315**	147 525 178
Non-controlling interest	26	**807 551**	659 179	**-**	-
Total equity		**162 391 278**	143 664 901	**166 788 315**	147 525 178
Non-current liabilities		**7 872 392**	7 814 633	**7 744 717**	7 686 959
Loans from related parties	17	**167 846**	188 674	**40 171**	61 000
Other long term loans	22	**625 139**	594 741	**625 139**	594 741
Deferred tax liability	10	**6 885 950**	6 837 761	**6 885 950**	6 837 761
Debentures	18	**193 457**	193 457	**193 457**	193 457
Current liabilities		**10 626 883**	8 483 545	**4 864 269**	1 778 210
Trade and other payables	19	**10 037 122**	8 336 305	**4 717 029**	1 630 970
Provision	20	**589 761**	147 240	**147 240**	147 240
Total liabilities		**18 499 275**	16 298 178	**12 608 986**	9 465 169
Total equity and liabilities		**180 890 553**	159 963 079	**179 397 301**	156 990 347

Inqo Investments Limited and its subsidiaries

Statements of changes in equity

for the year ended 28 February 2019

Group	Ordinary share capital R	Share premium R	Revaluation reserve R	Accumulated loss R	Non-controlling interest R	Total R
Balance at 1 March 2017	58 198 075	58 227 703	70 774 043	(58 785 901)	173 292	128 587 212
Shares Issued	6 805 560	12 546 745	-	-	-	19 352 305
Loss for the year	-	-	-	(4 760 503)	485 887	(4 274 616)
Other comprehensive income for the year	-	-	-	-	-	-
Balance at 28 February 2018	65 003 635	70 774 448	70 774 043	(63 546 404)	659 179	143 664 901
Balance at 1 March 2018	**65 003 635**	**70 774 448**	**70 774 043**	**(63 546 404)**	**659 179**	**143 664 901**
Shares Issued	**5 555 560**	**12 654 440**	-	-	-	**18 210 000**
Loss for the year	-	-	-	**(2 010 654)**	**148 372**	**(1 862 282)**
Other comprehensive income for the year	-	-	**2 378 659**	-	-	**2 378 659**
Balance at 28 February 2019	**70 559 195**	**83 428 888**	**73 152 702**	**(65 557 058)**	**807 551**	**162 391 278**

Inqo Investments Limited and its subsidiaries

Statements of changes in equity

for the year ended 28 February 2019

Company	Ordinary share capital R	Share premium R	Revaluation reserve R	Accumulated loss R	Total R
Opening balance at 1 March 2017	58 198 075	58 227 703	70 774 043	(57 218 803)	129 981 018
Shares Issued	6 805 560	12 546 745	-	-	19 352 305
Loss for the year	-	-	-	(1 808 145)	(1 808 145)
Other comprehensive income for the year	-	-	-	-	-
Balance at 28 February 2018	65 003 635	70 774 448	70 774 043	(59 026 948)	147 525 178
Balance at 1 March 2018	**65 003 635**	**70 774 448**	**70 774 043**	**(59 026 948)**	**147 525 178**
Shares Issued	**5 555 560**	**12 654 440**	-	-	**18 210 000**
Loss for the year	-	-	-	**(1 325 522)**	**(1 325 522)**
Other comprehensive income for the year			**2 378 659**	-	**2 378 659**
Balance at 28 February 2019	**70 559 195**	**83 428 888**	**73 152 702**	**(60 352 470)**	**166 788 315**

Inqo Investments Limited and its subsidiaries

Statements of cash flows

for the year ended 28 February 2019

	Note	Group 2019 R	Group 2018 R	Company 2019 R	Company 2018 R
Cash (utilised) / generated by operations	*24.1*	**(1 886 872)**	1 201 852	**(1 673 964)**	(1 809 187)
Finance income		**1 060 377**	166 386	**1 012 215**	131 559
Finance expense		**(210 483)**	(31 164)	**(30 629)**	(31 164)
Net cash flow from operating activities		**(1 037 018)**	1 337 074	**(692 378)**	(1 708 792)
Cash flows from investing activities					
Repayment in loans to subsidiary		-	-	**1 142 332**	2 073 281
Increase in loans to subsidiary		-	-	**(1 160 000)**	(492 026)
Acquisition of other investments		-	(59 032)	-	(59 032)
Loan advanced to other investments		**(175 493)**	(442 497)	**(175 493)**	(442 497)
Acquisition of property, plant and equipment		**(5 507 255)**	(1 192 971)	**(4 968 873)**	(794 264)
Acquisition of intangible assets		**(10 443)**	(7 361)	-	-
Acquisition of biological assets		**(4 066 200)**	(92 700)	**(4 066 200)**	(92 700)
Proceeds on disposal of property, plant and equipment		**86 422**	40 000	**86 422**	-
Net cash flow from investing activities		**(9 672 969)**	(1 754 561)	**(9 141 812)**	192 762
Cash flows from financing activities					
Proceeds from shares issued		**19 352 305**	-	**19 352 305**	-
Loans from related parties repaid		-	(269 106)	-	-
Loans and borrowings received		-	28 946	-	28 946
Loans from related parties received		**9 569**	22 000	**9 569**	22 000
Net cash flow from financing activities		**19 361 874**	(218 160)	**19 361 874**	50 946
Net movement in cash and cash equivalents		**8 651 887**	(635 647)	**9 527 684**	(1 465 084)
Cash and cash equivalents at beginning of year		**2 905 803**	3 541 450	**476 754**	1 941 838
Cash and cash equivalents at end of year	*12*	**11 557 690**	2 905 803	**10 004 438**	476 754

Notes to the financial statements

for the year ended 28 February 2019

1. Accounting policies

Inqo Investments Limited (the "company") is a company domiciled in South Africa. The consolidated financial statements of the company for the year ended 28 February 2019 comprise the company and its subsidiaries (together referred to as the "group"). The accounting policies, other than this affected by the introduction of IFRS 9 *Financial Instruments* and 15 *Revenue from Contracts with Customers* have been applied consistently to all periods presented.

1.1 Statement of compliance

The consolidated and separate annual financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and the requirements of the Companies Act of South Africa. The group financial statements comprise the consolidated and separate financial statements.

Inqo Investments Limited is listed on the NEX Exchange. The directors have complied with all NEX primary rules for the year ended 28 February 2019.

The consolidated and separate annual financial statements were authorised for issue by the board of directors on 29 July 2019.

1.2 Basis of accounting

The financial statements are presented in Rand, rounded to the nearest rand. They are prepared on the historical cost basis except for certain financial instruments recognised at fair value as stated below, land and buildings and biological assets.

The preparation of financial statements in conformity with IFRS requires management to make certain judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates, and associated assumptions, are based on historical experience, estimated future cash flows, market conditions and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Refer to note 30 for further detail regarding estimates and judgements applied.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

1.3 New accounting policies

This is the first set of the Group's consolidated and separate annual financial statements in which IFRS 15 *Revenue from Contracts with Customers* and IFRS 9 *Financial Instruments* have been applied. Changes to accounting policies are described in note 1.21.

1.4 Basis of consolidation

Subsidiaries

Subsidiaries are entities controlled by the company. Control exists when the company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable or convertible are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commenced until the date that control ceases.

1.4 Basis of consolidation (continued)

Transactions eliminated on consolidation

Intergroup balances and any unrealised gains and losses or income and expenses arising from intragroup transactions, are eliminated in preparing the consolidated financial statements.

1.5 Non-controlling interests (NCI)

NCI are measured 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.

1.6 Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses except for land and buildings which is carried at the revalued amounts less accumulated depreciation and accumulated impairment losses.

Revaluations of land and buildings is done with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair value at the statement of financial position date. Revaluations are performed by an external expert every two years, unless significant and volatile changes occur in the fair value of land and buildings. Any revaluation is recognised in other comprehensive income.

The group recognises in the carrying amount of an item of property, plant and equipment the cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefits embodied with the item will flow to the group and the cost of the item can be measured reliably. All other costs are recognised in the statement of profit or loss and other comprehensive income as an expense as incurred.

Depreciation is charged to the statement of profit or loss and other comprehensive income on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Revaluations are recognised in other comprehensive income and accumulated in equity. Land is not depreciated. The estimated useful lives are as follows:

Buildings	30	years
Motor vehicles	5	years
Furniture and fittings	10	years
Musical instruments	5	years
Game Camps	30	years
Equipment	4 – 6	years
Computer equipment	3	years

Project costs capitalised are not depreciated. Planting of spekboom was recognised as project costs until the planting project was completed, thereafter the spekboom is transferred to biological assets.
Where appropriate, and if significant, expected residual values are taken into account in determining the depreciable values of assets.
Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment. Residual values, methods of depreciation and useful lives of all assets are reassessed annually. Depreciation of an item of property, plant and equipment begins when it is available for use and ceases at the earlier of the date it is classified as held for sale or the date that it is derecognised.

1.6 Property, plant and equipment (continued)

Derecognition occurs when an item of property, plant and equipment is disposed of, or when it is no longer expected to generate any further economic benefits.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in profit or loss when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds and the carrying amount of the item. Gains and losses on revaluations of land and buildings are accumulated in revaluation reserve within the statement of changes in equity. The revaluation reserve is not subsequently transferred to retained earnings.

1.7 Intangible assets

Intangible assets consist of computer software that are acquired by the group have finite useful lives and are stated at cost less accumulated amortisation and impairment losses. Amortisation is provided over 4 years.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred.

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives, and is recognised in profit or loss. The estimated useful life for current and comparative periods is 4 years. The amortisation method and useful life is reviewed at each reporting date and adjusted if appropriate.

1.8 Impairment

Non-financial assets

The carrying amounts of the group's non-financial assets, other than inventories, biological assets and deferred tax assets, which are separately assessed and provided against where necessary, are reviewed at each financial year end reporting date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of any impairment loss. The recoverable amount is the higher of the asset's fair value less expenses to sell the asset, or the asset's value in use. Value in use is estimated taking into account future cash flows, forecast market conditions and the expected lives of the assets.

Such cash flows are discounted using a pre-tax rate that reflects current time value of money and the risks associated with the specific asset. For an asset that does not generate largely independent cash flows, the recoverable amount is determined for the smallest cash-generating unit to which the asset belongs.

Impairment losses are recognised whenever the carrying amount of an asset or cash generating unit exceeds its recoverable amount. Impairment losses are recognised in profit and loss except for assets carried at revalued amounts which are recognised in equity to the extent it decreases the equity where after any excess impairment is recognised in profit and loss.

Impairment losses recognised in respect of cash-generating units, are allocated to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

In respect of other assets, an impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

1.8 Financial instruments

i) Financial instruments before 1 March 2018

Recognition and initial measurement

Financial instruments that are recognised on the statement of financial position include cash and cash equivalents, trade receivables, trade payables and interest bearing loans.

Financial instruments are measured initially at fair value.

Financial assets - Recognition and measurement

Financial assets are recognised when the entity becomes a party to the contractual provisions of the financial asset. Such assets consist of cash and cash equivalents, a contractual right to receive cash or another financial asset, or a contractual right to exchange financial instruments with another entity on potentially favourable terms.

Subsequent to initial recognition any gain or loss on subsequent measurement of investments (other than investments in subsidiaries and investments held as available for sale) are recognised in profit or loss.

Trade and other receivables are measured at amortised cost using the effective interest method subsequent to initial recognition.

Loans to subsidiary companies are not of a commercial nature and are therefore interest-free, with no fixed repayment terms. These loans are intended to provide the subsidiaries with a long-term source of additional capital. Loans to subsidiaries are measured at amortised cost.

Assets held as available for sale are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at fair value and changes therein are recognised in profit or loss.

Cash and cash equivalents - Recognition and measurement

Cash and cash equivalents comprises cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

Financial liabilities - Recognition and measurement

Financial liabilities are recognised when the entity becomes party to the contractual provisions of the instrument. Financial liabilities consist of obligations to deliver cash or another financial asset or to exchange financial instruments with another entity on potentially unfavourable terms. Financial liabilities are measured at amortised cost.

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any differences between cost and redemption value being recognised in the statement of profit or loss and other comprehensive income over the period of the borrowings on an effective interest basis.

Trade and other payables are stated at amortised cost.

Financial asset-Derecognition

The group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such derecognised financial asset that is created or retained by the group is recognised as a separate asset or liability.

1.8 Financial instruments (continued)

i) Financial instruments before 1 March 2018 (continued)

Financial liabilities-Derecognition (continued)

Financial liabilities are derecognised when the obligation specified in the contract is discharged, cancelled or expired.

ii) Financial instruments – from 1 March 2018

Recognition and initial measurement

Financial assets (including trade receivables and financial assets are initially recognised when the company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without significant financing component) or financial liability is initially measured at fair value plus, for the item not a FVTPL, transaction costs that are directly attributable to the acquisition or issues. A trade receivable without significant financing component is initially measured at transaction price.

Classification and subsequent measurement

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI- equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

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

On initial recognition of an equity investment that is not held for trading, the company may irrevocably elect to present subsequent changes in the investment's fair value through OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

1.8 Financial instruments (continued)

ii) Financial instruments from 1 March 2018 (continued)

Financial assets- Subsequent measurement and gain and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by the impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Impairment of financial assets

IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' (ECL) model. The new impairment model applies to financial assets measured at amortised cost, but not to investments in equity instruments.

Under IFRS 9, credit losses are recognised earlier than under IAS 39. The company identified expected credit losses on the loans to subsidiaries. Refer to note 8 for details.

The group and company determine expected credit losses by identifying what the trade receivables / loans to subsidiaries relate to. For the company the ability of the subsidiaries to repay the loans is analysed. This analysis includes future cash flows of the subsidiaries. Similarly, each debtor in the company and group is considered on an individual basis to determine the ability of the debtor to repay amounts outstanding.

Derecognition of financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired;
- the company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or
- the company has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

1.8 Financial instruments (continued)

Financial liabilities

Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit and loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Derecognition of financial liabilities

The company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of the financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

1.9 Interest bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any differences between cost and redemption value being recognised in the statement of profit or loss and comprehensive income over the period of the borrowings on an effective interest basis.

1.10 Revenue

i) Group

The group generates revenue primarily from providing all inclusive 5-star accommodation to tourists at Kuzuko Lodge. The all-inclusive rate includes accommodation, game drives, food and complimentary beverages. Other sources of income include additional beverage sales, spa treatments and curio sales. These additional revenue streams are not material to the group.

Revenue is recognised by Kuzuko Lodge as the company transfers goods or renders services to the customer. Revenue is recognised over time, in a manner that depicts the entity's performance.

The performance obligations identified are accommodation, game drives, food and beverages.

Revenue is measured at the fair value of the consideration received or receivable, net of returns, allowances and trade discounts.

ii) Company

The company generates revenue in the form of management fees, rental of vehicles and game concession fees. Revenue is recognised over time, in a manner that depicts the entity's performance.

1.11 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in profit and loss except to the extent that it relates to items recognised directly in equity or other comprehensive income.

Current tax comprises tax payable calculated on the basis of the expected taxable income for the year, using the tax rates applicable for that year, and any adjustments of tax payable for previous years.

Deferred tax is provided on taxable temporary differences. Temporary differences are differences between carrying amounts of assets and liabilities for financial reporting purposes and their tax base. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities using tax rates enacted or substantially enacted at the year end reporting date.

The following temporary differences are not provided for: the initial recognition of assets or liabilities that affect neither accounting nor taxable profit, nor differences relating to investments in subsidiaries or associates to the extent that they will probably not reverse in the foreseeable future.

The effect on deferred tax of any changes in tax rates is recognised in profit and loss, except to the extent that it relates to items previously charged or credited directly to equity or other comprehensive income.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the associated unused tax losses and deductible temporary differences can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if certain criteria are met.

1.12 Provisions

A provision is recognised on the statement of financial position when the group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, 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 reviewed at each financial year end reporting date and adjusted to reflect the current best estimate.

1.13 Employee benefits

Short term employee benefits

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

Accruals for employee entitlements to salaries, wages, performance bonuses, annual and sick leave represent the amount which the group has a present obligation to pay as a result of employees' services provided to the statement of financial position date. The accruals have been calculated at undiscounted amounts based on current salary and wage rates.

The expected cost of 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.

The group's policy is to provide retirement benefits for its employees. The group's contributions to defined contribution plans in respect of services during a particular period are charged against income as incurred.

Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

1.14 Net financing income

Financing costs comprise interest payable on borrowings calculated on a principal outstanding using the effective interest rate. Interest income is recognised in the statement of profit or loss and other comprehensive income as it accrues, using the effective interest method.

1.15 Segmental reporting

A segment is a distinguishable component of the group that is engaged either in providing related products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

The group has two operating segments. Refer to note 34 for detail.

1.16 Foreign currency

Foreign currency transactions

Transactions in foreign currencies are translated at the rate of exchange ruling at the dates of the transaction. Monetary assets and liabilities outstanding on foreign transactions at the end of the financial year are translated to Rands at the rates ruling at that date. Gains and losses arising on translation are recognised in profit and loss.

Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

1.17 Biological assets

Biological assets are measured at fair value on initial recognition and at the end of each reporting period at fair value less costs to sell. Gains or losses are recognised in profit or loss.

1.18 Inventories

Inventory is carried at the lower of cost and net realisable value. The cost of inventories comprises all costs of purchase and other costs incurred to bring them to their present location and condition, and is determined on the first in, first out method. Obsolete inventories are identified on a regular basis and are written down to net realisable value.

1.19 Investments in subsidiaries

Investments in subsidiary entities are measured at original cost less subsequent impairment.

1.20 Changes in significant accounting policies

The Group has initially applied IFRS 15 and IFRS 9 from 1 January 2018. A number of the other new standards are also effective for 1 January 2018 but they do not have a material effect on the company's consolidated and separate annual financial statements.

Due to the transition methods chosen by the company in applying these standards, comparative information throughout these consolidated and separate annual financial statements has not been restated to reflect the requirements of the new standards.

IFRS 15 Revenue from Contacts with Customers
IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaced IAS 18 revenue, AIS 11 Construction Contracts and related interpretations. Under IFRS 15 revenue is recognised when a customer obtains control of the goods and services. Determining the timing of the transfer of control-at a point in time or over time requires judgement.

The company has adopted IFRS 15, however the impact is not material and thus there has been no changes to revenue or any assets and liabilities (1 January 2018). Accordingly, the information presented for 2017 has not been restated – i.e. it is presented, as previously reported, under IAS 18, IAS 11 and related interpretations. Additionally, the disclosure requirements in IFRS 15 have not generally been applied to comparative information.

Only one revenue stream has been identified for the group "Accommodation and lodging" as accommodation at Kuzuko Lodge is provided at an all-inclusive rate i.e. rate per night. This rate includes food, beverages and game drives. Additional services which are offered, such as spa treatments and cheetah walks, are not material to the group.

The company identified three streams of revenue:
i) Management fees – management fees are a set amount per month and are charged monthly.
Management fees are charged by Inqo Investments to Kuzuko Lodge. The treatment of management fees under IFRS 15 is the same as that under IAS 18.
ii) Rental income – rental fees are a set amount per month and are charged monthly to Kuzuko Lodge. The treatment of vehicle rental under IFRS 15 is the same as that under IAS 18.
iii) Concession fees – concession fees are charged to Kuzuko Lodge monthly based on 2% of Kuzuko's turnover.
The 2019 financial year was the first year in which Inqo Investments charged Kuzuko Lodge concession fees.

IFRS 9 Financial Instruments

IFRS 9 sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-fictional items. This standard replaces IAS 39 financial instruments: Recognition and measurement. The company has adopted IFRS 9, however the impact is not material and thus there has not been no change to any assets or liabilities. Disclosures have been updated for the new standard.

Classification and measurement of financial assets and financial liabilities

IFRS 9 contains three principal classification categories for financial assets: measured at amortised cost, FVOCI and FVTPL. The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. IFRS 9 eliminates the previous IAS 39 categories of held to maturity, loans and receivables and available for sale.

1.20 Changes in significant accounting policies (continued)

IFRS 9 largely retains the existing requirements in IAS39 for the classification and measurement of financial liabilities.

The adoption of IFRS 9 has not had a significant effect on the company's accounting policies related to the financial liabilities and derivative financial instruments (for derivatives that are used as hedging instruments).

There is no impact on the opening balance of retained earnings as the manner in which items have been accounted for under IAS 39 has not changed as a result of the introduction of IFRS 9.

The following table and the accompanying notes below explain the original measurement categories under IAS 39 and the new measurement under IFRS 9 for each class of the company's financial assets and financial liabilities as at 1 January 2018.

The effect of adopting IFRS 9 on the carrying amounts of financial assets as at 1 March 2018 relates solely to the new impairment requirements.

Group

Financial assets	Original classification under IAS 39	New classification under IFRS 9	Original carrying amount under IAS 39	New carrying amount under IFRS 9
Trade and other receivables	Loans and receivables	Amortised cost	22 667 550	22 667 550
Cash and cash Equivalents	Loans and receivables	Amortised cost	2 905 803	2 905 803
Other investments	Loans and receivables	Amortised cost	442 497	442 497
Other investments	Available for sale	Fair value through profit or loss	1 013 326	1 013 326
Total Financial assets			**27 029 176**	**27 029 176**

Financial liabilities	Original classification under IAS 39	New classification under IFRS 9	Original carrying amount under IAS 39	New carrying amount under IFRS 9
Trade and other payables	Amortised cost	Other financial liabilities	8 336 305	8 336 305
Debentures	Amortised cost	Other financial liabilities	193 457	193 457
Loans from related parties	Amortised cost	Other financial liabilities	188 674	188 674
Other financial liabilities	Amortised cost	Other financial liabilities	594 741	594 741
Total financial liabilities			**9 313 177**	**9 313 177**

1.20 Changes in significant accounting policies (continued)

Company

Financial assets	Original classification under IAS 39	New classification under IFRS 9	Original carrying amount under IAS 39	New carrying amount under IFRS 9
Trade and other receivables	Loans and receivables	Amortised cost	20 267 499	20 267 499
Cash and cash Equivalents	Loans and receivables	Amortised cost	476 754	476 754
Loans to subsidiaries	Loans and receivables	Amortised cost	4 031 668	4 031 668
Other investments	Loans and receivables	Amortised cost	442 497	442 497
Other investments	Available for sale	Fair value through profit or loss	1 013 326	1 013 326
Investment in subsidiaries	Held to maturity	Amortised cost	569	569
Total Financial assets			**26 232 313**	**26 232 313**

Financial liabilities	Original classification under IAS 39	New classification under IFRS 9	Original carrying amount under IAS 39	New carrying amount under IFRS 9
Trade and other payables	Amortised cost	Other financial liabilities	1 630 970	1 630 970
Debentures	Amortised cost	Other financial liabilities	193 457	193 457
Loans from related parties	Amortised cost	Other financial liabilities	61 000	61 000
Other financial liabilities	Amortised cost	Other financial liabilities	594 741	594 741
Total financial liabilities			**2 480 168**	**2 480 168**

Notes to the financial statements

for the year ended 28 February 2019

	Group		Company	
	2019	2018	**2019**	2018
	R	R	**R**	R
2. Operating loss				
is arrived at after taking into account				
Depreciation of property, plant and equipment	**2 697 401**	2 447 768	**2 411 408**	2 261 774
Impairment of property, plant and equipment	**45 900**	-	**45 900**	-
Game write off / revaluation	**1 178 484**	-	**1 178 484**	-
Amortisation of intangible asset	**10 987**	10 375	**-**	-
Reversal of impairment of loan to subsidiary company	**-**	-	**-**	(3 500 000)
Kuzuko Lodge selling and administration expenses (excluding personnel expenses)	**12 947 383**	11 020 250	**-**	-
Professional fees	**621 023**	467 034	**416 626**	375 340
Personnel expenses	**8 176 415**	7 771 969	**713 519**	653 608
Foreign exchange profit /(losses)	**582 856**	(113 310)	**582 856**	(113 310)
Listing expenses	**834 420**	721 820	**834 420**	721 820
Profit on sale of property, plant and equipment	**40 888**	31 864	**40 888**	-

	Group		Company	
	2019	2018	**2019**	2018
	R	R	**R**	R
3. Net financing income				
Finance income	**1 060 337**	166 386	**1 012 215**	131 559
Interest –Four One Financial Services	**218 933**	90 529	**218 933**	90 529
Interest income - banks	**841 404**	75 857	**793 282**	41 030
Finance expense	**(210 483)**	(31 164)	**(30 629)**	(31 164)
Interest expense - loans	**(30 630)**	(28 947)	**(30 629)**	(28 947)
Interest expense - suppliers	**(179 853)**	(2 217)	**-**	(2 217)
	849 854	135 222	**981 586**	100 395

4. Revenue

The Group generates revenue primarily from the hospitality and tourism sector.
The Company generates revenue from the rental of motor vehicles, management fees to Kuzuko Lodge and game concession fees.

All revenue streams for both Group and Company are generated in South Africa. Goods and services sales are recognised when the services are rendered. Refer to note 34 for segmental information.

	Group		Company	
	2019	**2018**	**2019**	2018
	R	**R**	**R**	R
Accommodation and lodging	**23 795 780**	22 946 724	**-**	-
Management fees	**-**	-	**270 000**	180 000
Rental income	**-**	15 965	**325 500**	330 965
Game concession fee	**-**	-	**475 831**	-
	23 795 780	22 962 689	**1 071 331**	510 965

5. Taxation

South African normal tax				
- Current	**-**	-	**-**	-
- Deferred tax current charge	**487 215**	1 707 619	**487 215**	1 707 619
- Deferred tax prior year adjustment	**151 220**	12 363	**151 220**	12 363
	638 435	1 719 982	**638 435**	1 719 982

Reconciliation of tax rate	%	%	%	%
Current years charge as a percentage of loss before tax	**25.53**	28.69	**32.51**	48.75
Non-taxable income – reversal of impairment against loan to subsidiary company	**-**	-	**-**	(27.78)
Disallowed expenses:				
- Listing and corporate advisory expenses	**1.99**	3.37	**2.54**	5.73
- Legal fees	**-**	0.40	**-**	0.69
- Professional fees	**-**	0.12	**-**	0.20
Impairment of capital item	**0.51**	0.45	**0.65**	0.76
Prior year adjustment	**(6.04)**	(0.21)	**(7.7)**	(0.35)
Deferred tax on losses not raised	**6.01**	10.22	**-**	-
Utilisation of tax loss not previously recognised	**-**	(15.04)	**-**	-
Standard tax rate	**28.00**	28.00	**28.00**	28.00

Estimated tax losses available to off- set against future taxable profits	**58 155 617**	58 151 010	**37 843 477**	37 580 404
Utilised to decrease deferred tax liability	**(37 843 477)**	(37 580 404)	**(37 843 477)**	(37 580 404)
Estimated tax losses carried forward	**20 312 140**	20 570 606	**-**	-

6. Property, plant and equipment

Group

	Cost or revalued amount	Accumulated depreciation	Carrying amount
2019	**R**	**R**	**R**
Freehold land	**105 838 850**	**-**	**105 838 850**
Buildings	**39 361 583**	**(14 908 004)**	**24 453 579**
Motor vehicles	**5 007 549**	**(3 053 568)**	**1 953 981**
Furniture and fittings	**5 473 830**	**(4 926 244)**	**547 586**
Musical Instruments	**19 167**	**(19 167)**	**-**
Equipment	**5 432 608**	**(3 066 405)**	**2 366 203**
Computer equipment	**1 088 943**	**(944 178)**	**144 765**
Game Camps	**249 627**	-	**249 627**
	162 472 157	**(26 917 566)**	**135 554 591**

	Cost or revalued amount	Accumulated depreciation	Carrying amount
2018	R	R	R
Freehold land	104 208 850	-	104 208 850
Buildings	36 157 116	(13 346 836)	22 810 280
Motor vehicles	4 045 495	(2 789 471)	1 256 024
Furniture and fittings	5 333 227	(4 847 669)	485 558
Musical Instruments	19 167	(19 167)	-
Equipment	3 520 929	(2 641 490)	879 439
Computer equipment	974 288	(889 441)	84 847
	154 259 072	(24 534 074)	129 724 998

Company

	Cost or revalued amount	Accumulated depreciation	Carrying amount
2019	**R**	**R**	**R**
Freehold land	**105 838 850**	**-**	**105 838 850**
Buildings	**39 361 583**	**(14 908 004)**	**24 453 579**
Motor vehicles	**5 003 163**	**(3 049 184)**	**1 953 979**
Furniture and fittings	**5 473 830**	**(4 926 244)**	**547 586**
Musical Instruments	**19 167**	**(19 167)**	**-**
Equipment	**4 011 052**	**(2 272 545)**	**1 738 507**
Computer equipment	**672 144**	**(672 124)**	**20**
Game Camps	**249 627**	**-**	**249 627**
	160 629 416	**(25 847 268)**	**134 782 148**

	Cost or revalued amount	Accumulated depreciation	Carrying amount
2018	R	R	R
Freehold land	104 208 850	-	104 208 850
Buildings	36 157 116	(13 346 836)	22 810 280
Motor vehicles	4 041 109	(2 785 086)	1 256 023
Furniture and fittings	5 333 227	(4 847 669)	485 558
Musical Instruments	19 167	(19 167)	-
Equipment	2 512 585	(2 073 480)	439 105
Computer equipment	682 649	(677 531)	5 118
	152 954 703	(23 749 769)	129 204 934

Notes to the financial statements

for the year ended 28 February 2019

6. Property, plant and equipment (continued)

Group

2019	Carrying amount at beginning of the year R	Additions R	Revaluation R	Disposals/ Scrapping R	Transfers R	Depreciation and impairment R	Carrying amount at end of the year R
Freehold land	104 208 850		1 630 000	-	-	-	105 838 850
Buildings	22 810 280	1 948 455	1 435 283	-	(173 295)	(1 567 144)	24 453 579
Motor vehicles	1 256 024	1 120 891	-	(29 640)	131 178	(524 483)	1 953 970
Furniture and fittings	485 558	140 601	-	-		(78 573)	547 586
Equipment	879 439	1 927 609	-	(15 904)	42 117	(467 058)	2 366 203
Computer equipment	84 847	120 072	-	-		(60 143)	144 776
Game Camps	-	249 627	-	-	-	-	249 627
Total	129 724 998	5 507 255	3 065 283	(45 544)	-	(2 697 401)	135 554 591

2018	Carrying amount at beginning of the year R	Additions R	Revaluation R	Disposals/ Scrapping R	Transfers R	Depreciation and impairment R	Carrying amount at end of the year R
Freehold land	104 208 850	-	-	-	-	-	104 208 850
Buildings	23 786 810	554 834	-	-	-	(1 531 364)	22 810 280
Motor vehicles	1 425 020	239 430	-	(8 136)	-	(400 290)	1 256 024
Furniture and fittings	710 582	-	-	-	-	(225 024)	485 558
Equipment	769 503	359 508	-	-	-	(249 572)	879 439
Computer equipment	87 176	39 189	-	-	-	(41 518)	84 847
Project costs capitalised	910 018	10	-	-	(910 028)	-	-
Total	131 897 959	1 192 971	-	(8 136)	(910 028)	(2 447 768)	129 724 998

6. Property, plant and equipment (continued)

Company

2019	Carrying amount at beginning of the year	Additions	Revaluation	Disposals/ Scrapping	Transfers	Depreciation and impairment	Carrying amount at end of the year
	R	R	R	R	R	R	R
Freehold land	104 208 850	-	1 630 000	-	-	-	105 838 850
Buildings	22 810 280	1 948 455	1 435 283	-	(173 295)	(1 567 144)	24 453 579
Motor vehicles	1 256 023	1 120 890	-	(29 630)	131 178	(524 482)	1 953 979
Furniture and fittings	485 558	140 601	-	-	-	(78 573)	547 586
Equipment	439 105	1 509 300	-	(15 904)	42 117	(236 111)	1 738 507
Computer Equipment	5 118	-	-	-	-	(5 098)	20
Game Camps	-	249 627	-	-	-	-	249 627
Total	129 204 934	4 968 873	3 065 283	(45 534)	-	(2 411 408)	134 782 148

2018	Carrying amount at beginning of the year	Additions	Revaluation	Disposals/ Scrapping	Transfers	Depreciation and impairment	Carrying amount at end of the year
	R	R	R	R	R	R	R
Freehold land	104 208 850	-	-	-	-	-	104 208 850
Buildings	23 786 810	554 834	-	-	-	(1 531 364)	22 810 280
Motor vehicles	1 404 483	239 430	-	-	-	(387 890)	1 256 023
Furniture and fittings	710 581	-	-	-	-	(225 023)	485 558
Equipment	549 162	-	-	-	-	(110 057)	439 105
Computer equipment	12 558	-	-	-	-	(7 440)	5 118
Total	130 672 444	794 264	-	-	-	(2 261 774)	129 204 934

Notes to the financial statements

for the year ended 28 February 2019

	Hectares	Group 2019 R	Group 2018 R	Company 2019 R	Company 2018 R
6. Property, plant and equipment (continued)					
Land comprises:					
Farm number 276 portion 1 and 5	1 994.65				
Farm number 277 portion 4 and 11	1 994.36				
Farm number 278 portion 1 and 5	143.60				
Farm number 279, portion 0	405.54				
Farm number 287 portion 1	342.61				
Farm number 288 portion 0, 1 and 2	2 060.61				
Farm number 291 portion 0,1, 2 and 3	2 351.84				
Farm number 292 portion 0	1 109.35				
Farm number 406 portion 0	2 222.86				
Farm number 428 portion 0	2 825.02				
	15 450.44	**105 838 850**	104 208 850	**105 838 850**	104 208 850

	Group 2019 R	Group 2018 R	Company 2019 R	Company 2018 R
Land and buildings:				
Carrying amount should the item have been carried at cost less accumulated depreciation	**36 023 482**	35 815 466	**36 023 482**	35 815 466
Total revaluation	**94 268 947**	91 203 664	**94 268 947**	91 203 664
Closing valuation of land and buildings	**130 292 429**	127 019 130	**130 292 429**	127 019 130

In March 2019 Inqo Investments Limited, Kuzuko Lodge (Pty) Ltd and South African National Parks (SANPARKS) entered into a separation agreement. The separation agreement was to terminate the written concession agreement which was entered into in January 2004. The written concession agreement was terminated with retroactive effect from 28 February 2018. As part of the separation agreement, Inqo Investments will sell 1057.5 hectares of land to SANPARKS. In return SANPARKS sold game of R 3 391 200 to Inqo Investments. The property has not been classified as held for sale as it is estimated that the transfer will not occur within 12 months of year end.

6. Property, plant and equipment (continued)

An independent valuation was performed during February 2019 and the valuation report was issued on 17 February 2019. The method of valuing the land and buildings was performed separately.

For the year ended 28 February 2018, the company's directors performed an internal assessment of the value of the land and buildings and no significant change to the value was determined.

Valuation performed by an external expert for the 2019 year end:
The method of valuation of the land was the direct comparison or market approach adjusted for improvements effected to the respective properties. This method entailed comparing the subject property with other recent sales of similar properties, being both veld farm and irrigated farm sales in the same or comparable areas. Other matters that were considered by the valuator were: accessibility of the property, land size, access to water and services, condition of vegetation and scenic potential. The total extent of the land area measures 15 450.44 hectares. The game fenced area totals 13 400 hectares.

The buildings and improvements were valued on the basis of depreciated replacement cost. A replacement cost was allocated to each building and an estimated depreciation factor was allocated to each building, taking into consideration the age and condition of each building at the time of inspection.

The company used an independent valuator, A. Crouse. He is a professional valuator and appraiser – Registration number 3698.

	Group		Company	
	2019	2018	**2019**	2018
	R	R	**R**	R
7. Intangible assets				
Balance at beginning of year	**15 397**	18 411	-	-
Addition	**10 443**	7 361	-	-
Amortisation	**(10 987)**	(10 375)	-	-
Balance at end of year	**14 853**	15 397	-	-

Group **2019**	**Cost**	**Accumulated amortisation**	**Carrying amount**
Computer software	**183 535**	**(168 682)**	**14 853**
2018			
Computer software	173 092	(157 695)	15 397

8. Loans to subsidiaries

	Company	
	2019	2018
	R	R
Loan to subsidiary company (Kuzuko Lodge (Pty) Ltd)		
Balance at the beginning of the year	**3 471 381**	1 552 636
Advances during the year	**1 100 000**	492 026
Repayment during the year	**(1 142 332)**	(2 073 281)
Reversal of impairment	**-**	3 500 000
Balance at the end of the year	**3 429 049**	3 471 381

8. Loans to subsidiaries (continued)

	Company	
	2019	2018
	R	R
Loan advanced	**23 242 769**	23 285 101
Expected credit loss	**(19 813 720)**	(19 813 720)
	3 429 049	3 471 381

The loan to Kuzuko Lodge (Pty) Ltd is interest free with no fixed repayment terms. This loan receivable has been partially impaired due to uncertainty as to the timing of repayment and the historical losses made by Kuzuko Lodge (Pty) Ltd. At 28 February 2019, Inqo Investments Limited had subordinated R21 million of this loan with its subsidiary company, in favour of other creditors. A letter of support has been provided by Inqo Investments Limited to Kuzuko Lodge which states that Inqo Investments Limited will provide financial resources to Kuzuko Lodge should they require funding to meet their financial obligations in their normal course of business. The future repayment over the next five years were forecast and discounted back to 28 February in the 2019 financial year and 2018 financial year, to quantify the impairment reversal. A reversal was processed in the 2018 financial year, but was zero in the 2019 financial year. It is expected that Kuzuko Lodge (Pty) Ltd will repay a net R250 000 during the 2020 financial year.

Loan to subsidiary company (Spekboom Trading (Pty) Ltd)

	2019	2018
Balance at the beginning of the year	**560 287**	560 287
Advances during the year	**60 000**	-
Balance at the end of the year	**620 287**	560 287
Made up as follows:		
Loan advanced	**1 150 574**	1 090 574
Expected credit loss	**(530 287)**	(530 287)
	620 287	560 287

The loan to Spekboom Trading (Pty) Ltd is unsecured, interest free with no fixed repayment terms. This loan receivable has been partially impaired due to uncertainty as to the timing of repayment and the continued losses made by Spekboom Trading (Pty) Ltd.

Total balance at the end of the year	**4 049 336**	4 031 668

9. Investments in subsidiaries

The group has a majority interest in the following operating companies:

	Percentage interest **2019**	Percentage interest 2018	Company **2019** **R**	Company 2018 R
Kuzuko Lodge (Pty) Ltd	**68.0**	68.0	**68**	68
Spekboom Trading (Pty) Ltd	**50.1**	50.1	**501**	501
			569	569

The subsidiaries of the company consists of the following:
68 Ordinary shares of R1 each in Kuzuko Lodge Proprietary Limited.
501 Ordinary shares of R1 each in Spekboom Trading (Pty) Ltd
Refer to note 26 for the non-controlling interest in subsidiary entities.

10. Deferred tax liability

	Group **2019** **R**	Group 2018 R	Company **2018** **R**	Company 2018 R
Opening balance	**(6 837 761)**	(8 557 743)	**(6 837 761)**	(8 557 743)
Current year deferred tax charge	**638 435**	1 719 982	**638 435**	1 719 982
Charge through other comprehensive income	**(686 624)**	-	**(686 624)**	-
Closing balance	**(6 885 950)**	(6 837 761)	**(6 885 950)**	(6 837 761)
The deferred tax balance comprises:				
Capital allowances	**3 281 302**	3 028 119	**3 281 302**	3 028 119
Revaluation of property	**(21 116 245)**	(20 429 621)	**(21 116 245)**	(20 429 621)
Buffalo valuation	**(251 798)**	-	**(251 798)**	-
Provisions	**41 227**	41 228	**41 227**	41 228
Estimated tax loss	**11 159 564**	10 522 513	**11 159 564**	10 522 513
Closing balance	**(6 885 950)**	(6 837 761)	**(6 885 950)**	(6 837 761)

The group has recognised certain deferred tax assets as they are expected to be utilised against future taxable profits. The basis of future taxable profits has been established through detailed budgeting processes performed by group companies. The budgets also indicate forecasts for the next three years. The deductible temporary differences do not expire under current tax legislation.

Deferred tax assets are offset against deferred tax liabilities as the company has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

10. Deferred tax liability (continued)

Deferred tax assets relating to subsidiary entities have not been recognised in respect of estimated tax losses carried forward because it is not probable that future taxable profit will be available against which the group can utilise the benefit thereof in the foreseeable future.

	Group		Company	
	2019	2018	**2019**	2018
	R	R	**R**	R
11. Trade and other receivables				
Trade debtors	**2 165 361**	2 038 849	**1 000 862**	52 541
VAT	**65 281**	4 505	**65 221**	4 445
Deposits	**2 500**	2 500	**2 500**	2 500
Prepayments	**488 813**	555 737	**105 777**	145 755
Share issue receivable	**18 210 000**	19 352 305	**18 210 000**	19 352 305
Loan account Four-One	**2 030 277**	-	**2 030 277**	-
Other receivables	**551 229**	713 654	**717 073**	709 953
	23 513 461	22 667 550	**22 131 710**	20 267 499

The share issue receivable comprises the proceeds due from the company sponsor (Shard Capital Partners LLP) for the money received from the issue of shares on 28 February 2019. The shareholders paid the share issue proceeds to Shard Capital Partners LLP where it was held in trust until the shares were allocated and all administrative procedures had been completed

Trade and other receivables are non-interest bearing and are generally on 30 to 60 day terms.

Both the group and company did not have any material expected credit losses on trade and other receivables for the 28 February 2019 financial year. Refer to note 8 for expected credit losses raised on loans to subsidiaries.

Ageing of trade receivables at year end	**Group**		Group		**Company**		Company	
	2019	**2019**	2018	2018	**2019**	**2019**	2018	2018
	R	**R**	R	R	**R**	**R**	R	R
	Gross	Impairment	Gross	Impairment	Gross	Impairment	Gross	Impairment
Not yet due	**1 918 302**	-	1 522 774	-	**534 144**	-	52 541	-
Overdue 30 days	**262 230**	-	511 435	-	**90 526**	-	-	-
Overdue 60 days	**406 612**	-	-	-	**376 192**	-	-	-
Overdue 90 days		-	4 640	-	-	-	-	-
Total	**2 587 144**	-	2 038 849	-	**1 000 862**	-	52 541	-

	Group		Company	
	2019	2018	**2019**	2018
	R	R	**R**	R
12. Cash and cash equivalents				
Daily call account	**10 271 289**	1 862 166	**9 560 521**	19 518
Current account	**1 263 720**	1 024 131	**443 917**	457 236
Petty Cash	**22 681**	19 506	**-**	-
Cash and cash equivalents	**11 557 690**	2 905 803	**10 004 438**	476 754
13. Inventories				
Food and beverage	**386 793**	293 050	**-**	-
Guest supplies	**42 650**	97 673	**-**	-
Other consumables	**481 387**	339 657	**-**	-
	910 830	730 380	**-**	-

Inventories are measured at the lower of cost or net realisable value. No net realisable value adjustments were made during the 2019 financial year (2018: nil).

14. Ordinary share capital

Authorised

20 000 000 ordinary shares of R5 each (2018: 20 000 000 shares of R5 each)	**100 000 000**	100 000 000	**100 000 000**	100 000 000

Issued

14 111 839 ordinary shares of R5 each (2018: 13 000 727 shares of R5 each)				
Balance at beginning of year	**65 003 635**	58 198 075	**65 003 635**	58 198 075
Issue of shares to shareholders	**5 555 560**	6 805 560	**5 555 560**	6 805 560
Balance at end of the year	**70 559 195**	65 003 635	**70 559 195**	65 003 635

A further private placement occurred during February 2019 resulting in the issue of 1 111 112 shares (2018: 1 361 112 shares) with a total proceeds value of R18 210 000 (2018: R19 352 305). This amount is reflected as a receivable at 28 February 2019 as per note 11. Holders of the ordinary shares are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings of the group.

	Group		Company	
	2019	2018	**2019**	2018
	R	R	**R**	R
15. Share premium				
Balance at beginning of year	**70 774 448**	58 227 703	**70 774 448**	58 227 703
Issue of new shares during the year	**12 654 440**	12 546 745	**12 654 440**	12 546 745
Balance at end of year	**83 428 888**	70 774 448	**83 428 888**	70 774 448
16. Revaluation reserve				
Balance at beginning of year	**70 774 043**	70 774 043	**70 774 043**	70 774 043
Re-valuation during the year	**3 065 283**	-	**3 065 283**	-
Recognition of deferred tax on revaluation reserve	**(686 624)**	-	**(686 624)**	-
	(73 152 702)	70 774 043	**(73 152 702)**	70 774 043
Made up as follows:				
Cumulative revaluation reserve	**94 268 947**	91 203 664	**94 268 947**	91 203 664
Cumulative deferred tax	**(21 116 245)**	(20 429 621)	**(21 116 245)**	(20 429 621)
Net revaluation reserve	**73 152 702**	70 774 043	**73 152 702**	70 774 043

Land and buildings were revalued by a professional independent valuator during February 2019 and the report was issued on 17 February 2019. Refer to note 6 for further details.

	Group		Company	
	2019	2018	**2019**	2018
	R	R	**R**	R
17. Loans from related parties				
Dr Kim Tan	**40 172**	61 000	**40 171**	61 000
Africarbon (Pty) Ltd	**127 674**	127 674	**-**	-
	167 846	188 674	**40 171**	61 000

The loan from Africarbon (Pty) Ltd is unsecured, interest free and is repayable after 1 March 2020. The loan from Dr Tan is unsecured, interest free and does not have a set repayment date.

	Group 2019 R	Group 2018 R	Company 2019 R	Company 2018 R
18. Debentures				
Balance at the end of the year	**193 457**	193 457	**193 457**	193 457

The unsecured debentures are issued at R12 000 per debenture. The group shall not pay interest in respect of each of the unsecured debentures but will provide bed nights at Kuzuko Lodge game reserve in lieu of interest (refer to note 20). The fair value of the debentures have been calculated based on a discounted cash flow basis utilising a market related interest rate of 10.25% at period end, cash flows of R 24 000 per annum and repayment in December 2022.

19. Trade and other payables

	Group 2019 R	Group 2018 R	Company 2019 R	Company 2018 R
Trade payables	**4 354 564**	1 692 829	**4 178 013**	1 105 812
SAN Parks accrual	**1 535 190**	2 441 581	**-**	-
Other accruals	**970 517**	707 264	**537 130**	513 294
Other payables	**917 995**	1 042 134	**1 886**	11 864
Revenue received in advance	**1 948 054**	1 898 442	**-**	-
VAT payable	**310 802**	554 055	**-**	-
	10 037 122	8 336 305	**4 717 029**	1 630 970

Trade and other payables are non-interest bearing and are normally settled on 30 to 60 day terms.

20. Provision

	2019 R	2018 R
Group		
Balance at beginning of the year	**147 240**	251 796
Unwinding of discount	**-**	(104 556)
Kuzuko provisions	**442 521**	-
Balance at end of the year	**589 761**	147 240
Company		
Balance at beginning of the year	**147 240**	251 796
Unwinding of discount	**-**	(104 556)
Balance at end of the year	**147 240**	147 240

The provision for bed nights relates to an issue of unsecured debentures (note 18). No interest is payable in respect of the unsecured debentures, the holders of the debentures are entitled to bed nights in lieu of interest at Kuzuko Lodge game reserve.

The provision is based on an average cost of room rate per person sharing discounted using the prime interest rate for a period of 8 nights until the agreements end in 2022.

21. Financial instruments

The group has exposure to the following risks from its use of financial instruments:

- Market risk
- Credit risk
- Liquidity risk
- Operational risk

This note represents information about the group's exposure to each of the above risks, the group's objectives, policies and processes for measuring and managing risk.

The board of directors has overall responsibility for the establishment and oversight of the group's risk management of financial instruments.

21.1 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the group's income or the value of its holdings in financial instruments.

Currency risk

The group is exposed to currency risk to the extent that there is a mismatch between the currencies in which receivables, investments, loans, investment income and interest income are denominated and the respective functional currency of the group companies. The functional currency of all the group companies is the South African Rand.

The transactions above are primarily denominated in United States dollars, Great British Pounds and Ugandan Shillings.

Generally, investments and loans are denominated in currencies that match the cash flows generated by the underlying operations of the group. In addition, interest on loans is denominated in the currency of the loan.

Exposure to currency risk

The summary quantitative data about the group's exposure to currency risk as reported to the management of the group is as follows:

	28 February 2019			28 February 2018		
	USD	**GBP**	**UGX**	USD	GBP	UGX
Share issue receivable	**-**	**100 001**	**-**	-	1 225 000	-
Loans	**100 000**	**-**	**139 800 000**	-	-	139 800 000
Net Exposure	**100 000**	**100 001**	**139 800 000**	-	1 225 000	139 800 000

Inqo Investments Limited and its subsidiaries

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21 Financial instruments (continued)

Exposure to currency risk (continued)

The following significant exchange rates have been applied

	Average rate		Year-end spot rate	
Rand	**2019**	2018	**2019**	2018
USD	**13.54**	13.08	**14.07**	12.02
GBP	**17.84**	*N/A	**18.74**	15.8
UGX	**0.00276**	0.00358	**0.00263**	0.0032

*N/A as the exchange rate was not applied

Sensitivity Analysis

A one percent strengthening (weakening) of the United States dollars, Great British Pounds and Ugandan Shillings against all other currencies at 28 February 2019 would have affected the measurement of net assets dominated in a foreign currency by the amounts shown below.

28 February 2019	**Net Assets Strengthening**	**Weakening**
USD	**1 000**	**(1 000)**
GBP	**1 000**	**(1 000)**
UGX	**1 398 000**	**(1 398 000)**
28 February 2018		
USD	-	-
GBP	12 250	(12 250)
UGX	1 398 000	(1 398 000)

The group is listed on the NEX exchange which is denominated in Great British Pounds.

Interest rate risk

The group generally adopts a policy of ensuring that its exposure to changes in interest rates is on a floating rate basis. The group has limited exposure to interest rate risk as it does not have significant borrowings.

21.2 Credit risk

Credit risk is the risk of financial loss to the group or company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the group's trade and other receivables and intercompany loans. At financial year end date there were no significant concentrations of credit risk as the group and company do not have any material long outstanding receivables. Included in trade receivables for both group and company is the private placement receivable of R18.2 million. The shares were issued on 28 February 2019 and the funds were received shortly after year end. At year end there was no provision raised for impairment of trade receivables as the provision was not material. Refer to note 11 for the disclosure of trade receivable aging and the impairment.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

Management monitors debtors on a monthly basis and customers outside their payment terms or credit limits are immediately follow up on. For group these customers are generally tour operators applicable to Kuzuko Lodge (Pty) Ltd.

For the company, the loan account to Four One is monitored through Four-One management accounts being sent to Inqo Investments Limited.

21 Financial instruments (continued)

21.3 Liquidity risk

Liquidity risk is the risk that the group will not be able to meet its financial obligation as they fall due. The directors monitor the cash flow of the group on a continuous basis and annual cash flow forecasts are prepared and the directors monitor actual cash flow against the cash flow forecasts on a monthly basis.

21.3 Liquidity risk (continued)

The group's approach to managing liquidity risk is to delay the start of payments hence allowing sufficient liquidity to increase to meets its liabilities when due.

The maximum exposure to liquidity risk is represented below in the maturity analysis.

Maturity analysis

2019 - Company	Carrying amount	Contractual cash flows	1 – 12 months	1 – 2 years	2 – 5 years	More than 5 years
	R	R	R	R	R	R
Loans from related parties	40 172	40 172	-	-	40 172	
Other long term loans	625 139	689 216	-	689 216	-	
Debentures	193 457	193 457	-	-	-	193 457
Trade and other payables	4 717 029	4 717 029	4 717 029	-	-	
	5 575 797	5639 874	4 717 029	689 216	40 172	193 457

2019 – Group	Carrying amount	Contractual cash flows	1 – 12 months	1 – 2 years	2 – 5 years	More than 5 years
	R	R	R	R	R	R
Loans from related parties	167 846	167 846	-	-	167 846	-
Other long term loans	625 138	689 216	-	689 216	-	-
Debentures	193 457	193 457	-	-	-	193 457
Trade and other payables	10 037 127	10 037 127	10 037 127	-	-	-
	11 023 568	11 087 646	10 037 127	-	167 846	193 457

21. *Financial instruments (continued)*

21.3 Liquidity risk (continued)

2018 - Company	Carrying amount	Contractual cash flows	1 – 12 months	1 – 2 years	2 – 5 years	More than 5 years
	R	R	R	R	R	R
Loans from related parties	61 000	61 000	-	-	61 000	-
Other long term loans	594 741	683 952	-	-	683 952	-
Debentures	193 457	193 457	-	-	-	193 457
Trade and other payables	1 630 970	1 630 970	1 630 970	-	-	-
	2 480 168	2 569 379	1 630 970	-	744 952	193 457

Maturity analysis

2018 - Group	Carrying amount	Contractual cash flows	1 – 12 months	1 – 2 years	2 – 5 years	More than 5 years
	R	R	R	R	R	R
Loans from related parties	188 674	188 674	-	-	188 674	-
Other long term loans	594 741	683 952	-	-	683 952	-
Debentures	193 457	193 457	-	-	-	193 457
Trade and other payables	8 336 305	8 336 305	8 336 305	-	-	-
	9 313 177	9 402 388	8 336 305	-	872 626	193 457

21.4 Fair values

The company presents fair values using the following fair value hierarchy that reflects the significance of inputs used in the measurements:

Level 1: Quoted market prices (unadjusted) in an active market for an identical instrument.
Level 2: Valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments, quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.
Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation techniques include inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

21. *Financial instruments (continued)*
21.4 *Fair values (continued)*

Description of asset	Fair value hierarchy
Land and buildings	Level 3
Investments	Level 3
Biological assets	Level 2

The following tables show the valuation techniques used in measuring Level 2 and Level 3 fair values for assets measured at fair value in the statement of financial position, as well as the significant unobservable inputs used.

Type	Valuation technique	Significant unobservable inputs
Land and Buildings	Market approach. This method entails comparing the subject property to the recent sales of similar properties in the same or comparable areas.	Applicable depreciation factor applied to each building. The higher the depreciation factor, the lower the valuation of the buildings. Sales prices achieved in the market for various properties of similar nature and size. The higher the sales prices for similar properties, the higher the valuation of the land and buildings.
Investments – Bee Sweet Honey Limited	Discounted cash flow. The valuation model considers the present value of expected cash flows, discounted using a risk-adjusted discount rate.	-Risk-adjusted discount rate of 35.40%. -Future cash flows. The expected future cash flows are based on cash flows generated from 6 500 wooden hives after deduction of costs relating to the generation of the honey. There is a warranty in place that a minimum yield of 1 kilogram of honey per hive per season consisting of two honey crops will be produced. The contract relating to the investment will be in place for 20 years. A sensitivity analysis based on honey yield was performed in note 27.1.

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21. ***Financial instruments (continued)***

21.4 ***Fair values (continued)***

Type	**Valuation technique**	**Significant unobservable inputs**
Biological assets	Market approach. The fair value is based on market prices of buffalo of similar age, weight and gender. The valuation placed on the balance of the game has been provided by registered dealers, also based on market prices at recent game auctions in the Eastern Cape. Other biological assets are valued at replacement costs, which includes darting and transport costs. Replacement costs are provided by game services providers in the Eastern Cape.	Not applicable as observable inputs in an active market are available.

Also refer to note 30 for further detail regarding judgements and estimates. There have been no movements between hierarchy levels, for and of the above financial instruments, during the current financial year.

The following table shows a reconciliation from the opening balances to the closing balances for Level 3 fair values:

	2019		2018	
	Land and Buildings	**Investments**	Land and Buildings	Investments
	R	**R**	R	R
Balance as at 1 March	**127 019 130**	**1 455 823**	127 995 660	954 294
Gain/(loss) included in profit or loss				
- Depreciation and impairment losses	**1 567 144**	**-**	(1 531 364)	-
Gain included in other comprehensive income	**3 065 283**	**-**	-	-
Purchases / advances	**1 948 455**	**175 493**	554 834	501 529
Balance as at 28 February	**133 600 012**	**1 631 316**	127 019 130	1 455 823

Refer to note 25, Biological assets, for a reconciliation from the opening balances to the closing balances for Level 2 fair values.

Sensitivity of Investments valuation:
A sensitivity analysis was performed on the honey yield applied to future cash flows. A change in yield of 1 kilogram per hive would have the impact of increasing or decreasing the value of the investment by approximately R 127 846.

21.5 *Operational risk*

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the company's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risks arise from all the company's operations.

The company's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the company's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management. This responsibility is supported by the development of overall company standards for the management of operational risk in the following areas:

- requirements for appropriate segregation of duties, including the independent authorisation of transactions
- requirements for the reconciliation and monitoring of transactions
- compliance with regulatory and other legal requirements
- documentation of controls and procedures
- requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified
- requirements for the reporting of operational losses and proposed remedial action
- development of contingency plans
- ethical and business standards
- training and professional development
- risk mitigation, including insurance where this is effective

21.6 Categories and analysis of financial assets and liabilities

Group **2019**	**Amortised cost**	**Financial liabilities at amortised cost**	**FVTPL**	**Total**
	R	**R**	**R**	**R**
Assets				
Other investments	-	-	**1 631 316**	**1 631 316**
Trade and other receivables	**23 513 461**	-	-	**23 513 461**
Cash and cash equivalents	**11 557 690**	-	-	**11 557 690**
	35 071 151	-	**1 631 316**	**36 702 467**
Liabilities				
Other financial liabilities	-	**625 139**	-	**625 139**
Loans from related parties	-	**167 846**	-	**167 846**
Trade and other payables	-	**10 037 122**	-	**10 037 122**
Debentures	-	**193 457**	-	**193 457**
	-	**11 023 564**	-	**11 023 564**

21.6 Categories and analysis of financial assets and liabilities (continued)

Group

2018	Loans and receivables	Financial liabilities at amortised cost	Available for sale	Total
	R	R	R	R
Assets				
Other investments	442 497	-	1 013 326	1 455 823
Trade and other receivables	22 667 550	-	-	22 667 550
Cash and cash equivalents	2 905 803	-	-	2 905 803
	26 015 850	-	1 013 326	27 029 176
Liabilities				
Other financial liabilities	-	594 741	-	594 741
Loans from related parties	-	188 674	-	188 674
Trade and other payables	-	8 336 305	-	8 336 305
Debentures	-	193 457	-	193 457
	-	9 313 177	-	9 313 177

Company 2019	Loans and receivables	Financial liabilities at amortised cost	Amortised cost	Total
	R	R	R	R
Assets				
Investment in subsidiaries	-	-	**569**	**569**
Other investments			**1 631 316**	**1 631 316**
Loans to subsidiaries	**4 049 336**	-	-	**4 049 336**
Trade and other receivables	**22 131 710**	-	-	**22 131 710**
Cash and cash equivalents	**10 004 438**	-	-	**10 004 438**
	36 185 484	-	**1 631 885**	**37 817 369**
Liabilities				
Other financial liabilities	-	**625 139**	-	**625 139**
Loans from related parties	-	**40 172**	-	**40 172**
Trade and other payables	-	**4 717 029**	-	**4 717 029**
Debentures	-	**193 457**	-	**193 457**
	-	**5 575 797**	-	**5 575 797**

21.6 Categories and analysis of financial assets and liabilities (continued)

2018	Held to maturity	Loans and receivables R	Financial liabilities at amortised cost R	Available for sale R	Total R
Assets					
Investment in subsidiaries	569	-	-	-	569
Other investments	-	442 497	-	1 013 326	1 455 823
Loans to subsidiaries	-	4 031 668	-	-	4 031 668
Trade and other receivables	-	20 267 499	-	-	20 267 499
Cash and cash equivalents	-	476 754	-	-	476 754
	569	25 218 418	-	1 013 326	26 232 313
Liabilities					
Other financial liabilities	-	-	594 741	-	594 741
Loans from related parties	-	-	61 000	-	61 000
Trade and other payables	-	-	1 630 970	-	1 630 970
Debentures	-	-	193 457	-	193 457
	-	-	2 480 168	-	2 480 168

The amounts above have been disclosed at carrying value which approximate the fair values of the financial instruments.

22. Other long term loans

	Group		Company	
	2019 R	2018 R	**2019 R**	2018 R
Loan from Eastgate Investments Limited	**625 139**	594 741	**625 139**	594 741
	625 139	594 741	**625 139**	594 741

On 18 January 2019 the directors signed a resolution that the Eastgate loan would discontinue as a convertible loan note and convert to a demand loan. The term loan from Eastgate Investments Limited bears interest at fixed deposit rates.

23. Related parties

23.1 Identity of related parties

Inqo Investments Limited is the holding company of Kuzuko Lodge Proprietary Limited, and has a 50.1% interest in Spekboom Trading Proprietary Ltd. Africarbon Proprietary Limited is the other shareholder in Spekboom Trading Propriety Limited. Dr Kim Tan is a director of Springhill Management Proprietary Limited and Inqo Investments Limited.

23.2 Material related party transactions

	Group		Company	
	2019	2018	**2019**	2018
	R	R	**R**	R
Loans (from)/to related parties -				
Dr Kim Tan	**(40 172)**	(61 000)	**(40 172)**	(61 000)
Africarbon Proprietary Limited	**(127 674)**	(127 674)	**-**	-
Spekboom Trading Proprietary Limited	**-**	-	**1 150 574**	1 090 574
Less: impairment of loan	**-**	-	**(530 287)**	(530 287)
Loan balance after impairment	**-**	-	**620 287**	560 287
Kuzuko Lodge Proprietary Limited	**-**	-	**23 242 768**	23 285 101
Less: impairment of loan	**-**	-	**(19 813 720)**	(19 813 720)
Loan balance after impairment	**-**	-	**3 429 048**	3 471 381
Transactions with related parties -				
Rental charged to Kuzuko Lodge Proprietary Limited for use of vehicles	-	-	**325 500**	315 000
Concession fee charged to Kuzuko Lodge Proprietary Limited for Game viewing rights	-	-	**475 831**	-
Administration fee charged to Kuzuko Lodge (Pty) Ltd	-	-	**270000**	180 000

During the financial year ended 28 February 2019, no shares were issued to directors (2019: Nil).

	Group		Company	
	2019	2018	**2019**	2018
	R	R	**R**	R
Compensation paid to key management personnel (see note 33)	**896 947**	676 000	**696 000**	676 000

Compensation paid to key management personnel consists solely of directors emoluments.

The concession fee charged to Kuzuko Lodge for game viewing rights was as a result of the separation agreement between Inqo Investments Limited, Kuzuko Lodge (Pty) Ltd and the South African National Parks (SANPARKS). The original written concession fees agreement was signed in 2004 and required that a concession fee based on revenue be paid by Kuzuko Lodge to SANPARKS. Effective from 28 February 2018 this written concession fee agreement was terminated and a new concession fee agreement was in place between Kuzuko Lodge (Pty) Limited and Inqo Investments Limited.

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	Group 2019 R	Group 2018 R	Company 2019 R	Company 2018 R
24. Notes to the cash flow statement				
24.1 Cash generated/(utilised) by operations				
Loss before taxation	**(2 500 717)**	(5 994 598)	**(1 963 957)**	(3 528 127)
Adjustments for –				
Profit on sale of property, plant and equipment	**(40 888)**	(31 864)	**(40 888)**	-
Reversal of loan impairment	**-**	-	**-**	(3 500 000)
Depreciation of property, plant and equipment	**2 697 401**	2 447 768	**2 411 408**	2 261 774
Amortisation of intangible assets	**10 987**	10 375	**-**	-
Unwinding of provision for bed nights	**-**	(104 556)	**-**	(104 556)
Fair value adjustment on biological assets	**(1 178 484)**	2 052 000	**(1 178 484)**	2 052 000
Finance income	**(1 060 337)**	(166 386)	**(1 012 215)**	(131 559)
Finance expense	**210 483**	31 164	**30 629**	31 164
	(1 861 555)	(1 756 097)	**(1 753 507)**	(2 919 304)
Operating cash flows before working capital changes	**(1 011 701)**	(1 620 875)	**(771 921)**	(2 818 909)
Movement in inventories	**(180 450)**	(244 428)	**-**	-
Movement in trade and other receivables	**(1 988 216)**	(200 479)	**(3 006 516)**	36 014
Movement in trade and other payables	**2 143 349**	3 402 856	**3 086 059**	1 074 103
	(1 886 872)	1 201 852	**(1 673 964)**	(1 809 187)

	Group		Company	
	2019	2018	**2019**	2018
	R	R	**R**	R
25. Biological assets				
Spekboom plantation	**910 028**	910 028	**-**	-
Game:				
Buffalo	**2 154 984**	1 400 000	**2 154 984**	1 400 000
Springbok	**530 000**	26 985	**530 000**	26 985
Eland	**847 000**	-	**847 000**	-
Elephant	**600 000**	-	**600 000**	
Giraffe	**240 000**	22 000	**240 000**	22 000
Impala	**214 400**	-	**214 400**	-
Kudu	**924 000**	-	**924 000**	-
Mountain Zebra	**320 000**	-	**320 000**	-
Nyala	**52 500**	65 715	**52 500**	65 715
Wildebeest	**285 000**	-	**285 000**	-
Zebra	**65 000**	38 400	**65 000**	38 400
Other	**564 900**	-	**564 900**	-
	7 707 812	2 463 128	**6 797 784**	1 553 100

Consumable biological assets:

The company invests in Spekboom plantations for carbon credit purposes. This is classified as a bearer biological asset. At 28 February 2019 Spekboom comprised 350 hectares of Spekboom plants (2018: 350 hectares) which is all older than two years old and considered to be mature assets.

The company invests in game, held on the property, to support the eco-tourism activities of the group company, Kuzuko Lodge. In addition to this, buffalo are also bred for sales purposes. All game is classified as a consumable biological asset.

The valuation technique of buffalo is the market comparison technique. The fair values are based on the market prices of game of similar age, weight and gender. Other biological assets are valued at replacement costs, which includes darting and transport costs.

25. Biological assets (continued)

Group

2019	**Carrying amount at beginning of the year** R	**Purchases** R	**Sales** R	**Transfers from PPE** R	**Change in fair value, less cost to sell** R	**Carrying amount at end of the year** R
Spekboom Plantation	910 028	-	-	-	-	910 028
Game:						
Buffalo livestock	1 400 000	47 600	-	-	707 384	2 154 984
Springbok	26 985	260 600	-	-	242 415	530 000
Eland	-	505 400	-	-	341 600	847 000
Elephant	-	230 000	-	-	370 000	600 000
Giraffe	22 000	143 000	-	-	75 000	240 000
Impala	-	140 400	-	-	74 000	214 400
Kudu	-	-	-	-	924 000	924 000
Mountain Zebra	-	1 380 000	-	-	(1 060 000)	320 000
Nyala	65 715	-	-	-	(13 215)	52 500
Wildebeest	-	268 400	-	-	16 600	285 000
Zebra	38 400	-	-	-	26 600	65 000
Other	-	1 090 800	-	-	(525 900)	564 900
Total	2 463 128	4 066 200	-	-	1 178 484	7 707 812

2018						
Spekboom Plantation	-	-	-	910 028	-	910 028
Game:						
Buffalo livestock	3 452 000	-	-	-	(2 052 000)	1 400 000
Springbok	-	26 985	-	-	-	26 985
Nyala	-	65 715	-	-	-	65 715
Giraffe	22 000	-	-	-	-	22 000
Zebra	38 400	-	-	-	-	38 400
Total	3 512 400	92 700	-	910 028	(2 052 000)	2 463 128

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25. Biological assets (continued)

Company

2019 Game:	Carrying amount at beginning of the year R	Purchases R	Sales R	Transfers from PPE R	Change in fair value, less cost to sell R	Carrying amount at end of the year R
Buffalo livestock	1 400 000	47 600	-	-	707 384	2 154 984
Springbok	26 985	260 600	-	-	242 415	530 000
Eland	-	505 400	-	-	341 600	847 000
Elephant	-	230 000	-	-	370 000	600 000
Giraffe	22 000	143 000	-	-	75 000	240 000
Impala	-	140 400	-	-	74 000	214 400
Kudu	-	-	-	-	924 000	924 000
Mountain Zebra	-	1 380 000	-	-	(1 060 000)	320 000
Nyala	65 715	-	-	-	(13 215)	52 500
Wildebeest	-	268 400	-	-	16 600	285 000
Zebra	38 400	-	-	-	26 600	65 000
Other	-	1 090 800	-	-	(525 900)	564 900
Total	1 553 100	4 066 200	-	-	1 178 484	6 797 784

2018 Game:	Carrying amount at beginning of the year R	Purchases R	Sales R	Transfers from PPE R	Change in fair value, less cost to sell R	Carrying amount at end of the year R
Buffalo livestock	3 452 000	-	-	-	(2 052 000)	1 400 000
Springbok	-	26 985	-		-	26 985
Nyala	-	65 715	-		-	65 715
Giraffe	22 000	-	-	-	-	22 000
Zebra	38 400	-	-	-	-	38 400
Total	3 512 400	92 700	-	-	(2 052 000)	1 553 100

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26. Non-controlling interest (NCI)

The table below summarises the information relating to each of the group's subsidiaries that has material NCI, before any intra-group eliminations.

At 28 February 2019	Kuzuko Lodge (Pty) Ltd	Spekboom Trading (Pty) Ltd	Intra-group eliminations	Total
NCI percentage	32%	49.9%		
	R	R	R	R
Non-current assets	**787 296**	**-**		
Current assets	**5 047 038**	**946 024**		
Non-current liabilities	**(23 242 768)**	**(1 278 248)**		
Current liabilities	**(6 891 878)**	**(107 941)**		
Net liabilities	**(24 300 312)**	**(440 165)**		
Carrying amount of NCI	**(7 776 100)**	**(219 642)**	**8 803 293**	**807 551**
Revenue	**23 795 780**	**-**		
Loss	**(409 995)**	**(126 765)**		
OCI	**-**	**-**		
Total comprehensive income	**(409 995)**	**(126 765)**		
Loss allocation to NCI	**(131 198)**	**(63 256)**	**342 826**	**148 372**
OCI allocated to NCI	**-**	**-**	**-**	**-**
Cash flows from operating activities	**(318 124)**	**(26 524)**		
Cash flows from investing activities	**(548 816)**	**-**		
Cash flow from financing activities	**(42 333)**	**60 000**		
Net change in cash and cash equivalents	**(909 273)**	**33 476**		

At 28 February 2018	Kuzuko Lodge (Pty) Ltd	Spekboom Trading (Pty) Ltd	Intra-group eliminations	Total
NCI percentage	32.0%	49.9%		
Non-current assets	535 461	910 028		
Current assets	5 609 501	2 520		
Non-current liabilities	(23 285 101)	(1 218 248)		
Current liabilities	(6 750 178)	(7 698)		
Net liabilities	(23 890 317)	(313 398)		
Carrying amount of NCI	(7 644 901)	(156 386)	8 460 466	659 179
Revenue	22 946 724	-		
Loss	1 051 644	(18 115)		
OCI	-	-		
Total comprehensive income	1 051 644	(18 115)		
Profit/(loss) allocation to NCI	336 526	(9 039)	158 400	485 887
OCI allocated to NCI	-	-	-	-
Cash flows from operating activities	3 060 899	(15 042)		
Cash flows from investing activities	(366 058)	-		
Cash flows from financing activities	(1 581 254)	-		
Net change in cash and cash equivalents	1 113 587	(15 042)		

		Group		Company	
		2019	2018	**2019**	2018
		R	R	**R**	R
27.	**Other investments**				
	Four One Financial Services – Shares	**59 032**	59 032	**59 032**	59 032
	Four One Financial Services – Loan receivable	**-**	442 497	**-**	442 497
	Bee Sweet Honey Ltd (Zambia)	**1 572 284**	954 294	**1 572 284**	954 294
		1 631 316	1 455 823	**1 631 316**	1 455 823

27.1 Bee Sweet Honey Limited

In May 2016 and June 2018, the company invested in a Zambian company that exports honey, Bee Sweet Honey Limited. This investment entitles Inqo Investments Limited to receive cash payments in the future from the sale of honey. Under IAS 39 this investment was classified as an investment available for sale and was acquired at fair value. In terms of IFRS 9 this investment is classified as Fair Value through Profit or Loss. In terms of the contractual agreement, Inqo Investments Limited is entitled to payment of 50% of the profit relating to the sale of honey from 6 500 wooden hives after deduction of payments to farmers and harvesting and processing costs.

The valuation of the investment in Bee Sweet Limited is a level 3 hierarchy. The investment is measured based on the present value of the expected future cash flows, discounted at a rate of 35.40%. The expected future cash flows are based on cash flows generated from 6 500 wooden hives after deduction of costs relating to the generation of the honey. There is a warranty in place that a minimum yield of 1 kilogram of honey per hive per season consisting of two honey crops will be produced. The contract relating to the investment will be in place for 20 years.

The fair value measurement of financial instruments are in certain circumstances, measured using valuation techniques that indicate assumptions that are not market observable. Where these scenarios apply, the group performs a sensitivity analysis on the fair value of the relevant instrument. The following information is intended to illustrate the potential impact of the relative uncertainty in the fair value of the financial instrument for which valuation is dependent on unobservable inputs which are classified as level 3 on the fair value hierarchy.

A sensitivity analysis was performed on the honey yield applied to future cash flows. A change in yield of 1 kilogram per hive would have the impact of increasing or decreasing the value of the investment by approximately R 127 846.

27.2 Four One Financial Services

In April 2017, and June 2018, the company invested in Four One Financial Services with respect to an 18% equity stake as well as a loan receivable. Four One Financial Services is a Ugandan based company responsible for the management of the Mazima Voluntary Individual Retirement Benefits Scheme. This investment is classified as an investment available for sale and was acquired at fair value.

As at 28 February 2019, the Four One loan receivable has been classified as a current receivable, under trade and other receivables. Refer to note 11.

28. (Loss)/earnings per share

The calculation of basic and diluted earnings per share at 28 February 2019 was based on a loss for the year of R 2 010 654 (2018: loss of R4 760 503), and a weighted average number of shares of 13 000 727 (2018: 11 688 093) for basic earnings per share and 13 000 727 (2018: 12 282 834) for diluted earnings per share. There are no reconciling items between the profit after tax amounts per the statement of profit or loss and other comprehensive income and the amount used in the calculation of earnings per share and diluted earnings per share.

Weighted average number of ordinary shares:	**2019**	2018
Ordinary shares at the beginning of the year	**13 000 727**	11 639 615
Impact of issue of shares	**-**	48 478
Weighted average number of ordinary shares at year end	**13 000 727**	11 688 093

The shares issued during the 2019 financial year were not weighted as they were issued on 28 February 2019.

Weighted average number of ordinary shares (diluted):

Weighted average number of ordinary shares	**13 000 727**	11 688 093
Effect of conversion of convertible Eastgate loan	**-**	594 741
Weighted average number of ordinary shares (diluted) at year end	**13 000 727**	12 282 834

On 18 January 2019 the directors signed a resolution that the Eastgate loan would no longer be convertible to ordinary shares. For the financial year ended 28 February 2018 the effect of the conversion of the convertible Eastgate Investments Limited loan to shares is anti-dilutive due to the loss incurred for the year being spread over a larger number of shares. Due to the anti-dilutive impact, diluted earnings per share are not disclosed in the statement of profit or loss and other comprehensive income for the current year.

Subsequent to year end 250 000 shares were issued. The effect of issuing additional shares is anti-dilutive due to the loss incurred for the 28 February 2019 financial year spread over a larger number or shares. Due to the anti-dilutive impact, diluted earnings per share are not disclosed in the statement of profit or loss and other comprehensive income for the current year.

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29. Standards and interpretations not yet effective

At the date of the authorisation of the consolidated and separate annual financial statements of Inqo Investments Limited for the year ended 28 February 2019, the following Standards and Interpretations were in issue but not yet effective:

Standard/Interpretation		Date issued by IASB	Effective date Periods beginning on or after
IFRS 16	Leases	January 2016	1 January 2019
IFRIC 23	Uncertainty over Income Tax Treatments	June 2017	1 January 2019
IFRS 9 amendment	Prepayment Features with Negative Compensation	October 2017	1 January 2019
IAS 28 amendment	Long-term Interests in Associates and Joint Ventures	May 2017	1 January 2019
IAS 19 amendment	Plan Amendment, Curtailment or Settlement	February 2018	1 January 2019
Annual Improvements to IFRS Standards 2015/2017 Cycle various standards	Various	December 2017	1 January 2019
Conceptual Framework amendments	Amendments to References to Conceptual Framework in IFRS Standards	March 2018	1 January 2020
IFRS 3 amendment	Definition of a Business	October 2018	1 January 2020
Definition of Material	Amendments to IAS 1 and IAS 8	October 2018	1 January 2020
IFRS 17	Insurance Contracts	May 2017	1 January 2021
IFRS 10 and IAS 28 amendment	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	September 2014	Deferred indefinitely

Other than IFRS 16 none of these are expected to have a significant effect on the financial statements of the group and company. The group and company do not plan to adopt these standards early and the extent of the impact has not been determined.

29. Standards and interpretations not yet effective (continued)

IFRS 16 *Leases*

IFRS 16 was published in January 2016. It sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract, i.e. the customer ('lessee') and the supplier ('lessor'). IFRS 16 replaces the previous leases Standard, IAS 17 *Leases*, and related Interpretations. IFRS 16 includes a single model for lessees which will result in almost all leases being included in the Statement of Financial Position. No significant changes have been included for lessors. IFRS 16 also includes extensive new disclosure requirements for both lessees and lessors.

The group and company have begun assessing the potential impact of IFRS 16 on the consolidated and separate annual financial statements. As at 28 February 2019 the company have estimated that IFRS 16 will not have a material impact as Inqo Investments is the lessor of motor vehicles to Kuzuko Lodge. The leases are short term in nature. Subsequent to year end Kuzuko Lodge (major subsidiary of Inqo Investments) have procured motor vehicles from external service providers.

Inqo Investments is not a lessee in any transactions. From a group perspective, leases are inter-company and will be eliminated for consolidation purposes.

The standard is effective for annual periods beginning on or after 1 January 2019.

30. Critical accounting estimates, judgements and key assumptions

The directors have considered the group's critical accounting policies, key sources of uncertainty and areas where critical accounting judgements were required in applying the group's accounting policies.

Critical accounting policies

The directors are satisfied that the critical accounting policies are appropriate to the group.

Key sources of uncertainty and critical judgements in applying the company's accounting policies

Information about assumptions and estimated uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in the following notes:

Note 6 – property valuation and classification

Land and buildings are valued every second year by an independent valuation specialist. Management perform an internal valuation assessment of the land and building every alternate year. Management consider the market value from veld farms and game farms sold in the region during the financial year as well as the condition of the access roads to the property, the availability of water as well as the condition of the vegetation on the property. With respect to the buildings, management consider the condition of the buildings as well as the appropriateness of the depreciation factor, taking into account any improvements made on the buildings.

The total extent of the land area measures 15 450.44 hectares. The game fenced area totals 13 400 hectares.

The buildings and improvements are valued on the basis of depreciated replacement cost. A replacement cost is allocated to each building and an estimated depreciation factor is allocated to each building, taking into consideration the age and condition of each building. The condition of the buildings are well maintained and monitored by management as this has a direct impact on the tourism star rating of the game lodge.

30. Critical accounting estimates, judgements and key assumptions (continued)

Note 6 – property valuation and classification (continued)

The directors attend meetings at the property on a quarterly basis and inspect the condition of the buildings on a regular basis.

The company holds land and buildings that are used by the subsidiary company, Kuzuko Lodge (Pty) Ltd to operate a five star game lodge in the Kommadagga area in the Eastern Cape. These land and buildings are not held to earn rental income nor for capital appreciation. Inqo Investments Limited does not charge rental to Kuzuko Lodge (Pty) Ltd for the use of the property and the directors do not intend to charge rental to the subsidiary company into the foreseeable future. A portion of the land owned by Inqo Investments Limited is used for its own purposes for the breeding of buffalo and other animals as well as for the planting of spekboom. For these reasons, the property is classified as property, plant and equipment in the separate financial statements of Inqo Investments Limited.

Note 8 – impairment losses of loans to subsidiaries and Note 11 – impairment against trade receivables

The carrying amounts of the group's assets, other than inventories, trade receivables and deferred tax assets, which are separately assessed and provided against where necessary, are reviewed at each financial year end reporting date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of any impairment loss. The recoverable amount is the higher of the asset's fair value less expenses to sell the asset, or the asset's value in use. Value in use is estimated taking into account future cash flows, forecast market conditions and the expected lives of the assets.
Such cash flows are discounted using a pre-tax rate that reflects the current time value of money and the risks associated with the specific asset. For an asset that does not generate largely independent cash flows, the recoverable amount is determined for the smallest cash-generating unit to which the asset belongs.
Impairment losses are recognised whenever the carrying amount of an asset or cash generating unit exceeds its recoverable amount. Impairment losses are recognised in profit and loss except for assets carried at revalued amounts which are recognised in equity to the extent it decreases the equity whereafter any excess impairment is recognised in profit and loss.
Impairment losses recognised in respect of cash-generating units, are allocated to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.
In respect of other assets, an impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.
An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Note 25 –fair value of biological assets

Biological assets are measured at fair value on initial recognition and at the end of each reporting period at fair value less costs to sell. A gain or loss on initial recognition of a biological asset at fair value less costs to sell and from a change in fair value less costs to sell of a biological asset shall be included in profit or loss for the period in which it arises.

30. Critical accounting estimates, judgements and key assumptions (continued)

Note 27 – investment in Bee Sweet Honey Limited
During the financial year ended 28 February 2017, the company invested in a Zambian company that exports honey, Bee Sweet Honey Limited. This investment entitles Inqo Investments Limited to receive cash payments in the future from the sale of honey. In the 2018 financial year end this investment is classified as an investment available for sale and was acquired at fair value. As of 1 March 2018 a classification change took place in which this investment is now classified as fair value through profit or loss.

Note 27 – investment in Four One Financial Services Limited
During the financial year ended 28 February 2018, the company invested in Four One Financial Services with respect to an 18% equity stake as well as a loan receivable. Four One Financial Services is a Ugandan based company responsible for the management of the Mazima Voluntary Individual Retirement Benefits Scheme. In the 2018 financial year end this investment is classified as an investment available for sale and was acquired at fair value. As of 1 March 2018 a classification change took place in which this investment is now classified as fair value through profit or loss.

31. Going concern

The company generated a net loss before tax for the year ended 28 February 2019 of R1 963 957 (2018: loss of R3 528 127). The company has adequate reserves in place and is both technically and commercially solvent. Both the company and group have access to cash into the foreseeable future to settle liabilities in the normal course of business.

The directors have made an assessment of the ability of the company and its subsidiaries to continue as going concerns and there is no reason to believe the businesses will not be going concerns in the year ahead.

32. Dividends

The company has not declared any dividends during the financial year ended 28 February 2019 (2018: Rnil).

33. Directors, alternate directors and prescribed officers' emoluments

2019: Group

Name	Fees for Services Rendered	Total
K Tan *	240 000	240 000
C Bertie	360 000	360 000
D Louw	96 000	96 000
M Maart **	125 933	125 933
CE September **	75 014	75 014
JS Matsebula**	-	-
EJ Steenberg**	-	-
MF Du Toit**	-	-
Total	**896 947**	**896 947**

2019: Company

Name	Fees for Services Rendered	Total
K Tan *	240 000	240 000
C Bertie	360 000	360 000
D Louw	96 000	96 000
Total	**696 000**	**696 000**

 AB

33. Directors, alternate directors and prescribed officers' emoluments (continued)

2018: Group

Name	Fees for Services Rendered	Total
K Tan *	240 000	240 000
C Bertie	340 000	340 000
D Louw	96 000	96 000
JS Matsebula**	-	-
MF Du Toit**	-	-
KC Groenewald**	23 063	23 063
EJ Steenberg**	63 145	63 145
Total	762 208	762 208

2018: Company

Name	Fees for Services Rendered	Total
K Tan *	240 000	240 000
C Bertie	340 000	340 000
D Louw	96 000	96 000
Total	676 000	676 000

*Dr K Tan's remuneration is invoiced to Springhill Management Proprietary Limited. There are no prescribed officers in the group.
** Alternate director

34. Segmental information

The group has the following strategic investments which are its reportable segments. These two areas of investment offer different services and are managed separately due to the fact that they are completely different industries.

Reportable segments	Operations
Hospitality and tourism	Sale of rooms, food, game drives and other luxury hospitality services.
Investment	Sustainable long term investment activities that address the poverty and social needs of the poor in Africa.

34. Segmental information (continued)

The group's executive director reviews the internal management reports of each operating entity at least quarterly.

Primary segment	Hospitality and tourism		Investment		Total	
	2019	2018	**2019**	2018	**2019**	2018
	R	R	**R**	R	**R**	R
Revenue from external customers	**23 795 780**	22 946 724	**-**	15 965	**23 795 780**	22 962 689
Revenues from transactions with other operating segments	**-**	-	**-**	-	**-**	-
Other income	**-**	-	**853 457**	146 083	**853 457**	146 083
Net finance income	**(132 186)**	34 512	**982 039**	100 710	**849 854**	135 222
(Loss)/Profit before tax	**(409 995)**	1 051 644	**(2 090 722)**	(7 046 242)	**(2 500 717)**	(5 994 598)
Income tax expense/(income)	**-**	-	**(258 085)**	1 719 982	**(258 085)**	1 719 982
Depreciation and amortisation	**285 993**	196 369	**2 411 408**	2 261 774	**2 697 401**	2 458 143
Total assets	**5 834 334**	6 144 962	**175 056 219**	153 818 117	**180 890 553**	159 963 079
Total liabilities	**(6 891 878)**	(6 750 178)	**(11 987 747)**	(9 548 000)	**(18 499 279)**	(16 298 178)

Geographic information:
The company and its subsidiaries only operate in South Africa. The investment of R1 567 379 in Bee Sweet Investment Limited is based in Zambia but revenue and profits from this investment are still small in value. The investment in Four One Financial Services is based in Uganda and the interest on the loan is still minimal.

Revenue from external customers:
Revenue is generated from both local and foreign sources and the company places no reliance on any major customers.

Measurement of segment reporting information:
Accounting policies applied when compiling segment reports are consistent with those applied to the entity.

35. Non-adjusting subsequent events

On 18 March 2019 Inqo Investments Limited raised an additional gross proceeds of GBP 225 000 through the placing of 250 000 new ordinary shares with an existing investor.

On 25 July 2019 Inqo Investments Limited announced their investment in South Lake Medical Centre on the NEX exchange. Participating with Inqo Investments Limited on this investment are Johnson & Johnsons social impact fund and Sumerian Partners. A total investment of USD 950 000 between the three parties will be made in combination of equity and soft loans.