Inqo Investments Limited and its subsidiaries

Consolidated and separate annual financial statements

for the year ended 28 February 2021

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 2021

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 2021 were published on 11 August 2021.

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 2021, 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 4 August 2021 and signed by

K Tan	C Bertie
Authorised Director	*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 2021, 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.

C Bertie
Company Secretary
4 August 2021

Inqo Investments Limited and its subsidiaries

Directors' Report

For the year ended 28 February 2021

Nature of business

The directors have pleasure in presenting their report for the year ended 28 February 2021.

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 of companies includes:

- **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 on average (pre-covid) of 68 staff, 55 of whom were 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.
  In order to comply with South Africa's lockdown rules the lodge has largely been closed since April 2020 trading intermittently as allowed by lockdown regulations between August 2020 and April 2021. At this time the future for the South African tourism industry is uncertain and the lodge is only expected to reopen for business in October 2021.
  One of the major downsides to the Covid-19 pandemic is the fact that in South Africa the tourism industry has been hard hit and as a result 35 staff had to be retrenched/laid-off.
  The lodge is currently closed with a small group of essential workers retained on the property to maintain the integrity of the groups' investment at Kuzuko Lodge.

- **Kuzuko Foundation Trust** provides education sessions and tours for youth from disadvantaged backgrounds in the Kuzuko Private Game Reserves. The Foundation has throughout the Covid-19 pandemic provided retrenched Kuzuko Lodge staff and their families with food parcels on a regular basis.
- **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. Experiments are currently underway on the Inqo property and neighbouring farms testing various planting methodologies that will eventually be used when large scale Spekboom planting occurs in the future.
- **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 9,000 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.

Directors' report (continued)

For the year ended 28 February 2021

- **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. Since the Covid-19 Pandemic has hit the world there has been a large default rate in contributors to the Mazima scheme. Management have had to quickly pivot their business direction and look for new sources of income.
  In Q3 2020, Four One Financial Services began Bitbricks Limited – a new venture developing affordable homes while offering ownership through shares to offer an accessible entry point to the real estate market for middle class Ugandans. This new venture will leverage the network of customers and good faith Four One has built over the last few years.

- **Kentegra** (Kenya) is a biotechnology firm owned by the US holding company, Kentegra Biotechnology Holdings LLC, based in Kenya. Kentegra produces pyrethrum, a natural active ingredient from the chrysanthemum flower, for use in the home biocide, agricultural and pharmaceutical pesticide markets. The chrysanthemum flowers must be grown in very specific conditions in order to produce pyrethrum - these conditions are found in only a few places around the world, predominantly East Africa (Uganda, Rwanda, and Kenya) and Tasmania. With ideal growing conditions, Kenya was once the largest producer of pyrethrum in the world until poor management and synthetic alternatives led to a major decline in the nationalised industry in the early 2000s. In 2013 the Kenyan government liberalised the pyrethrum sector in a concerted effort to revive the industry and support the growing worldwide 'organic' movement. Kentegra is one of the six companies in Kenya with a licence to produce pyrethrum. Kentegra currently works with over 9 200 outgrower farmers to produce flowers for pyrethrum extraction in its new factory in Nairobi.

- **South Lake Medical Centre (SLMC)** is a private healthcare provider in the Naivasha region of Kenya serving predominantly low-income flower farm workers. SLMC operate a 'hub and spoke' model around a 27-bed private referral-level hospital with smaller satellite clinics based on surrounding flower farms and in nearby population centres. SLMC has secured the contract to serve Flamingo Horticulture's workers. With 14 other flower farms and a number of other medium sized businesses within a 30km radius of SLMC, there is significant scope for additional corporate contracts. Additionally, the Kenyan government has committed to provide universal healthcare for all Kenyans through the National Health Insurance Fund (NHIF). As an accredited NHIF healthcare provider, SLMC is able to offer services to all those registered with NHIF. SLMC opened its new major surgical unit in Q1 2021 and saw a total of 74,000 patient visits with over 8,500 people in its Community Outreach programme including 300 HIV patients.

Directors’ report (continued)

For the year ended 28 February 2021

- **Inqo Africa (Pty) Ltd** , a wholly owned subsidiary formed on 27 October 2020, for the acquisition of a share in Sanergy Inc., a Nairobi based company using an innovative circular economy approach to recycling organic waste by feeding the waste to Black Soldier Flies (BSF) to produce a high protein animal feed in the form of BSF larvae. Organic fertilizer and biomass briquettes are also produced as a by-product of this process. Organic waste is collected in the form of food waste from markets and hospitality businesses in Nairobi and sanitation waste collected by Sanergy’s partner company, Fresh Life Initiative, who have a network of 3,400 franchised toilets in Nairobi’s informal settlements where mains sewers are not available and very difficult to install. Sanergy currently collect and process 12,000 tons of waste per year. Inqo’s investment will be used to help complete Sanergy’s factory which will give them the ability to process 72,000 tons per year.

Response to COVID-19

Inqo is working closely with the management teams in their portfolio of companies in response to the COVID-19 pandemic. All of Inqo’s portfolio companies serve the most vulnerable communities in sub Saharan Africa in some way – as such, protecting employees and customers is a high priority for both Inqo and portfolio company management at this time. At present, Inqo’s focus is on mitigating risk and contingency planning in support of portfolio companies in what is a fluid and dynamic situation.
Kuzuko Lodge (Pty) Ltd has undertaken operational restructuring initiatives, which have regrettably included reductions in staff numbers at Kuzuko. Inqo and Kuzuko management are deeply committed to their staff and are currently working on ways to support staff during this time. The company opened the 2020/21 financial year with substantial levels of advance bookings; however, these were cancelled with the spread of the worldwide COVID-19 pandemic. The directors believe that the company will continue to be a going concern in the years ahead.

Going concern

The company made a loss before taxation for the year ended 28 February 2021 of R6 828 644
(2020: loss of R6 631 271).

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.

Inqo Investments Limited and its subsidiaries

Directors' report (continued)

For the year ended 28 February 2021

Events after the reporting period

Except for the events referred to in the paragraph below, the directors are not aware of any material fact or circumstance arising between the end of the financial year and the date of this report that would require adjustments to the annual financial statements.

Kuzuko Lodge operated from August 2020 until April 2021, when the Kuzuko directors decided to mothball the business operation for the winter months, and reopen the business in September 2021. The Board of directors anticipate that disruption through travel restrictions and the depression on sales due to the economic downturn will last until late 2021.

Directors

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

Mr David Andrew Louw
Dr Kim Tan †
Mr Christopher John Bertie

†Malaysian

Share capital

There were no changes to the share capital during the period under review.

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 2021

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 met on 1 June 2020 and 5 March 2021. 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.
- Considered the use of experts for the land and buildings revaluation for the 2021 financial year end audit.
- Considered contingent liabilities which existed at year end and their disclosure in the financial statements.
- Considered the impact of Covid 19 and its effect on going concern for all of the subsidiaries and other investments.
- Reviewed the Inqo Investments cash flow forecasts for 18 months.
- Reviewed and approved the KPMG Inc. audit fees.
- 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: DA Louw, CJ Bertie and KS 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.A. Louw
Chairman of the Audit Committee
4 August 2021

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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 pages 13 to 68, which comprise the statements of financial position at 28 February 2021, and the statements of profit or loss and other comprehensive income, the statements of changes in equity and the 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 as at 28 February 2021, 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 Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors* (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa.

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

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.

<table>
<tr><td colspan="2">Valuation of land and buildings
Refer to accounting policy note 1.6 and notes 6, 22.4 and 32.
This key audit matter is applicable to both the consolidated and separate financial statements.</td></tr>
<tr><td>Key audit matter</td><td>How the matter was addressed in our audit</td></tr>
<tr><td>Land and buildings at fair value included in property, plant and equipment amounts to R126.2 million at year end, which represents 78.5% of total group assets and 76.5% of total company assets.

Land and buildings are valued every second year by an independent valuator. An external independent valuation of the land and buildings was performed in the current year.

The following 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.</td><td>Our audit procedures included:
The significant 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.</td></tr>
</table>

Valuation of land and buildings Refer to accounting policy note 1.6 and notes 6, 22.4 and 32. This key audit matter is applicable to both the consolidated and separate financial statements.	
Key audit matter	How the matter was addressed in our audit
— 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. 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 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 compared 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. 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.*

Impairment of other investments Refer to accounting policy note 1.9, note 22.4, note 28 and note 32 This key audit matter is applicable to both the consolidated and separate financial statements.	
Key audit matter	How the matter was addressed in our audit
	Our audit procedures included:

Impairment of other investments Refer to accounting policy note 1.9, note 22.4, note 28 and note 32 This key audit matter is applicable to both the consolidated and separate financial statements.	
Key audit matter	How the matter was addressed in our audit
Other investments at fair value amount to R12 million at year end for group and R10.3 million for the company. Inqo Investments Limited invests in businesses that aims to alleviate poverty and social needs of the poor. Many of these investments have been severely impacted by the Covid-19 pandemic. Due to the judgement applied in determining whether investments should be impaired, we considered the impairments of other investments a key audit matter in our audit of the consolidated and separate financial statements.	— We inspected future cash flows of investment entities where there were impairment indicators, to determine whether the repayments of loans and interest could be made by the entities. We considered whether the loan repayments and interest should be impaired. — We inspected the statements of financial position and financial performance at the yearend dates for the investment entities to evaluate whether the investment entities were solvent and liquid. — The key assumptions used in the fair value calculation of Bee Sweet Honey Ltd were assessed by the audit them through comparing them with corroborating internal and external data. The key assumptions used were: risk-adjusted discount rate; minimum yield and future cash flows.

Impairment of other investments Refer to accounting policy note 1.9, note 22.4, note 28 and note 32 This key audit matter is applicable to both the consolidated and separate financial statements.	
Key audit matter	How the matter was addressed in our audit
	We evaluated the adequacy of the disclosures in note 22.4 of the financial statements, which relates to the impairment of other investments 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 2021" which includes the Directors' Report, the Audit Committee's Report and the Company Secretary's Certificate as required by the Companies Act of South Africa. The other information does not include the consolidated and separate financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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 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 company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated and separate financial statements

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

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

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

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

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

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

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

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

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

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

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.

KPMG

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 23 years.

KPMG Inc

Per AD Barr
Chartered Accountant (SA)
Registered Auditor
Director
11 August 2021

Inqo Investments Limited and its subsidiaries

Statements of profit or loss and other comprehensive income

for the year ended 28 February 2021

		Group		Company	
	Note	**2021** **R**	2020 R	**2021** **R**	2020 R
Revenue	*4*	**4 214 583**	24 422 881	**698 491**	1 656 914
Cost of Sales		**(630 188)**	(2 965 088)	**-**	-
Gross profit		**3 584 395**	21 457 793	**698 491**	1 656 914
Other income		**552 819**	1 005 940	**552 819**	1 005 940
Personnel expense		**(4 746 444)**	(8 662 421)	**(550 110)**	(591 750)
Depreciation	6	**(3 462 536)**	(3 210 687)	**(2 883 328)**	(2 696 386)
Listing expenses		**(839 653)**	(596 132)	**(839 653)**	(596 132)
Professional fees		**(514 891)**	(601 048)	**(514 891)**	(601 048)
Expected credit losses		**(270 134)**	-	**(1 506 947)**	-
Impairment - loans	28	**(157 473)**	(170 373)	**(157 473)**	(2 422 602)
Selling and administrative expenses		**(7 522 604)**	(14 444 355)	**(1 783 137)**	(1 567 920)
Operating loss	*2*	**(13 376 521)**	(5 221 283)	**(6 984 229)**	(5 812 984)
Inventory write-down	*14*	**(372 151)**	(1 442 485)	**(372 151)**	(1 442 485)
Fair value adjustment	*26*	**(194 172)**	(6 146)	**(194 172)**	(8 705)
Net financing income	*3*	**502 942**	544 627	**721 908**	632 903
Finance income		**692 482**	713 645	**761 740**	676 227
Finance expense		**(189 540)**	(169 018)	**(39 832)**	(43 324)
Loss before taxation		**(13 439 902)**	(6 125 287)	**(6 828 644)**	(6 631 271)
Taxation	*5*	**1 876 228**	1 336 571	**1 876 228**	1 336 571
Loss for the year		**(11 563 674)**	(4 788 716)	**(4 952 416)**	(5 294 700)
Loss attributable to:					
Equity holders		**(11 272 203)**	(4 754 800)	**(4 952 416)**	(5 294 700)
Non-controlling interest	*27*	**(291 471)**	(33 916)	**-**	-
		(11 563 674)	(4 788 716)	**(4 952 416)**	(5 294 700)

Inqo Investments Limited and its subsidiaries

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

for the year ended 28 February 2021

	Note	**Group 2021 R**	Group 2020 R	**Company 2021 R**	Company 2020 R
Other comprehensive income - Items that will not subsequently be reclassified to profit or loss:					
		(1 137 167)	-	**(1 137 167)**	-
Revaluation of land and buildings	*17*	**(1 465 422)**	-	**(1 465 422)**	-
Deferred tax on revaluation	*17, 11*	**328 255**	-	**328 255**	-
Total other comprehensive income for the year		**(1 137 167)**	-	**(1 137 167)**	-
Total comprehensive loss for the year		**(12 700 841)**	(4 788 716)	**(6 089 583)**	(5 294 700)
Total comprehensive loss attributable to:					
Equity holders		**(12 409 370)**	(4 754 800)	**(3 815 248)**	(5 294 700)
Non-controlling interest		**(291 471)**	(33 916)	**-**	-
		(12 700 841)	(4 788 716)	**(3 815 248)**	(5 294 700)
Loss per share (rands)	*30*	**(0.78)**	(0.33)		
Diluted loss per share (rands)	*30*	**(0.78)**	(0.33)		

Inqo Investments Limited and its subsidiaries

Statements of financial position

at 28 February 2021

		Group		Company	
		2021	2020	**2021**	2020
	Note	**R**	R	**R**	R
Assets					
Non-current assets		**143 346 953**	146 063 205	**149 017 592**	146 330 532
Property, plant and equipment	*6*	**131 315 802**	134 430 943	**130 644 236**	133 403 257
Intangible assets	*8*	**8 517**	9 062	**-**	-
Right of use Asset	*29*	**505 421**	893 597	**-**	-
Loans to subsidiaries	*9*	**-**	-	**5 808 665**	2 197 103
Trade and other receivables	*12*	**-**	-	**1 236 813**	-
Other investments	*28*	**11 517 213**	10 729 603	**9 849 493**	10 729 603
Investments in subsidiaries	*10*	**-**	-	**1 478 385**	569
Current assets		**11 702 363**	27 644 153	**10 274 635**	23 194 586
Inventories	*14*	**4 264 824**	4 763 430	**3 701 144**	3 853 615
Trade and other receivables	*12*	**3 139 521**	4 150 071	**2 626 845**	3 343 288
Other investments	*28*	**440 388**	-	**440 388**	-
Biological assets	*26*	**2 864 694**	3 058 866	**1 952 107**	2 146 279
Cash and cash equivalents	*13*	**992 936**	15 671 786	**1 554 151**	13 851 404
Land held for sale	*7*	**5 695 345**	5 695 345	**5 695 345**	5 695 345
Total current assets		**17 397 708**	33 339 498	**15 969 980**	28 889 931
Total assets		**160 744 661**	179 402 703	**164 987 572**	175 220 463
Equity and liabilities					
Capital and reserves					
Share capital	*15*	**71 809 195**	71 809 195	**71 809 195**	71 809 195
Share premium	*16*	**86 294 138**	86 294 138	**86 294 138**	86 294 138
Revaluation reserve	*17*	**72 015 535**	73 152 702	**72 015 535**	73 152 702
Accumulated loss		**(81 584 061)**	(70 311 858)	**(70 599 586)**	(65 647 170)
Equity attributable to equity holders of Inqo Investments Limited		**148 534 807**	160 944 177	**159 519 282**	165 608 865
Non-controlling interest	*27*	**482 164**	773 635	**-**	-
Total equity		**149 016 971**	161 717 812	**159 519 282**	165 608 865
Non-current liabilities		**4 632 671**	7 328 094	**4 092 252**	6 451 217
Loans from related parties	*18*	**167 845**	167 845	**40 171**	40 171
Other long term loans	*23*	**707 185**	668 210	**707 185**	668 210
Deferred tax liability	*11*	**3 344 896**	5 549 379	**3 344 896**	5 549 379
Debentures	*19*	**-**	193 457	**-**	193 457
Lease liability	*29*	**412 745**	749 203	**-**	-
Current liabilities		**7 095 019**	10 356 797	**1 376 038**	3 160 381
Trade and other payables	*20*	**6 695 255**	9 494 844	**1 376 038**	3 013 141
Provision	*21*	**253 341**	686 559	**-**	147 240
Lease Liability	*29*	**146 423**	175 394	**-**	-
Total liabilities		**11 727 690**	17 684 891	**5 468 290**	9 611 598
Total equity and liabilities		**160 744 661**	179 402 703	**164 987 572**	175 220 463

Inqo Investments Limited and its subsidiaries

Statements of changes in equity

for the year ended 28 February 2021

Group	Ordinary share capital R	Share premium R	Revaluation reserve R	Accumulated loss R	Non-controlling interest R	Total R
Balance at 1 March 2019	**70 559 195**	**83 428 888**	**73 152 702**	**(65 557 058)**	**807 551**	**162 391 278**
Shares Issued	1 250 000	2 865 250	-	-	-	4 115 250
Loss for the year	-	-	-	(4 754 800)	(33 916)	(4 788 716)
Total comprehensive income for the year	-	-	-	(4 754 800)	(33 916)	(4 788 716)
Balance at 29 February 2020	**71 809 195**	**86 294 138**	**73 152 702**	**(70 311 858)**	**773 635**	**161 717 812**
Balance at 1 March 2020	**71 809 195**	**86 294 138**	**73 152 702**	**(70 311 858)**	**773 635**	**161 717 812**
Shares Issued	-	-	-	-	-	-
Loss for the year	-	-	-	**(11 272 203)**	**(291 471)**	**(11 563 674)**
Other comprehensive income for the year			**(1 137 167)**	-	-	**(1 137 167)**
Total comprehensive income for the year	-	-	**(1 137 167)**	**(11 272 203)**	**(291 471)**	**(12 700 841)**
Balance at 28 February 2021	**71 809 195**	**86 294 138**	**72 015 535**	**(81 584 061)**	**482 164**	**149 016 971**

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Inqo Investments Limited and its subsidiaries

Statements of changes in equity

for the year ended 28 February 2021

Company	Ordinary share capital R	Share premium R	Revaluation reserve R	Accumulated loss R	Total R
Balance at 1 March 2019	70 559 195	83 428 888	73 152 702	(60 352 470)	166 788 315
Shares Issued	1 250 000	2 865 250	-	-	4 115 250
Loss for the year	-	-	-	(5 294 700)	(5 294 700)
Total comprehensive income for the year	-	-	-	(5 294 700)	(5 294 700)
Balance at 28 February 2020	71 809 195	86 294 138	73 152 702	(65 647 170)	165 608 865
Balance at 1 March 2020	**71 809 195**	**86 294 138**	**73 152 702**	**(65 647 170)**	**165 608 865**
Shares Issued	-	-	-	-	-
Loss for the year	-	-	-	**(4 952 416)**	**(4 952 416)**
Other comprehensive income for the year	-	-	**(1 137 167)**		**(1 137 167)**
Total comprehensive income for the year	-	-	**(1 137 167)**	**(4 952 416)**	**(6 089 583)**
Balance at 28 February 2021	**71 809 195**	**86 294 138**	**72 015 535**	**(70 599 586)**	**159 519 282**

Inqo Investments Limited and its subsidiaries

Statements of cash flows

for the year ended 28 February 2021

	Note	Group 2021 R	Group 2020 R	Company 2021 R	Company 2020 R
Cash utilised by operations	*25.1*	**(12 199 004)**	14 346 086	**(6 814 523)**	**13 657 924**
Finance income		**692 482**	713 645	**681 027**	**676 227**
Finance expense		**(189 540)**	(169 018)	**(39 832)**	**(43 324)**
Net cash flow from operating activities		**(11 696 062)**	14 890 713	**(6 173 328)**	**14 290 827**
Cash flows from investing activities					
Acquisition of subsidiary		**-**	-	**(1 000)**	-
Repayment in loans to subsidiary		**-**	-	**-**	700 000
Increase in loans to subsidiary		**-**	-	**(5 007 665)**	(1 100 000)
Acquisition of other investments		**(1 667 720)**	(5 546 279)	**-**	(5 546 279)
Unrealised forex loss		**282 249**	-	**282 249**	-
Loan repaid by /(advanced to) other investments		**38 975**	(1 521 732)	**38 975**	(1 521 732)
Acquisition of property, plant and equipment		**(1 870 529)**	(7 786 536)	**(1 812 698)**	(7 160 259)
Acquisition of intangible assets		**(3 999)**	-	**-**	-
Proceeds on disposal of property, plant and equipment		**376 214**	26 087	**376 214**	26 087
Net cash flow from investing activities		**(2 844 810)**	(14 828 460)	**(6 123 925)**	(14 602 182)
Cash flows from financing activities					
Proceeds from shares issued		**-**	4 115 250	**-**	4 115 250
Repayment of finance lease		**(137 978)**	(106 477)	**-**	-
Loans from related parties received		**-**	43 070	**-**	43 071
Net cash flow from financing activities		**(137 978)**	4 051 843	**-**	4 158 321
Net movement in cash and cash equivalents		**(14 678 850)**	4 114 096	**(12 297 253)**	3 846 966
Cash and cash equivalents at beginning of year		**15 671 786**	11 557 690	**13 851 404**	10 004 438
Cash and cash equivalents at end of year	*13*	**992 936**	15 671 786	**1 554 151**	13 851 404

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 2021 comprise the company and its subsidiaries (together referred to as the "group"). The accounting policies have been applied consistently to all periods presented.

The company is a social impact investment company that invests in businesses that tackle poverty and the social needs of the poor. Inqo invests in businesses that create jobs, provide services and products for the poor as well as tackle environmental issues. The company invests in small to medium size enterprises that are scalable and have potential for growth and appreciation.

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 Aquis Stock Exchange (Previously called NEX Exchange). The directors have complied with all Aquis (Previously called NEX Exchange) primary rules for the year ended 28 February 2021.

The consolidated and separate annual financial statements were authorised for issue by the board of directors on 4 August 2021.

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.

Financial instruments, land and buildings and biological assets are measured at fair value. The Group uses quoted prices in an active market to determine fair value. In the absence of active market information, the Group uses appropriate valuation techniques, which incorporate factors that market participants would take into account when pricing transactions. The financial director assesses information used by third party experts to determine fair value in order to determine whether these are in accordance with the standards. In addition, the financial director assesses the fair value hierarchy in which the valuations should be classified.

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 32 for further detail regarding estimates and judgements applied.

The estimates and underlying assumptions are reviewed on an on-going 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.

Inqo Investments Limited and its subsidiaries

Notes to the financial statements

for the year ended 28 February 2021

1.3 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

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 and land restorations are 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

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1.6 Property, plant and equipment (continued)

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.

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.

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1.8 Impairment

Non-financial assets

The carrying amounts of the group's non-financial assets, other than inventories, biological assets, assets held for sale 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 non-financial 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.

1.9 Financial instruments

Financial assets

Recognition and initial measurement

Financial assets (including trade receivables 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 fair value through profit or loss (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; fair value through other comprehensive income (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.

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.
Financial assets at OCI	These assets are subsequently measured at fair value. Net gains and losses are recognised in Other Comprehensive Income.

1.9 Financial instruments (continued)

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.

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.

Offset

Financial assets and liabilities are offset only when the Group has a legally enforceable right to set off amounts and the Group intends to settle on a net basis or simultaneously.

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1.10 Compound Financial Instruments

Compound financial instrument issued by the Company comprise convertible debt instruments, which can be converted into ordinary share at the option of the Company after three years from issue date. The asset component is initially recognised at fair value of similar financial assets. The equity component is initially recognised at the difference between the fair value of the convertible debt instrument as a whole and the value of the financial asset. Subsequent to initial recognition, the financial asset portion of the compound instrument is recognised at amortised cost using the effective interest rate method. The related interest is recognised in profit and loss. On conversion, the convertible debt instrument will be reclassified from loans to subsidiaries to investments in subsidiaries.

1.11 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. The performance obligations of accommodation and game drives are recognised over time, in a manner that depicts the entity's performance. The additional beverage sales, spa treatments and curio sales are performance obligations measured at a point in time. Revenue is measured at the fair value of the consideration received or receivable, net of returns, allowances and trade discounts.

Contract liabilities primarily relate to advanced deposits paid by customers to secure future accommodation and is recognised as revenue when the lodge accommodation is used by the customer. The advanced deposits are recorded as a contractual liability until the performance obligation is satisfied in which the revenue will be recognised.

ii) Company

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

1.12 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 a liability 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.

1.13 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.

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1.14 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.

1.15 Financing income and financing costs

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.

1.16 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 36 for detail.

1.17 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. Non-monetary assets are not subsequently remeasured.

1.18 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.

1.19 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.

Game classified as consumable inventory is carried at the lower of cost and net realisable value. A net increase in game for the year due to natural causes (births and deaths of animals) is not accounted for as the cost of births is nil. A net decrease in game for the year due to natural causes is accounted for in a write down to the net realisable value of the game on hand at year end.

1.20 Investments in subsidiaries

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

1.21 Leases

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

At inception or on reassessment of a contract that contains a lease component, the entity allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

Leases in which the entity is a lessee

The entity recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred, less any lease incentives received.
The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The right-of-use asset adjusted for certain re-measurements of the lease liability.
The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the entity's incremental borrowing rate.

Inqo Investments Limited and its subsidiaries

Notes to the financial statements

for the year ended 28 February 2021

1.21 Leases (continued)

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

- Fixed payment, including in-substance fixed payments; and
- Lease payments in an optional renewal period if the entity is reasonably certain to exercise an extension option.

The lease liability is measured at amortised cost using the effective interest method. It is re-measured when there is a change in future lease payments arising from a change in rate, or if the entity changes its assessment of whether it will exercise an extension option. When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use has been reduced to zero.
The entity presents right-of-use assets and lease liabilities separately in the statement of financial position.

Short-term lease and leases of low-value assets

The entity has elected not to recognise right-of-use assets and lease liabilities for short-term leases of machinery that have a lease term of 12 months or less and leases of low-value assets, including IT equipment. The entity recognises the lease payment associated with these leases as an expense on a straight-line basis over the lease term.

1.22 Non-current assets held for sale

Non-current assets are classified as held for sale if it is highly probably that they will be recovered primarily through sale rather than through continuing use. Such assets are generally measured at the lower of their carrying amount and fair value less costs to sell. Impairment losses on initial classification as held for sale and subsequent gains and losses are recognised in profit and loss. Once reclassified, depreciation/amortisation will cease on all depreciable assets.

Inqo Investments Limited and its subsidiaries

Notes to the financial statements

for the year ended 28 February 2021

	Group		Company	
	2021	2020	**2021**	2020
	R	R	**R**	R
2. Operating loss				
is arrived at after taking into account				
Depreciation of property, plant and equipment	**(3 297 267)**	(3 067 420)	**(2 883 328)**	(2 696 386)
Amortisation of intangible asset	**(4 544)**	(5 791)	**-**	-
Impairment of assets held for sale	**-**	(147 419)	**-**	(147 419)
Impairment of loans	**(157 473)**	(170 373)	**(157 473)**	(2 422 602)
Other impairments	**-**	(22 950)	**-**	(22 950)
Depreciation of Leased Assets	**(160 725)**	(137 477)	**-**	-
Kuzuko Lodge selling and administration expenses (excluding personnel expenses)	**(6 979 423)**	(15 014 285)	**-**	-
Professional fees	**(514 891)**	(601 048)	**(514 891)**	(601 048)
Personnel expenses	**(4 746 444)**	(8 662 421)	**(550 110)**	(591 750)
Foreign exchange profit	**136 186**	620 823	**136 186**	620 823
Listing expenses	**(839 653)**	(596 132)	**(839 653)**	(596 132)
Profit on sale of property, plant and equipment	**153 247**	26 087	**153 247**	26 087

	Group		Company	
	2021	2020	**2021**	2020
3. Net financing income				
Finance income	**692 482**	713 645	**761 740**	676 227
Interest –Four One Financial Services*	**282 325**	230 236	**282 325**	230 236
Interest – South Lake Medical Centre*	**90 998**	48 340	**90 998**	48 340
Interest – Bee Sweet*	**34 535**	-	**34 535**	-
Convertible debt instrument	**-**	-	**80 712**	-
Interest income - banks	**284 624**	435 069	**273 170**	397 651
Finance expense	**(189 540)**	(169 018)	**(39 832)**	(43 324)
Interest expense - loans	**(114 122)**	(43 324)	**(39 832)**	(43 324)
Interest expense – lease liability	**(75 418)**	(73 919)	**-**	-
Interest expense - suppliers	**-**	(51 775)	**-**	-
	502 942	544 627	**721 908**	632 903

* interest on loans advanced to investment companies

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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 36 for segmental information.

	Group		**Company**	
	2021	2020	**2021**	2020
	R	R	**R**	R
Accommodation and lodging	**4 214 583**	24 422 881	**-**	-
Management fees	**-**	-	**270 000**	270 000
Rental income	**-**	-	**285 000**	409 965
Game concession fee	**-**	-	**143 491**	976 949
	4 214 583	24 422 881	**698 491**	1 656 914

The following table provides information about contract liabilities from contracts with customers.

	Group		**Company**	
	2021	2020	**2021**	2020
	R	R	**R**	R
Contract liabilities included in trade and other payables	**1 639 483**	2 736 173	**-**	**-**
	1 639 483	2 736 173	**-**	**-**

Contract liabilities primarily relates to advanced deposits paid by customers to secure future accommodation. The full contract liability in the prior year was recognised as revenue in the 28 February 2021 financial year.

	Group		Company	
	2021	2020	**2021**	2020
	R	R	**R**	R
5. Taxation				
South African normal tax				
- Deferred tax current charge	**1 944 408**	1 349 263	**1 944 408**	1 349 263
- Deferred tax prior year adjustment	**(68 180)**	(12 692)	**(68 180)**	(12 692)
	1 876 228	1 336 571	**1 876 228**	1 336 571
Reconciliation of tax rate	**%**	%	**%**	%
Current years charge as a percentage of loss before tax	**13.96**	15.96	**27.48**	20.16
Disallowed expenses:				
- Donations – Cheetah Camp	**-**	(2.41)	**-**	(3.04)
- Depreciation – Cheetah Camp	**0.05**	-	**0.10**	-
- Legal fees	**0.26**	0.86	**0.51**	1.08
- VAT accrual	**1.15**	-	**-**	-
- Convertible loan interest	**-**	-	**(0.33)**	-
Provisions	**-**	7.53	**-**	9.51
Impairment of capital item	**0.33**	0.08	**0.64**	0.10
Debenture Expiry	**(0.71)**	-	**(1.40)**	-
Prior year adjustment	**0.51**	0.15	**1.00**	0.19
Creation of tax loss not recognised	**12.45**	5.83	**-**	-
Standard tax rate	**28.00**	28.00	**28.00**	28.00
Estimated tax losses available to off- set against future taxable profits	**77 616 419**	64 100 342	**47 224 895**	42 692 856
Utilised to decrease deferred tax liability	**(47 224 895)**	(42 692 856)	**(47 224 895)**	(42 692 856)
Estimated tax losses carried forward	**30 391 524**	21 407 486	-	-

6. Property, plant and equipment

Group	Cost or revalued amount	Accumulated depreciation	Carrying amount
2021	**R**	**R**	**R**
Freehold land	**105 504 226**	**-**	**105 504 226**
Buildings	**39 024 583**	**(18 351 576)**	**20 673 007**
Motor vehicles	**4 735 177**	**(3 212 833)**	**1 522 344**
Furniture and fittings	**5 556 241**	**(5 091 658)**	**464 583**
Musical Instruments	**19 167**	**(19 167)**	**-**
Equipment	**7 489 464**	**(4 800 070)**	**2 689 394**
Computer equipment	**1 111 841**	**(1 044 829)**	**67 012**
Game Camps	**249 627**	**(49 926)**	**199 701**
Land Restoration	**195 535**	**-**	**195 535**
	163 885 861	**(32 570 059)**	**131 315 802**
2020	R	R	R
Freehold land	99 996 086	-	99 996 086
Buildings	44 896 697	(16 562 758)	28 333 939
Motor vehicles	5 184 864	(3 351 454)	1 833 410
Furniture and fittings	5 556 241	(5 006 968)	549 273
Musical Instruments	19 167	(19 167)	-
Equipment	7 200 706	(3 848 108)	3 352 598
Computer equipment	1 099 376	(998 883)	100 493
Game Camps	249 627	(24 963)	224 664
Land Restoration	40 480	-	40 480
	164 243 244	(29 812 301)	134 430 943

Company			
2021	**R**	**R**	**R**
Freehold land	**105 504 226**	**-**	**105 504 226**
Buildings	**39 024 583**	**(18 351 576)**	**20 673 007**
Motor vehicles	**4 730 791**	**(3 208 437)**	**1 522 354**
Furniture and fittings	**5 556 241**	**(5 091 658)**	**464 583**
Musical Instruments	**19 167**	**(19 167)**	**-**
Equipment	**5 406 711**	**(3 321 901)**	**2 084 810**
Computer equipment	**672 144**	**(672 124)**	**20**
Game Camps	**249 627**	**(49 926)**	**199 701**
Land Restoration	**195 535**	**-**	**195 535**
	161 359 025	**(30 714 789)**	**130 644 236**
2020	**R**	**R**	**R**
Freehold land	99 996 086	-	99 996 086
Buildings	44 896 697	(16 562 758)	28 333 939
Motor vehicles	5 180 478	(3 347 059)	1 833 419
Furniture and fittings	5 556 241	(5 006 968)	549 273
Musical Instruments	19 167	(19 167)	-
Equipment	5 163 307	(2 737 931)	2 425 376
Computer equipment	672 144	(672 124)	20
Game Camps	249 627	(24 963)	224 664
Land Restoration	40 480	-	40 480
	161 774 227	(28 370 970)	133 403 257

Inqo Investments Limited and its subsidiaries

Notes to the financial statements

for the year ended 28 February 2021

6. Property, plant and equipment (continued)

Group

2021	**Carrying amount at beginning of the year R**	**Additions R**	**Revaluation/ Impairment R**	**Disposals/ Scrapping R**	**Transfers R**	**Depreciation and impairment R**	**Carrying amount at end of the year R**
Freehold land	**99 996 086**	**-**	**5 508 140**	**-**	**-**	**-**	**105 504 226**
Buildings	**28 333 939**	**1 118 249**	**(6 973 562)**	**(9 419)**	**-**	**(1 796 200)**	**20 673 007**
Motor vehicles	**1 833 410**	**295 999**	**-**	**(213 549)**	**-**	**(393 516)**	**1 522 344**
Furniture and fittings	**549 273**	**-**	**-**	**-**	**-**	**(84 690)**	**464 583**
Equipment	**3 352 598**	**288 658**	**-**	**-**	**-**	**(951 862)**	**2 689 394**
Computer equipment	**100 493**	**12 465**	**-**	**-**	**-**	**(45 946)**	**67 012**
Game Camps	**224 664**	**-**	**-**	**-**	**-**	**(24 963)**	**199 701**
Land restoration	**40 480**	**155 055**	**-**	**-**	**-**	**-**	**195 535**
Total	**134 430 943**	**1 870 426**	**(1 465 422)**	**(222 968)**	**-**	**(3 297 177)**	**131 315 802**

2020	**Carrying amount at beginning of the year R**	**Additions R**	**Revaluation/ Impairment R**	**Disposals/ Scrapping R**	**Transfers R**	**Depreciation and impairment R**	**Carrying amount at end of the year R**
Freehold land	105 838 850	-	-	-	(5 842 764)	-	99 996 086
Buildings	24 453 579	5 551 104	-	-	-	(1 670 744)	28 333 939
Motor vehicles	1 953 970	350 000	-	-	-	(470 560)	1 833 410
Furniture and fittings	547 586	82 411	-	-	-	(80 724)	549 273
Equipment	2 366 203	1 752 108	-	-	-	(765 713)	3 352 598
Computer equipment	144 776	10 433	-	-	-	(54 716)	100 493
Game Camps	249 627	-	-	-	-	(24 963)	224 664
Land restoration	-	40 480	-	-	-	-	40 480
Total	135 554 591	7 786 536	-	-	(5 842 764)	(3 067 420)	134 430 943

6. Property, plant and equipment (continued)

Company

2021	Carrying amount at beginning of the year R	Additions R	Revaluation/ Impairment R	Disposals/ Scrapping R	Transfers R	Depreciation and impairment R	Carrying amount at end of the year R
Freehold land	99 996 086	-	5 508 140	-	-	-	105 504 226
Buildings	28 333 939	1 118 249	(6 973 562)	(9 419)	-	(1 796 200)	20 673 007
Motor vehicles	1 833 419	296 000	-	(213 549)	-	(393 516)	1 522 354
Furniture and fittings	549 273	-	-	-	-	(84 690)	464 583
Equipment	2 425 376	243 403	-	-	-	(583 969)	2 084 810
Computer Equipment	20	-	-	-	-	-	20
Game Camps	224 664	-	-	-	-	(24 963)	199 701
Land restoration	40 480	155 055	-	-	-	-	195 535
Total	133 403 257	1 812 707	(1 465 422)	(222 968)	-	(2 883 338)	130 644 236

2020	Carrying amount at beginning of the year R	Additions R	Revaluation/ Impairment R	Disposals/ Scrapping R	Transfers R	Depreciation and impairment R	Carrying amount at end of the year R
Freehold land	105 838 850	-	-	-	(5 842 764)	-	99 996 086
Buildings	24 453 579	5 551 104	-	-	-	(1 670 744)	28 333 939
Motor vehicles	1 953 979	350 000	-	-	-	(470 560)	1 833 419
Furniture and fittings	547 586	82 411	-	-	-	(80 724)	549 273
Equipment	1 738 507	1 136 264	-	-	-	(449 395)	2 425 376
Computer Equipment	20	-	-	-	-	-	20
Game Camps	249 627	-	-	-	-	(24 963)	224 664
Land restoration	-	40 480	-	-	-	-	40 480
Total	134 782 148	7 160 259	-	-	(5 842 764)	(2 696 386)	133 403 257

	Group and Company	
	2021	2020
	Hectares	Hectares
6. Property, plant and equipment (continued)		
Land comprises:		
Farm number 276 portion 1 and 5	**1 994.65**	1 994.65
Farm number 277 portion 4 and 11	**1 994.36**	1 994.36
Farm number 278 portion 1 and 5	**143.60**	143.60
Farm number 279, portion 0	**328.79**	328.79
Farm number 287 portion 1	**342.61**	342.61
Farm number 288 portion 0, 1 and 2	**1 763.41**	1 763.41
Farm number 291 portion 0,1, 2 and 3	**2 351.84**	2 351.84
Farm number 292 portion 0	**1 109.35**	1 109.35
Farm number 406 portion 0	**2 222.86**	2 222.86
Farm number 428 portion 0	**2 163.03**	2 163.03
	14 414.49	14 414.49

	Group		Company	
	2021	2020	**2021**	2020
	R	R	**R**	R
Land and buildings:				
Carrying amount should the item have been carried at cost less accumulated depreciation	**39 073 709**	39 761 078	**39 073 709**	39 761 078
Total revaluation	**87 103 524**	88 568 947	**87 103 524**	88 568 947
Closing valuation of land and buildings	**126 177 233**	128 330 025	**126 177 233**	128 330 025

An independent valuation was performed during February 2021 and the valuation report was issued on 31 March 2021. The method of valuing the land and buildings was performed separately.

Valuation performed by an external expert for the 2021 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 14 414.49 hectares. The game fenced area totals 13 400 hectares.

6. Property, plant and equipment (continued)

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 net book value after depreciation is compared to the market value determined by the independent valuator. Cost is adjusted for gross revaluations and depreciation is provided for to derive the depreciated replacement cost. The company used an independent valuator, A. Crouse. He is a professional valuator and appraiser – Registration number: 3698.

7 Non-Current assets held for sale

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 1035.94 hectares of land to SANPARKS. In return SANPARKS sold game of R 3 391 200 to Inqo Investments, which was capitalised to biological assets in the prior year and final settlement was accrued for in the trade and other payables balance at 29 February 2020.

The carrying amount of the land exceeds the fair value less cost of disposal at 29 February 2021 and accordingly an impairment loss of R147 419 has been recognised in profit and loss.

The property was classified as held for sale in the 2020 financial year end, as it was the intention of Inqo Investments for the land to transfer by 28 February 2021. Due to unforeseen delays, the land only transferred to SANPARKS in May 2021.

	Group		Company	
	2021	2020	**2021**	2020
Land comprises of:	**R**	R	**R**	R
Farm number 279 – 76.75 Hectares	**432 827**	432 827	**432 827**	432 827
Farm number 288 – 297.20 Hectares	**1 676 340**	1 676 340	**1 676 340**	1 676 340
Farm number 428 – 661.99 Hectares	**3 733 597**	3 733 597	**3 733 597**	3 733 597
Impairment loss	**(147 419)**	(147 419)	**(147 419)**	(147 419)
Closing valuation of land and buildings	**5 695 345**	5 695 345	**5 695 345**	5 695 345

8. Intangible assets

	Group		Company	
	2021	2020	**2021**	2020
	R	R	**R**	R
Balance at beginning of year	**9 062**	**14 853**	**-**	-
Additions*	**3 999**	**-**	**-**	-
Amortisation	**(4 544)**	**(5 791)**	**-**	-
Balance at end of year	**8 517**	**9 062**	**-**	-

Group

2021	**Cost**	**Accumulated amortisation**	**Carrying amount**
Computer software	**187 534**	**(179 017)**	**8 517**
2020			
Computer software	183 535	(174 473)	9 062

*Additions were externally acquired.

9. Loans to subsidiaries

		Company	
		2021	2020
		R	R
9.1	***Loan to subsidiary company (Kuzuko Lodge (Pty) Ltd)***		
	Balance at the beginning of the year	**1 476 816**	3 429 049
	Loan impairment reversal	**22 065 953**	-
	Advances during the year	**-**	1 000 000
	Repayment during the year	**-**	(700 000)
	Loan impairment	**-**	(2 252 233)
	Converted to equity investment	**(23 542 769)**	-
	Balance at the end of the year	**-**	1 476 816
	Made up as follows:		
	Loan advanced	**-**	23 542 769
	Loan impaired	**-**	(22 065 953)
		-	1 476 816

The loan to Kuzuko Lodge (Pty) Ltd was interest free with no fixed repayment terms. This loan receivable had been partially impaired in the prior year due to uncertainty as to the timing of repayment and the historical losses made by Kuzuko Lodge (Pty) Ltd, and Inqo had subordinated R23 million of this loan with its subsidiary company, in favour of other creditors.

On 24 February 2021, the loan was converted into equity by means of an issue of 668 Ordinary B shares in Kuzuko Lodge (Pty) Ltd, to Inqo Investments Limited (refer to Note 10)

9.2	***Loans to subsidiary company (Kuzuko Lodge (Pty) Ltd***		
	COVID loan – 1 (payment 29 June 2020)	**780 082**	-
	COVID loan – 2 (payment 12 August 2020)	**309 863**	-
	COVID loan – 3 (payment 25 August 2020)	**515 370**	-
	COVID loan – 4 (payment 30 September 2020)	**512 411**	-
	COVID loan – 5 (payment 25 November 2020)	**457 027**	-
	COVID loan – 6 (payment 23 December 2020)	**404 406**	-
	COVID loan – 7 (payment 1 February 2021)	**351 553**	-
	Balance at the end of the year	**3 330 712**	-

A reconciliation of the COVID loans for the period under review is as follows:

Opening balance	**-**	-
Loans granted	**3 250 000**	-
Interest accrued	**80 712**	-
Loans repaid	**-**	-
Closing balance	**3 330 712**	-

The loans are repayable as and when cash flow allows, failing which, three years from the date of the loan, the Shareholder may exercise its right in terms of the agreement to convert the loans into equity. Simple interest is accrued at a fixed rate of 6% per annum for the duration of the loan agreements

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9. Loans to subsidiaries (continued)

	Company 2021	Company 2020
9.3 *Loan to subsidiary company (Inqo Africa (Pty) Ltd)*		
Loan advanced	**1 757 666**	-
	1 757 666	-

The loan to Inqo Africa (Pty) Ltd is unsecured, interest free with no fixed repayment terms.

	2021	2020
9.4 *Loan to subsidiary company (Spekboom Trading (Pty) Ltd)*		
Balance at the beginning of the year	**720 287**	620 287
Advances during the year	**-**	100 000
Balance at the end of the year	**720 287**	720 287
Made up as follows:		
Loan advanced	**1 250 574**	1 250 574
Loan impaired	**(530 287)**	(530 287)
	720 287	720 287

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.

	2021	2020
Total balance at the end of the year	**5 808 665**	2 197 103

10. Investments in subsidiaries

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

	Percentage interest **2021**	Percentage interest 2020	Company **2021** **R**	Company 2020 R
Kuzuko Lodge (Pty) Ltd	**96.0**	68.0	**23 542 837**	68
Spekboom Trading (Pty) Ltd	**50.1**	50.1	**501**	501
Inqo Africa (Pty) Ltd	**100.0**	-	**1 000**	-
			23 544 338	569
Less impairment – Kuzuko Lodge (Pty) Ltd			**(22 065 953)**	-
			1 478 385	569

The subsidiaries of the company consists of the following:
68 Ordinary shares of R1 each in Kuzuko Lodge (Pty) Limited.
668 Ordinary B Shares of R1 each in Kuzuko Lodge (Pty) Ltd, at a premium of R23 542 100
501 Ordinary shares of R1 each in Spekboom Trading (Pty) Ltd
100 Ordinary shares of R10 each in Inqo Africa (Pty) Ltd

On 8 April 2021 Inqo Investments acquired 100 shares Inqo Africa (Pty) Ltd. This represents a 100% shareholding. Inqo Africa was acquired for the purpose of investing in Sanergy Inc. Refer to note 28 for the investment in Sanergy Inc.

Refer to note 27 for the non-controlling interest in subsidiary entities.

11 Deferred tax liability

	Group 2021 R	Group 2020 R	Company 2021 R	Company 2020 R
Opening balance	**(5 549 379)**	(6 885 950)	**(5 549 379)**	(6 885 950)
Current year deferred tax charge	**1 876 228**	1 336 571	**1 876 228**	1 336 571
Charge through other comprehensive income	**328 255**	-	**328 255**	-
Closing balance	**(3 344 896)**	(5 549 379)	**(3 344 896)**	(5 549 379)
The deferred tax balance comprises:				
Capital allowances	**3 485 288**	3 417 104	**3 485 288**	3 417 104
Revaluation of property	**(20 787 989)**	(21 116 244)	**(20 787 989)**	(21 116 244)
Buffalo valuation	**313 104**	154 534	**313 104**	154 534
Provision for doubtful debt	**421 945**	-	**421 945**	
Provisions	**-**	41 227	**-**	41 227
Estimated tax loss	**13 222 756**	11 954 000	**13 222 756**	11 954 000
Closing balance	**(3 344 896)**	(5 549 379)	**(3 344 896)**	(5 549 379)

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. 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.

12. Trade and other receivables

	Group 2021 R	Group 2020 R	Company 2021 R	Company 2020 R
Non- current trade receivables: Kuzuko Lodge	**-**	-	**1 236 813**	-
Current trade receivables – Kuzuko Lodge	**-**	-	**-**	1 662 779
Trade receivables - other	**37 873**	1 885 716	**-**	-
VAT	**25 581**	-	**25 581**	-
Prepayments	**391 028**	743 753	**206 532**	269 361
Receivables from Beesweet	**1 183 447**	336 670	**1 183 447**	336 670
Receivables from South Lake	**139 338**	48 340	**139 338**	48 340
Receivable from Four-One Investments	**242 427**	230 236	**242 427**	230 236
Other receivables	**1 119 827**	428 903	**829 520**	428 903
Current	**3 139 521**	4 150 071	**2 626 845**	3 343 288

Trade and other receivables are non-interest bearing and are generally on 30 to 60 day terms. Trade receivables intercompany payment terms at 28 February 2021 of R 1 236 813 (2020: Rnil deferred) have been deferred for 12 months.

Refer to note 9 for impairment on loans to subsidiaries in the prior year.

12. Trade and other receivables (continued)

The Kuzuko Lodge trade receivable was impaired R 1 236 813 (50%) by the Company in the 2021 financial year. Receivables from other investments were impaired by R 270 134 (2020: R Nil).

Ageing of trade receivables at year end	**Group**		Group		**Company**		Company	
	2021	**2021**	2020	2020	**2021**	**2021**	2020	2020
	R	**R**	R	R	**R**	**R**	R	R
	Gross	Impairment	Gross	Impairment	Gross	Impairment	Gross	Impairment
Not yet due	**30 854**	-	1 701 123	-	**109 942**	**(54 971)**	1 237 186	-
Overdue 30 days	**7 019**	-	183 695	-	**32 000**	**(16 000)**	25 875	-
Overdue 60 days	**-**	-	898	-	**66 786**	**(33 393)**	25 875	-
Overdue 90 days	**-**	-	-	-	**65 773**	**(32 887)**	-	-
Overdue 120 days	**-**	-	-		**2 199 125**	**(1 099 562)**	373 843	-
Total	**37 873**	-	1 885 716	-	**2 473 626**	**(1 236 813)**	1 662 779	-

	Group		**Company**	
	2021	2020	**2021**	2020
	R	R	**R**	R
13. Cash and cash equivalents				
Daily call account	**1 768 726**	5 199 879	**1 514 031**	3 993 167
Current account	**142 526**	1 159 085	**40 120**	561 522
Petty Cash	**1 951**	16 107	**-**	-
Share issue in trust	**-**	9 296 715	**-**	9 296 715
	1 913 203	15 671 786	**1 554 151**	13 851 404
Bank overdraft	**(920 267)**	-	**-**	-
Cash and cash equivalents	**992 936**	15 671 786	**1 554 151**	13 851 404

The group has overdraft facilities at 28 February 2021 with Standard Bank of South Africa Limited amounting to R1 000 000.

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	Group		Company	
	2021	**2020**	**2021**	2020
	R	**R**	**R**	R
14. Inventories				
Food and beverage	**210 427**	**327 548**	**-**	-
Guest supplies	**26 084**	**41 020**	**-**	-
Other consumables	**327 169**	**541 247**	**-**	-
Other game - cost	**5 515 780**	**5 296 100**	**5 515 780**	5 296 100
Other game – net realisable value write down	**(1 814 636)**	**(1 442 485)**	**(1 814 636)**	(1 442 485)
	4 264 824	**4 763 430**	**3 701 144**	3 853 615

Inventories are measured at the lower of cost or net realisable value. During the financial year ended 28 February 2021, game was adjusted to its net realisable value, and accordingly a write-off of R372 151 (2020: R1 442 485) is included in profit or loss.

15. Ordinary share capital

Authorised

	Group 2021	Group 2020	Company 2021	Company 2020
20 000 000 ordinary shares of R5 each (2020: 20 000 000 shares of R5 each)	**100 000 000**	100 000 000	**100 000 000**	100 000 000

Issued

14 361 839 ordinary shares of R5 each

	Group 2021	Group 2020	Company 2021	Company 2020
Balance at beginning of year	**71 809 195**	70 559 195	**71 809 195**	70 559 195
Issue of shares to shareholders	**-**	1 250 000	**-**	1 250 000
Balance at end of the year	**71 809 195**	71 809 195	**71 809 195**	71 809 195

A private placement occurred during March 2019 resulting in the issue of 250 000 shares in the previous year. No further placements were made in the current year. 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.

16 Share premium

	Group 2021	Group 2020	Company 2021	Company 2020
Balance at beginning of year	**86 294 138**	83 428 888	**86 294 138**	83 428 888
Issue of new shares during the year	**-**	2 865 250	**-**	2 865 250
Balance at end of year	**86 294 138**	86 294 138	**86 294 138**	86 294 138

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17. Revaluation reserve

	Group 2021 R	Group 2020 R	Company 2021 R	Company 2020 R
Balance at beginning of year	**73 152 702**	**73 152 702**	**73 152 702**	73 152 702
Re-valuation during the year	**(1 465 422)**	**-**	**(1 465 422)**	-
Recognition of deferred tax on revaluation reserve	**328 255**	**-**	**328 255**	-
	72 015 535	**73 152 702**	**72 015 535**	73 152 702
Made up as follows:				
Cumulative revaluation reserve	**92 803 577**	**94 268 947**	**92 803 577**	94 268 947
Cumulative deferred tax	**(20 788 042)**	**(21 116 245)**	**(20 788 042)**	(21 116 245)
Net revaluation reserve	**72 015 535**	**73 152 702**	**72 015 535**	73 152 702

Land and buildings were revalued by a professional independent valuator during February 2021 and the report was issued on 31 March 2021. Refer to note 6 for further details.

18. Loans from related parties

	Group 2021 R	Group 2020 R	Company 2021 R	Company 2020 R
Dr Kim Tan	**40 171**	40 171	**40 171**	40 171
Africarbon (Pty) Ltd	**127 674**	127 674	**-**	-
	167 845	167 845	**40 171**	40 171

The loan from Africarbon (Pty) Ltd is unsecured, interest free with no fixed repayment terms. The loan from Dr Tan is unsecured, interest free and does not have a set repayment date.

19. Debentures

	Group 2021 R	Group 2020 R	Company 2021 R	Company 2020 R
Balance at the end of the year	**-**	193 457	**-**	193 457

The unsecured debentures, issued at R12 000 per debenture, expired during the year under review. The provision for bed nights at Kuzuko Lodge granted in lieu of debenture interest, has also been released.

20. Trade and other payables

	Group 2021 R	Group 2020 R	Company 2021 R	Company 2020 R
Trade payables	**1 391 114**	1 051 125	**679 517**	312 006
SAN Parks accrual	-	1 949 940	**-**	1 949 940
Other accruals	**1 120 333**	813 261	**10 521**	8 747
Other payables	**1 340 369**	1 814 291	**686 000**	687 500
Contract liability	**1 639 483**	2 736 173	**-**	-
VAT payable	**1 203 956**	1 130 054	**-**	54 948
	6 695 255	9 494 844	**1 376 038**	3 013 141

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

21. Provision

Group

	2021 R	2020 R
Balance at beginning of the year	**686 559**	589 761
Unwinding of discount	**(147 240)**	-
Provisions raised in Kuzuko	**(285 978)**	96 798
Balance at end of the year	**253 341**	686 559

Company

	2021 R	2020 R
Balance at beginning of the year	**147 240**	147 240
Unwinding of discount	**(147 240)**	-
Balance at end of the year	**-**	147 240

The provision for bed nights related to an issue of unsecured debentures (note 19). No interest is payable in respect of the unsecured debentures, the holders of the debentures were entitled to bed nights in lieu of interest at Kuzuko Lodge game reserve. The provision for interest was released, as the debentures expired during the period under review.

22. 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.

22.1 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, Kenyan 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.

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22 Financial instruments (continued)

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 2021			29 February 2020		
	USD	**GBP**	**UGX**	USD	GBP	UGX
Share issue receivable	**-**	**-**	**-**	-	100 001	-
Loans	**225 000**	**-**	**39 800 000**	225 000	-	139 800 000
Net Exposure	**225 000**	**-**	**39 800 000**	225 000	100 001	139 800 000

The following significant exchange rates have been applied

	Average rate		**Year-end spot rate**	
Rand	**2021**	2020	**2021**	2020
USD	**16.57**	14.60	**14.68**	15.67
UGX	**0.00443**	0.00394	**0.00396**	0.00423

Sensitivity Analysis

A one percent strengthening (weakening) of the United States dollar and Ugandan Shilling against all other currencies at 28 February 2021 would have affected the measurement of net assets dominated in a foreign currency by the amounts shown below.

28 February 2021	**Net Assets Strengthening**	**Net Assets Weakening**
USD	**2 250**	**(2 250)**
UGX	**398 000**	**(398 000)**
29 February 2020		
USD	2 250	(1 000)
UGX	1 398 000	(1 398 000)

The group is listed on the AQSE 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.

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Inqo Investments Limited and its subsidiaries

Notes to the financial statements

for the year ended 28 February 2021

22 *Financial instruments (continued)*

22.2 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. At year end there was no provision raised for impairment of trade receivables as the provision was not material. Refer to note 12 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.

The loan account to all investee companies is monitored through management accounts being sent to Inqo Investments Limited and regular investor reports issued by the investee companies.

22.3 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.

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

2021 - 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	40 171	40 171	-	-	40 171	-
Other long term loans	707 185	707 185	-	707 185	-	-
Trade and other payables	1 376 038	1 376 038	1 376 038	-	-	-
	2 123 394	2 123 394	1 376 038	707 185	40 171	-

Inqo Investments Limited and its subsidiaries

Notes to the financial statements

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22 Financial instruments (continued)

22.3 Liquidity risk (continued)

2021 – 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	**167 845**	**167 845**	**-**	**-**	**167 845**	**-**
Other long term loans	**707 185**	**707 185**	**-**	**707 185**	**-**	**-**
Trade and other payables*	**5 055 772**	**5 055 772**	**5 055 772**	**-**	**-**	**-**
Lease liability	**559 168**	**673 189**	**201 956**	**201 956**	**269 277**	
	6 489 970	**6 603 991**	**5 257 728**	**909 141**	**437 122**	**-**

**Trade and other payables exclude advance deposits.*

2020 - 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	40 171	40 171	-	-	40 171	
Other long term loans	668 210	668 210	-	668 210	-	
Debentures	193 457	193 457	-	-	-	193 457
Trade and other payables	3 013 141	3 013 141	3 013 141	-	-	
	3 914 979	3 914 979	3 013 141	668 210	40 171	193 457

2020 – 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	167 845	167 845	-	-	167 845	-
Other long term loans	668 210	668 210	-	668 210	-	-
Debentures	193 457	193 457	-	-	-	193 457
Trade and other payables*	6 758 671	6 758 671	6 758 671	-	-	-
Lease liability	924 597	1 172 569	270 593	270 593	631 383	-
	8 712 780	8 960 752	7 029 264	938 803	799 228	193 457

**Trade and other payables exclude advance deposits.*

22.4 Fair values

The group 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.

Description of asset	**Fair value hierarchy**
Land and buildings	Level 3
Investments	Level 3
Biological assets	Level 2
Inventory	Level 2
Land Held for sale	Level 1

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.

22. Financial instruments (continued)

22.4 Fair values (continued)

Type	Valuation technique	Significant unobservable inputs
Land and Buildings	Market approach. This method entails comparing the subject property to the recent sales of smaller farms in the surrounding area. There has never been a sale of property this size and nature and thus there is no active market for this property.	Applicable depreciation factor applied to each building. The higher the depreciation factor, the lower the valuation of the buildings. No sales prices achieved in the market for properties similar in size, therefore sales prices are derived from similar properties smaller in size. Sales prices achieved in the market for various properties of similar nature but significantly smaller in size. The higher the sales prices for properties similar in nature, 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 37.67%. -Future cash flows. The expected future cash flows are based on cash flows generated from 14 150 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 28.1.

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22. *Financial instruments (continued)*

22.4 *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.	Not applicable as there is no unobservable inputs as an active market is available.
Inventory	Other game is valued at lower of cost and net realisable value. Net realisable value is determined as replacement costs, which includes darting and transport costs. Replacement costs are provided by game service providers in the Eastern Cape.	Not applicable as there is no unobservable inputs as an active market is available.
Land held for sale	Land held for sale is measured at the selling price in terms of the agreements with SANPARKS less the cost to sell the land. The only cost to sell relates to the subdivision of the land.	Not applicable as there is no unobservable inputs as an active market is available.
Investments - Four One Financial Services	Investment is measured at the Cost Approach - Fair value at acquisition (Transaction Price).	Sufficient and recent information is not available to measure fair value. Cost represents the best estimate of fair value within that range.
Investments -South Lake Medical Centre	Investment is measured at the Cost Approach - Fair value at acquisition (Transaction Price).	Sufficient and recent information is not available to measure fair value. Cost represents the best estimate of fair value within that range.
Investments – Kentegra Biotechnology	Investment is measured at the Cost Approach - Fair value at acquisition (Transaction Price).	Sufficient and recent information is not available to measure fair value. Cost represents the best estimate of fair value within that range.
Investments – Sanergy Inc	Investment is measured at the Cost Approach - Fair value at acquisition (Transaction Price).	Sufficient and recent information is not available to measure fair value. Cost represents the best estimate of fair value within that range.

Also refer to note 32 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 directors considered the above investments for impairment in the 2021 financial year. The investment in Four One Financial Services was impaired. The remainder of the investments were considered for further impairment but were not impaired.

22. *Financial instruments (continued)*

22.4 *Fair values (continued)*

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

	2021		2020	
	Land and Buildings	**Investments**	Land and Buildings	Investments
	R	**R**	R	R
Balance as at 1 March	**128 330 025**	**7 177 595**	130 292 429	1 631 316
Loss included in profit or loss - Depreciation and impairment losses	**(1 796 200)**	**-**	(1 670 744)	-
Transfers to other assets	**-**	**-**	(5 915 940)	-
Losses included in other comprehensive income	**(1 465 422)**	**-**	-	-
Purchases / advances	**1 108 830**	**1 523 557**	5 624 280	5 546 279
Balance as at 29 February	**126 177 233**	**8 701 151**	128 330 025	7 177 595

Refer to note 26, Biological assets, for a reconciliation from the opening balances to the closing balances for Level 2 fair values.

22.5 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

22. *Financial instruments (continued)*

22.6 Categories and analysis of financial assets and liabilities

Group 2021	**Amortised cost**	**FVTPL**	**Total**
	R	**R**	**R**
Assets			
Other investments	**3 256 450**	**8 701 151**	**11 957 601**
Trade and other receivables*	**2 722 912**	**-**	**2 722 912**
Cash and cash equivalents	**992 936**	**-**	**992 936**
	6 972 298	**8 701 151**	**15 673 449**

**Trade and other receivables exclude vat and prepayments*

	Amortised cost	**FVTPL**	**Total**
Liabilities			
Other financial liabilities	**707 185**	**-**	**707 185**
Loans from related parties	**167 846**	**-**	**167 846**
Trade and other payables*	**5 055 772**	**-**	**5 055 772**
Finance lease liabilities	**559 168**	**-**	**559 168**
	6 489 971	**-**	**6 489 971**

**Trade and other payables exclude advance deposits*

Group **2020**	**Amortised cost**	**FVTPL**	**Total**
	R	**R**	**R**
Assets			
Other investments	3 552 007	7 177 596	10 729 603
Trade and other receivables*	3 406 318	-	3 406 318
Cash and cash equivalents	15 671 786	-	15 671 786
	22 630 111	7 177 596	29 807 707

**Trade and other receivables exclude vat and prepayments*

	Amortised cost	FVTPL	Total
Liabilities			
Other financial liabilities	668 210	-	668 210
Loans from related parties	167 845	-	167 845
Trade and other payables*	6 758 671	-	6 758 671
Debentures	193 457	-	193 457
Finance lease liabilities	924 597	-	924 597
	8 712 780	-	8 712 780

**Trade and other payables exclude advance deposits*

Inqo Investments Limited and its subsidiaries

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22. *Financial instruments (continued)*

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

Company

2021	**Amortised cost**	**FVTPL**	**Total**
	R	**R**	**R**
Assets			
Other investments	**3 256 450**	**7 033 431**	**10 289 881**
Loans to subsidiaries	**5 808 665**	**-**	**5 808 665**
Trade and other receivables	**3 631 545**	**-**	**3 631 545**
Cash and cash equivalents	**1 554 151**		**1 554 151**
	14 520 811	**7 033 431**	**21 284 242**
Liabilities			
Other financial liabilities	**707 185**	**-**	**707 185**
Loans from related parties	**40 171**	**-**	**40 171**
Trade and other payables	**1 376 038**	**-**	**1 386 038**
	2 123 394	**-**	**2 123 394**

Company

2020	**Amortised cost**	**FVTPL**	**Total**
	R	**R**	**R**
Assets			
Other investments	3 552 007	7 177 596	10 729 603
Loans to subsidiaries	2 197 103	-	2 197 103
Trade and other receivables	3 073 927	-	3 073 927
Cash and cash equivalents	13 851 404	-	13 851 404
	22 674 442	7 177 596	29 852 037
Liabilities			
Other financial liabilities	668 210	-	668 210
Loans from related parties	40 171	-	40 171
Debentures	193 457	-	193 457
Trade and other payables	3 013 141	-	3 013 141
	3 914 979	-	3 914 979

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

23. Other long term loans

	Group		Company	
	2021	2020	**2021**	2020
	R	R	**R**	R
Loan from Eastgate Investments Limited	**707 185**	668 210	**707 185**	668 210
	707 185	668 210	**707 185**	668 210

The long term loan from Eastgate Investments Limited bears interest at fixed deposit rates, and no repayment terms have been set.

24. Related parties

24.1 Identity of related parties

Inqo Investments Limited is the holding company of Kuzuko Lodge Proprietary Limited and Inqo Africa Proprietary Limited. Inqo Limited 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 key management personal of Springhill Management Proprietary Limited; Eastgate Investments Limited and Inqo Investments Limited. James Tan is a close family member of Dr Kim Tan.

24.2 Material related party transactions

	Group		Company	
	2021	2020	**2021**	2020
	R	R	**R**	R
Loans (from)/to related parties -				
Dr Kim Tan	**(40 171)**	(40 171)	**(40 171)**	(40 171)
Eastgate Investments Limited	**(707 185)**	(668 210)	**(707 185)**	(668 210)
Africarbon Proprietary Limited	**(127 674)**	(127 674)	-	-
Spekboom Trading Proprietary Limited	**-**	-	**1 250 574**	1 250 574
Less: impairment of loan	**-**	-	**(530 287)**	(530 287)
Loan balance after impairment	**-**	-	**720 287**	720 287
Kuzuko Lodge Proprietary Limited	**-**	-	-	23 542 769
Less: impairment of loan	**-**	-	-	(22 065 953)
Loan balance after impairment	**-**	-	-	1 476 816
Kuzuko Lodge Proprietary Limited COVID loan	**-**	-	**3 330 712**	-
Inqo Africa Proprietary Limited	-	-	**1 757 666**	-
Trade receivables				
Kuzuko Lodge Proprietary Limited	**-**	-	**2 473 626**	1 662 779
Less: impairment of trade receivable	**-**	-	**(1 236 813)**	-
	-	-	**1 236 813**	1 662 779

24. Related parties (continued)

24.2 Material related party transactions (continued)

	Group		**Company**	
	2021	2020	**2021**	2020
Transactions with related parties -				
Rental charged to Kuzuko Lodge Proprietary Limited for use of vehicles	-	-	**285 000**	409 965
Concession fee charged to Kuzuko Lodge Proprietary Limited for Game viewing rights	-	-	**143 491**	976 949
Administration fee charged to Kuzuko Lodge (Pty) Ltd	-	-	**270 000**	270 000
Interest charged to Kuzuko Lodge (Pty) Ltd	-	-	**80 712**	-
Interest expense – Eastgate Limited loan	**(38 975)**	(43 072)	(38 975)	(43 072)
Consulting fees – J Tan	**(178 500)**	(221 000)	**(178 500)**	(221 000)

During the financial year ended 28 February 2021, no shares were issued to directors (2020: Nil).

	Group		Company	
	2021	2020	**2021**	2020
	R	R	**R**	R
Compensation paid to key management personnel (see note 35)	**798 271**	867 880	**658 000**	696 000

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

Inqo Investments Limited and its subsidiaries

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		Group		Company	
		2021	2020	**2021**	2020
		R	R	**R**	R
25.	**Notes to the cash flow statement**				
25.1	***Cash generated/(utilised) by operations***				
	Loss before taxation	**(13 439 902)**	(6 125 287)	**(6 828 644)**	(6 631 271)
	Adjustments for –				
	Profit on sale of property, plant and equipment	**(153 247)**	(26 087)	**(153 247)**	(26 087)
	Provision for doubtful debts	**270 134**	-	**1 506 947**	-
	Loan impairment	**157 473**	-	**157 473**	2 252 233
	Reversal of assets held for sale impairment	**-**	147 419	**-**	147 419
	Reversal of inventory write-down	**372 151**	1 442 485	**372 151**	1 442 485
	Depreciation of property, plant and equipment	**3 297 277**	3 067 420	**2 883 328**	2 696 386
	Amortisation of intangible assets	**4 544**	5 791	**-**	-
	Depreciation of leased asset	**160 725**	137 477	**-**	-
	Redemption of debentures	**(340 698)**	-	**(340 698)**	
	Fair value adjustment on biological assets	**194 172**	6 146	**194 172**	8 705
	Finance income	**(692 483)**	(713 645)	**(761 740)**	(676 227)
	Finance expense	**189 540**	169 018	**39 832**	43 324
	Operating cash flows before working capital changes	**(9 980 314)**	(1 889 263)	**(2 930 426)**	(743 033)
	Movement in inventories	**126 455**	(652 285)	**(219 680)**	(653 300)
	Movement in trade and other receivables	**740 416**	17 333 114	**(2 027 317)**	16 758 145
	Movement in trade and other payables	**(3 085 561)**	(445 480)	**(1 637 100)**	(1 703 888)
		(12 199 004)	14 346 086	**(6 814 523)**	13 657 924

26. Biological assets

	Group 2021 R	Group 2020 R	Company 2021 R	Company 2020 R
Spekboom plantation	**912 587**	912 587	**-**	-
Buffalo	**1 952 107**	2 146 279	**1 952 107**	2 146 279
	2 864 694	3 058 866	**1 952 107**	2 146 279

Consumable biological assets:

The company invests in Spekboom plantations for carbon credit purposes. This is classified as a bearer biological asset. At 28 February 2021 Spekboom comprised 350 hectares of Spekboom plants (2020: 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. The valuation technique of buffalo is the market comparison technique, calculated by management. The fair values are based on the market prices of game of similar age, weight and gender.

26. Biological assets (continued)

Group

2021	**Carrying amount at beginning of the year**	**Purchases**	**Sales**	**Change in fair value, less cost to sell**	**Carrying amount at end of the year**
	R	**R**	**R**	**R**	**R**
Spekboom Plantation	**912 587**	**-**	-	**-**	912 587
Buffalo livestock	2 146 279	**-**	-	**(194 172)**	**1 952 107**
Total	**3 058 866**	**-**	**-**	**(194 172)**	**2 864 694**

2020					
Spekboom Plantation	910 028	-	-	2 559	912 587
Buffalo livestock	2 154 984	-	-	(8 705)	2 146 279
Total	3 065 012	-	-	(6 146)	3 058 866

Company

2021	**Carrying amount at beginning of the year**	**Purchases**	**Sales**	**Change in fair value, less cost to sell**	**Carrying amount at end of the year**
	R	**R**	**R**	**R**	**R**
Buffalo livestock	2 146 279	**-**	-	**(194 172)**	**1 952 107**
Total	**2 146 279**	**-**	**-**	**(194 172)**	**1 952 107**

2020					
	R	**R**	**R**	**R**	**R**
Buffalo livestock	2 154 984	-	-	(8 705)	2 146 279
Total	2 154 984	-	-	(8 705)	2 146 279

27. 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 2021	Kuzuko Lodge (Pty) Ltd	Spekboom Trading (Pty) Ltd	Intra-group eliminations	Total
NCI percentage	4%	49.9%		
	R	**R**	**R**	**R**
Non-current assets	**1 185 504**	**912 587**		
Current assets	**433 960**	**1 360**		
Non-current liabilities	**(3 527 818)**	**(1 378 248)**		
Current liabilities	**(8 160 442)**	**(17 164)**		
Net liabilities	**(10 068 796)**	**(481 465)**		
Carrying amount of NCI	**(402 752)**	**(240 251)**	**1 125 168**	**482 164**
Revenue	**4 214 583**	**-**		
Loss	**(7 841 591)**	**(11 515)**		
OCI	**-**	**-**		
Total comprehensive income	**(7 841 591)**	**(11 515)**		
Loss allocation to NCI	**(313 664)**	**(5 746)**	**27 940**	**(291 471)**
OCI allocated to NCI	**-**	**-**	**-**	**-**
Cash flows from operating activities	**(5 422 368)**	**(13 837)**		
Cash flows from investing activities	**(61 818)**	**-**		
Cash flow from financing activities	**3 036 605**	**-**		
Net change in cash and cash equivalents	**(2 447 581)**	**(13 837)**		

At 29 February 2020				
NCI percentage	32%	49.9%		
	R	**R**	**R**	**R**
Non-current assets	1 930 346	-		
Current assets	5 184 753	927 593		
Non-current liabilities	(749 203)	(1 378 248)		
Current liabilities	(32 382 670)	(19 293)		
Net liabilities	(26 016 774)	(469 948)		
Carrying amount of NCI	(8 325 368)	(234 504)	9 333 507	773 635
Revenue	24 422 881	-		
Loss	(1 716 462)	(29 782)		
OCI	-	-		
Total comprehensive income	(1 716 462)	(29 782)		
Loss allocation to NCI	(549 268)	(14 861)	530 213	(33 916)
OCI allocated to NCI	-	-	-	-
Cash flows from operating activities	720 862	(118 419)		
Cash flows from investing activities	(1 657 351)	(2 559)		
Cash flow from financing activities	1 224 597	100 000		
Net change in cash and cash equivalents	288 108	(20 978)		

	Group		Company	
	2021	2020	**2021**	2020
	R	R	**R**	R
28. Other investments				
Investments held at fair value	**8 701 152**	7 177 594	**7 033 432**	7 177 596
Four One Financial Services – Shares	**59 032**	59 032	**59 032**	59 032
South Lake Medical Centre – Pref Shares	**1 604 673**	1 604 673	**1 604 673**	1 604 673
Kentegra Biotechnology - Shares	**2 236 365**	2 236 365	**2 236 365**	2 236 365
Bee Sweet Honey Ltd (Zambia) - Investment	**3 133 362**	3 277 524	**3 133 362**	3 277 526
Sanergy Inc. - Shares	**1 667 720**	-	**-**	-
Investments held at amortised cost	**3 256 449**	3 552 007	**3 256 449**	3 552 007
Four One Financial Services – Loan receivable	**1 908 348**	2 148 791	**1 908 348**	2 148 791
South Lake Medical Centre – Loan receivable	**1 348 101**	1 403 216	**1 348 101**	1 403 216
	11 957 601	10 729 603	**10 289 881**	10 729 603

28.1 Bee Sweet Honey Limited

Between May 2016 and October 2019, the company made investments into Bee Sweet Honey Limited, a Zambian company that is an organic honey producer. This investment entitles Inqo Investments Limited to receive cash payments in the future from the sale of honey. 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 14 150 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 37.67% (2020: 38.49%) The expected future cash flows are based on cash flows generated from 14 150 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 measurements 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 R396 202 (2020: R312 436). The Bee Sweet Honey Limited investment was not impaired in the 2021 financial year (2020: nil impairment).

28. Other investments (continued)

28.2 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. The equity stake is classified as Fair Value through Profit or Loss while the loan receivable is classified as amortised cost. The loans bear interest at rates varying between 10% and 20% p.a. R 154 473 of the loan was impaired in the 2021 financial year (2020: nil). R440 388 of the loan is repayable in January 2022.

28.3 South Lake Medical Centre

In July 2019 the company invested in South lake medical centre with respect to a 19% share investment in the form of 190 preference shares and a convertible loan, which bears interest at 6% p.a. The equity stake is classified as Fair Value through Profit or Loss while the loan receivable is classified as amortised cost. The South Lake investment was not impaired in the 2021 financial year (2020: nil impairment)

28.4 Kentegra Biotechnology Holdings

In January 2020 the company invested in Kentegra biotechnology holdings with respect to a 1% equity stake. This investment is classified as Fair Value through Profit or Loss and was acquired at fair value. Kentegra investment was not impaired in the 2021 financial year (2020: nil impairment)

28.5 Sanergy Inc

On 27 October 2020, the company acquired a share in Sanergy Inc. This investment is classified as Fair Value Through Profit or Loss and was acquired at fair Value. Sanergy Inc., is a a Nairobi based company using an innovative circular economy approach to recycling organic waste by feeding the waste to Black Soldier Flies (BSF) to produce a high protein animal feed in the form of BSF larvae. Organic fertilizer and biomass briquettes are also produced as a by-product of this process. Organic waste is collected in the form of food waste from markets and hospitality businesses in Nairobi and sanitation waste collected by Sanergy's partner company, Fresh Life Initiative, who have a network of 3,400 franchised toilets in Nairobi's informal settlements where mains sewers are not available and very difficult to install. Sanergy currently collect and process 12,000 tons of waste per year. Inqo's investment will be used to help complete Sanergy's factory which will give them the ability to process 72,000 tons per year.

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29. Leases

Inqo Investments Limited does not lease any assets as at 28 February 2021. Kuzuko Lodge (Pty) Ltd leases two game viewing vehicles from and external service provider. The lease with the external service provider was entered into 1 July 2019. Only the lease of the vehicles is considered to fall within the requirements of IFRS 16 due to the significant value of this as well as the terms of the lease. Kuzuko Lodge (Pty) Ltd leases the assets for the service of game viewing activities provided at the lodge. The term of the lease is for five years. The following assumptions were used to quantify the impact of calculating the right if use asset and lease liability in order to comply with IFRS 16:

-lease term: five years to 30 June 2024

-discount rate applied: 11.26% (interest rate implicit in the lease)

During the 2021 financial year, lease payments were adjusted due to reduced mileage travelled by the vehicles. As a result, the lease liability and right of use asset have been remeasured during the 2021 financial year.

There are no other leases within the group company which are relevant for the consolidated financial statements.

	Group	
	2021	2020
	R	R
Right of Use Asset – Motor vehicles		
Balance at beginning of period	**893 597**	-
1 July 2019	**-**	1 031 074
Adjustment to right of use asset	**(227 452)**	-
Depreciation	**(160 724)**	(137 477)
Balance at 28 February	**505 421**	893 597
Lease Liability – Motor Vehicles		
Current	**146 423**	175 394
Non-Current	**412 745**	749 203
Balance at 28 February	**559 168**	924 597
Maturity analysis – contractual undiscounted cash flow		
Not later than 1 year	**201 956**	270 593
Between 1 and 5 years	**471 233**	901 976
Total undiscounted lease liability at 28 February	**673 189**	1 172 569
Amounts recognized in the statement of Cash Flows		
Total Cash outflow for lease payments (excluding interest payments) during the period.	**137 978**	106 477

30. Loss per share

The calculation of basic and diluted loss per share at 28 February 2021 was based on a loss for the year of R 11 272 203 (2020: loss of R4 754 800), and a weighted average number of shares of 14 361 839 (2020: 14 361 839) for basic loss per share and 14 361 839 (2020: 14 361 839) for diluted loss 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 loss per share and diluted loss per share.

30. Loss per share (continued)

Weighted average number of ordinary shares:	**2021**	2020
Ordinary shares at the beginning of the year	**14 361 839**	13 000 727
Issue of shares 28 February 2019	**-**	1 111 112
Issue of shares March 2019	**-**	250 000
Issue of shares 29 February 2020	**-**	-
Weighted average number of ordinary shares at year end	**14 361 839**	14 361 839

31. 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 2021, 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**
IAS 37 amendment	*Onerous Contracts: Cost of Fulfilling a Contract*	May 2020	1 January 2022
IFRS 1, IFRS 9, IFRS 16 and IAS 41 amendments	*Annual Improvements to IFRS Standards (2018 – 2020)*	May 2020	1 January 2022
IAS 16 amendment	*Property, Plant and Equipment: Proceeds before Intended Use*	May 2020	1 January 2022
IFRS 3 amendment	*Reference to the Conceptual Framework*	May 2020	1 January 2022
IAS 1 amendment	*Classification of liabilities as current or non-current*	January 2020	1 January 2023
IAS 8 amendment	*Definition of Accounting Estimates*	February 2021	1 January 2023
IAS 1 and IFRS Practice Statement 2 amendment	*Disclosure Initiative: Accounting Policies*	February 2021	1 January 2023
IAS 12 amendment	*Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction*	May 2021	1 January 2023
IFRS 10 and IAS 28 amendment	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	September 2014	Deferred indefinitely by amendments made in December 2015

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.

32. 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. Inqo Investments Limited invests in businesses that aim to alleviate poverty and the social needs of the poor. Many of these investments have been impacted by the Covid-19 pandemic.

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 (including 1035.95 hectares of land held for resale). 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 directors attend meetings at the property on a quarterly basis and inspect the condition of the buildings on a regular basis.

Arriving at a fair market value of the land and buildings are necessarily subjective and contains significant estimation uncertainty. The estimation uncertainty arises from the fact that sales of similar properties are infrequent and the sales transactions used in the company's own valuation may not be comparable. Furthermore, the valuation of buildings is based on a depreciated replacement cost which may not represent the actual market price that can be achieved for the buildings when sold as part of the land. The company owns land and buildings that are used by its subsidiary to operate a game lodge.. The land and buildings are not held to earn rental income nor for capital appreciation. The company does not charge rental to its subsidiary for the use of the property and the directors do not intend to charge rental to the subsidiary company in the foreseeable future. A portion of the land is used by the company for its own purposes of breeding 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 the company.

Note 9 and 12 – impairment of financial assets

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.

In considering potential impairments management has taken into account the impact of COVID-19 and the resulting effect on its investees. Impairment was considered individually for each investee.

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

Note 14 - Inventory

Inventories are measured at the lower of cost and net realisable value. A gain or loss on measurement shall be included in profit or loss for the period in which it arises.

Note 26 –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.

Note 28 – investment in Bee Sweet Honey Limited

During the financial year ended 29 February 2020, the company invested a further R1 705 241 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 2021 financial year end this investment is held at fair value. Management applies judgement in determining the fair value of the investment.

Management engaged an expert in the 2021 financial year to perform a discounted cash flow valuation. Key assumptions used in the calculation relate to the risk-adjusted discount rate, future cash flows and the yield per hive.

Note 28 – investment in Four One Financial Services Limited

Four One Financial Services is a Ugandan based company responsible for the management of the Mazima Voluntary Individual Retirement Benefits Scheme. This investment is held at fair value. Management applied judgement in determining the fair value of the Investment. Management obtained the future cash flows of Four One Financial Services Limited and evaluated the reasonability of the future cash flows. In addition, management reviewed the financial position of the investee as at 28 February 2021 to determine if there were any additional impairment indicators.

Note 28 – investment in Kentegra Biotechnology Holdings

In January 2020 the company invested in Kentegra biotechnology holdings with respect to a 1% equity stake.

This investment is held at fair value. Management applies judgement in determining the fair value of the Investment. Management reviews investor reports as well as the statement of financial position as at 28 February 2021 to determine if there were any potential impairment indicators.

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

Note 28 – investment in South Lake Medical Centre
In July 2019 the company invested in South Lake medical centre with respect to a 19% share investment in the form of 190 preference shares and a convertible loan. This investment is held at fair value. Management applies judgement in determining the fair value of the Investment. Management applies judgement in determining the fair value of the Investment. Management reviews investor reports as well as the statement of financial position as at 28 February 2021 to determine if there were any potential impairment indicators.

Note 28 – investment in Sanergy Inc.
In October 2020, the company invested in Sanergy Inc. with respect to a 1% equity stake. This investment is held at fair value. Management applies judgement in determining the fair value of the Investment. Management applies judgement in determining the fair value of the Investment. Management reviews investor reports as well as the statement of financial position as at 28 February 2021 to determine if there were any potential impairment indicators.

33. Going concern

The company generated a net loss before tax for the year ended 28 February 2021 of R6 828 644 (2020: loss of R6 631 271) while the group generated a net loss before tax of R13 439 902 (2020: loss of R6 125 287). 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 included the consideration of COVID-19 in their assessment of the ability of the company and its subsidiaries to continue as going concerns and although it has had a significant impact on the main subsidiary, Kuzuko Lodge, adequate cash is available to the group to settle liabilities in the normal course of business and support the subsidiary into the foreseeable future. Therefore, the directors conclude that there is no reason to believe the businesses will not be going concerns in the year ahead.

Subsequent to the financial year end, additional cash of R7,766,861 was generated through the finalisation of the disposal of a portion of the property to SANParks as well as an issue of 155 146 ordinary shares. These additional funds will be used by the company to continue to support its subsidiaries and investments during this difficult period as they navigate their operations through the pandemic. Therefore, despite the challenge's beings faced, the directors of the Company have assessed that it will continue as a going concern.

34. Dividends

The company has not declared any dividends during the financial year ended 28 February 2021 (2020: RNil).

35. Directors, alternate directors and prescribed officers' emoluments

Group

	2021		2020	
Name	**Fees for Services Rendered**	**Total**	Fees for Services Rendered	Total
KS Tan *	**240 000**	**240 000**	240 000	240 000
CJ Bertie	**330 000**	**330 000**	360 000	360 000
DA Louw	**88 000**	**88 000**	96 000	96 000
CE September	**51 065**	**51 065**	85 328	85 328
MC Zono **	**89 206**	**89 206**	18 637	18 637
M Maart **	**-**	**-**	67 915	67 915
Total	**798 271**	**798 271**	867 880	867 880

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

Company

	2021		2020	
Name	**Fees for Services Rendered**	**Total**	**Fees for Services Rendered**	**Total**
KS Tan *	**240 000**	**240 000**	240 000	240 000
CJ Bertie	**330 000**	**330 000**	360 000	360 000
DA Louw	**88 000**	**88 000**	96 000	96 000
Total	**658 000**	**658 000**	696 000	696 000

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

36. 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.

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

Primary segment	**Hospitality and tourism**		**Investment**		**Total**	
	2021 **R**	2020 R	**2021** **R**	2020 R	**2021** **R**	2020 R
Revenue from external customers	**4 214 583**	24 422 881	**-**	-	**4 214 583**	24 422 881
Other income	**-**	-	**552 819**	1 005 940	**552 819**	1 005 940
Net finance (cost)/ income	**(250 229)**	(88 276)	**721 908**	632 903	**471 679**	544 627
Loss before tax	**(5 832 054)**	(1 716 462)	**(7 607 848)**	(6 631 271)	**(13 439 902)**	(6 125 287)
Income tax expense/(income)	**-**	-	**1 876 228**	1 336 571	**1 876 228**	1 336 571
Depreciation and amortisation	**579 208**	514 301	**2 883 328**	2 696 386	**3 462 536**	3 210 687
Total assets	**2 539 731**	4 182 240	**158 204 930**	175 220 463	**160 744 661**	179 402 703
Total liabilities	**(6 259 399)**	(8 073 293)	**(5 468 291)**	(9 611 598)	**(11 727 690)**	(17 684 891)

36. Segmental information (continued)

Geographic information:
The company and its subsidiaries only operate in South Africa. The investment of R3 133 362 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. The operations of South Lake, Sanergy and Kentegra are based in Kenya.

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.

37. Non-adjusting subsequent events

Except for the events described below, there are no significant events post year end that require adjustment or disclosure in these financial statements.

Kuzuko Lodge operated from August 2020 until April 2021, when the directors decided to mothball the business operation for the winter months, and only reopen the business in September 2021.

The Board of directors and the management company (Legacy Hotels) have evaluated the state of the internal market for travelling in the country, and it has been agreed that the lodge will re-open for guests on 1 September 2021.

Subsequent to the financial year end, additional cash of R7,766,861 was generated through the finalisation of the disposal of a portion of the property to SANParks as well as an issue of 155 146 ordinary shares. These additional funds will be used by the company to continue to support its subsidiaries and investments during this difficult period as they navigate their operations through the pandemic. Therefore, despite the challenge's beings faced, the directors of the Company have assessed that it will continue as a going concern.

38. Contingent Liabilities

A legal dispute has been declared between the property owners in the Blue Crane Route Municipal district, through the local famers association, and the Blue Crane Route Municipality for the levying of unfair and excessive property taxes on properties in the area. The Company is party to this legal dispute as it is a property owner, which received excessive property tax billings, and a member of the famers association.

Based on legal advice received, the Directors believe that the action being taken to rectify the excessive property taxes billing will be successful. If however the legal action is unsuccessful, the Company could be required to pay R1.4 million in arrear rates and taxes which have not been accrued for.