Inqo Investments Limited and its subsidiaries

Consolidated and separate annual financial statements

for the year ended 28 February 2022

Audited

Prepared by
Brigitte 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 2022

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 2022 were published on 5 August 2022.

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 2022, 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 28 July 2022 and signed by

K Tan
Authorised Director

C Bertie
Authorised Director

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 2022, 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
28 July 2022

Inqo Investments Limited and its subsidiaries

Directors' Report

For the year ended 28 February 2022

Nature of business

The directors have pleasure in presenting their report for the year ended 28 February 2022.

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 has created in excess of 200 jobs since inception, the majority of whom were members of the local community. This entity also provides skills training to people from local communities that were previously unemployed. The business entity is an operation based in the Eastern Cape which combines job creation, conservation and transformation in an eco-tourism environment Kuzuko has managed to remain operational despite very challenging conditions during the past financial year caused by the global downturn in the hospitality sector because of the Covid-19 pandemic. South Africa was further impacted in November 2021 due to the discovery of the Omicron variant by South African scientists, briefly labelled as the 'South African Variant'. The arrival of the variant led to South Africa being red listed by several countries which are important markets for Kuzuko and further damaged consumer confidence just before peak season. The company currently employs 28 employees who are utilised on the property according to occupancy levels at the time. Now that travel restrictions have largely been lifted on a worldwide basis, the company is anticipating improved levels of bookings from August 2022 onwards.

- **Inqo Africa (Pty) Ltd**, is 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 approximately 4,000 franchised toilets in Nairobi's informal settlements where mains sewers are not available and very difficult to install. Sanergy currently collect and process 39 841 tons of waste per year. Inqo's investment will be used to help complete Sanergy's factory, which now has a capacity to recycle 90,000 tons of organic waste per year at full capacity.

- **Spekboom Trading (Pty) Ltd (South Africa)** is a subsidiary, which 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. Negotiations are currently in place with an international third party to carry out planting on a substantial area of the Inqo property.

Directors' report (continued)

For the year ended 28 February 2022

- **Bee Sweet Honey Ltd (Zambia)** is a honey collection and processing company based in Zambia using honey revenue to create value for forests to local farmers. Inqo had purchased a right to earn income that accrues from the sale of honey attributable to 14 150 hives. The directors of Inqo have, through the last three years, noted that beehive honey has not performed in terms of its original agreed mandate from a profit perspective. In January 2022 the directors committed to selling the investment in Bee Sweet and in May 2022 Inqo concluded the sale of the company's investment in Bee Sweet Honey Ltd. The realisation of this asset was done at a capital loss to the company.

- **Four One Financial Services Limited (Uganda)** is a financial services company offering specially designed products for the underserved low-income demographic in Uganda. Initially built around the innovative Mazima Retirement Plan which offered a retirement savings scheme for low-income workers, Four One have had to pivot their company a number of times in the last few years due to challenges of operating under the regulatory settings in Uganda and the severe impact of the Covid-19 pandemic on their primary customer base, and thereby impacting their revenue. Under challenging conditions, the management team have again pivoted, leveraging their previous experience and financial services platform to launch Bitbricks – a property development company that offers micro shares in property developments and provides affordable housing at a target of 20% below market rate. Bitbricks are now close to completing their first trial development of 24 two-bedroom homes and prospecting their next development opportunity.

- **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 10,000 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. Following investment by Inqo and a consortium of impact investors, SLMC have successfully built a major and minor surgery unit making them the most advanced healthcare facility at the southern end of Lake Naivasha serving more than 88,000 patient visits per year.

Directors' report (continued)
For the year ended 28 February 2022

- **Kuzuko Foundation Trust** provides education sessions and tours for youth from disadvantaged backgrounds in the Kuzuko Private Game Reserve. The Foundation has throughout the Covid-19 pandemic provided support to the local farm school and ex Kuzuko Lodge staff and their families with food parcels on a regular basis.

Response to COVID-19

Kuzuko Lodge (Pty) Ltd has undertaken operational restructuring initiatives, in both the current and the prior financial periods, 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 2021/22 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 incurred a loss before taxation for the year ended 28 February 2022 of R8 293 726 (2021: loss of R6 828 644) as well as negative cash flows from operations of R3 663 981 (2021: R6 173 328). The company 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.

Subsequent to the year-end, additional funding and cash have been made available to the Group as follows:

- Directors' loan funds in the amount of R2 031 000 made available to the company.
- R1 440 000 that will be generated from the sale of the Group's interest in its Bee Sweet Honey Investment. These funds are due to be settled on 31 August 2022, 31 October 2022 and 31 January 2023.

The directors are currently exploring other opportunities to raise additional liquidity however nothing has been concluded as yet.

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.

Events after the reporting period

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

Bee Sweet Honey, a Zambian honey producer, in which the company invested in 2016 for the first time, has for the last three years struggled to produce the levels of profit forecast due to poor conditions in the global honey market. In the last quarter of the 2021/2 financial year Bee Sweet decided to re-align its business under new management and as a result Inqo has opted, in terms of an agreement signed in May 2022, to disinvest from the Bee Sweet operation in Zambia. The proceeds of the sales transaction will be paid to Inqo during the course of the 2022/3 financial year.

Directors' report (continued)

For the year ended 28 February 2022

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 was a fresh issue of shares of 155 146 shares at R5 per share with a share premium of R8.32 per share in the current financial year. In the prior year, there were no changes to the share capital.

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 2022

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 12 January 2022. 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 2022 financial year-end audit.
- Considered contingent liabilities, which existed at year-end and their disclosure in the annual financial statements.
- Considered the impact of Covid 19 and its effect on going concern for all the subsidiaries and other investments.
- Reviewed the Inqo Investment 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
28 July 2022

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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 16 to 65, which comprise the statements of financial position at 28 February 2022, 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 at 28 February 2022, 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.

KPMG

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.

Valuation of land and buildings Refer to accounting policy note 1.5 and notes 9 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
Land and buildings at fair value included in property, plant and equipment amounts to R124.5 million at year end, which represents 83.5% of total group assets and 78.7% of total company assets. Land and buildings are valued every second year by an independent valuator. An external desktop valuation was performed by an independent valuator in the current financial year. A formal valuation was completed in the 2021 financial year end. The following significant assumptions were applied in the valuation of the land and buildings: — Market values realised in respect of other recent sales based on veld farm and irrigated farm sales within the region during the financial year. — Condition of the access roads to the property (accessibility of 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.	The key procedures we performed to address the valuation of land and buildings included the following: We assessed the significant assumptions used in the calculation of the value of land and buildings comparing them with corroborating internal and external data. We challenged the independent 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 deed's office and to actual physical verification performed at the property. — We inspected the buildings at the lodge and through our inspection, compared the physical condition of all the buildings, as well as the game fenced land and the property's access to water and services, to the valuation received. — We compared the estimated depreciation factor applied for each building by the independent valuator to the actual depreciation rate applied in the depreciation calculation.

KPMG

Valuation of land and buildings Refer to accounting policy note 1.5 and notes 9 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
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. Other investments at fair value amount to R8.5 million at year end for group and R6.8 million for the company. Other investments consist of investments held at fair value and investments held at amortised cost (loans receivable).	We evaluated the appointment, competence, independence and experience of the valuator by inspection of their qualifications and industry experience as well as considered the extent of management influence over the independent valuator. We evaluated the adequacy of the disclosures in the financial statements relating to the valuation of land and buildings in relation to the requirements of *IFRS 13 Fair Value Measurements.*

Impairment / fair value adjustments of other investments Refer to accounting policy note 1.8 and notes 12, 27.5 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
Our key focus areas relating to other investments consists of considerations around impairment of loans receivables held at amortised cost and fair valuation of other investments. 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. Management reviews investor reports and/or the statement of financial position at each financial year-end of each investee to determine if there are additional impairment considerations or indications of changes in the fair value of investments.	The key procedures we performed to address the impairment of other investments consisted of: *Loans receivable held at amortised cost:* — We inspected future expected 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 by inspecting the statements of financial position and financial performance at the yearend dates for the investees to evaluate whether the investees were solvent and liquid and could repay outstanding interest and capital.

KPMG

Impairment / fair value adjustments of other investments Refer to accounting policy note 1.8 and notes 12, 27.5 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
Management applies judgment in the consideration of the forecasted financial performance in the assessment of the impairment or fair value adjustments. In addition, management applies judgement when they consider the future business prospects and economic conditions of the investee in their impairment and fair value adjustment considerations. Management used the cost approach valuation technique to determine fair value of other investments. There is no recent and sufficient comparable market information available to measure fair value and as such management considers cost the best estimate of fair value within that range. The investments held at fair value are categorised as level 3 instruments as a result of the investments having significant unobservable inputs. Due to the judgement applied in determining whether the other investments should be impaired, we considered this to be a key audit matter in our audit of the consolidated and separate financial statements.	— We evaluated the adequacy of the disclosures in note 12 of the financial statements, which relates to the impairment of loans receivable in relation to the requirements of IFRS 9 *Financial Instruments.* *Investments held at fair value:* — 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. — We considered future business prospects and economic conditions of the investees based on investor updates and industry research. — We evaluated the adequacy of the disclosures in note 12 and 32 of the consolidated and separate financial statements 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 2022", which includes the Directors' Report, the Audit Committee Report and the Company Secretary's Certificate as required by the Companies Act of South Africa. The other information does not include the consolidated and separate financial statements and our auditor's 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.

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 24 years.

KPMG Inc

Per AD Barr
Chartered Accountant (SA)
Registered Auditor
Director
5 August 2022

Inqo Investments Limited and its subsidiaries

Statements of profit or loss and other comprehensive income

for the year ended 28 February 2022

		Group		Company	
		2022	2021	**2022**	2021
	Note	**R**	R	**R**	R
Revenue	2	**3 872 007**	4 214 583	**386 160**	698 491
Cost of Sales		**(648 136)**	(630 188)	**-**	-
Gross profit		**3 223 871**	3 584 395	**386 160**	698 491
Other income		**360 072**	552 819	**360 072**	552 819
Personnel expense		**(4 022 886)**	(4 746 444)	**(826 680)**	(550 110)
Depreciation & Amortisation		**(3 295 251)**	(3 462 536)	**(2 777 934)**	(2 883 328)
Listing expenses		**(581 917)**	(839 653)	**(581 917)**	(839 653)
Professional fees		**(629 847)**	(514 891)	**(629 847)**	(514 891)
Provision for doubtful debts	15	**(529 069)**	(270 134)	**(1 043 193)**	(1 506 947)
Impairment and fair value adjustment	12	**(2 357 326)**	(157 473)	**(2 357 326)**	(157 473)
Selling and administrative expenses		**(6 559 034)**	(7 522 604)	**(1 476 856)**	(1 783 137)
Operating loss	3	**(14 391 387)**	(13 376 521)	**(8 947 521)**	(6 984 229)
Inventory write-down	14	**(186 464)**	(372 151)	**(186 464)**	(372 151)
Fair value adjustment	16	**56 933**	(194 172)	**56 933**	(194 172)
Net financing income	4	**299 547**	502 942	**783 326**	721 908
Finance income		**460 595**	692 482	**811 063**	761 740
Finance expense		**(161 048)**	(189 540)	**(27 736)**	(39 832)
Loss before taxation		**(14 221 371)**	(13 439 902)	**(8 293 726)**	(6 828 644)
Taxation	5	**1 606 784**	1 876 228	**1 606 784**	1 876 228
Loss for the year		**(12 614 587)**	(11 563 674)	**(6 686 942)**	(4 952 416)
Loss attributable to:					
Equity holders		**(12 380 267)**	(11 272 203)	**(6 686 942)**	(4 952 416)
Non-controlling interest	20	**(234 320)**	(291 471)	**-**	-
		(12 614 587)	(11 563 674)	**(6 686 942)**	(4 952 416)

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Inqo Investments Limited and its subsidiaries

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

for the year ended 28 February 2022

	Note	Group 2022 R	Group 2021 R	Company 2022 R	Company 2021 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	9	-	(1 465 422)	-	(1 465 422)
Deferred tax on revaluation	21	-	328 255	-	328 255
Total other comprehensive income for the year		-	(1 137 167)	-	(1 137 167)
Total comprehensive income for the year		**(12 614 587)**	(12 700 841)	**(6 686 942)**	(6 089 583)
Total comprehensive income attributable to:					
Equity holders		**(12 380 267)**	(12 409 370)	**(6 686 942)**	(6 089 583)
Non-controlling interest	20	**(234 320)**	(291 471)	-	-
		(12 614 587)	(12 700 841)	**(6 686 942)**	(6 089 583)
Loss per share (rands)	7	**(0.85)**	(0.78)		
Diluted loss per share (rands)	7	**(0.85)**	(0.78)		

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Inqo Investments Limited and its subsidiaries

Statements of financial position

at 28 February 2022

		Group		Company	
		2022	2021	**2022**	2021
	Note	**R**	R	**R**	R
Assets					
Non-current assets		**137 275 303**	143 346 953	**148 514 260**	149 017 592
Property, plant and equipment	*9*	**128 440 653**	131 315 802	**128 088 946**	130 644 236
Intangible assets	*11*	**3 622**	8 517	**-**	-
Right of use Asset	*22*	**362 693**	505 421	**-**	-
Trade and other receivables	*15*	**-**	-	**1 167 288**	1 236 813
Loans to subsidiaries	*25*	**-**	-	**10 979 026**	5 808 665
Other investments	*12*	**8 468 335**	11 517 213	**6 800 615**	9 849 493
Investments in subsidiaries	*13*	**-**	-	**1 478 385**	1 478 385
Current assets		**10 396 005**	12 622 630	**8 303 721**	10 274 635
Inventories	*14*	**4 058 788**	4 264 824	**3 426 680**	3 701 144
Trade and other receivables	*15*	**2 743 619**	3 139 521	**2 298 950**	2 626 845
Other investments	*12*	**-**	440 388	**-**	440 388
Biological assets	*16*	**2 921 627**	2 864 694	**2 009 040**	1 952 107
Cash and cash equivalents	*17*	**671 971**	1 913 203	**569 051**	1 554 151
Assets held for sale		**1 333 287**	5 695 345	**1 333 287**	5 695 345
Assets held for sale	*10*	**1 333 287**	5 695 345	**1 333 287**	5 695 345
Total current assets		**11 729 292**	18 317 975	**9 637 008**	15 969 980
Total assets		**149 004 595**	161 664 928	**158 151 268**	164 987 572
Equity and liabilities					
Capital and reserves					
Share capital	*18*	**72 584 925**	71 809 195	**72 584 925**	71 809 195
Share premium	*19*	**87 585 270**	86 294 138	**87 585 270**	86 294 138
Revaluation reserve		**72 015 535**	72 015 535	**72 015 535**	72 015 535
Accumulated loss		**(93 964 328)**	(81 584 061)	**(77 286 528)**	(70 599 586)
Equity attributable to equity holders of Inqo Investments Limited		**138 221 402**	148 534 807	**154 899 202**	159 519 282
Non-controlling interest	*20*	**247 844**	482 164	**-**	-
Total equity		**138 469 246**	149 016 971	**154 899 202**	159 519 282
Non-current liabilities		**2 903 675**	4 632 671	**2 512 847**	4 092 252
Loans from related parties	*25*	**902 409**	875 030	**774 735**	747 356
Deferred tax liability	*21*	**1 738 112**	3 344 896	**1 738 112**	3 344 896
Lease liability	*22*	**263 154**	412 745	**-**	-
Current liabilities		**7 631 674**	8 015 286	**739 219**	1 376 038
Bank overdraft	*17*	**688 491**	920 267	**-**	-
Trade and other payables	*23*	**6 770 068**	6 695 255	**739 219**	1 376 038
Provision	*24*	**-**	253 341	**-**	-
Lease Liability	*22*	**173 115**	146 423	**-**	-
Total liabilities		**10 535 349**	12 647 957	**3 252 066**	5 468 290
Total equity and liabilities		**149 004 595**	161 664 928	**158 151 268**	164 987 572

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Inqo Investments Limited and its subsidiaries

Statements of changes in equity

for the year ended 28 February 2022

Group	Ordinary share capital R	Share premium R	Revaluation reserve R	Accumulated loss R	Non-controlling interest R	Total R
Balance at 1 March 2020	71 809 195	86 294 138	73 152 702	(70 311 858)	773 635	161 717 812
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 29 February 2021	71 809 195	86 294 138	72 015 535	(81 584 061)	482 164	149 016 971
Balance at 1 March 2021	**71 809 195**	**86 294 138**	**72 015 535**	**(81 584 061)**	**482 164**	**149 016 971**
Shares Issued	**775 730**	**1 291 132**	-	-	-	**2 066 862**
Loss for the year	-	-	-	**(12 380 267)**	**(234 320)**	**(12 614 587)**
Other comprehensive income for the year	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	**(12 380 267)**	**(234 320)**	**(12 614 587)**
Balance at 28 February 2022	**72 584 925**	**87 585 270**	**72 015 535**	**(93 964 328)**	**247 844**	**138 469 246**

Revaluation reserve is made up as follows:

Cumulative revaluation reserve	92 803 577
Cumulative deferred tax	(20 788 042)
Net revaluation reserve	**72 015 535**

Inqo Investments Limited and its subsidiaries

Statements of changes in equity
for the year ended 28 February 2022

Company	Ordinary share capital R	Share premium R	Revaluation reserve R	Accumulated loss R	Total R
Balance at 1 March 2020	71 809 195	86 294 138	73 152 702	(65 647 170)	165 608 865
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
Balance at 1 March 2021	**71 809 195**	**86 294 138**	**72 015 535**	**(70 599 586)**	**159 519 282**
Shares Issued	**775 730**	**1 291 132**	**-**	**-**	**2 066 862**
Loss for the year	**-**	**-**	**-**	**(6 686 942)**	**(6 686 942)**
Other comprehensive income for the year	**-**	**-**	**-**	**-**	**-**
Total comprehensive income for the year	**-**	**-**	**-**	**(6 686 942)**	**(6 686 942)**
Balance at 28 February 2022	**72 584 925**	**87 585 270**	**72 015 535**	**(77 286 528)**	**154 899 202**
Revaluation reserve is made up as follows:					
Cumulative revaluation reserve			92 803 577		
Cumulative deferred tax			(20 788 042)		
Net revaluation reserve			**72 015 535**		

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Inqo Investments Limited and its subsidiaries

Statements of cash flows

for the year ended 28 February 2022

	Note	Group		Company	
		2022	2021	**2022**	2021
		R	R	**R**	R
Cash utilised by operations	26	**(9 099 312)**	(12 199 004)	**(4 552 374)**	(6 814 523)
Interest received		**186 687**	692 482	**185 955**	681 027
Interest paid		**(72 467)**	(189 540)	**-**	(39 832)
Net cash flow from operating activities		**(8 985 092)**	(11 696 062)	**(4 366 419)**	(6 173 328)
Cash flows from investing activities					
Acquisition of subsidiary		**-**	-	**-**	(1 000)
Increase in loans to subsidiary		**-**	-	**(4 819 162)**	(5 007 665)
Acquisition of other investments		**-**	(1 667 720)	**-**	-
Unrealised forex loss		**(177 121)**	282 249	**(177 121)**	282 249
Loan repaid by other investments		**733 980**	38 975	**733 980**	38 975
Acquisition of property, plant and equipment		**(254 874)**	(1 870 529)	**(222 644)**	(1 812 698)
Proceeds on disposal of biological assets		**186 957**	-	**186 957**	-
Acquisition of intangible assets		**-**	(3 999)	**-**	-
Proceeds on disposal of property, plant and equipment		**5 612 447**	376 214	**5 612 447**	376 214
Net cash flow from investing activities		**6 101 389**	(2 844 810)	**1 314 457**	(6 123 925)
Cash flows from financing activities					
Proceeds from shares issued		**2 066 862**	-	**2 066 862**	-
Repayment of finance lease		**(192 615)**	(137 978)	**-**	-
Net cash flow from financing activities		**1 874 247**	(137 978)	**2 066 862**	-
Net movement in cash and cash equivalents		**(1 009 456)**	(14 678 850)	**(985 100)**	(12 297 253)
Cash and cash equivalents at beginning of year		**992 936**	15 671 786	**1 554 151**	13 851 404
Cash and cash equivalents at end of year	17	**(16 520)**	992 936	**569 051**	1 554 151

Inqo Investments Limited and its subsidiaries

Notes to the financial statements

for the year ended 28 February 2022

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 2022 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 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 Basis of preparation

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 2022. The consolidated and separate annual financial statements were authorised for issue by the board of directors on 28 July 2022.

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.

As stated in the previous paragraph, 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 8 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.

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.

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.

1.4 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.

1.5 Property, plant and equipment

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

Revaluations of land and buildings are 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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1.5 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.

1.6 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.

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

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

1.7 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.

1.7 Impairment (continued)

Non-financial assets (continued)

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.

1.8 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 FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

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1.8 Financial instruments (continued)

Financial assets (continued)

Financial assets- Subsequent measurement and gain and losses

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

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.

1.9 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.

1.10 Revenue

i) Group

The group generates revenue primarily from providing all-inclusive 5-star accommodation to tourists at Kuzuko Lodge. The transaction price for revenue earned by Kuzuko Lodge is the all-inclusive rate offered to guests, which includes accommodation, game drives, food and complimentary beverages. The transaction price is allocated to each performance obligation based on their stand-alone selling prices. 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 in accordance with the input method as per IFRS 15. 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.
Kuzuko Lodge is liable to refund revenue received in advance only in the case of a *force majeure*, failure to meet bookings in other cases will result in the forfeiture of deposits paid by guests.

ii) Company

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

1.11 Taxation

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

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

Deferred tax is provided on taxable temporary differences. Temporary differences are differences between carrying amounts of assets and liabilities for financial reporting purposes and their tax base. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities using tax rates enacted or substantially enacted at the year-end reporting date. The following temporary differences are not provided for: the initial recognition of assets or 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.

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1.12 Provisions

A provision is recognised on the statement of financial position when the group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits, which can be reliably estimated, will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Provisions are reviewed at each financial year end reporting date and adjusted to reflect the current best estimate.

1.13 Employee benefits

Short- term employee benefits

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

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

The expected cost of bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

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

Defined contribution plans

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

1.14 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 earned on bank balances as well as loans issued to investment entities. Finance income is recognised in the statement of profit or loss and other comprehensive income as it accrues, using the effective interest method.

1.15 Segmental reporting

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

The group has two operating segments. Refer to note 33 for detail.

1.16 Foreign currency

Foreign currency transactions

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

Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Non-monetary assets are not subsequently remeasured.

1.17 Biological assets

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

1.18 Inventories

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

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.

1.19 Investments in subsidiaries

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

1.20 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.

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 estimated useful lives of right-of-use asset is periodically reduced by impairment losses, if any, and 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.

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.

	Group		Company	
	2022	2021	**2022**	2021
	R	R	**R**	R

2. 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 33 for segmental information.

	Group 2022 R	Group 2021 R	Company 2022 R	Company 2021 R
Accommodation and lodging	**3 872 007**	4 214 583	-	-
Management fees	-	-	**270 000**	270 000
Rental income	-	-	-	285 000
Game concession fee	-	-	**116 160**	143 491
	3 872 007	4 214 583	**386 160**	698 491

Advance deposits, note 23, are received from customers to secure bookings. Advanced deposits received during the previous financial year and recognised in revenue in the current financial period amount to R1 561 928 (2021: R2 025 599).

3. Operating loss

is arrived at after taking into account

	Group 2022 R	Group 2021 R	Company 2022 R	Company 2021 R
Depreciation of property, plant and equipment	**(3 130 023)**	(3 297 267)	**(2 777 934)**	(2 883 328)
Amortisation of intangible asset	**(4 895)**	(4 544)	-	-
Fair value adjustments of investments-Bee Sweet	**(1 894 077)**	-	**(1 894 077)**	-
Impairment of loan-Four One	**(463 249)**	(157 473)	**(463 249)**	(157 473)
Provision for doubtful debts-Kuzuko Lodge	-	-	**(514 124)**	(1 236 813)
Provision for doubtful debts- Four One Receivable	**(500 678)**	(270 134)	**(500 678)**	(270 134)
Depreciation of Leased Assets	**(155 438)**	(160 725)	-	-
Kuzuko Lodge selling and administration expenses (excluding personnel expenses)	**(5 434 260)**	(6 979 423)	-	-
Professional fees	**(629 847)**	(514 891)	**(629 847)**	(514 891)
Accounting and legal fees	**(680 079)**	(1 035 950)	**(537 373)**	(892 397)
Personnel expenses	**(4 022 886)**	(4 746 444)	**(826 680)**	(550 110)
Foreign exchange profit /(loss)	**177 121**	136 186	**177 121**	136 186
Listing expenses	**(581 917)**	(839 653)	**(581 917)**	(839 653)
Profit on sale of property, plant and equipment	**78 550**	153 247	**78 550**	153 247

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Inqo Investments Limited and its subsidiaries

Notes to the financial statements

for the year ended 28 February 2022

	Group		Company	
	2022	2021	**2022**	2021
	R	R	**R**	R
4. Net financing income				
Finance income	**460 595**	692 482	**811 062**	761 740
Interest –Four One Financial Services	**258 240**	282 325	**258 240**	282 325
Interest – South Lake Medical Centre	**82 572**	90 998	**82 572**	90 998
Interest – Bee Sweet	**13 068**	34 535	**13 068**	34 535
Interest – Kuzuko Lodge	**-**	-	**351 199**	80 712
Interest income - banks	**106 715**	284 624	**105 983**	273 170
Finance expense	**(161 048)**	(189 540)	**(27 736)**	(39 832)
Interest expense - loans	**(31 219)**	(55 323)	**(27 380)**	(39 832)
Interest expense – bank overdraft	**(72 467)**	(58 799)	**-**	-
Interest expense – lease liability	**(57 006)**	(75 418)	**-**	-
Interest expense - suppliers	**(356)**	-	**(356)**	-
	299 547	502 942	**783 326**	721 908

	Group		Company	
	2022	2021	**2022**	2021
	R	R	**R**	R
5. Taxation				
South African normal tax				
- Deferred tax current charge	**1 487 323**	1 944 408	**1 487 323**	1 944 408
- Deferred tax prior year adjustment	**119 461**	(68 180)	**119 461**	(68 180)
	1 606 784	1 876 228	**1 606 784**	1 876 228
Reconciliation of tax rate	%	%	%	%
Current years charge as a percentage of loss before tax	**11.30**	13.96	**19.37**	27.48
Disallowed expenses:				
- Donations: Cheetah Camp	**-**	-	**-**	-
- Depreciation: Cheetah Camp	**0.05**	0.05	**0.08**	0.10
- Legal fees	**0.26**	0.26	**0.44**	0.51
- VAT accrual	**-**	1.15	**-**	-
- Convertible loan interest	**-**	-	**(1.19)**	(0.33)
Capital loss on sale of land	**0.16**		**0.28**	
Capital loan written off	**1.07**	-	**1.83**	-
Impairment of capital item	**4.63**	0.33	**7.96**	0.64
Debenture Expiry	**-**	(0.71)	**-**	(1.40)
Prior year adjustment	**-**	0.51	**-**	1.00
Change in rate	**(0.45)**		**(0.77)**	
Creation of tax loss not recognised	**10.98**	12.45	**-**	-
Standard tax rate	**28.00**	28.00	**28.00**	28.00
Estimated tax losses available to off- set against future taxable profits	**87 276 760**	77 616 419	**51 316 213**	47 224 895
Utilised to decrease deferred tax liability	**(51 316 213)**	(47 224 895)	**(51 316 213)**	(47 224 895)
Estimated tax losses carried forward	**35 960 547**	30 391 524	**-**	-

On 23 February 2022, the South African Minister of Finance announced a change in the corporate tax rate from 28% to 27% for the years of assessment ending on or after 31 March 2023. Other than the impact of the rate change on the deferred tax balance, note 21, the changes announced will impact income tax for the year ending 28 February 2024 and thereafter.

Inqo Investments Limited and its subsidiaries
Notes to the financial statements
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6. Dividends

The company has not declared any dividends during the financial year ended 28 February 2022 (2021: Rnil).

7. (Loss)/earnings per share

The calculation of basic and diluted earnings per share at 28 February 2022 was based on a loss for the year of R 12 380 267 (2021: loss of R 11 272 203), and a weighted average number of shares of 14 504 056 (2021: 14 361 839) for basic earnings per share and 14 504 056 (2021: 14 361 839) for diluted earnings per share. There are no reconciling items between the profit after tax amounts per the statement of profit or loss and other comprehensive income and the amount used in the calculation of earnings per share and diluted earnings per share.

	2022	2021
	R	R
Weighted average number of ordinary shares:		
Ordinary shares at the beginning of the year	**14 361 839**	14 361 839
Issue of shares 28 February	**142 217**	-
Weighted average number of ordinary shares at year end	**14 504 056**	14 361 839

8. Critical accounting estimates, judgements and key assumptions

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

Critical accounting policies

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

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

Information about assumptions and estimated uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in the following notes:
Note 9: Property valuation and classification
Note 12: Investment in Bee Sweet Honey Limited, Four One Financial Services Limited, South Lake Medical Centre, Kentegra Biotechnology Holdings and Sanergy Inc.
Note 14: Inventory
Note 15: Impairment losses against trade receivables
Note 16: Fair value of biological assets
Note 25: Impairment losses of loans to subsidiaries
Note 32: Fair value measurement

Inqo Investments Limited and its subsidiaries

Notes to the financial statements

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9. Property, plant and equipment

Group	Cost or revalued amount	Accumulated depreciation	Carrying amount
2022	**R**	**R**	**R**
Freehold land	**105 504 226**	**-**	**105 504 226**
Buildings	**39 118 197**	**(20 164 793)**	**18 953 404**
Motor vehicles	**4 735 177**	**(3 477 313)**	**1 257 864**
Furniture and fittings	**5 551 856**	**(5 171 953)**	**379 903**
Equipment	**7 648 173**	**(5 716 763)**	**1 931 410**
Computer equipment	**1 133 215**	**(1 089 987)**	**43 228**
Game Camps	**249 627**	**(74 889)**	**174 738**
Land Restoration	**195 880**	**-**	**195 880**
	164 136 351	**(35 695 698)**	**128 440 653**
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
Equipment	7 508 631	(4 819 237)	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
Company			
2022	**R**	**R**	**R**
Freehold land	**105 504 226**	**-**	**105 504 226**
Buildings	**39 118 197**	**(20 164 793)**	**18 953 404**
Motor vehicles	**4 730 791**	**(3 472 917)**	**1 257 874**
Furniture and fittings	**5 556 241**	**(5 176 338)**	**379 903**
Equipment	**5 533 189**	**(3 928 397)**	**1 604 792**
Computer equipment	**693 518**	**(675 389)**	**18 129**
Game Camps	**249 627**	**(74 889)**	**174 738**
Land Restoration	**195 880**	**-**	**195 880**
	161 581 669	**(33 492 723)**	**128 088 946**
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
Equipment	5 425 878	(3 341 068)	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

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9. Property, plant and equipment (continued)

Group

2022	Carrying amount at beginning of the year R	Additions R	Revaluation R	Disposals/ Scrapping R	Transfers R	Depreciation R	Carrying amount at end of the year R
Freehold land	105 504 226	-	-	-	-	-	105 504 226
Buildings	20 673 007	93 614	-	-	-	(1 813 217)	18 953 404
Motor vehicles	1 522 344	-	-	-	-	(264 480)	1 257 864
Furniture and fittings	464 583	-	-	-	-	(84 680)	379 903
Equipment	2 689 394	139 541	-	-	-	(897 524)	1 931 411
Computer equipment	67 012	21 374	-	-	-	(45 159)	43 227
Game Camps	199 701	-	-	-	-	(24 963)	174 738
Land restoration	195 535	345	-	-	-	-	195 880
Total	131 315 802	254 874	-	-	-	(3 130 023)	128 440 653

2021	Carrying amount at beginning of the year R	Additions R	Revaluation R	Disposals/ Scrapping R	Transfers R	Depreciation 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

9. Property, plant and equipment (continued)

Company

2022	**Carrying amount at beginning of the year**	**Additions**	**Revaluation**	**Disposals/ Scrapping**	**Transfers**	**Depreciation**	**Carrying amount at end of the year**
	R	**R**	**R**	**R**	**R**	**R**	**R**
Freehold land	**105 504 226**	-	-	-	-	-	**105 504 226**
Buildings	**20 673 007**	**93 614**	-	-	-	**(1 813 217)**	**18 953 404**
Motor vehicles	**1 522 354**	-	-	-	-	**(264 480)**	**1 257 874**
Furniture and fittings	**464 583**	-	-	-	-	**(84 680)**	**379 903**
Equipment	**2 084 810**	**107 311**	-	-	-	**(587 329)**	**1 604 792**
Computer Equipment	**20**	**21 374**	-	-	-	**(3 265)**	**18 129**
Game Camps	**199 701**	-	-	-	-	**(24 963)**	**174 738**
Land restoration	**195 535**	**345**	-	-	-	-	**195 880**
Total	**130 644 236**	**222 644**	-	-	-	**(2 777 934)**	**128 088 946**

2021	**Carrying amount at beginning of the year**	**Additions**	**Revaluation**	**Disposals/ Scrapping**	**Transfers**	**Depreciation**	**Carrying amount at end of the year**
	R	**R**	**R**	**R**	**R**	**R**	**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

9. Property, plant and equipment (continued)

Land comprises:

	Group and Company	
	2022	2021
	Hectares	Hectares
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
	14 414.5	14 414.5

	Group		Company	
	2022	2021	**2022**	2021
	R	R	**R**	R
Land and buildings:				
Carrying amount should the item have been carried at cost less accumulated depreciation	**31 654 106**	33 373 709	**31 654 106**	33 373 709
Total revaluation	**92 803 524**	92 803 524	**92 803 524**	92 803 524
Closing valuation of land and buildings	**124 457 630**	126 177 233	**124 457 630**	126 177 233

9. Property, plant and equipment (continued)

In terms of the Inqo's accounting policy, the property is subject to an independent valuation every second year. In the prior financial year, an independent valuation was performed by A. Crouse. He is a professional valuator and appraiser: registration number: 3698. In the current year, a desktop valuation was performed by an independent valuator, A Crouse. The outcome of the desktop valuation revealed a value of 3.73% greater than the net book value disclosed above. Management made an internal assessment of the valuation of the land and buildings and is satisfied that the net book value as reflected in the financial statement is not materially different to the valuation outcome.

The principles of the valuation performed in the previous financial year remain the same in the current financial year. The valuation methods applied are disclosed below.

The method of valuing the land and buildings was performed separately. Both valuations are level 3 hierarchy.

Valuation performed by an external expert for the 2021 financial 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 smaller properties, being both veld farm and irrigated farm sales in the same or comparable areas. It should be noted that there has never been a sale of a property of this size and nature thus there is no active market for this property. In addition, sales prices achieved in the market are for various properties of similar nature but significantly smaller in size. The higher the selling price for these properties, the higher the valuation of the land. 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 14 414.5 hectares. The game fenced area totals 13 400 hectares.

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

Classification
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. Based on these reasons, management classified the property as property, plant and equipment in the separate financial statements of the company.

10. Non-Current assets held for sale

Land held for sale comprises the following:

	Group		Company	
	2022	2021	2022	2021
	R	R	R	R
Land comprises of:				
Farm number 279 – 76.75 Hectares	-	432 827	-	432 827
Farm number 288 – 297.20 Hectares	-	1 676 340	-	1 676 340
Farm number 428 – 661.99 Hectares	-	3 733 597	-	3 733 597
Impairment loss	-	(147 419)	-	(147 419)
Closing valuation	-	5 695 345	-	5 695 345
Financial investments held for sale comprise the following:				
Bee Sweet Honey Ltd (Zambia) - Investment	**1 333 287**	-	**1 333 287**	-
Total Assets held for sale	**1 333 287**	5 695 345	**1 333 287**	5 695 345

The sale of land took place in the current financial year. 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 would sell 1035.94 hectares of land to SANPARKS. Due to unforeseen delays, the land only transferred in May 2021. Land held for sale is measured at the selling price in terms of the sales agreements with SANPARKS, less cost to sell the land. The only cost to sell relates to the subdivision of the land. This valuation is a level 1 hierarchy. The loss on the sale of the land is R82 898.

The directors of Inqo have, through the last three years, noted that the investment in Bee Sweet Honey Ltd (Zambia) has not performed in terms of its original agreed mandate. In January 2022 the directors committed to selling the investment in Bee Sweet and a sales agreement was concluded in May 2022. The investment is measured at the selling price as set out in the offer to purchase accepted by management, amounting to USD 88 180. The selling price was converted into South Africa Rand at the closing exchange USD/ZAR rate on 28 February 2022. This valuation is a level 1 hierarchy. The fair value of the investment was adjusted in the current year by R 1 894 077 (2021: R nil).

11. Intangible assets

Balance at beginning of year	**8 517**	9 062	-	-
Additions (externally acquired)	-	3 999	-	-
Amortisation	**(4 895)**	(4 544)	-	-
Balance at end of year	**3 622**	8 517	-	-

Group **2022**	**Cost**	**Accumulated amortisation**	**Carrying amount**
Computer software	**187 534**	**(183 912)**	**3 622**
2021			
Computer software	187 534	(179 017)	8 517

	Group		Company	
	2022	2021	**2022**	2021
	R	R	**R**	R
12. Other investments				
Investments held at fair value				
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
Bee Sweet Honey Ltd (Zambia) - Investment	**1 333 287**	3 133 362	**1 333 287**	3 133 362
Kentegra Biotechnology - Shares	**2 236 365**	2 236 365	**2 236 365**	2 236 365
Sanergy Inc - shares	**1 667 720**	1 667 720	**-**	-
Investments held at amortised cost				
Four One Financial Services – Loan receivable	**1 512 000**	1 908 348	**1 512 000**	1 908 348
South Lake Medical Centre – Loan receivable	**1 388 545**	1 348 101	**1 388 545**	1 348 101
Transfer to assets held for sale	**(1 333 287)**	-	**(1 333 287)**	-
	8 468 335	11 957 601	**6 800 615**	10 289 881

Management applied judgement in determining the fair value of the other investments. Management reviews investor reports and/or the statement of financial position at each financial year-end of each investee to determine if there are additional impairment considerations. Management applies judgment in the consideration of the forecasted financial performance in the assessment of the impairment or fair value adjustments. Forecasted financial performance includes considerations of future business prospects and economic conditions of investment entities. The valuations of the investments are a level 3 hierarchy (refer to note 32 fair value measurement).

12.1 Bee Sweet Honey Limited

Management has accepted an offer to purchase its investment in Bee Sweet Honey Ltd in May 2022. For this reason, the investment has been transferred to assets held for sale. Refer to note 10 for details of fair value measurement and related fair value hierarchy in the current year.

The following information is pertinent to the comparative information disclosed related to this investment:

Between May 2016 and October 2019, the company made investments into Bee Sweet Honey Ltd, a Zambian company that is an organic honey producer. This investment entitles Inqo Investments Ltd 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 Ltd 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 investment was measured based on the present value of the expected future cash flows, discounted at a rate of 37.67% in 2021. 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. In 2021, the valuation was a level 3 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 in the 2021 value.

12. **Other Investments (continued)**

12.2 Four One Financial Services

Four One Financial Services Limited (Uganda)) is a financial services company offering specially designed products for the underserved low-income demographic in Uganda. Initially built around the innovative Mazima Retirement Plan which offered a retirement savings scheme for low-income workers, Four One have had to pivot their company a number of times in the last few years due to challenges of operating under the regulatory settings in Uganda and the severe impact of the Covid-19 pandemic on their primary customer base, and thereby impacting their revenue. Under challenging conditions, the management team have again pivoted, leveraging their previous experience and financial services platform to launch Bitbricks – a property development company that offers micro shares in property developments and provides affordable housing at a target of 20% below market rate. Bitbricks are now close to completing their first trial development of 24 two-bedroom homes and prospecting their next development opportunity.

The 18% equity stake is classified as Fair Value through Profit or Loss. Management used the cost approach valuation technique to determine fair value. There is no recent and sufficient information available to measure fair value and as such cost represents the best estimate of fair value within that range.

The loan receivable is classified as amortised cost. The loans bear interest at rates varying between 10% and 20% p.a. The loans comprise three loans and in the current year, the directors of Inqo have made a decision to impair the capital and interest on loan one and three and only the interest on loan two because loan two is a convertible loan. The value of the life-time expected credit loss is R620 722 (2021: R157 473), there is no 12-month expected credit loss on the outstanding loan balance. The impairment by management was based on consideration of forecasted financial performance.

12.3 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. Management used the cost approach valuation technique to determine fair value. There is no recent and sufficient information available to measure fair value and as such cost represents the best estimate of fair value within that range. The loan receivable is classified as amortised cost. No expected credit losses have been provided for, based on considerations of forecasted financial performance by management.

12.4 Kentagra

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. Management used the cost approach valuation technique to determine fair value. There is no recent and sufficient information available to measure fair value and as such cost represents the best estimate of fair value within that range.

12. Other Investments (continued)

12.5 *Sanergy Inc*

On 27 October 2020, the company acquired 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. Sanitation waste is 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 39,841 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 90,000 tons per year.

This investment is classified as Fair Value through Profit or Loss and was acquired at fair value. Management used the cost approach valuation technique to determine fair value. There is no recent and sufficient information available to measure fair value and as such cost represents the best estimate of fair value within that range.

13. Investments in subsidiaries

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

	Percentage interest 2022	Percentage interest 2021	**Company 2022 R**	Company 2021 R
Kuzuko Lodge (Pty) Ltd	**96.0**	96.0	**23 542 837**	23 542 837
Spekboom Trading (Pty) Ltd	**50.1**	50.1	**501**	501
Inqo Africa (Pty) Ltd	**100.0**	100.0	**1 000**	1 000
			23 544 338	23 544 338
Less impairment – Kuzuko Lodge (Pty) Ltd			**(22 065 953)**	(22 065 953)
			1 478 385	1 478 385

The subsidiaries of the company consist of the following:
68 Ordinary shares of R1 each in Kuzuko Lodge (Pty) Ltd
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

Refer to note 20 for the non-controlling interest in subsidiary entities.

Inqo Investments Limited and its subsidiaries

Notes to the financial statements

for the year ended 28 February 2022

	Group		Company	
	2022	2021	2022	2021
	R	R	R	R
14. Inventories				
Food and beverage	**219 961**	210 427	-	-
Guest supplies	**16 511**	26 084	-	-
Other consumables	**386 878**	327 169	-	-
Other inventory for resale	**20 758**	-	**12 000**	-
Other game – cost	**5 415 780**	5 515 780	**5 415 780**	5 515 780
Other game – net realisable value write-down	**(2 001 100)**	(1 814 636)	**(2 001 100)**	(1 814 636)
	4 058 788	4 264 824	**3 426 680**	3 701 144

Inventories are measured at the lower of cost or net realisable value. During the financial year ended 28 February 2022, game was adjusted to its net realisable value, and accordingly a write-off of R186 464 (2021: R 372 151) is included in profit or loss. 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. This valuation is a level 2 hierarchy.

	Group		Company	
	2022	2021	2022	2021
15. Trade and other receivables				
Non-current trade receivables – group companies	-	-	**1 167 288**	1 236 813
Current trade receivables – group companies	-	-	-	-
Trade receivables – other	**123 152**	37 873	-	-
VAT	**100 640**	25 581	**100 640**	25 581
Prepayments	**821 041**	391 028	**723 593**	206 532
Receivables from other investments	**597 663**	2 258 636	**597 663**	1 968 329
Other receivables	**1 101 123**	426 403	**877 054**	426 403
	2 743 619	3 139 521	**2 298 950**	2 626 845

Trade and other receivables are non-interest bearing and are generally on 30-to-60-day terms.
Trade receivables: Kuzoko Lodge payment was deferred for 12 months.

15. Trade and other receivables (continued)

Ageing of trade receivables at year end

	Group		Group		**Company**		Company	
	2022	**2022**	2021	2021	**2022**	**2022**	2021	2021
	R	**R**	R	R	**R**	**R**	R	R
	Gross	Impairment	Gross	Impairment	Gross	Impairment	Gross	Impairment
Not yet due	**123 152**	-	30 854	-	**65 797**	**(32 899)**	109 942	(54 971)
Overdue 30 days	-	-	7 019	-	**49 496**	**(24 748)**	32 000	(16 000)
Overdue 60 days	-	-	-	-	**58 670**	**(29 335)**	66 786	(33 393)
Overdue 90 days	-	-	-	-	**60 045**	**(25 869)**	65 773	(32 887)
Overdue 120 days	-	-	-	-	**2 684 217**	**(1 638 086)**	2 199 125	(1 099 562)
Total	**123 152**	-	37 873	-	**2 918 225**	**(1 750 937)**	2 473 626	(1 236 813)

The debtors balance owed by Kuzuko Lodge (Pty) Ltd was impaired by R1 750 937 at 28 February 2022 (2021: R1 236 813), for lifetime expected credit losses. The receivables from other investments have been impaired by R770 812 (2021: 270 134), for 12-month expected credit losses.

16. Biological assets

	Group		**Company**	
	2022	2021	**2022**	2021
	R	R	**R**	R
Spekboom plantation	**912 587**	912 587	**-**	-
Buffalo	**2 009 040**	1 952 107	**2 009 040**	1 952 107
	2 921 627	2 864 694	**2 009 040**	1 952 107

Consumable biological assets:
The company invests in Spekboom plantations for carbon credit purposes. This is classified as a bearer biological asset. At 28 February 2022, Spekboom comprised 350 hectares of Spekboom plants (2021: 350 hectares) which are all older than two years 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. At 28 February 2022, Inqo owned 24 buffalo (2021: 23). The valuation technique of buffalo is the market comparison technique, calculated by management and is a level 2 hierarchy. The fair values are based on the market prices of game 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. Management applied judgement in determining the fair value of the biological assets.

16. Biological assets (continued)

	Group		Company	
	2022	2021	**2022**	2021
	R	R	**R**	R
Reconciliation of biological assets:				
		Spekboom Plantation		
Carrying amount at the beginning of the year	**912 587**	912 587	**-**	-
Purchases	**-**	-	**-**	-
Sales	**-**	-	**-**	-
Changes in fair value less costs to sell	**-**	-	**-**	-
Carrying amount at the end of the year	**912 587**	912 587	**-**	-
		Buffalo		
Carrying amount at the beginning of the year	**1 952 107**	2 146 279	**1 952 107**	2 146 279
Purchases	**-**	-	**-**	-
Sales	**-**	-	**-**	-
Changes in fair value less costs to sell	**56 933**	(194 172)	**56 933**	(194 172)
Carrying amount at the end of the year	**2 009 040**	1 952 107	**2 009 040**	1 952 107
Total biological assets	**2 921 627**	2 864 694	**2 009 040**	1 952 107

17. Cash and cash equivalents

Daily call account	**453 434**	1 768 726	**448 449**	1 514 031
Current account	**220 792**	142 526	**120 602**	40 120
Petty Cash	**(2 255)**	1 951	**-**	-
	671 971	1 913 203	**569 051**	1 554 151
Bank overdraft	**(688 491)**	(920 267)	**-**	-
Nett cash and cash equivalents	**(16 520)**	992 936	**569 051**	1 554 151

The group has overdraft facilities at 28 February 2022 with Standard Bank of South Africa Limited amounting to R750 000 (2021: R1 000 000).

	Group		Company	
	2022	2021	**2022**	2021
	R	R	**R**	R
18. Ordinary share capital				
Authorised				
20 000 000 ordinary shares of R5 each (2021: 20 000 000 shares of R5 each)	**100 000 000**	100 000 000	**100 000 000**	100 000 000
Issued				
14 516 985 (2021: 14 361 839) ordinary shares of R5 each				
Balance at beginning of year	**71 809 195**	71 809 195	**71 809 195**	71 809 195
Issue of shares to shareholders	**775 730**	-	**775 730**	-
Balance at end of the year	**72 584 925**	71 809 195	**72 584 925**	71 809 195

The company issued 155 146 shares (2021: nil) in April 2021. Holders of the ordinary shares are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings of the group.

	Group 2022 R	Group 2021 R	Company 2022 R	Company 2021 R
19 Share premium				
Balance at beginning of year	**86 294 138**	86 294 138	**86 294 138**	86 294 138
Issue of new shares during the year	**1 291 132**	-	**1 291 132**	-
Balance at end of year	**87 585 270**	86 294 138	**87 585 270**	86 294 138

20. 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 2022	Kuzuko Lodge (Pty) Ltd	Spekboom Trading (Pty) Ltd	Intra-group eliminations	Total
NCI percentage	4%	49.9%		
	R	**R**	**R**	**R**
Non-current assets	**718 020**	**912 587**		
Current assets	**1 102 614**	**1 158**		
Non-current liabilities	**(8 170 869)**	**(1 378 247)**		
Current liabilities	**(9 753 073)**	**(31 855)**		
Net liabilities	**(16 103 308)**	**(496 357)**		
Carrying amount of NCI	**(644 132)**	**(247 682)**	**1 139 658**	**247 844**
Revenue	**3 872 007**	**-**		
Loss	**(6 572 489)**	**(14 892)**		
OCI	**-**	**-**		
Total comprehensive income	**(6 572 489)**	**(14 892)**		
Loss allocation to NCI	**(262 900)**	**(7 431)**	**36 011**	**(234 320)**
OCI allocated to NCI	**-**	**-**	**-**	**-**
Cash flows from operating activities	**(4 615 765)**	**(88)**		
Cash flows from investing activities	**(32 230)**	**-**		
Cash flow from financing activities	**4 622 385**	**(1)**		
Net change in cash and cash equivalents	**(25 610)**	**(89)**		

At 28 February 2021				
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)		

AB

	Group		Company	
	2022	2021	**2022**	2021
	R	R	**R**	R
21. Deferred tax liability				
Balance at the beginning of the year	**(3 344 896)**	(5 549 379)	**(3 344 896)**	(5 549 379)
Current year deferred tax charge	**1 606 784**	1 876 228	**1 606 784**	1 876 228
Charge through other comprehensive income	**-**	328 255	**-**	328 255
Balance at the end of the year	**(1 738 112)**	(3 344 896)	**(1 738 112)**	(3 344 896)
The deferred tax balance comprises:				
Capital allowances	**3 602 665**	3 485 288	**3 602 665**	3 485 288
Revaluation of property	**(20 045 561)**	(20 787 989)	**(20 045 561)**	(20 787 989)
Buffalo valuation	**363 895**	313 104	**363 895**	313 104
Provision for doubtful debt	**680 881**	421 945	**680 881**	421 945
Prepayments	**(195 370)**	-	**(195 370)**	-
Estimated tax loss	**13 855 378**	13 222 756	**13 855 378**	13 222 756
Balance at the end of the year	**(1 738 112)**	(3 344 896)	**(1 738 112)**	(3 344 896)

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.

On 23 February 2022, the South African Minister of Finance announced a change in the corporate tax rate from 28% to 27% for the years of assessment ending on or after 31 March 2023. The decrease in the tax rate has resulted in an increase of R55 086 in the deferred tax liability for the period.

22. Leases

Inqo Investments Limited did not lease any assets as at 28 February 2022. Kuzuko Lodge (Pty) Ltd leases two game viewing vehicles from an external service provider. The lease with the external service provider was entered into 1 July 2019. 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. There are no other leases that meet the requirements of IFRS 16. 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 August 2024

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

There are no other leases within the group company, which are relevant for the consolidated financial statements as at 28 February 2022.

AB

22. Leases (continued)

	Group 2022 R	2021 R
Right of Use Asset – Motor vehicles		
Balance at beginning of period	**505 421**	893 597
Adjustment to right of use asset	**12 710**	(227 452)
Depreciation	**(155 438)**	(160 724)
Balance at 28 February	**362 693**	505 421
Lease Liability – Motor Vehicles		
Current	**173 115**	146 423
Non-Current	**263 154**	412 745
Balance at 28 February	**436 269**	559 168
Maturity analysis – contractual undiscounted cash flow		
Not later than 1 year	**213 468**	201 956
Between 1 and 5 years	**352 987**	471 233
Total undiscounted lease liability at 28 February	**566 455**	673 189
Finance cost incurred on the lease liability	**57 006**	75 418
Amounts recognized in the statement of Cash Flows		
Total Cash outflow for lease payments during the period	**192 615**	137 978

	Group		Company	
	2022	2021	**2022**	2021
	R	R	**R**	R
23. Trade and other payables				
Trade payables	**1 721 681**	1 391 114	**392 116**	679 517
Other accruals	**1 157 071**	1 120 333	**6 103**	10 521
Other payables	**1 150 196**	1 340 369	**341 000**	686 000
Advance deposits	**1 727 518**	1 639 483	**-**	-
VAT payable	**1 013 602**	1 203 956	**-**	-
	6 770 068	6 695 255	**739 219**	1 376 038

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

As at 28 February 2022, Kuzuko Lodge had made an offer in terms of the voluntary disclosure program (VDP) with the South African Receiver of Revenue (SARS) for errors made relating to VAT in prior financial years. As at signing date, the proposed compromise, which has yet to be finalised, is:

- The taxpayer forfeits its assessed loss accrued up to February 2020 amounting to R21 455 522;
- The taxpayer forgoes its right to have the VAT input credit due to it, that has already been set-off against the outstanding debt due, as of the date that the compromise is reached;
- The taxpayer pays SARS an amount of R50 000 seven days after signing the required compromise agreement.

24. Provision

	Group 2022	Group 2021	Company 2022	Company 2021
Balance at beginning of the year	253 341	686 559	-	147 240
Unwinding of discount	-	(147 240)	-	(147 240)
Provision raised in Kuzuko		(285 978)	-	-
Reclassified to other accruals	(253 341)	-	-	-
Balance at end of the year	-	253 341	-	-

25. Related parties

25.1 Identity of related parties

Inqo Investments Ltd is the holding company of Kuzuko Lodge (Pty) Ltd and Inqo Africa (Pty) Ltd. Inqo Investments Ltd has a 50.1% interest in Spekboom Trading (Pty) Ltd.

Africarbon (Pty) Ltd is the other shareholder in Spekboom Trading (Pty) Ltd. Dr Kim Tan is a director of Springhill Management Proprietary Ltd, Eastgate Investments Ltd and Inqo Investments Ltd. James Tan is a close family member of Dr Kim Tan.

Consulting fees paid to J Tan are for services in respect of marketing and advisory to Kuzuko Lodge.

25.2 Material related party transactions

	Group		**Company**	
	2022	2021	**2022**	2021
	R	R	**R**	R
Rental charged for use of vehicles: Kuzuko Lodge Pty Ltd	**-**		**-**	285 000
Concession fee for game viewing rates: Kuzuko Lodge (Pty) Ltd	**-**	-	**116 160**	143 491
Administration fee: Kuzuko Lodge (Pty) Ltd	**-**	-	**270 000**	270 000
Finance income: Kuzuko Lodge (Pty) Ltd	**-**	-	**351 199**	80 712
Finance expense: Eastgate Investment Ltd	**(27 380)**	(38 975)	**(27 380)**	(38 975)
Consulting fees: J Tan	**(204 000)**	(178 500)	**(204 000)**	(178 500)
Issue of shares: Directors	**-**	-	**-**	-

25. Related parties

25.3 Directors, alternate directors and prescribed officers' emoluments

		Group		Company	
		2022	2021	**2022**	2021
		R	R	**R**	R
Fees for services rendered	KS Tan *	**240 000**	240 000	**240 000**	240 000
Fees for services rendered	CJ Bertie	**360 000**	330 000	**360 000**	330 000
Fees for services rendered	DA Louw	**96 000**	88 000	**96 000**	88 000
Fees for services rendered	CE September ^	**54 734**	51 065	-	-
Fees for services rendered	J Matsebula ^	-	-	-	-
Fees for services rendered	MC Zono ^ **	**100 573**	89 206	-	-
TOTAL		**851 307**	798 271	**696 000**	658 000

Note:
Compensation paid to key management personnel consists solely of fees for services rendered.
There are no prescribed officers in the group.
*Dr K Tan's remuneration is invoiced to Springhill Management Proprietary Limited.
** Alternate director
^ Directors of Kuzuko Lodge only

25.4 Loans to subsidiaries

	Company	
	2022	2021
	R	R
Kuzuko Lodge (Pty) Ltd		
Balance at the beginning of the year	-	1 476 816
Advances during the year	-	-
Repayments during the year	-	-
Loan impairment	-	-
Loan impairment reversal	-	22 065 953
Conversion to equity instrument	-	(23 542 769)
Balance at the end of the year	-	-

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.

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 Ltd.

25. **Related parties (continued)**

25.4 ***Loans to subsidiaries continued***

	Company 2022 R	Company 2021 R
Kuzuko Lodge (Pty) Ltd – Covid Loans		
Balance at the beginning of the year	**3 330 712**	-
Advances during the year	**4 815 000**	3 250 000
Interest accrued	**351 199**	80 712
Balance at the end of the year	**8 496 911**	**3 330 712**
Balance is made up as follows:		
COVID loans 1 to 7 issued during 2020/21	**3 525 712**	3 330 712
COVID loans 8 to 29 issued during 2021/22	**4 971 199**	-
Balance at the end of the year	**8 496 911**	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.

	Company 2022 R	Company 2021 R
Inqo Africa (Pty) Ltd		
Balance at the beginning of the year	**1 757 666**	-
Advances during the year	**4 162**	1 757 666
Balance at the end of the year	**1 761 828**	**1 757 666**

The loan to Inqo Africa (Pty) Ltd is unsecured, interest free with no fixed repayment terms, the loan is repayable in full October 2023.

	Company 2022 R	Company 2021 R
Spekboom Trading (Pty) Ltd		
Balance at the beginning of the year	**720 287**	720 287
Advances during the year	**-**	-
Repayments during the year	**-**	-
Balance at the end of the year	**720 287**	**720 287**
Balance is made up as follows:		
Loan advanced	**1 250 574**	1 250 574
Fair Value adjustments	**(530 287)**	(530 287)
Balance at the end of the year	**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.

	Company 2022 R	Company 2021 R
Total loans to subsidiaries	**10 979 026**	**5 808 665**

25. **Related parties (continued)**

25.5 *Loans from related parties*

	Group		Company	
	2022	2021	**2022**	2021
	R	R	**R**	R
Dr KS Tan	**40 171**	40 171	**40 171**	40 171
Africarbon (Pty) Ltd	**127 674**	127 674	**-**	-
Eastgate Investment Ltd	**734 564**	707 185	**734 564**	707 185
Balance at the end of the year	**902 409**	875 030	**774 735**	747 356

The loan from Dr Tan is unsecured, interest free and does not have a set repayment date.
The loan from Africarbon (Pty) Ltd is unsecured, interest free with no fixed repayment terms.
The long-term loan from Eastgate Investments Limited bears interest at fixed deposit rates, and no repayment terms have been set.

25.6 *Trade receivables*

Kuzuko Lodge (Pty Ltd				
Gross receivable balance	-	-	**2 918 225**	2 473 626
Impairment	-	-	**(1 750 937)**	(1 236 813)
Balance at the end of the year	**-**	**-**	**1 167 288**	**1 236 813**

The payment terms were deferred for 12 months at 28 February 2022 (2021: 12 months).

26. Notes to the cash flow statement

Cash (utilised) by operations

	Group 2022 R	Group 2021 R	Company 2022 R	Company 2021 R
Loss before taxation	**(14 221 371)**	(13 439 902)	**(8 293 726)**	(6 828 644)
Adjustments for –				
(Profit)/Loss on sale of property, plant and equipment	**82 898**	(153 247)	**82 898**	(153 247)
Sale of biological assets	**(86 957)**	-	**(86 957)**	-
Provision for doubtful debts	**529 068**	270 134	**1 014 802**	1 506 947
Impairment of loan	**463 249**	157 473	**463 249**	157 473
Fair Value adjustment on investment	**1 894 077**	-	**1 894 077**	-
Depreciation of property, plant and equipment	**3 130 024**	3 297 277	**2 777 934**	2 883 328
Amortisation of intangible assets	**4 895**	4 544	**-**	-
Depreciation of leased asset	**155 438**	160 725	**-**	-
Redemption of debentures	**-**	(340 698)	**-**	(340 698)
Inventory write-down	**186 464**	372 151	**186 464**	372 151
Fair value adjustment on biological assets	**(56 933)**	194 172	**(56 933)**	194 172
Finance income	**(460 595)**	(692 483)	**(811 062)**	(761 740)
Finance expense	**161 048**	189 540	**27 736**	39 832
Operating cash flows before working capital changes	**(8 218 695)**	(9 980 314)	**(2 801 518)**	(2 930 426)
Movement in inventories	**19 572**	126 455	**88 000**	(219 680)
Movement in trade and other receivables	**(717 465)**	740 416	**(1 201 680)**	(2 027 317)
Movement in trade and other payables	**(182 724)**	(3 085 561)	**(637 176)**	(1 637 100)
	(9 099 312)	(12 199 004)	**(4 552 374)**	(6 814 523)

27. 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.

27.1 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, 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.

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 2022		28 February 2021	
	USD	**UGX**	USD	UGX
Loans	**225 000**	**39 800 000**	225 000	39 800 000
Net Exposure	**225 000**	**39 800 000**	225 000	39 800 000

The following significant exchange rates have been applied

	Average rate		**Year-end spot rate**	
Rand	**2022**	2021	**2022**	2021
USD	**15.274**	16.57	**15.12**	14.68
UGX	**0.04305**	0.00443	**0.004199**	0.00396

27. *Financial instruments (continued)*

Sensitivity Analysis

A one percent change in the USD or UGX against the ZAR would have affected the measurement of the net assets dominated in foreign currency by USD 2 250 (2021: USD 2 250) and UGX 398 000 (2021: UGX 398 000) respectively. 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.

27.2 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 does not have any material long outstanding receivables. The company has a material long outstanding receivables from its primary subsidiary, Kuzuko Lodge. Expected credit losses are provided for both 12-month and life time expected losses, based on the directors assessment of the debtors ability to meet obligations as well as prevailing market conditions, additionally overdue debtors balances are provided for. At year end a provision was raised for expected credit losses of trade receivables R1 750 937 (2021: 1 236 813) and other receivables R770 812 (2021: 270 134) Refer to note 15 for the disclosure of trade receivable aging and the impairment. Management monitors debtors on a monthly basis and customers outside their payment terms or credit limits are immediately follow up on. For the group these customers are generally tour operators applicable to Kuzuko Lodge (Pty) Ltd.

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

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.

27.3 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

2022 - 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	**774 735**	**774 735**	**-**	**-**	**774 735**	**-**
Trade and other payables	**739 219**	**739 219**	**739 219**	**-**	**-**	**-**
	1 513 954	**1 513 954**	**739 219**	**-**	**774 735**	**-**

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27. Financial instruments (continued)

27.3 Liquidity risk (continued)

2022 – 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	**902 409**	**902 409**	**-**	**-**	**902 409**	**-**
Trade and other payables*	**5 042 550**	**5 042 550**	**5 042 550**	**-**	**-**	**-**
Lease liability	**436 269**	**566 455**	**213 468**	**213 468**	**139 519**	**-**
Bank overdraft	**688 491**	**688 491**	**688 491**	**-**	**-**	**-**
	7 069 719	**7 199 905**	**5 944 509**	**213 468**	**1 041 928**	**-**

*Trade and other payables exclude advance deposits

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	747 356	747 356	-	707 185	40 171	-
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	-

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	875 030	875 030	-	707 185	167 845	-
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	-
Bank Overdraft	920 267	920 267	920 267			
	7 410 237	7 524 258	6 177 995	909 141	437 122	-

*Trade and other payables exclude advance deposits

27. Financial instruments (continued)

27.4 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

27. *Financial instruments (continued)*

27.5 Categories and analysis of financial assets and liabilities

Group **2022**	**Financial liabilities at amortised cost**	**Amortised cost**	**FVTPL**	**Total**
	R	**R**	**R**	**R**
Assets				
Other investments	-	**2 900 545**	**5 567 790**	**8 468 335**
Trade and other receivables	-	**1 821 938**	-	**1 821 938**
Cash and cash equivalents	-	**671 971**	-	**671 971**
Assets held for sale	-	-	**1 333 287**	**1 333 287**
	-	**5 394 454**	**6 901 077**	**12 295 531**
Liabilities				
Loans from related parties	**902 409**	-	-	**902 409**
Trade and other payables	**6 770 068**	-	-	**6 770 068**
Bank overdraft	**688 491**	-	-	**688 491**
Finance lease liabilities	**436 269**	-	-	**436 269**
	8 797 237	-	-	**8 797 237**

Group

2021	Financial liabilities at amortised cost	Amortised cost	FVTPL	Total
	R	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
Liabilities				
Loans from related parties	875 031	-	-	875 031
Trade and other payables	5 055 772	-	-	5 055 772
Finance lease liabilities	559 168	-	-	559 168
	6 489 971	-	-	6 489 971

27. *Financial instruments (continued)*

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

Company **2022**	**Financial liabilities at amortised cost**	**Amortised cost**	**FVTPL**	**Total**
	R	**R**	**R**	**R**
Assets				
Other investments	-	**2 900 545**	**3 900 070**	**6 800 615**
Loans to subsidiaries	-	**10 258 739**	**720 287**	**10 979 026**
Trade and other receivables	-	**2 642 005**	-	**2 742 005**
Cash and cash equivalents	-	**569 051**		**569 051**
Assets held for sale	-	-	**1 333 287**	**1 333 287**
	-	**16 370 340**	**5 953 644**	**22 323 984**
Liabilities				
Loans from related parties	**774 735**	-	-	**774 735**
Trade and other payables	**739 219**	-	-	**739 219**
	1 513 954	-	-	**1 513 954**

Company

2021	**Financial liabilities at amortised cost**	**Amortised cost**	**FVTPL**	**Total**
	R	**R**	**R**	**R**
Assets				
Other investments	-	3 256 450	7 033 431	10 289 881
Loans to subsidiaries	-	5 088 378	720 287	5 808 665
Trade and other receivables	-	3 631 545	-	3 631 545
Cash and cash equivalents	-	1 554 151	-	1 554 151
	-	13 530 524	7 753 718	21 284 242
Liabilities				
Loans from related parties	747 356	-	-	747 356
Trade and other payables	1 376 038	-	-	1 376 038
	2 123 394	-	-	2 123 394

The amounts above have been disclosed at carrying values which approximate the fair values of the financial instruments.
Note: Group and company trade and other receivables excludes VAT and prepayments and Group trade and other payables excludes advance deposits.

28. Standards and interpretations not yet effective

Management reviewed the Standards and Interpretations in issue but not yet effective at the reporting date as namely: Amendments to IFRS 16: COVID-19-related rent concessions beyond June 2021, Annual improvements to IFRS Standards 2018-2020, Amendments to IAS 16: Property, Plant and Equipment: Proceeds before intended use, Amendments to IFRS 3: Reference to the conceptual framework, Amendments to IAS 1: Classification of liabilities as current or non-current, IFRS 17 Insurance Contracts and amendment thereto, IAS 1 and IFRS Practice Statement 2: Disclosure of accounting policies and Amendments to IAS 8: Definition of accounting estimates. Management found that 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 early adopt these standards.

29. Going concern

The company incurred a loss before taxation for the year ended 28 February 2022 of R8 293 726 (2021: loss of R6 828 644) as well as negative cash flows from operations of R3 663 981 (2021: R6 173 328). The company 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.

Subsequent to the year-end, additional funding and cash have been made available to the Group as follows:

- Directors' loan funds in the amount of R2 031 000 made available to the company.
- R1 440 000 that will be generated from the sale of the Group's interest in its Bee Sweet Honey Investment. These funds are due to be settled on 31 August 2022, 31 October 2022 and 31 January 2023.

The directors are currently exploring other opportunities to raise additional liquidity however nothing has been concluded as yet.

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.

30. Contingent Liabilities

A legal dispute has been declared between the property owners in the Blue Crane Route Municipal district, through the local farmers' 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 farmers' 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 R1.88 million in arrear rates and taxes which have not been accrued for.

31. 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 reservations

Kuzuko Lodge has experienced a small upturn in bookings in the period March to May 2022 of the new financial year, and has experienced an increase in reservations from August 2022 onward.

Change in the tax rate

On 23 February 2022, the South African Minister of Finance announced a change in the corporate tax rate from 28% to 27% for the years of assessment ending on or after 31 March 2023.

Linked to the corporate tax change, certain measures were put in place by the Minister to broaden the tax base to ensure the rate change is fiscally neutral. The measures that were promulgated on 19 January 2022 relate to limiting the assessed losses that are set off against taxable income to the higher of R1 million or 80% of the taxable income, and further limiting of interest deductions in respect of debts owed to persons not subject to tax.

Other than the impact of the rate change on the deferred tax balance, the changes announced will impact income tax for the year ending 28 February 2024 and thereafter. The impact of the 1% decrease in the corporate tax rate has impacted the deferred tax liability balance recognised at 28 February 2022, note 21.

Disposal of investment in Bee Sweet

Bee Sweet Honey, a Zambian honey producer, in which the company invested in 2016 for the first time, has for the last three years struggled to produce the levels of profit forecast due to poor conditions in the global honey market. In the last quarter of the 2021/2 financial year Bee Sweet decided to re-align its business under new management and as a result Inqo has opted, in terms of an agreement signed in May 2022, to disinvest from the Bee Sweet operation in Zambia. In January 2022 the directors committed to selling the investment and therefore at 28 February 2022 the investment has been classified as held for sale, note 10. The proceeds of the sales transaction will be paid to Inqo during the course of the 2022/3 financial year.

32. Fair value measurement

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

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

Inqo Investments Limited and its subsidiaries

Notes to the financial statements

for the year ended 28 February 2022

32. Fair value measurement (continued)

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

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 is included in each of the notes to the financial statements related to the assets listed above.

There has been a change in the fair value hierarchy level used to measure the investment in Bee- Sweet (Asset Held for Sale) to level 1 in the current financial period (2021: level 3)

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

	Group 2022		Group 2021	
	Land and Buildings R	**Investments R**	Land and Buildings R	Investments R
Balance as at 1 March	**126 177 233**	**8 701 152**	128 330 025	7 177 595
Gain/(loss) included in profit or loss - Depreciation and impairment losses	**(1 813 217)**	**(1 800 075)**	(1 796 200)	(144 163)
Transfer to assets held for sale (level 1 hierarchy)	**-**	**(1 333 287)**	-	-
Losses included in other comprehensive income	**-**	**-**	(1 465 422)	-
Purchases / advances	**93 614**	**-**	1 108 830	1 667 720
Balance as at 28 February	**124 457 630**	**5 567 790**	126 177 233	8 701 152

	Company 2022		Company 2021	
	Land and Buildings R	**Investments R**	Land and Buildings R	Investments R
Balance as at 1 March	**126 177 233**	**7 033 432**	128 330 025	7 177 595
Gain/(loss) included in profit or loss - Depreciation and impairment losses	**(1 813 217)**	**(1 800 075)**	(1 796 200)	(144 163)
Transfer to assets held for sale (level 1 hierarchy)	**-**	**(1 333 287)**	-	-
Losses included in other comprehensive income	**-**	**-**	(1 465 422)	-
Purchases / advances	**93 614**	**-**	1 108 830	-
Balance as at 28 February	**124 457 630**	**3 900 070**	126 177 233	7 033 432

Refer to note 16, Biological assets, for a reconciliation from the opening balances to the closing balances for Level 2 fair values.

Inqo Investments Limited and its subsidiaries

Notes to the financial statements

for the year ended 28 February 2022

33. 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	
	2022 R	2021 R	**2022 R**	2021 R	**2022 R**	2021 R
Revenue from external customers	**3 872 007**	4 214 583	**-**	-	**3 872 007**	4 214 583
Other income	**-**	-	**360 072**	552 819	**360 072**	552 819
Finance income	**-**	-	**460 595**	692 482	**460 595**	692 482
Finance Cost	**(129 473)**	(149 708)	**(31 575)**	(39 832)	**(161 048)**	(189 540)
(Loss)/Profit before tax	**(6 572 489)**	(5 832 054)	**(7 648 882)**	(7 607 848)	**(14 221 371)**	(13 439 902)
Income tax expense/(income)	**-**	-	**1 606 784**	1 876 228	**1 606 784**	1 876 228
Depreciation and amortisation	**512 422**	579 208	**2 782 828**	2 883 328	**3 295 251**	3 462 536
Non-current assets Held for Sale	**-**	-	**1 333 287**	5 695 345	**1 333 287**	5 695 345
Total assets	**1 820 635**	2 539 731	**145 850 673**	158 204 930	**147 671 308**	160 744 661
Total liabilities	**(7 0098 002)**	(6 259 399)	**(3 437 347)**	(5 468 291)	**(10 535 349)**	(11 727 690)

Geographic information:
The company and its subsidiaries only operate in South Africa. The investment 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.

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