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

ROOTED IN THE FUTURE

INTEGRATED REPORT 23|24

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INTEGRATED REPORT 2023/24

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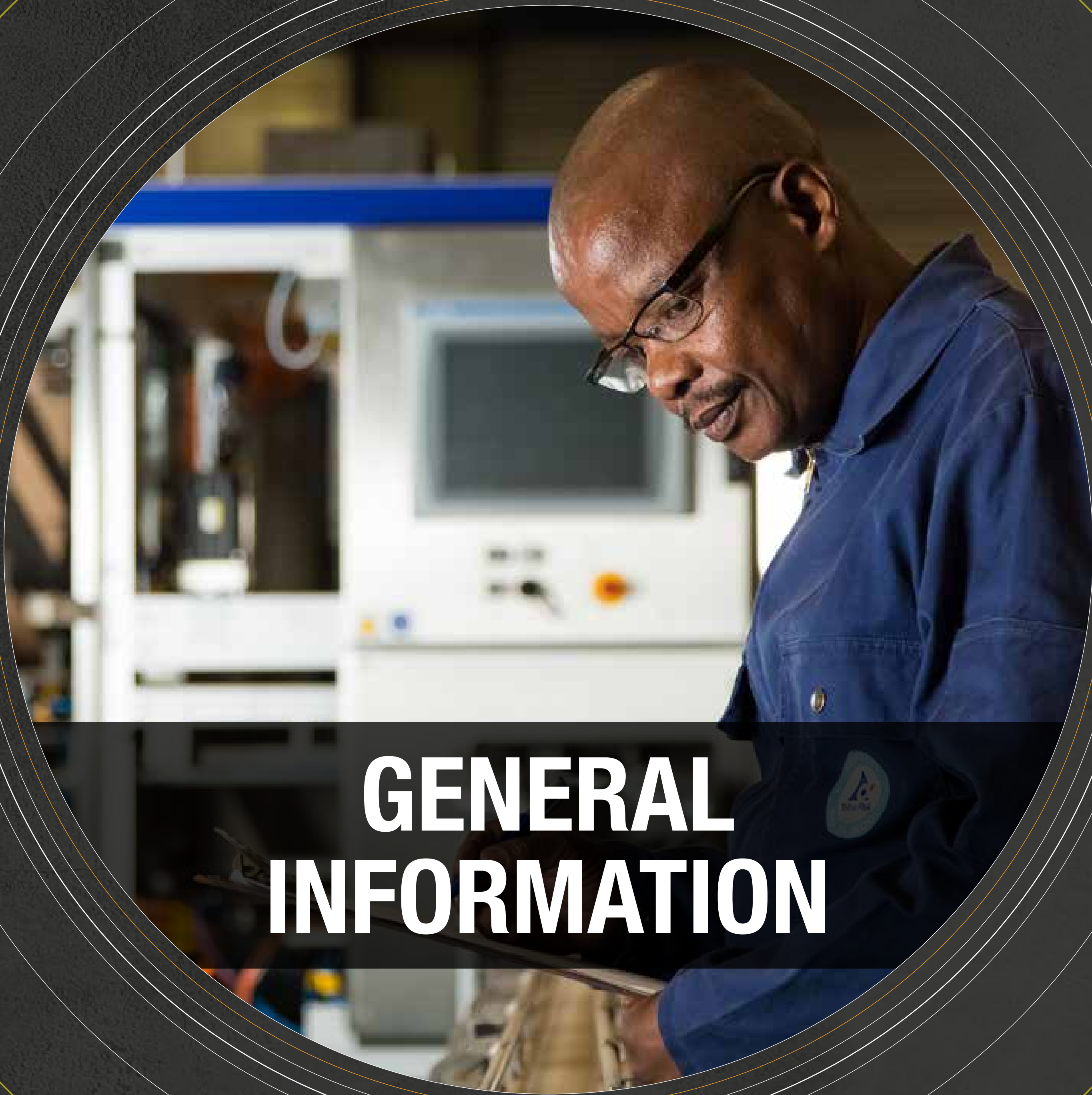

GENERAL INFORMATION

Introduction

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

Limpopo at a glance has:

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

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

Why was LEDA created?

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

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

How was LEDA created?

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

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

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

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

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

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

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

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

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

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

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

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

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

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

In addition, LEDA's value of diversity, means that the institution displays respect for different cultures and different perspectives and encourages different views while engaging with an attitude of tolerance towards others. Due to this intrinsic value, LEDA has displayed commitment to the rural/urban balance required for the organisation's main focus, as business objectives and community needs are not always similar. Therefore, the determining factor for LEDA is the type of investment and economic impact it will have on the community. This encourages local municipalities to offer package of investment incentives to potential investors negotiated on bilateral basis between the investors. For example: land at a discount price or services such as water and electricity that can be negotiated on a bilateral basis at more cost-effective pricing.

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

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

What is Limpopo province's economic growth forecast?

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

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

What drives LEDA forward?

Vision

An organisation's values should be the bedrock of why it exists, how behavioural norms are defined, and how decisions are made in order to achieve goals and fulfil the vision. LEDA's vision is to be "A leader in sustainable innovative economic growth and development".

Mission

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

- Industrialisation
- Promotion and facilitation of trade, investment and finance
- Creation and support of sustainable enterprises; and
- Continual innovation.

Values

The above vision and mission are only achievable if there is a careful integration of values with the strategy, mission, and goals of LEDA, as it has a direct and measurable impact on scalability and profit. LEDA subscribes to the following internal values which are in line with the Batho-Pele principles: Actions speak louder than words – 'walk the talk'.

LEDA VALUE STATEMENT	WHAT IT MEANS IN PRACTICE
Accountability	The obligation to account. To take responsibility for one's actions.
Excellence	To be results-oriented and cost-effective; to ensure superior performance; to strive for client/stakeholder satisfaction.
Integrity	To be professional, have a commitment to ethics and focus on justice and fairness. To be honest, trustworthy, open and loyal.
Transparency	The obligation to act in an open and transparent manner.
Diversity	To display respect for different cultures and different perspectives. To encourage different views. To display tolerance towards others. A commitment to employment equity and the rural/urban balance required for the organisation's main focus.

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

THE ROLE THAT LEDA PROVIDES

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

1. Providing business intelligence, as well as research and development (R&D) towards innovative solutions: Using scientific impact assessment tools and approaches to develop scenarios and business intelligence; monitor and evaluate the impact of projects; and provide capacity support in areas of development, such as economic development research. Being a first point of call, in terms of business and market intelligence.

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

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

4. Supporting local economic development (LED) capabilities (where LED is by definition localised): Providing a regional view and supportive framework to LED in terms of how it might integrate with, and benefit from a regional focus and strategic framework, while identifying and leveraging opportunities for collaboration.

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

6. Coordinating and managing the implementation of strategic infrastructure and economic interventions: Acting as a "Centre of Excellence", providing capacity, capability and competence in project and programme management, project planning, project oversight and management of development interventions.

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

GOVERNANCE

STATEMENT BY THE MEMBER OF THE EXECUTIVE COUNCIL

TSHITEREKE MATIBE
MEC

The review of performance against stated strategic and operational targets for the financial year 2023-24 gives my department an opportunity to assess the milestones achieved and shortfalls that needs examination with a view to eliminating them. Limpopo Economic Development Agency is a provincial government enterprise created to stimulate inclusive economic growth in this province, and it is on that basis that its performance needs deeper analysis to strengthen its levers of service delivery to the people of this province. It is therefore humbling to lead a department (LEDET) with such a critical portfolio.

The SEZ program in the province has come a long way, it is a beacon of hope in the socio-economic transformation of our province. My department has aligned Musina-Makhado Special Economic Zone (MMSEZ) and the proposed Fetakgomo-Tubatse Special Economic Zone (FTSEZ) to Limpopo Development Plan, thereby providing leadership to eliminate sporadic projects that are not aligned to the plan, the industrial policy of the province and the national economic policy imperatives.

We noted the hurdles that our SEZ program encountered during the year under review and are taking practical and pragmatic steps to resolve them. Our investment pipeline stood at $14 billion during the year under review and we continue to review this figure as more investors show interest on the investment opportunities presented year on year. Whilst implementation of these mega projects is delayed by concerns raised by some 'interest groups' in the north side, I am satisfied with the rapid roll-out of infrastructure in the north side of the zone.

The application for designation of Fetakgomo-Tubatse proposed Special Economic Zone was lodged during the year under review and my expectation is a successful outcome given the work packaged in the application process and the investment pipeline of R10 billion accumulated since conceptualization.

Our endeavour to enhance trade relations, cultural exchange, and the promotion of tourism within the SADC remains our priority. During the year under review my department and LEDA undertook an outward mission to Zimbabwe to participate in the annual Zimbabwe International Trade Fair and CANEX WKND 2023 in Egypt. The annual participation in these global acclaimed trade fairs attracts traders from across the globe and that creatines opportunities for Limpopo produced products to interface with traders from SADC and the world at large.

Limpopo Investment conference exposed the province to the global business audience and during the year under review the province was inundated with requests and enquires for more investment opportunities. The establishment of the multi-million solar plant in the Mopani district is testimony to the positioning of the province by this conference.

The completion of Limpopo Province One Stop Shop (OSS) during the year under review gives me much pleasure for the services that the centre will provide in facilitating ease of doing business in the province. With all state-of-the-art technology equipment, the centre will also provide platforms for business meetings, business conferences and corporates and public sector institutions in the province to ensure that the province maximize on the efficiencies provided by the OSS.

Our economic recovery plan hinges on LEDA's long term sustainability among other things. SMMEs and cooperatives are the building block of every economy, and it is my considered view that through the enterprise's development portfolio, LEDA has done well in providing support to entrepreneurs in the province despite the long-term effects of Covid-19 pandemic and the global economic meltdown effecting businesses globally.

"Limpopo Investment Conference exposed the province to the global business audience and during the year under review the province was inundated with requests and enquires for more investment opportunities."

The establishment of Seshego Digital Hub during the year under review and the future development of these Hubs in other districts of the province will further bolster new venture creations to stimulate entrepreneurship culture in rural and township economies. I am grateful to the collaboration between LEDA and the Department of Trade, Industry and Competition in fulfilling this great initiative. The youth of this province will be exposed to the technology environment blended with researchers, business advisors, venture capital funding, innovators to ensure that they create solutions that will be commercialized for their business endeavours.

I am pleased with the audit outcomes of Limpopo Connexion, Risima Housing Finance Corporation, Great North Transport Fetakgomo-Tubatse Industrial Park, Musina-Makhado Special Economic Zone for their audit outcomes. Consorted efforts must be put to rectify the shortfalls in the LEDA group performance to mitigate future audit outcomes. My department will provide oversight on all the interventions towards the elimination of deficiencies that causes this undesirable outcome.

In conclusion, I would like to appreciate the LEDA Board of Directors under the stewardship of Adv Thabelang Ncube for providing oversight role to the LEDA group, the Executive Management and staff of the organization for their commitment towards the accomplishment of our long-term goals.

MEC: Tshitereke Matibe

Department of Economic Development,
Environment and Tourism

STATEMENT BY THE CHAIRPERSON

ADV THABELANG NCUBE
CHAIRPERSON

The LEDA Board of Directors takes pleasure to present the 2023-24 financial years integrated report. The year under review has been eventful given the number of initiatives undertaken by the Board in our pursued of sound organization-wide oversight. I am grateful of the milestones achieved by various Board committees in providing leadership oversight on the LEDA Group as a whole.

We undertook thorough assessment of LEDA group assets performance with a view to identifying the gaps and designing interventions where applicable during the year under review. Our appreciation of the challenges facing the LEDA group, its mandate by prompted the board to put working teams on the turnaround plans for long term sustainability of the agency and the subsidiaries.

The acceleration of economic development and the diversification of the provincial economy's industrial base to increase competitiveness in agriculture, mining and public transport is the basis for the cornerstone of our turnaround strategy for sustainability which will result in job creation and poverty alleviation in the province of Limpopo.

Public transport as the backbone of the provincial economy plays an important role to facilitating mobility of passengers and commuters to various destinations daily. Through Great North Transport, our public transportation company we provided transportation services to 10million passengers to various destinations during the year under review. Our transportation services are targeted at the working class, students, traders and day commuters. Through subsidized travels on our fleet, households are afforded discounted fares that goes back to households for their sustainable livelihoods. During the year under review, we have successfully secured conditional grant funding to procure additional 120 buses to augment the current fleet, which will be delivered in the next financial years. This feat will go a long way to augment the current fleet.

In pursuing the operational targets of Limpopo development plan, the beneficiation of our natural resources and industrial base is gaining a steady momentum despite the hurdles that the group experienced during the year under review. Musina-Makhado Special Economic Zone (MMSEZ) successfully applied for water use licence with the Department of Water & Sanitation (DWS) to guaranteed supply of water to the economic zone on a sustainable basis and completed the designs for water pipeline infrastructure, water reticulation and water storage respectfully.

Our investment drive against the backdrop of national energy policy saw investment inflows from multinational companies. During the year under review, Kinetic energy, pledged 10 billion rands to establish 500 MW solar plant to distribute to Independent Power Producers. These progressive milestones are positive to the economic growth prospects of the province.

The effect of foreign investment inflow is gradually creating forward and backward integration between new entrants in the country and existing businesses in the province of Limpopo. Corridor Mining Resources (CMR), our subsidiary was offered uptake contract to supply chrome into the zone by the operator, with an option to buy equity in the company. These milestones demonstrate the envisioned future of mineral beneficiation in our province for inclusive economic growth.

The Board is pleased to report on the acquisition of two investors for Fumani Gold and Sefateng Chrome mines respectively during the year under review, subsequent to the company acquiring mining permits. These developments have enabled CMR to source funding in the open market to pave the way for the full development and exploration activities in the two mines in the immediate future.

Our envisioned socio-economic development of the province modelled to increase new economic sectors capable of

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producing high quality products and services is at the heart of Fetakgomo-Tubatse proposed Special Economic Zone FTSEZ). The Board is satisfied with the gradual progress of the work undertaken by FTSEZ, to apply for SEZ designation status as well as the drive to attract investors into the zone during the year under review. As the global interest increase towards sound environmental management regime, FTSEZ conception and its business and commercial ventures are well aligned and consistent to specific outcomes in the country's sustainable development goals. We are attracting investors for production of green energy technologies and our investment pipeline has surpassed R10.01 billion in the areas of agro-processing, pharmaceutical and steel fabrication during the year under review.

Our obligation to support and strengthen agriculture sectors in line with industrial policy of the province and the national policy imperatives cannot be overemphasized. We have secured an investor for Lebowakgomo abattoir to stimulate business development across the value chain, and consequently create jobs for the youth and unemployed people of the province. With fully refurbished facilities for Mashashane chicken broilers, chicken farmers in the province will derive value from backward and forward integration to the abattoir. To date it is estimated that the value chain will create 500 direct jobs as the two sites commence with the operations.

Our collaboration with municipalities within the district planning framework has seen LEDA managing the refurbishment of Tshakuma packhouse. This facility will become the biggest storage and distribution centre of fresh crops in the Vhembe districts for markets outside the province. The pre-occupation of the Board of Directors in its oversight responsibilities among other things, is to improve the province's export performance and increase collaborations with functional economies outside Limpopo province for cash crops from this province.

Our continued efforts to attract investors to our Broadband telecommunications infrastructure and the Science & Technology Park (STP) has not yet yielded positive outcomes despite much interest from potential investors. Limpopo connexion developed Investment Management Committee to drive investment attraction for both the Broadband Infrastructure and STP during the periods under review. The efforts by the committee attracted both potential investors from across the country and abroad. We are hopeful that during the year ahead, we should be able to acquire and onboard an investor.

We are pleased to report that our endeavour to contribute towards human settlement in the province is well on course. Our drive to increase our footprint in all the districts of the province has seen Risima Housing Finance Corporation embark on campaigns to bring awareness to communities on its products and services.

Limpopo Investment Conference remains an economic development impetus to our effort of attracting potential investors to this province. This investment conference has grown in leaps and bounces exceeding investment target pledges year on year. As we reflect on the global attention created by the conference, we are pleased that Limpopo's value proposition to the world is permeating throughput key global markets.

The qualified audit outcome on the group consolidated financial statements is not good news for the group and its efforts of turning around the curve towards the province's stated target of achieving clean audit outcomes in the entire province. The Board of Directors noted this development with sombre mood and will be reflecting on measures and practical steps to remedy affected entities within the group.

My greatest tribute goes to all subsidiaries that achieve unqualified audit outcomes. The Board of Directors will

In pursuing the operational targets of Limpopo development plan, the beneficiation of our natural resources and industrial base is gaining a steady momentum despite the hurdles that the group experienced during the year under review.

continue to provide support to ensure that this audit outcomes are maintained.

On behalf of the Board of Directors, I would like to appreciate the unwavering support from the Department of Economic Development, Environment and Tourism under the leadership of MEC, Tshitereke Matibe.

My sincere appreciation also goes to the members of LEDA Board and those of subsidiaries, Executive management and the entire staff members from across all LEDA regional and branch offices.

Adv Thabelang Ncube
LEDA Board Chairman

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GROUP CHIEF EXECUTIVE OFFICER'S OVERVIEW

THAKHANI MAKHUVHA
GROUP CEO

It is indeed a great honour and pleasure for me to have to report on the activities of the Limpopo Economic Development Agency (LEDA) for the financial period ending 2023/24.

During financial year under review, we have addressed important strategic provincial initiatives and programmes, including the development of robust stewardship arrangement for the implementation of the special economic zones in our region.

Our priorities over the year have centred around helping clients build resilience and find opportunities for growth. And we have seen significant demand for our services in the information technology sector as well as experiencing huge demand for housing loans.

Despite the ongoing challenges of a changing operating landscape and declining economy as a whole, LEDA continues to meet its mandate of promoting and attaining sustainable and inclusive socioeconomic development in the Limpopo Province.

However, with increasing economic instabilities globally as alluded to, it's clear that many businesses including our own, are facing more challenging economic periods now and in the future.

During the period under review, our operation had been very challenging due to various factors and setbacks including the slow recovery of the national and global economies. The slow pace in which the economy is responding had a negative impact on the provincial growth strategy and that contributed immensely on LEDA's annual performance.

Even though we cannot continuously attribute the decline on growth stability to Covid-19, the impact caused by the pandemic during its aggressive two-year disastrous period during 2020 -22 was massive.

Despite this setback, the conditions within which our entity is functioning calls for drastic measures to build an all-inclusive economy growth for the people of Limpopo.

It would be deeply remiss therefore for LEDA's Integrated Annual Report to confine its review on its provincial mandate as well as reviewing economic development strategies endorsed by LEDA's seven subsidiaries.

LEDA's aspiration is to be self-sustainable, innovative, flexible and agile Agency, hence during this year under review, we embarked on a sustainability programme that seeks to transform the entity into focusing on investments and driving performance.

The sustainability strategy was and is still pivotal to ensure that the entity is still on track to deliver on its mandate as prescribed by the provincial government.

We are very proud that the outcome of this exercise is a carefully crafted 5year business plan with key focus areas.

Regarding our overall financial position, LEDA finds itself in financial constraints due to budget limitations. The spending trends of the entity were mainly defined by employee and property related costs.

We were also affected directedly through our small medium enterprises inability to pay their rentals and business loans. This also affected our own ability to meet our creditors obligations and effect necessary structural upgrade on our industrial parks and shopping centres.

Our dedicated efforts to support the inclusion of small medium and micro enterprises (SMME) in the economic value chain have shown pleasing results towards broader SMME participation.

We have facilitated the participation of our SMMEs in many strategic exhibitions including the (Zimbabwe International

Trade Fair in Bulawayo) and others. Job creation initiatives remain our priority to ensure self-sustainability within the small business sector.

Excitedly, this Integrated Annual Report shows that, despite many constraints, it is the same culture of organisational aspiration and boldness that has enabled us to perform favourably when examining the trend indicators for its operational performance over the past years.

The entity has set out high-level goals that endeavoured to develop a strategic framework to attract local and international investment, provide a globally competitive location and build organisational capability.

I take this opportunity to reflect on the last financial year and provide an update on key areas and our outlook for the next reporting period.

LIMPOPO PROVINCIAL INVESTMENT CONFERENCE

During 2023/24, we successfully hosted the 3rd edition of the Limpopo Investment Conference which focused on both the extractive industry and beneficiation of the primary resources.

The main objective of the investment conference was to showcase the strategic advantages and opportunities that the province offers in the mining and the entire agricultural value chain.

The focus areas were Agriculture & Agro-processing, infrastructure investment, Automotive industry and mining exploration & Beneficiation. Through this initiative, the province received pledges worth over R37.4 billion.

As part of delivering on the strategic goal aimed at developing capacity within the group, and most importantly, an imperative of industrialising the economy of the province, LEDA focused on the continued implementation and development of the strategic economic zones in Musina-Makhado local municipality as well as our Industrial Park in the Fetakgomo-Tubatse local municipality.

LIMPOPO CONNEXION (LCX)

During the financial year under review, Limpopo Connexion (LCX) achieved many significant goals including the improvements to new and existing technology resources as they strive to meet the growing demands of the Limpopo Province.

To augment the Broadband Telecommunications infrastructure with critical elements in the ecosystem, the Science Technology Park was conceptualized and envisioned to bring innovators, researchers, and developers under one roof. Despite funding challenges, Limpopo Connexion has developed all the required legal and technical reports for the development of the project.

Given the pace of technological change, the establishment of the Digital Hub in Seshego Industrial Park, which is well underway, will be central towards the empowerment and support of small medium enterprises in the Information and Technology sector.

The Hub, which is estimated for completion at the end of August 2024, is a collaboration between the Department of Trade, Industry and Competition and the Limpopo Economic Development Agency (LEDA).

RISIMA HOUSING FINANCE

Risima Housing Finance continues to perform extremely well under these financial constraints, and it is one of the subsidiaries that makes the Group proud. The company has disbursed over 150 home loans (home loans & incremental home loans) and the number of home loan beneficiaries has increased proportionately.

The company has produced positive financial results under these negative economic climates which indicates revenue growth and an increase in profitability as well.

GREAT NORTH TRANSPORT (GNT)

During the past financial year, GNT continued to work towards achieving its directed performance measures established in the 2022/23 Corporate Plan. This included the adoption of a Turnaround Strategy, dedicated to turn the entity's prosperities around.

The plan involved, amongst others, the acquisition of an additional 120 fleet and a strategic business model to generate revenue. The Limpopo Provincial Treasury has allocated funding to purchase these buses over the next two financial years, with 40 to be purchased in the 2024/25 financial year while the 80 will be bought during the 2025/26 financial year.

Through revised performance criteria, GNT has focused on improving its strategic prominence across its operations and customer satisfactory through the provision of safety and reliable transport services.

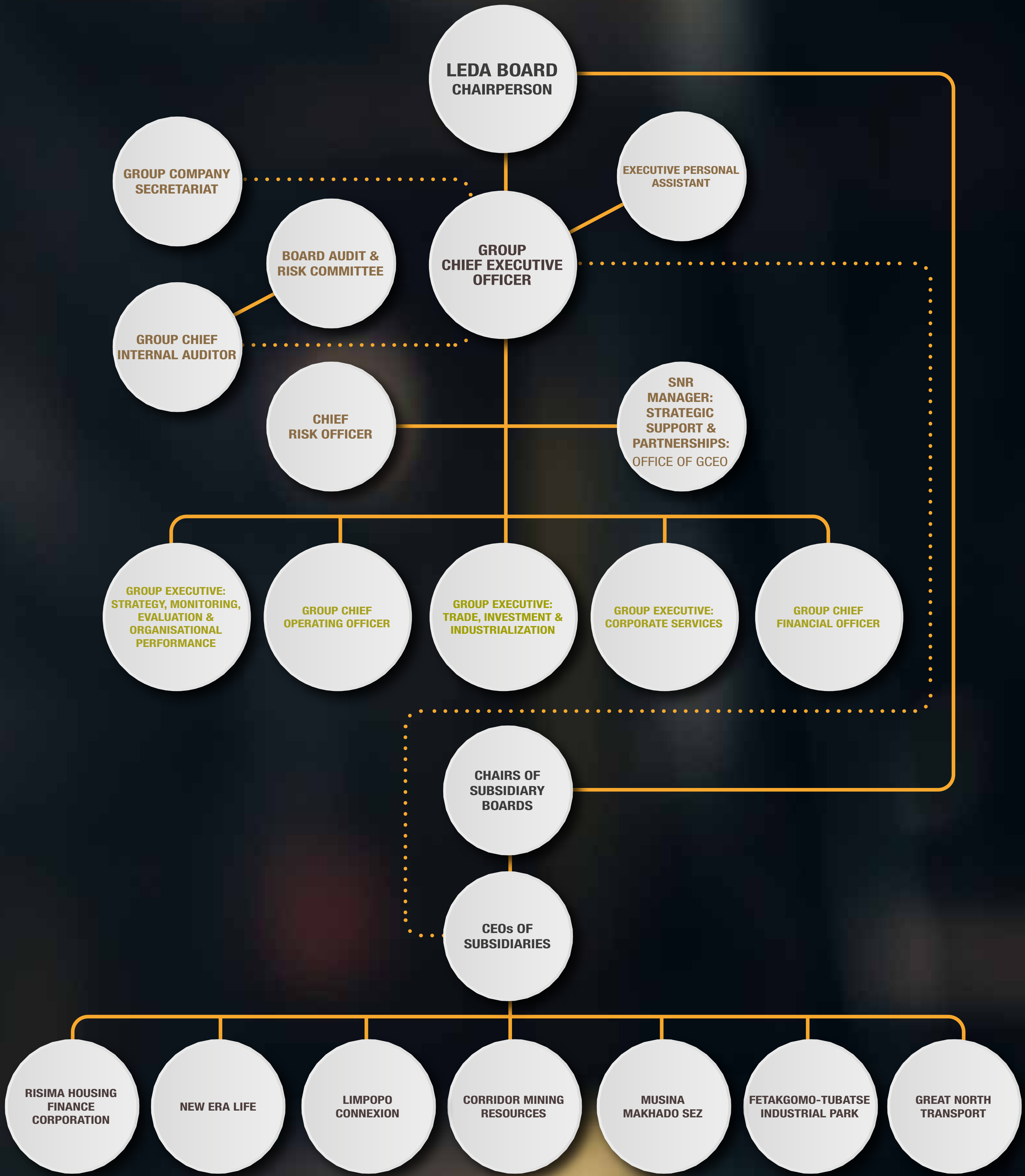
GNT has responded swiftly and fast-tracked plans to deliver long-term programmes earlier and working collaboratively with others to get things done. The bus preventative maintenance repair programme continues to bear fruit as GNT has managed to prevent major declines in its bus availability considering the condition of its aged fleet.

An amount of R5m was put aside to assist fund this programme. To date, about 18 buses throughout all depots were repaired and sent back to operation.

In conclusion, I would like to take this opportunity to thank our staff for the amazing work they do. Their contribution makes a difference in the lives of our people. Additionally, I would also like to thank the LEDA Board for their effective governance, leadership and the ongoing support they having given me and the management team.

Thakhani Makhuvha
Group Chief Executive Officer

Institutional framework



Board of Directors

ADV.TM NCUBE
Chairman

Appointed: 01 December 2019

QUALIFICATIONS

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

MR CCT NKADIMENG
Deputy Chairman

Appointed: 01 March 2021

QUALIFICATIONS

- Bachelor of Arts
- Honours of Public Governance

MR T MAKHUVHA
Group Chief Executive Officer

Appointed: 01 November 2020

QUALIFICATIONS

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

MR MS RALEBIPI
Non-Executive Director

Appointed: 01 December 2019

QUALIFICATIONS

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

MS LUTENDO MAVHUSHA
Interim Group Chief Financial Officer

Appointed: 01 June 2024

QUALIFICATIONS

- BCom in Accounting
- CA(SA)
- PG DIP Applied Accounting Science
- Hon Bachelor of Accounting Science
- Bachelor of Commerce Accounting
- Computer Literacy

MR F MAGIDI
Group Chief Financial Officer

Appointed: 01 June 2019 -31 May 2024

QUALIFICATIONS

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

MS N MAGADAGELA
Non-Executive Director

Appointed: 12 January 2021

QUALIFICATIONS

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

MR M MAPHUTHA
Non-Executive Director

Appointed: 01 December 2019

QUALIFICATIONS

- Teachers Diploma
- Certificate in Corporate Governance Leadership

MS. NGWAKO PC MOLEWA
Group Company Secretary

Appointed: 02 May 2024

QUALIFICATIONS

- Master in Mercantile Law (LLM)
- Bacalerius Legum (LLB)
- Certificate in Commercial Law
- Certificate for Trial Advocacy
- Certificate in Legal Practice

MR CA CHIKANE
Non-Executive Director

Appointed: 01 March 2021

QUALIFICATIONS

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

MR N MOKOBANE
Group Chief Operations Officer)

Appointed: 01 September 2023

QUALIFICATIONS

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

MS MC MOKOMA
Group Company Secretary

Appointed: 1 March 2014 - 31 October 2023

QUALIFICATIONS

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

Executive Management

MR T MAKHUVHA
Group Chief Executive Officer
Appointed: 01 November 2020

MS. NGWAKO PC MOLEWA
Group Company Secretary
Appointed: 02 May 2024

MR N MOKOBANE
Group Chief Operations Officer
Appointed: 01 September 2023

MR MN MOLEFANE
Executive Manager: Land and Property Development)
Appointed: 01 December 2023

MR MS NCHABELENG
Group Executive Strategy, Monitoring, Evaluation and Organisational Performance
Appointed: 01 September 2023

MS PM MOSHIDI
Executive Manager: Corporate Services
Appointed: 02 May 2024

MS LUTENDO MAVHUSHA
Interim Group Chief Financial Officer
Appointed: 01 June 2024

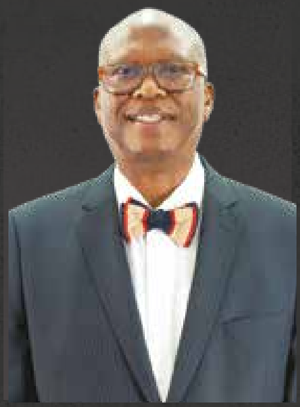
MR SH MAPHUTHA
Interim Executive Manager: Infrastructure Business Unit
Appointed: 01 August 2023

MS T RAOPHALA
Group Chief Risk Officer

CEO's of Subsidiaries

DR S NOKANENG
CEO: Risima Housing Corporation
Appointed: 01 March 2022

MR K NKADIMENG
CEO: Corridor Mining Resources
Appointed: 01 September 2021



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

MS T BOLOGO
Interim CEO - Musina-Makhado SEZ
Appointed: 01 August 2023

MR B RAMASOBANE
CEO: Limpopo Connexion (Interim)

MR M MAJEKE
CEO: New Era Life
Appointed: 01 June 2023

MR SOLLY KGOPONG
Interim CEO
Fetakgomo-Tubatse Industrial Park
Appointed: 01 June 2023

Governance **Report**

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

Limpopo Economic Development Agency (LEDA) is a schedule 3D public entity in terms of the Public Finance Management Act, 1 of 1999 (PFMA). It is led by a Board of Directors whose duties and responsibilities as individuals and as a collective are determined and directed by sections 72 to 78 of the Companies Act, 71 of 2008 as amended, Chapter 6 of the PFMA, the Limpopo Economic Development Agency Act No 5 of 2016 and common law. LEDA has endorsed the principles as set out in the protocol on Corporate Governance and, where applicable, the King IV Code on corporate governance, and has endeavoured to comply with the principles incorporated in the code of corporate practices and conduct.

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

1. EXECUTIVE AUTHORITY

LEDA Executive Authority of LEDA is the Member of the Executive Council for the Department of Economic Development, Environment and Tourism, who in terms of Section 5(1) of the LEDA Act, constitutes the Board consisting of executive and non-executive directors, and enters into annual performance agreements with such directors.

2. PARLIAMENTARY OVERSIGHT

The Standing Committee on Public Accounts (SCOPA) considers and evaluates the financial statements, business performance, and audit reports submitted by the Auditor General. The Portfolio Committee on Economic Development provides quarterly oversight on the performance of LEDA against its key performance indicators.

3. BOARD OF DIRECTORS, ITS COMPOSITION AND ROLE

The Board of LEDA consists of seven non-executive directors, two government representatives, from the shareholder (LEDET) and Limpopo Provincial Treasury respectively, and the CEO, the COO and the CFO as executive directors. It comprises technical, financial, investment, commercial, legal and social expertise to fulfil its fiduciary duties. The Board is considered independent and diversified in gender, race and age. It has the required knowledge, balance of skills and experience to guide the Corporation's strategy and governance. All directors jointly have a fiduciary duty to exercise due care, diligence and skill in carrying out their responsibilities. It is committed to applying the core governance principles of fairness, accountability, responsibility, transparency, integrity and competency in dealings with its stakeholders.

The Board considers good corporate governance as fundamentally necessary for achieving the LEDA's mission, mandate, financial objectives and corporate responsibilities. It is empowered by the LEDA Act No 5 of 2016 to determine the strategic direction of LEDA and oversee the implementation and execution of the strategy by Management.

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

The Board is accountable to the shareholder for the activities and performance of LEDA. It is committed to executing its mandate ethically, establishing and inculcating a culture of ethical behaviour among all employees and stakeholders. It embraces the principles of the King IV Report on Corporate Governance for South Africa 2016 and has developed a Compliance Framework and Manual, a Code of Conduct and a Code of Ethics. These obligate the Board and employees to adhere to legislation, best practice principles and high standards of integrity. The Board and employees are further obliged to treat clients with prudence and communicate with stakeholders fairly and honestly.

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

3.1. BOARD OF DIRECTORS

Adv.TM Ncube
Chairman

APPOINTED: 01 December 2019

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

Mr CC Nkadimeng
Deputy Chairman

APPOINTED: 01 March 2021

QUALIFICATIONS
- Bachelor of Arts
- Honours in Public Governance

Mr M Maphutha
Non-Executive Director

APPOINTED: 01 December 2019

QUALIFICATIONS
- Teachers Diploma
- Certificate in Corporate Governance Leadership

Mr MS Ralebipi

Non-Executive Director

APPOINTED: 01 December 2019

QUALIFICATIONS

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

Ms N Magadagela

Non-Executive Director

APPOINTED: 12 January 2021

QUALIFICATIONS

- Chartered Accountant (SA)
- BCompt Honours
- BCom Accounting Sciences

Mr CA Chikane

Non-Executive Director

APPOINTED: 01 March 2021

QUALIFICATIONS

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

Mr TR Makhuvha

Group Chief Executive Officer

APPOINTED: 01 November 2020

QUALIFICATIONS

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

Mr NB Mokobane

Interim Chief Operations Officer

APPOINTED: 01 June 2019

QUALIFICATIONS

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

Mr FM Magidi

Group Chief Financial Officer

APPOINTED: 01 June 2019 to 31 May 2024

QUALIFICATIONS

- Professional Accountant (SA) (SAIPA)
- Tax Practitioner (SAIPA)
- BCompt Accounting Science degree

Ms MC Mokoma

Group Company Secretary

APPOINTED: 01 March 2014 to 31 October 2024

QUALIFICATIONS

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

4. BOARD CHARTER

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

5. COMMITTEES OF THE BOARD

The Board has established committees to assist it in discharging its duties. The company has four statutory committees as required by the Companies Act 71 of 2008 (as amended) and recommended by King IV Report on Corporate Governance for South Africa 2016. The statutory committees are as follows: Audit & Risk, Human Resources & Remuneration, Nomination & Governance, and Social & Ethics, as well as other committees such as Credit & Investment and Procurement Committees. The roles of the committees are embedded in their charters.

6. CONFLICT OF INTEREST MANAGEMENT

Conflict of interest is managed through the Code of Conduct. Conflict of interest is of concern to external stakeholders. These conflicts of interest or personal relationships with external entities, actual or perceived, may cause considerable reputational and ethical damage to LEDA and erode stakeholder trust. Aware that failure to disclose conflicts/ interests may lead to moral failure, the Board addressed these concerns and perceptions through transparent and proactive communication.

Ethical business conduct preserves trust between the LEDA and its key stakeholders (clients, employees, shareholders, and community). The Board mandated the Social and Ethics Committee to develop an ethics strategy to ensure effective management of ethics risks.

7. ASSURANCE

7.1. RISK MANAGENENT

The Companies Act 71 of 2008 (as amended) directs to the establishment of the Audit Committee as a statutory Committee of the Board. The independent Committee oversees the monitoring and control systems and is accountable to the Board. The Committee does not assume management functions, which remains the responsibility of the Executive Management and all members of staff. The Committee has a role in ensuring, amongst others, that the disclosure of risks is comprehensive, timely and relevant and that the internal control systems are operating effectively.

7.2. INTERNAL AUDIT

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

7.3. WHISTLE BLOW

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

7.4. FRAUD AND PREVENTION

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

7.5. CONFLICT OF INTEREST

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

7.6. CODE OF CONDUCT

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

7.7. STAKEHOLDER MANAGEMENT

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

7.8. EXTERNAL AUDIT ASSURANCE

The shareholder confirmed the reappointment of the Auditor-General South Africa as external auditors of the LEDA for 2023/24 and authorised the Audit and Risk Committee to determine the terms of engagement and fees.

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

8. DELEGATION OF AUTHORITY

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

9. RISK MANAGEMENT

The Board reviewed and adopted the Group LEDA Risk Management Strategy in alignment with the mandates of National and Provincial Treasury Risks management framework of 2021, which governs and regulate the management of risks governance in the public service. The strategy promotes and instil the culture of the risk management across the group namely, the identification of risks into group wide enterprise risks register managed at an executive level and the group strategic to ten risks profile plan which the Board plays an oversight role in ensuring the mitigation of the identified and profiled group risks. It also approved the inclusion of wide enterprise risk management as a performance indicator in the Annual Performance Plan of the entity to promote monitoring in the Annual Performance Plan to promote monitoring and evaluation in a structured approach.

10. REMUNERATION GOVERNANCE

As directed by National Treasury guidelines, the Board considered the revised remuneration policy and recommended it for approval by the Shareholder. The Board ensures implementation of the remuneration policy and monitors its application by the company.

11. COMPLIANCE GOVERNANCE

The Audit and Risk Committee as well as the Credit and Investment Committee, consider compliance reports quarterly and recommends approval by the Board.

12. CORPORATE PERFORMANCE AND REPORTING

According to the annual performance targets, the Board approved and rated the balanced corporate scorecard for 2023/24. The scorecard included:

- information on LEDA performance outcomes and outputs for financial sustainability, the impact of economic development projects, support of SMMEs and Co-operatives, an improvement in ethical behaviour and leadership.
- transformation.
- the six capitals.

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

The Board also approved and submitted the annual budget and the Shareholder's Compact for 2023/24 together with the draft Annual Performance Plan for 2023/24 and draft Strategic Plan for 2020-2025 to the Shareholder.

13. BOARD MEETINGS

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

For the 2023/24 financial year, the Board held the following meetings:

14. BOARD ATTENDANCE 2023/24

(BOARD MEETINGS/WORKSHOPS)

14.1. LEDA BOARD

MEMBERS	1	2	3	4	5	6	7	8	9	10	11	12	TOTAL ATTENDED	% ATTENDED
	20 Apr 2023	25 May 2023	30 May 2023	13 July 2023	31 July 2023	6 Sep 2023	31 Oct 2023	7 Nov 2023	28 Nov 2023	13 Dec 2023	25 Jan 2024	26 Mar 2024		
Adv TM Ncube (Chairman)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	12	100%
Mr CC Nkadimeng (Deputy Chairman)	✓	✓	✓	✓	×	✓	✓	✓	✓	✓	✓	✓	11	91.6%
Mr M Maphutha	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	12	100%
Ms N Magadagela	×	×	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	10	83.3%
Mr MS Ralebipi	✓	✓	✓	✓	×	✓	✓	✓	✓	✓	✓	✓	11	91.6%
Mr CA Chikane	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	12	100%

14.2. BOARD AUDIT & RISK COMMITTEE

The Audit & Risk Committee assists the Board to discharge its responsibilities effectively to achieve LEDA's objectives. The committee oversees financial management, internal control, risk management and governance. By reviewing financial statements, reports from the internal and external auditors, status of internal control and risk management, it ultimately provides meaningful advice on sustainability of the company to the Board and the shareholder. It ensures that disclosure on risk and opportunity is comprehensive, timely and relevant and thus enhances stakeholder confidence in the governance of LEDA. It ensures that disclosure does not compromise sensitive information.

MEMBERS	1	2	3	4	5	6	7	8	9	10	11	12	TOTAL ATTENDED	% ATTENDED
	28 Apr 2023	17 May 2023	29 May 2023	8 June 2023	31 Jul 2023	17 Aug 2023	28 Aug 2023	6 Nov 2023	13 Nov 2023	24 Jan 2024	28 Feb 2024	15 Mar 2024		
Ms N Magadagela (Chairman)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	12	100%
Mr MS Ralebipi	✓	✓	✓	×	×	×	✓	✓	✓	✓	✓	✓	9	75%
Adv. TM Ncube	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	12	100%

14.3. BOARD REMUNERATION & HUMAN RESOURCE COMMITTEE

The committee oversees the human resource requirements necessary to achieve LEDA's strategic objectives. It considers, reviews and advises the Board on human capital management and remuneration policies, staff development and trends in significant human capital indicators, and proposes the required policy amendments to the Board.

MEMBERS	1	2	3	4	5	6	7	8	TOTAL ATTENDED	% ATTENDED
	6 Apr 2023	24 May 2023	14 Aug 2023	7 Nov 2023	27 Nov 2023	6 Dec 2023	25 Jan 2024	11 Mar 2024		
Adv TM Ncube (Chairman)	✓	✓	✓	✓	✓	✓	✓	✓	8	100%
Ms N Magadagela	✓	✓	✓	✓	✓	✓	✓	✓	8	100%
Mr CC Nkadimeng	✓	✓	×	×	×	×	×	✓	3	37.5%
Mr CA Chikane	✓	✓	✓	✓	✓	✓	✓	✓	8	100%

14.4. BOARD NOMINATIONS & GOVERNANCE COMMITTEE

MEMBERS	1	TOTAL ATTENDED	% ATTENDED
	19 Feb 2024		
Mr CC Nkadimeng (Chairman)	✓	1	100%
Adv. TM Ncube	✓	1	100%
Ms N Magadagela	✓	1	100%

14.5. BOARD CREDIT & INVESTMENT COMMITTEE

This committee assists the Board in its oversight of the asset management responsibility by monitoring, evaluating and reviewing the investments of LEDA.

The committee is satisfied that it has fulfilled its mandate during the 2023/24 financial year.

MEMBERS	1	2	3	4	5	6	TOTAL ATTENDED	% ATTENDED
	22 Aug 2023	13 Oct 2023	25 Oct 2023	9 Nov 2023	6 Dec 2023	11 Dec 2023		
Ms N Magadagela (Chairman)	✓	✓	✓	✓	✓	✓	6	100%
Mr MS Ralebipi	✓	✓	✓	✓	✓	✓	6	100%
Adv. TM Ncube	×	✓	✓	✓	×	×	3	50%

14.6. BOARD SOCIAL & ETHICS COMMITTEE

The committee monitors activities pertaining to social and ethics matters. It ensures that the company conducts itself responsibly in a commercially and environmentally sound manner, in adherence to legislation and codes of good best practice. These responsibilities are documented in the committee's Terms of Reference and annual work plan.

The committee is satisfied that for the year under review, it has fulfilled its functions and responsibilities in terms of the Companies Regulations 2011 and considered various matters within its mandate.

MEMBERS	1	2	3	TOTAL ATTENDED	% ATTENDED
	25 Aug 2023	11 Dec 2023	12 Mar 2024		
Ms N Magadagela (Chairman)	✓	✓	✓	3	100%
Mr MS Ralebipi	✓	✓	✓	3	100%
Adv. TM Ncube	×	✓	✓	2	66.6%

14.7. BOARD PROCUREMENT COMMITTEE

The main objective of Board Procurement Committee is to ensure the integrity of the LEDA group procurement processes by considering procurement transactions mandated to it by the LEDA Board as well as all boards of subsidiaries of LEDA. It also ensures adherence to policies, procedures and applicable legislation.

MEMBERS	1	2	3	4	5	6	TOTAL ATTENDED	% ATTENDED
	21 Jul 2023	27 Sep 2023	8 Feb 2024	15 Feb 2024	12 Mar 2024	22 Mar 2024		
Mr CC Nkadimeng (Chairman)	✓	✓	✓	✓	✓	✓	6	100%
Mr MS Ralebipi	✓	✓	✓	✓	✓	✓	6	100%
Mr M Maphutha	✓	✓	✓	✓	✓	✓	6	100%
Ms N Magadagela	✓	✓	✓	×	✓	✓	5	50%

14.8. RISIMA BOARD MEETINGS/WORKSHOPS

Risima a wholly owned subsidiary of the Limpopo Economic Development Agency with the mandate to accelerate socio-economic development and the competitiveness of the provincial economy through housing development and financial related services.

MEMBERS	1	2	3	4	5	6	7	TOTAL ATTENDED	% ATTENDED
	19 May 2023	31 May 2023	21 Jun 2023	28 Jul 2023	31 Oct 2023	5 Dec 2023	27 Mar 2024		
Adv Ncube (Chairman)	✓	✓	✓	✓	✓	✓	✓	7	100%
Mr SC Nkadimeng (Deputy Chairman)	✓	✓	✓	✓	✓	✓	✓	7	100%
Mr M Maphutha	✓	✓	✓	✓	✓	✓	✓	7	100%
Mr E Mushwana	✓	✓	✓	✓	✓	✓	✓	7	100%
Ms M Kabi	×	✓	✓	✓	×	×	×	3	100%
Ms K Mahuwa	✓	✓	✓	×	✓	✓	✓	7	50%

14.9. GREAT NORTH TRANSPORT (SOC) LTD

Great North Transport is a wholly owned subsidiary of the Limpopo Economic Development Agency with the mandate to provide a range of diversified profit generating and good public commuter transport services that will support and enhance the economic sustainability and competitive advantage of Limpopo and the region.

MEMBERS	1	2	3	4	5	6	7	8	9	TOTAL ATTENDED	% ATTENDED
	08 May 2023	31 May 2023	31 Jul 2023	31 Aug 2023	18 Sep 2023	30 Oct 2023	04 Dec 2023	22 Feb 2024	25 Marc2024		
Mr C Chikane (Chairman)	✓	✓	✓	✓	✓	✓	✓	✓	✓	9	100%
Mr SC Nkadimeng (Deputy Chairman)	✓	✓	✓	✓	✓	✓	✓	✓	×	8	89%
Mr O Phasha	✓	✓	✓	✓	✓	✓	✓	✓	✓	9	100%
Mr I Masekwameng	✓	✓	✓	×	✓	✓	✓	✓	✓	8	89%
Ms M Mphahlele	✓	✓	✓	✓	✓	✓	✓	✓	✓	9	100%
Ms F Malaza	×	✓	✓	✓	×	×	✓	✓	✓	6	67%

14.10. NEW ERA INSURANCE COMPANY (SOC) LTD

New Era Life Insurance (SOC) Ltd is a wholly owned subsidiary of the Limpopo Economic Development Agency with a mandate of providing long-term insurance products.

MEMBERS	1	2	3	4	5	6	7	8	9	TOTAL ATTENDED	% ATTENDED
	16 May 2023	31 May 2023	4 Sep 2023	15 Sep 2023	18 Sep 2023	9 Oct 2023	15 Nov 2023	13 Feb 2024	14 Mar 2024		
Ms N Magadagela (Chairman)	✓	✓	✓	✓	✓	✓	✓	✓	✓	9	100%
Mr J Malele (Deputy Chairman)	✓	✓	✓	✓	✓	✓	✓	✓	✓	8	100%
Adv T Ncube	✓	✓	✓	✓	✓	✓	✓	✓	✓	9	100%
Mr V Mashabane	✓	✓	✓	✓	✓	✓	✓	✓	✓	8	100%
Mr S Sebolai (Resigned 24 July 2023)	✓									6	11%

14.11. LIMPOPO CONNEXION SOC) LTD

Limpopo Connexion (SOC) Ltd is a wholly owned subsidiary of the Limpopo Economic Development Agency with a mandate to develop the ICT industry, improve service delivery and enhance the provincial economy in line with the Fourth Industrial Revolution (4IR).

MEMBERS	1	2	3	4	5	6	7	TOTAL ATTENDED	% ATTENDED
	24 May 2023	30 May 2023	26 June 2023	31 July 2023	23 Aug 2023	23 Nov 2023	12 Feb 2024		
Prof Howard (Chairman)	✓	✓	✓	✓	✓	×	✓	6	86%
Mr A Kale (Deputy Chairman)	✓	✓	✓	✓	✓	✓	✓	7	100%
Mr E Thuketana	✓	✓	✓	✓	✓	✓	✓	7	100%
Ms T Mathabatha	✓	✓	✓	✓	✓	✓	✓	7	11%

14.12. CORRIDOR MINING RESOURCES COMPANY (SOC) LTD

Corridor Mining Resources (SOC) Ltd is a wholly owned Subsidiary of the Limpopo Economic Development Agency with a mandate to promote economic development of Limpopo Province directly or indirectly through mining by optimising the development of mineral resources, driving economic growth, facilitating job creation and other economic opportunities, promoting sustainable empowerment in mining and facilitating industrialisation through mining beneficiation.

MEMBERS	1	2	3	4	5	6	7	8	9	10	TOTAL ATTENDED	% ATTENDED
	4 Apr 2023	23 May 2023	30 May 2023	28 Jun 2023	31 Jul 2023	24 Aug 2023	31 Aug 2023	6 Dec 2023	13 Mar 2024	29 Mar 2024		
Mr. M Ralebipi (Chairman)	✓	✓	✓	×	×	✓	✓	✓	✓	✓	8	80%
Mr. V Chepape (Deputy Chairman)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	10	100%
Mr. CC Nkadimeng	✓	✓	×	✓	×	✓	✓	✓	✓	✓	8	80%
Mr. P Mafologele	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	10	100%
Mr. P Ragimana	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	10	100%
Mr. J Motswaledi									✓	✓	2	20%

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

Musina-Makhado Special Economic Zone (SOC) Ltd is a wholly owned Subsidiary of the Limpopo Economic Development Agency.

MEMBERS	1	2	3	4	5	6	7	8	9	10	11	12	TOTAL ATTENDED	% ATTENDED
	29 Mar 2023	21 June 2023	13 July 2023	13 Aug 2023	14 Aug 2023	31 July 2023	27 Sep 2023	11 Oct 2023	30 Oct 2023	16 Nov 2023	23 Jan 2024	22 Feb 2024		
Dr M Lekota (Chairman)	✓	✓	✓	✓	✓	×	✓	✓	✓	✓	✓	✓	11	92%
Mr M Ralebipi (Deputy Chairman)	✓	×	✓	×	✓	×	✓	✓	✓	✓	✓	✓	9	75%
Mr B Shibambu	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	×	✓	12	92%
Mr. J Morotoba	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	10	100%
Prof R Howard	✓	✓	×	✓	✓	✓	✓	✓	✓	✓	✓	✓	12	93%
Mr. P Sebola	✓	✓	✓	✓	✓	✓	✓	×	✓	✓	✓	✓	12	100%
Mr. S Zikode	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	12	100%
Ms M Mphahlele	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	12	100%
Ms M Moatshe	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	12	100%
Dr N Mphephu	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	12	100%
Mr M Maguga	✓	✓	✓	✓	✓	✓	✓	×	✓	✓	✓	✓	11	92%

14.14. FETAKGOMO TUBATSE INDUSTRIAL PARK (SOC) LTD

Fetakgomo Tubatse (SOC) Ltd is a wholly owned Subsidiary of the Limpopo Economic Development Agency.

MEMBERS	1	2	3	4	5	6	7	8	9	TOTAL ATTENDED	% ATTENDED
	04 Apr 2023	14 Apr 2023	4 May 2023	28 Jun 2023	25 Jul 2023	31 Aug 2023	5 Sep 2023	8 Dec 2023	26 Jan 2024		
Mr MI Rathumbu (Chairman)	✓	✓	✓	✓	✓	✓	✓	✓	✓	9	100%
Mr NB Mokobane	✓	✓	✓	✓	✓	✓	✓	✓	✓	9	100%
Mr M Molefane	✓	✓	✓	×	×	✓	✓	✓	✓	7	78%

PERFORMANCE INFORMATION

Outcomes and Interventions

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

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

- Economic development
- Trade and investment, and
- Finance

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

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

These success factors hinge on LEDAs Board, Executives and staff, our strategic partners support and buy-in, revising and implementing a secure infrastructure that is efficient and effective. Most importantly all of these will contribute towards diversifying LEDA's income stream, with the aim of being financially independent from Fiscus by April 2024.

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

LEGISLATIVE MANDATES

POLICY MANDATES

OUR MANDATE

The **three pillars** of the LEDA Act mandate (Act 5 of 2016) are:

1. Economic development; 2. Trade and Inverstement; and 3. Finance.

OUR VISION

A leader in sustainable, innovative economic growth and development.

OUR MISSION

To accelerate economic growth, development and job creation through:

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

OUR VALUES

Accountability
Excellence
Integrity
Transparency
Diversity

OUR IMPACT

Inclusive economic growth through industrialisation

OUR OUTCOMES & INTERVENTIONS

A leader in sustainable, innovative economic growth and development.

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

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

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

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

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

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

4 Increased Domestic Direct Investment and Foreign Direct Investment

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

5 Increased financing of SMMEs and Cooperatives and Youth Entrepreneurship development

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

6 Increased Return on Investment and profit streams from LEDA Group

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

7 A well capacitated and performning organisation

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

OUTCOME 1

MINERAL BENEFICIATION

OUTCOME 1: **MINERAL BENEFICIATION PROJECTS CONTRIBUTING TOWARDS INCREASING LIMPOPO GDP**

REQUIRED OUTPUT: TO PRODUCE GOODS/PRODUCTS FROM MINERALS WITHIN THE PROVINCE

OUTPUT INDICATOR: NUMBER OF DE-RISKED PROJECTS

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

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

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

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

The following defines what the applicable Outcomes and Interventions are:

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

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

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

PRODUCT

Corridor Mining Resources

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

OPERATIONS

Sefateng Chrome Mine (SCM), a flagship CMR asset achieved a steady state operational status during the period under review. This feat was accompanied by roughly 1000 jobs were created, support to local businesses, as well as predictable cash flow, amongst other things. Although the company has not reached the stage where dividends can be paid to shareholders, shareholders'loans are starting to be paid back. Consequently, CMR, is able to realize some cash flows which helps cover some of its operational expenses.

Regarding Tshepong Chrome Mine, opencast mining opportunity has been identified which requires minimal capital investment to be deployed thereby paving the way for its easy utilisation. This will help generate some cash flow for the company, while the development of the underground mine is underway. At the time of reporting, the necessary resources were being mobilized to ensure that operations get underway in the first quarter of the subsequent financial year.

STRATEGIC MATTERS

CMR is in possession of two mining rights which allows the company to pursue the development of both chrome and gold mines. During the year under review, the company embark on a capital raising campaign source funding in the open market for the purpose of financing the development of the said mining opportunities. CMR is pleased to report that it successfully secured investors for both projects. This achievement paves the way for development the two mines to get underway in the immediate future.

During the reporting cycle, CMR also embarked on a strategic review of its asset's performance, this was done with a view to ensuring that the portfolio of the company is balanced from the perspective of projects and operating assets as well as holding mineral assets that are in demand in respect to the global economic growth. At the point of reporting, significant progress had been recorded, although a final report is still pending. A divestment in mineral assets with soft demand forecast are being considered among options being studied.

FINANCIAL MATTERS

While CMR cannot be considered financially sustainable now, but significant progress has been made towards that goal. The operations at SCM have seen some cash flow being realized towards becoming financially sustainable. On the other hand, securing investors in the two other projects (Fumani Gold Mine, and Tshepong Chrome Mine) puts CMR on a path to sustainability. Furthermore, early indication from the portfolio review, shows that some of CMR investments are ripe for cashing-in.

OUTLOOK

For the period ahead, CMR is looking forward to the development of two mine projects to get underway. The SCM continues to ramp up production, which should see increased sales and the bottom-line. Upon conclusion of the strategic review of CMR portfolio, cash windfall is expected from harvesting matured investments. CMR is also pursuing fresh mining rights applications for gold and chrome opportunities. It is expected that such applications will be finalized in the succeeding financial year.

STAKEHOLDER MANAGEMENT

CMR continued with its efforts to building strong and mutually beneficial relationships with its host communities. This is to ensure that host communities can derive maximum benefits from the projects developed in their localities, as well as ensuring that CMR can maintain social license to operate in those jurisdictions. As reported elsewhere, for instance, one thousand jobs have been created in SCM most of which were taken up by the local people.

ANNUAL PERFORMANCE INFORMATION

DELIVERY AGENT	OUTPUT	OUTPUT INDICATOR	2023/24 ANNUAL TARGET	ACTUAL OUTPUT	REASON FOR DEVIATION	CORRECTIVE ACTION	TECHNICAL INDICATOR DESCRIPTIONS
OUTCOME 1: MINERAL BENEFICIATION PROJECTS CONTRIBUTING TOWARDS INCREASING LIMPOPO GDP FROM R400 BILLION TO R450 BILLION							
CMR	1.2. Operationalisation of mining asset	Number of operational mining assets.	2 (Tshepong and Funani)	**Target not achieved.** 0	Partnership agreements with investors were still going through the approval processes at the point of reporting.	Fast-tracking the partnership agreements.	Verify the progress as reported in the project progress reports,

OUTCOME 2

AGRO-PROCESSING

OUTCOME 2: **AGRO-PROCESSING PROJECTS CONTRIBUTING TOWARDS INCREASING LIMPOPO GDP BY R1.25BN (12.5% INCREASE)**

REQUIRED OUTPUT: PRODUCE AGRO-PROCESSED PRODUCTS WITHIN THE PROVINCE.

OUTPUT INDICATOR: RAND VALUE OF BANKABLE PROJECTS EXPOSED TO POTENTIAL INVESTORS AND THE AGRO-PROCESSING PROJECT IN OPERATIONALISATION OF LEBOWAKGOMO ABATTOIR.

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

PRIORITY 1: ECONOMIC TRANSFORMATION AND JOB CREATION

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

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

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

APPLICABLE OUTCOMES AND INTERVENTIONS

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

PRIORITY 2: SPATIAL INTEGRATION, HUMAN SETTLEMENT AND LOCAL GOVERNMENT

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

APPLICABLE OUTCOMES AND INTERVENTIONS:

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

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

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

PRODUCT

Agribusiness Division

LEDA's Agribusiness Division is mandated to facilitate and promote the growth of a viable, diversified, dynamic and sustainable agribusiness industry in the Limpopo Province, focusing mainly on projects that are catalytic in nature. Agribusiness within LEDA is a unique division that plays a pivotal role within the agricultural landscape and socio-economic transformation.

The division remains committed to ensuring that the priorities of the provincial government are supported through the existing programmes and associated interventions for the 2023/24 financial year. The focus of the division is agro-processing, providing agricultural inputs, building farmers processing capacity, providing better access to markets, and improving the socio-economic conditions through the sustainable agribusiness in the province.

During this financial year, the division embarked on a trajectory to implement projects aimed at creating job opportunities, economic empowerment, and the growing of small and medium enterprises (SMMEs) in the sector.

LEBOWAKGOMO ABATTOIR

Looking towards the future, and long-term sustainability, Agribusiness has signed a new lease agreement with Montana Mining and Agriculture following the cancellation of the lease with Goseame Open Market to operate the Lebowakgomo chicken abattoir. This project will unlock the poultry process industry in the province and generate more than 500 jobs across the value chain. The project will contribute towards job creation and upliftment of broiler farmers in Limpopo. As soon as the abattoir is operational , small to medium scale poultry farmers will be supported to create a sustainable income through agro-processing and to expand their poultry production.

MASHASHANE HATCHERY

Mashashane Hatchery is one of the key projects which LEDA, though the Agribusiness division is currently managing. It is a project that supports broiler farmers in the Mashashane area and surroundings and has since been fully refurbished to add much needed value support to the Lebowakgomo Chicken abattoir. As a strategic input and economic beneficiation, the Hatchery will be incorporated into the Lebowakgomo Chicken Abattoir to supply the abattoir with (excellent) quality chicks. Management decided that the hatchery should leased out to the same operator that is responsible for the abattoir to ensure proper business correlation. The strategy is to provide support and empower the abattoir and at the same time maintain the sustainability of the Mashashane Hatchery.

VHEMBE FRESH PRODUCE PACKHOUSE

In addition to the highlights and achievement of the division during this financial year, LEDA appointed a strategic investor to operationalize the Vhembe Fresh Produce Market packhouse. This fresh produce market is situated in Tshakhuma in the Makhado local municipality. It is envisaged that the facility will create market opportunity for the local farmers and promote agro processing within the region. The facility has been refurbished and ready to be occupied by the prospective investor during the 2024/25 financial year.

ANNUAL PERFORMANCE INFORMATION

DELIVERY AGENT	OUTPUT	OUTPUT INDICATOR	2023/24 ANNUAL TARGET	ACTUAL OUTPUT	REASON FOR DEVIATION	CORRECTIVE ACTION	TECHNICAL INDICATOR DESCRIPTIONS
OUTCOME 2: AGRO-PROCESSING PROJECTS CONTRIBUTING TOWARDS INCREASING LIMPOPO GDP FROM R400 BILLION TO R450 BILLION							
Agency-Agri-Business	2.1. Produce Agro-processed products within the province	Number of Agro-processing projects de-risked	4	**Target not achieved.** 0	Unfavourable market conditions.	The targets have been shifted to Quarter 1 of 2024/25 due to the delays experienced. LEDA has further made the contributions for the feasibility study, for establishment of a potato processing plant in Dendron in partnership with other stakeholders like Potato SA, IDC and LDARD.	Documentation signed- off (bankability and/or feasibility studies) by the Executive Manager and, where applicable, the consultant or expert confirming the bankability of the project(s)

OUTCOME 3

INNOVATIVE DIGITAL SOLUTIONS

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

REQUIRED OUTPUT: A VIABLE AND SUSTAINABLE LCX

OUTPUT INDICATOR: INVESTMENT PARTNER SECURED AND ON BOARDED

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

PRIORITY 1: ECONOMIC TRANSFORMATION AND JOB CREATION

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

APPLICABLE OUTCOMES AND INTERVENTIONS

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

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

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

PRODUCT

Limpopo Connexion

Limpopo Connexion (LCX) is a subsidiary of the Limpopo Economic Development Agency and one of its main strategic objectives is to manage a broadband open access network to promote job creation and economic growth.

INNOVATIVE DIGITAL SOLUTIONS TO ADDRESS SOCIO-ECONOMIC CHALLENGES

Technologically advanced economies rely on digital solutions to accelerate their socio-economic development, aiming for sustainable livelihoods for their citizens. The advent of information technology and the surge of innovation driven by new research and development can be traced back to the effective harnessing of knowledge. Universal access to international bodies of knowledge enables technologically advanced economies to stay ahead.

In this context, Limpopo Connexion was established with the mandate to develop the ICT industry, improve service delivery, and enhance the provincial economy in line with the Fourth Industrial Revolution (4IR). The effort to position the province on the path of industrial growth hinges on the following ICT imperatives:

ESTABLISHMENT OF BROADBAND TELECOMMUNICATION INFRASTRUCTURE

Information communications technology remains an essential tool to eliminate existing gaps and consolidate synergies for planning. The Broadband facility spearheaded by Limpopo Connexion is envisaged to provide access to telecommunication services to households, businesses, and civil society at large. This access aims to expose these stakeholders to knowledge, innovation, and best practices to advance their quality of life. To date, the first phase of the project has been completed.

ESTABLISHMENT OF SCIENCE AND TECHNOLOGY PARK

Limpopo Connexion laid a solid foundation for the establishment of the Science and Technology Park (STP) to promote investment in the province. To augment the Broadband Telecommunications infrastructure with critical elements in the ecosystem, STP was conceptualized and envisioned to bring innovators, researchers, and developers under one roof. Despite funding challenges, Limpopo Connexion has developed all the required legal and technical reports for the development of the project.

ESTABLISH A DIGITAL HUB

The establishment of the Digital Hub is well underway and is estimated to be completed by the end of August 2024. The Digital Hub is a collaboration between the Department of Trade, Industry and Competition (the dtic) and LEDA. The Digital Hub will host SMMEs, funders, business development officers, investors, researchers, community members, conference rooms, meeting rooms, and training rooms.

As the drive to industrialize Limpopo Province continues, the need to create backward and forward linkages between SMMEs and corporate players becomes critical for synergy of purpose. The Digital Hub will become a breeding ground for future industrialists. When the Digital Hub officially launches in September 2024, most SMMEs in the province will derive benefits from its start-up and accelerator programs.

We call upon on all key stakeholders and role-players, both public and private institutions, to play a meaningful role in pursuit of “building a future knowledge society” which is characterized by information, innovation and knowledge as critical means of production.

ANNUAL PERFORMANCE INFORMATION

DELIVERY AGENT	OUTPUT	OUTPUT INDICATOR	2023/24 ANNUAL TARGET	ACTUAL OUTPUT	REASON FOR DEVIATION	CORRECTIVE ACTION	TECHNICAL INDICATOR DESCRIPTIONS
OUTCOME 3: INNOVATIVE DIGITAL SOLUTIONS TO SOLVE SOCIO-ECONOMIC PROBLEMS AND OTHER SOLUTIONS							
Limpopo Connexion	3.1. A viable and sustainable LCX	Investment partner secured and onboarded	Investment partner onboarded and roll-out commenced	**Target not achieved.** - Investment partners were conditionally appointed. - The Due Diligence exercise on the conditionally appointed investment partners has been completed	The Investment agreement not yet developed. Investment partner is not yet onboarded as securing the investment partners is a long, tedious, and complex process, compounded by the current economic environment	The investment process is in its final stages with discussions with both state owned and private sector companies taking place	Investment agreement and approved and counter-signed investment roll-out plan

OUTCOME 4

INCREASED DOMESTIC AND FOREIGN DIRECT INVESTMENT

+OUTCOME 4: **INCREASED DOMESTIC AND FOREIGN DIRECT INVESTMENT**

REQUIRED OUTPUT: PRODUCE GOODS/ PRODUCTS FROM MINERALS WITHIN THE PROVINCE
PRODUCE AGRO PROCESSED PRODUCTS WITHIN THE PROVINCE
MORE GOODS EXPORTED

OUTPUT INDICATOR: RAND VALUE OF BANKABLE PROJECTS EXPOSED TO POTENTIAL INVESTORS
RAND VALUE OF EXPORTS

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

PRIORITY 1: ECONOMIC TRANSFORMATION AND JOB CREATION:

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

APPLICABLE OUTCOMES AND INTERVENTIONS

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

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

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

PRIORITY 2: A BETTER AFRICA AND THE WORLD

APPLICABLE OUTCOMES AND INTERVENTIONS:

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

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

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

Trade and Export Development

TRADE AND EXPORT DEVELOPMENT

The mandate of Trade and Export Development is to support the continuous training and development of Limpopo businesses that has potential for exporting and emerging exporters. The development of emerging exporters has assisted Limpopo Province to increase export volumes and values which adds towards gross domestic product (GDP) growth. The export business had many challenges. Though exports offer benefits such as reduced dependence on domestic markets, enhanced competitiveness of individual business and of the country, new skills development in becoming a global player, and the opportunity to increase sales and profits; it remains a difficult stumbling block for some to overcome. The growth in exports can be successfully achieved with proper planning and understanding of the exports market. Therefore, continuous practical training and development is necessary to empower these emerging exporters with knowledge of exporting.

The following topics were covered during the workshops:

- Innovation, trends and new designs.
- Market access and Marketing (product market penetration).
- Project management.
- Operate in craft enterprises.
- How to access incentives.

The following numbers of aspiring exporters were exposed to training:

NAME OF TRAINING	NO. OF ATTENDEES
AfCFTA Provincial Awareness Workshop	150
AGOA Provincial Consultative Dialogue	90
USAID Africa Trade & Investment Stakeholder Engagement	20

In total number of 260 people received training during the 2023/24 financial year

EXPORT FIGURES

Through the exposure of businesses to markets, Limpopo benefited by achieving R1 004 334 413.50 in export value

EXPORT PROMOTIONS

- 75 new entrants' exporters were exposed to markets through our market access programmes
- 50 companies attended Marula Festival Exhibition
- 25 companies attended Mapungubwe Arts Festival Exhibition
- 46 emerging exporters exposed to international markets through our market access programmes
- 10 companies attended the CANEX WKND 2023 in Egypt
- 5 Companies attended the Zimbabwe International Trade Fair
- 10 companies attended SARCDA March 2022 Exhibition
- 13 companies attended DECOREX Exhibition
- 5 companies attended the Natural and Organic Health Show
- 3 Companies attended the Proudly SA EXPO

ANNUAL PERFORMANCE INFORMATION

DELIVERY AGENT	OUTPUT	OUTPUT INDICATOR	2023/24 ANNUAL TARGET	ACTUAL OUTPUT	REASON FOR DEVIATION	CORRECTIVE ACTION	TECHNICAL INDICATOR DESCRIPTIONS
OUTCOME 1: MINERAL BENEFICIATION PROJECTS CONTRIBUTING TOWARDS INCREASING LIMPOPO GDP FROM R400 BILLION TO R450 BILLION							
Agency – Trade and Investment Promotion	1.1. Produce goods/ products from minerals within the province	Value of de-risked projects	R1.2 billion	**Target not achieved.** R0	Target not achieved due to the technical skills and complexity of the task at hand	Resources to implement the programme are allocated for 2024/25 financial year	Documentation signed- off (bankability and/or feasibility studies) by the Executive Manager and, where applicable, the consultant or expert confirming the bankability of the project(s)
OUTCOME 4: INCREASED DOMESTIC DIRECT INVESTMENT AND FOREIGN DIRECT INVESTMENT							
Agency – Trade and Investment Promotion	4.1. Investment promotion	Rand value of investments facilitated	R30 billion	**Target achieved.** R37 447 000 000.00	There were more investment pledges secured, than initially expected and planned.	N/A	Proof of investment conference (investment pledges)
	4.2. Export facilitation	Rand value of exports facilitated	R400 m	**Target not achieved.** R0	N/A	N/A	Accurate statement by the Head and proof of third-party confirmations on exports

PRODUCT

Limpopo Province Special Economic Zone Program

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

FOREIGN DIRECT INVESTMENT

Diversification of the provincial industrial base to increase a share of socio-economic development across underdeveloped regions to increase their meaningful participation is at the heart of the province's industrial policy. The Special Economic Zone (SEZ) Program, which saw the designation of Musina-Makhado SEZ and the establishment of Fetakgomo-Tubate Industrial Hub is the culmination of economic planning and consultation to position the province as a destination for investment.

Over the past five years the province envisaged a solid basis for imagined inclusive economic growth propelled by well-coordinated, coherent action plan at the back of Limpopo Province industrial policy. This policy is an impetus for attracting local, national, and international investor community and fund managers to this province.

MUSINA-MAKHADO SPECIAL ECONOMIC ZONE (MMSEZ)

Musina-Makhado SEZ is among the most attractive SEZs in the country given its value proposition to investors. The envisaged industrialization path and the quest for rapid economic development in the African continent requires the production of huge quantities of raw materials on one hand, as well as finished goods and services to accelerate the industrialization program, on the other hand. Situated at the border of Limpopo Province and the SADC region, MMSEZ is positioned, not only as a logistic hub for export and import of goods and services for SADC and the rest of the African continent, but also designed as engineering metallurgical production complex for production of steel and energy products and services.

MMSEZ NORTH SITE DEVELOPMENTS

IMPLEMENTATION OF THE SEZ INFRASTRUCTURE PROJECTS: WATER USE LICENCE

Implementation of key catalytic projects calls for stakeholder collaboration to enhance coherency and coordination among role players. During the year under review, MMSEZ successfully applied for water use licence with the Department of Water & Sanitation (DWS), as the starting point, and it is also expected that Vhembe District Municipality, as the water authority will make another application to ensure that access and availability of water in the SEZ is guaranteed on a sustainable basis.

On a national level, DWS entered into a Memorandum of Understanding (MoU) with Zimbabwe Water Works (Zimbabwe water Transfer) and the implementation details will soon be communicated.

RAPID IMPLEMENTATION OF INFRASTRUCTURE- WATER RESOURCE - NORTH SITE

Designs on the infrastructure for water pipeline / reticulations, water storage and water treatment plant are duly completed, however, the implementation of these projects could not be carried out due to land use rights dispute, a matter that is receiving attention from the MMSEZ Management. The works on designs were concluded during the period under review.

INFRASTRUCTURE IMPLEMENTATION – ELECTRICITY RESOURCES

The design of electricity substation is complete and awaiting appointment of service provider for implementation and construction. Also, 60% of electricity long-lead materials were procured during the year under review. The construction of both projects will commence subsequent to the lifting of the procurement moratorium.

STAKEHOLDER ENGAGEMENT – INTERGOVERNMENTAL AND PRIVATE SECTOR

Stakeholder engagement with Baleya community over the use of their land was undertaken during the year under review. This communal land is home to the North side of the MMSEZ and it is common believe that the cordial relations with the community will go a long way to bring the much awaited and needed socio-economic development in the area. Equally, the Department of Economic Development, Environment and Tourism MEC, engaged the Department of Agriculture and Rural Development over the land user rights to MMSEZ although the outcome is not yet communicated.

Again, MMSEZ signed a MoU with Vhembe District Municipality over the water and sanitation bulk services. MMSEZ also signed a MoU with Smarty Mine over its expunged mineral right during the year under review.

The investments pipeline for the North Site are as follows:

- Merrit Group : Tomato Paste Plan - R750 million
- The Mob Power: Pharmaceutical - R1.6 billion
- Soliel De Sud: Solar Panels Manufacturing - R300 million
- Agri Intelligent: Horizontal Farming / Agroponics – R87 million
- African Chemicals: Industrial Chemicals Manufacturing R350 million
- MiPower: Automotive Assembly R200 million

MMSEZ SOUTH SITE DEVELOPMENT - SITE IMPLEMENTATION

The South Site of the MMSEZ, the future centre of manufacturing and beneficiation of Limpopo Province's industrial base, holds the biggest investment drive the continent over. The site is characterised by heavy industries that will reduce the province into rapid development of industrial scale. Not withstanding the challenges associated with such complex developments, during the period under review the following activities were carried out:

STAKEHOLDER ENGAGEMENT AND INVESTMENT RELATIONS

Engagements with Eskom to install the 1000MW power of baseload electricity for the site are ongoing. This will secure the much-needed energy in the initial site establishments when the site is handed over to the SEZ operator.

The township establishment is 80% completed and will be handed over to the operator as soon as the process is done. Throughout the establishment process, affected communities participated in all briefings and consultations to ensure that no one is left behind.

INVESTMENT MULTIPLIER EFFECT - SOUTH SITE

Corridor Mining Resources, a sister entity to MMSEZ was offered an uptake to supply chrome to the zone by the operator, with an option to acquiring equity in the company.

This south site is already creating value chains for forward and backward linkages for mining companies in the Easten Bushveld and the processing plants in the SEZ. During the period under review, MMSEZ also signed a partnership agreement with IDC IZP to provide bulk infrastructure rollout technical support.

FOREIGN DIRECT INVESTMENT PIPELINE

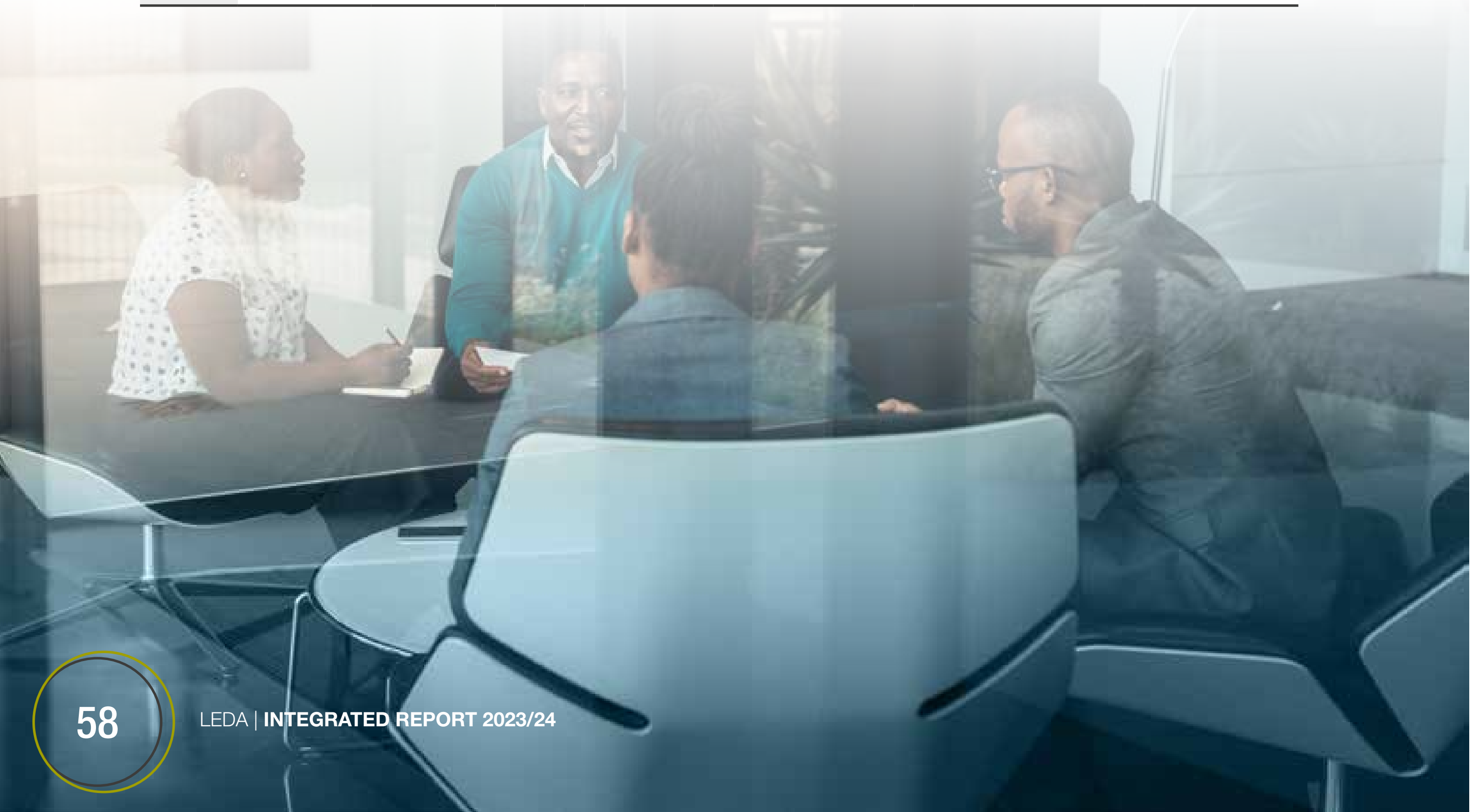
MMSEZ has attracted multinational companies to invest in South Africa, Limpopo Province in particular. The government 's energy mix policy is culminating in the investment of R10 billion by Kinetic to establish 500MW solar power station which will be sold and distributed to Independent Power Producers (IPPs) in the country.

SKILLS DEVELOPMENT

University of South entered into a partnership with MMSEZ on the skills development program to accelerate training in soft skills for unemployed youth in the Vhembe district in an endeavour to reduce unemployment. This training is sponsored by Bankseta. An MoU with Vhembe TVET college to establish a branch with the MMSEZ was signed as an endeavour to incorporate classroom learning to on-the job training provided by companies investing in the SEZ. CETA and MerSETA approved 67 and 410 applications respectively for learners to participate in the skills development on the MMSEZ platform. The investment by these two SETAs amount to R9.4 million and R46 million respectively

ANNUAL PERFORMANCE INFORMATION

DELIVERY AGENT	OUTPUT	OUTPUT INDICATOR	2023/24 ANNUAL TARGET	ACTUAL OUTPUT	REASON FOR DEVIATION	CORRECTIVE ACTION	TECHNICAL INDICATOR DESCRIPTIONS
OUTCOME 4: INCREASED DOMESTIC DIRECT INVESTMENT AND FOREIGN DIRECT INVESTMENT							
Musina-Makhado Special Economic Zone	4.4. Musina-Makhado Special Economic Zone - Infrastructure Development	Rand value of Investment in SEZ infrastructure	R200 million	**Target not achieved.** R60 million	Underspending on SEZ Infrastructure was due to the delays incurred in obtaining tree removal and "borrowpit" permits, as well as the withholding of infrastructure projects pending finalization of outstanding township establishment conditions.	The borrowpit and tree relocation permits have since been obtained. 3 out of the 4 township establishment conditions have been resolved. The remaining land development right issue has been escalated to the department of agriculture for intervention.	Capex reports (proof of spending on infrastructure)



PRODUCT

Fetakgomo-Tubatse Industrial Park

Fetakgomo-Tubatse Industrial Park (FTIP) (SOC) is currently a wholly-owned subsidiary of the Limpopo Economic Development Agency (LEDA) registered in terms of Section 54 of the PFMA and mandated to implement the Fetakgomo-Tubatse Special Economic Zone (FTSEZ). The Fetakgomo-Tubatse Special Economic Zone will impact positively on more than a million people in the province due to improved economic activities within the Dilokong Spatial Economic Initiative as well as improving economic progress within other districts and municipalities.

Beneficiation of mineral resources and the support for establishment of sectors in line with the province's industrial policy is envisaged to enhance the competitiveness of the mining sector, it will quickly enhance the underdeveloped district of Sekhukhune into a centre of rapid industrial development.

Fetakgomo-Tubatse Industrial Park envisions to become a special economic zone premised on advancing the industry towards the greener future, signalling its entry into the renewable energy economy, situated at the heart of the eastern Limb, host to the well-known Merensky Reef. The proliferation on mining activities around Fetakgomo-Tubatse Municipality resonates with a provincial government call for coordinated and coherent support of strategic sectors to stimulate rapid economic growth and job creation.

Cumulatively Fetakgomo-Tubatse Industrial Park undertook the following activities during the year under review:

INTERGOVERNMENTAL RELATIONS

The proposed Fetakgomo-Tubatse Special Economic Zone implemented by the dtic LEDA, Sekhukhune District Municipality (SDM) and Fetakgomo-Tubatse Local Municipality within the intergovernmental planning and district development planning framework. The specific roles by each partner are clearly defined and to date the partnership has made huge inroads on matters of governance and location marketing.

STAKEHOLDER RELATIONS

A Community Project Steering Committee with representation from the various wards has been established to ensure meaningful participation by affected communities. All this, paving way for the rolling out and construction of bulk infrastructure such as water, sewer, electricity, roads, ICT and top structures in the next three years. A contractor has been appointed and is on site to construct a perimeter fence, guard houses and security features for Phase 1 of the development.

GOVERNANCE

During the year under review, the Fetakgomo-Tubatse Industrial Park (FTIP) has packaged and submitted the application for the designation of the proposed Fetakgomo-Tubatse SEZ to the Minister of the dtic . A township establishment application has been packaged, submitted and approved by the Municipal Tribunal and processes are underway for full proclamation.

BUSINESS ECOSYSTEM SPEARHEADED BY FTIP

FTIP endeavours to harness the existence and proliferation of the mining industry activities to create a multi-billion ecosystem modelled on the following industrial clusters:

- Mining and mineral beneficiation
- Manufacturing of mining inputs
- Renewable energy production
- Agriculture and agro-processing
- Pharmaceutical and Medicals
- Automotives
- Business Process Outsourcing

INVESTOR RELATIONS

FTIP created a favourable working relationship with major industry players. Cumulatively, the entity has created relations with the following development partners:

- Goldbroz, DURO, Samancor, Steelpoort, Anglo American, Glencore, MEMSA, ANDO Energy, Bambili Energy, and Lebalelo Water User Association.

PROGRESS TO DATE

During the year under review the following progress updates were registered:

- Developed, packaged and submitted an application for designation of FTSEZ to the dtic,
- Packaged, submitted and received conditional tribunal approval for township establishment,
- Appointed contractor for the installation of perimeter fence and security features,
- Mobilized and attracted a committed investment pipeline of R10 billion projected to create approximately 1 200 jobs, and
- Extensive consultation and engagement with industry, local communities and businesses.

ANNUAL PERFORMANCE INFORMATION

DELIVERY AGENT	OUTPUT	OUTPUT INDICATOR	2023/24 ANNUAL TARGET	ACTUAL OUTPUT	REASON FOR DEVIATION	CORRECTIVE ACTION	TECHNICAL INDICATOR DESCRIPTIONS
OUTCOME 4: INCREASED DOMESTIC DIRECT INVESTMENT AND FOREIGN DIRECT INVESTMENT							
Fetakgomo-Tubatse IP	4.5. Fetakgomo-Tubatse Special Economic Zone - Infrastructure Development	Rand value of Investment in Infrastructure roll - out	R30 million	**Target not achieved.** **R8.4 million**	R22 million of the total budget was not spent. Delays in the finalization of the transactional agreement between LEDA/FTIP and private company.	Ensure proper project preparation processes with clear timelines.	Capex reports (proof of spending on infrastructure)

OUTCOME 5

INCREASED FINANCING OF SMMES AND CO-OPERATIVES

+ OUTCOME 5: INCREASED FINANCING OF HOUSING, SMMES AND CO-OPERATIVES; AND YOUTH ENTREPRENEURSHIP DEVELOPMENT

REQUIRED OUTPUT: PROVIDE LOANS TO SUPPORT BUSINESS GROWTH.
SUPPORT SMMES AND COOPERATIVES UNDER INCUBATION.
DEVELOP SKILLS REQUIRED BY THE PROVINCIAL ECONOMY.

OUTPUT INDICATOR: RAND VALUE OF LOANS ADVANCED.
NUMBER OF SMMES AND COOPERATIVES SUPPORTED WITH INCUBATION.
YOUTH ENTREPRENEURS WITH BANKABLE VALUE PROPOSITION SUPPORTED.
DEVELOP SKILLS REQUIRED BY THE PROVINCIAL ECONOMY BY THE NUMBER OF START-UP IDEAS MATCHED WITH FINANCIAL BACKING.
THE NUMBER OF STUDENTS AWARDED ACCREDITED CERTIFICATES (BUSINESS).

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

PRIORITY 1: ECONOMIC TRANSFORMATION AND JOB CREATION

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

APPLICABLE OUTCOMES AND INTERVENTIONS

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

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

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

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

Infrastructure Business Unit

Limpopo Executive Council (EXCO) resolved to create an infrastructure delivery unit within LEDA as added portfolio incorporated to accelerated inclusive economic growth through infrastructure development and implementation during the period under review. The Unit was further directed not to compete with Limpopo Department of Public Works, Roads and Infrastructure but to supplement the activities undertaken by the department. Whilst the unit will assist in sustenance of LEDA, its objective is to enhance economic development in the Limpopo Province through delivery of much needed socio-economic infrastructural projects. The Infrastructure Business Unit, (IBU), commonly referred to as Project Management Unit will complement the existing available capacity to deliver the much-needed infrastructure for social and economic development in the Limpopo Province.

Progress update on Infrastructure Business Unit (IBU) establishment is as follows:

- The IBU business case and implementation plan were developed and approved by all relevant authorities, viz, LEDA Board, Limpopo Economic Cluster and finally by the Limpopo Executive Council.
- LEDA's Memorandum of agreements (MOAs) and Service Delivery Agreements were submitted, shared, and discussed with key provincial departments.
- The milestone achieved is the signing of a MOA with the Limpopo Department of Public Works, Roads and Infrastructure (LDPWR&I) which is Limpopo's infrastructural department mandated to oversee public works, roads and infrastructural development in the province. Most departments have advised that they will allocate their infrastructure projects to LDPW&I which will then allocate projects to LEDA, depending on LEDA's capacity.
- IBU awaits allocation of programmes and projects by LDPWR &I.
- IBU Supply Chain Management (SCM) Policy Annexure to the existing LEDA policy has been developed and is undergoing approval processes. This is an infrastructure specific SCM policy aligned to all relevant infrastructure policies and guidelines.
- IBU Delegation of Authority (DOA) Annexure to the existing LEDA Delegation of Authority has been developed and is undergoing approval processes.

- Professional Service Providers (PSPs) panel established and approved by LEDA Board.

The table below depicts the discipline and the number of PSPs approved:

DISCIPLINE	NUMBER APPROVED
Architectural	25
QS	40
Civil Engineering	69
Structural Engineering	51
Electrical Engineering	23
Mechanical	16
GeoTech	22
OHS	7
TOTAL NUMBER OF PSPS	**253**

- Plans are underway to establish a panel of contractors. LEDA's plan is to have a panel of contractors from Grade 3 to Grade 7 and higher to cater for all provincial infrastructure needs.

LEDA'S IBU VALUE PROPOSITION:

- LEDA has set the tone on enterprise and skills development with 20 branches and four Technical Training Centres spread throughout the Limpopo Province. This is aligned to CIDB New Built Environment Programme which dictates that projects on grade 7 and above must contribute to social development goals.

- LEDA has an In-House Financing Scheme. This will assist qualifying contractors to establish sites and procure necessary materials quicker. Negotiations are under way with other DFIs to partner with LEDA in financing of contractors.

- LEDA has experience in successfully implementing infrastructure projects. e.g. Department of Education on School Sanitation and Maintenance Programme.

- All officials seconded to the IBU are qualified and experienced in Infrastructure and Project Management.

- LEDA has a panel of Professional Service Providers (PSPs) in place. A framework of contractors has been advertised and will be in place by end of June 2024. These will fast-track the appointment of professional service providers & contractors thereby reducing turnaround times.

- Internal Business Processes are being reviewed for efficiency purposes e.g. Contractors' and PSPs SCM Framework, Infrastructure Specific Delegation of Authority, Infrastructure Specific SCM Policy.

Enterprise Development and Finance Business Division

OUTCOME

Quality jobs for Limpopo Province citizens, entrepreneurship stimulation, SMME and co-operatives growth and sustainability and broadened ownership of economic means Entrepreneurship development – The economic development spectrum in Limpopo Province is characterised by many players whose products and services differ according to their services. LEDA is a key player and provides an integrated solution to entrepreneurship development. The following programmes are key to SMME and Cooperatives development.

SMME DEVELOPMENT PROGRAM

Small and medium enterprises are the live blood of enterprise development in the province. During the year under review, LEDA incubated 125 enterprises with a view to providing them with myriad capacity building services for their long-term sustenance. Services offered to these businesses range from business statutory compliance such as CIPC annual returns, B-BBEE, SARS tax returns pin, Vat applications, and Central Supplier Database (CSD) company amendments.

COOPERATIVES DEVELOPMENT

Cooperatives development is the government's rural development strategy of the province to a larger extent. With its mass-based ownership model, cooperatives provide communities with access to diverse skills of members, grant funding from both private and public sector institutions, and cooperation among co-operators. During the year under review, the enterprise business division and finance incubated 109 cooperatives in capacity building services that included business statutory obligation, amending business and membership, financial statements, AGM, CSD registration and compilation of business profiles.

Two incubated cooperatives received access market access to their produce worth R32 540 to national retail stores. Another two incubated cooperatives got funding form Department of Social Development to the value of R958 888.

YOUTH FINANCING

Designated groups are identified as youth, women and women and the socio-economic development policy imperatives points to the need to accelerate inclusive economic growth to champion the plight of these groups. LEDA pride itself in advancing the interests of the designated groups and during the year under review, 33 youth-owned businesses were assisted with finance from Coca Cola funding, NYDA, Capricorn district, SEDA and Hollywood Bambelela Foundation.

MILITARY VETERANS

Military veteran as a component of societal sectors, requires intervention from developmental institutions to ensure that their livelihoods are enhanced. During the year under review, 59 enterprises attended Tendering Skills Workshop facilitated by LEDA, LEDET and Limpopo Provincial Treasury.

COLLABORATION WITH OTHER GOVERNMENT INSTITUTIONS

The economic development eco-system in the province consists of private sector institutions through their enterprise development programs and the public sector institutions through their socio-economic development services. Private sector participation in the economy normally spent a percentage of their profits towards corporate social investment for betterment of the communities where they operate.

ANNUAL PERFORMANCE INFORMATION

DELIVERY AGENT	OUTPUT	OUTPUT INDICATOR	2023/24 ANNUAL TARGET	ACTUAL OUTPUT	REASON FOR DEVIATION	CORRECTIVE ACTION	TECHNICAL INDICATOR DESCRIPTIONS
OUTCOME 4: INCREASED DOMESTIC DIRECT INVESTMENT AND FOREIGN DIRECT INVESTMENT							
Agency – Enterprise Development Finance	4.3. New business development (R1 billion business idea)	Number of concepts in the product development process (either of the six stages – ideation generation, product definition, prototyping, initial design, validation and testing, and commercialisation)	20 (20 throughout the year)	**Target achieved.** 22	22 Entrepreneurs were linked to Funders: commercial banks, relevant government departments and DFIs	N/A	Documentation signed- off by LEDA & the entrepreneurs confirming the relationship between the two parties and the total number of concepts in the product development process.
OUTCOME 5: INCREASED FINANCING OF HOUSING, SMMES AND COOPERATIVES AND YOUTH ENTREPRENEURSHIP DEVELOPMENT							
Agency – Enterprise Development Finance	5.1. SMME & Cooperative support (Loans)	Rand value of loans disbursed	R10 million	**Target not achieved.** R2.1 million	SMMES not having collateral/ security was identified as a major challenge from the applications which were assessed and not approved. Hence, only R2.1 million worth of loan applications were approved and disbursed.	Benchmarking with other DFI's	Loan agreements
	5.2. SMME support (Non-financial - Incubation)	Number of SMMEs supported non-financially	110	**Target achieved.** 125	15 SMMEs from a private company funding project, were prioritized to form part of the incubation programme, thus increasing the total number of SMMEs supported.	N/A	Memorandum of understanding / agreements or SMME incubation report card
	5.3. Co-operative (non-financial - incubation)	Number of Cooperatives supported non-financially	110	**Target achieved** 110	N/A	N/A	Memorandum of understanding / agreements or SMME incubation report card
	5.4. Youth start-up loans	Number of youths enterprises financed through facilitation of loans or grants	30	**Target achieved** 36	Collaboration with various stakeholders such as the Hollywood Foundation, Capricorn District Municipality & NYDA, assisted LEDA to link more youth entrepreneurs to access funding	N/A	Loan agreements or grant confirmations
	5.5. Military veterans	Number of SMMEs (Military veterans) supported non-financially	15 (15 on a year programme)	**Target not achieved.** 0	N/A	N/A	Register & support reports for Military veterans SMMEs
	5.6 Business skills training	Number of beneficiaries of business skills training	5 500	**Target achieved.** 6 746	Due to the high attendance of training sessions in all the 5 districts (Waterberg, Sekhukhune, Vhembe, Capricorn, and Mopani)	N/A	Training Plan, training reports and completion certificates register

During the year under review, LEDA collaborated with various Municipalities and institutions to deliver business information sessions, workshops that seeks to empower SMMEs and cooperatives. The highlights of the year under review are as follows:

- Limpopo DTIC Roadshow held on the 10th August 2023 at University of Venda
- Workshop hosted by the Department of Social Development
- Fetakgomo- Tubatse Mayoral Meeting with Business Formations
- Tendering Skills Workshop with Limpopo OTP, Provincial Treasury, and LEDET at Vhembe District
- Co-hosted the Business Seminar, Exhibition and Awards with Limpopo Hollywood Bambelela Foundation
- Limpopo Provincial Stakeholder Engagement workshop organized by MQA SETA

PRODUCT

New Era Life

The Insurance industry is highly regulated and anchored on key regulatory compliance provisions by different statutory bodies. The company has had its share of varied performance month to month. As a company gradually emerging from the many years of being under curatorship, it has put together a turnaround plan for long term sustainability and longevity. New Era Life is an important component of the LEDA Group established to contribute towards the transformation of life insurance landscape in the country. During the year under review, the company's Board of Directors approved a sustainability plan for long term existence and sustainability.

SUSTAINABILITY PLAN

The company endeavours to generate leads resulting in the creation of 13 000 new policies, with monthly profits of R1.8 million, covering a run rate of R1.2 million, from running from March 2024 to September 2024. With this as the basis for long-term sustainability, management and the Board of Directors agree on the need to do the following:

APPOINT AN EQUITY PARTNER

This process is underway as the company through LEDA has already published the bids for interested bidders to submit proposals. To minimize the risks of selecting unsuitable partner, the company endeavours to appoint a transaction advisor to guide the process.

CAPACITATE NEW ERA LIMPOPO OFFICE

As a subsidiary of LEDA, an agency of Limpopo Province, New Era Life has an obligation to have offices in the five districts of the province to service the growing Limpopo market. However, this does not deprive the company from serving customers across the country. In launching the office in Polokwane, the company will employ staff and embark on marketing campaign on all funeral parlours in the province.

ENHANCING GOVERNANCE

Compliance to policies is at the heart of New Era Life. The company will first and foremost align its policies to that of the strategic equity partner, align itself to Public Finance Management Act, the Companies Act, etc to ensure sound governance is always maintained. When all these are properly aligned, the Management of the entity will monitor progress against identified gaps.

ANNUAL PERFORMANCE INFORMATION

DELIVERY AGENT	OUTPUT	OUTPUT INDICATOR	2023/24 ANNUAL TARGET	ACTUAL OUTPUT	REASON FOR DEVIATION	CORRECTIVE ACTION	TECHNICAL INDICATOR DESCRIPTIONS
OUTCOME 6: INCREASED RETURN ON INVESTMENT AND PROFIT STREAMS FROM LEDA GROUP							
New Era	6.2. Viable and sustainable New Era	Investor on-boarded	1 investor on-boarded.	**Target not achieved.** 0	The bidders requested an intention to submit binding offers	• NEL Board has been approved. • Submission to LEDA BCIC is complete. • Awaiting resolution from the LEDA BCIC and Board of Directors	Board approval of preferred investment partner. Signed Investment agreement and roll-out plan

PRODUCT

Risima Housing Finance Corporation

Risima Housing Finance Corporation is anchored on sound internal control and financial management environment measures. These virtues, fashioned on sound business management philosophy of profitability and sustainable business, are the hallmark of an institution with strong focus on sustained return on investment year on year.

OUTCOME

Increased financing of housing, SMMEs and cooperatives and youth entrepreneurship development

INTRODUCTION

Risima Housing Finance Corporation is anchored on sound internal control and financial management environment measures. These virtues, fashioned on sound business management philosophy of profitability and sustainable business, are the hallmark of an institution with strong focus on sustained return on investment year on year.

Mandated to accelerate socio-economic development and competitiveness of the provincial economy, Risima provides housing development finance to the gap market and contributes towards growth and societal development. Over its years of existence to date, the entity evolved to become a catalyst to rural and urban housing solutions. At the heart of the entity's management philosophy sits key stakeholders who makes business solid. These stakeholders include customers, government, municipalities, service providers, financial institutions, and - regulators.

Risima's business offerings are classified to achieve the following:

SUSTAINABLE DEVELOPMENT

Risima provides myriads of solutions oriented financial services to Limpopo citizens to meet specific housing needs. The mortgage bonds in both urban and rural areas are provided at very affordable prices to consumers. These products are further blended with related services to enhance the livelihoods of affected consumers. For instance, Risima is providing financing for solar energy installations, that's enhancing

INNOVATIVE PRODUCTS SUPPORTING DEVELOPMENT

Risima provides first home finance on behalf of COGHSTA to eliminate the gap that is created by mainstream lending institutions. This product is geared for first homeowners and provided for qualifying applicants from across the five districts of the province. Over the years Risima had few financial products and services and the introduction of new products such as education loans, incremental housing loans, home constructions loans, etc and has grown the portfolio by leaps and bounces.

SOUND CORPORATE SERVICES

Risima subscribe to all provisions of the laws governing public finances, procurement, human resources, and host of legislations to ensure that it achieves sound corporate governance year on year. This is demonstrated by its annual performance and the unqualified audit opinions achieved annually over the years.

AGREEMENTS SIGNED WITH PRIVATE AND PUBLIC SECTOR ENTITIES

The following mining houses entered into an agreement with Risima:

- Implats
- Northam
- Angloplats

Risima has an ongoing relationship with Coghsta to provide housing product (FLISP) to the people of the province.

STAKEHOLDER RELATIONS AND MANAGEMENT

During the year under review, Risima participated in various community engagements to dessiminate information about its products and services. These sessionw took place in the following districts:

- Capricorn
- Mopani
- Waterberg

SKILLS DEVELOPMENT

Risima participates in skills development through internships / learnership programs. During the year under review the entity placed five interns. It must be noted that an average of five interns were placed within the organization.

ANNUAL PERFORMANCE INFORMATION

DELIVERY AGENT	OUTPUT	OUTPUT INDICATOR	2023/24 ANNUAL TARGET	ACTUAL OUTPUT	REASON FOR DEVIATION	CORRECTIVE ACTION	TECHNICAL INDICATOR DESCRIPTIONS
OUTCOME 5: INCREASED FINANCING OF HOUSING, SMMES AND COOPERATIVES AND YOUTH ENTREPRENEURSHIP DEVELOPMENT							
RISIMA	5.8. Housing and finance-related services provided across the province	Cumulative number of beneficiaries of Risima Housing Finance products	4 110	**Target not achieved.** 3 816	Less qualifying applications due tough economic conditions.	The company is in the process of opening two regional offices to have footprint across the province and roll-out the marketing campaign for Risima's product to increase sales.	Loan register and working files (home and incremental loans)
OUTCOME 6: INCREASED RETURN ON INVESTMENT AND PROFIT STREAMS FROM LEDA GROUP							
RISIMA	6.3. Profitability	Rand Value net profit	R32 million	**Target achieved.** R48.5 million	The target exceeded by R13.5m, due to high prime interest rate and cost control.	N/A	Annual financial statements.
	6.4. Investment growth	Return on investment.	5%	**Target achieved.** 7.1%	The company exceeded the target due to increased number of incremental home loans disbursed during the year compared to the budgeted amount.	N/A	Annual financial statements.

OUTCOME 6

INCREASED RETURN ON INVESTMENT AND PROFIT STREAMS FROM LEDA GROUP

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

INCREASE NET ASSET VALUE OF LEDA GROUP FROM R1.3BN TO R3.5BN

INCREASE LEDA GROUP RETURN ON TOTAL ASSETS PERCENTAGE FROM -2% TO 5%

INCREASE LEDA GROUP NET PROFIT PERCENTAGE FROM -4% TO 5%

REQUIRED OUTPUT: INCREASED RETURN ON INVESTMENT FROM LEDA GROUP

OUTPUT INDICATOR: SUBSIDIARY RETURN OF INVESTMENT PERCENTAGE.

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

PRIORITY 1: A CAPABLE, ETHICAL AND DEVELOPMENTAL STATE

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

APPLICABLE OUTCOMES AND INTERVENTIONS

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

2) Functional, efficient and integrated government that will:

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

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

Land and Property Business Division

LEDA has a vast portfolio of business development sites across the five districts of Limpopo Province. These are mainly industrial sites, rented out to entrepreneurs for production and manufacturing of products and services for domestic and industrial use. Apart from the factories, the Land and Property Portfolio also has several commercial sites rented out to retailers and wholesalers for sales of consumables items. The third aspects of this portfolio is made up of office space rented to entrepreneurs for furthering their business endeavours. Lastly, this portfolio also has a number of residential properties that are rented out to LEDA workers and the general public .

LEASING

LEDA is leasing these properties at below market value to entrepreneurs and industrialist whose primary objective is to create employment opportunities through manufacturing and production of items for consumer market. Limpopo is endowed with natural resources and with the growing demands for consumer products, LEDA is well positioned to facilitate economic growth through this portfolio. During the period under review, the Land and Property Division has leased out 23 508 m² number of factories against the Annual target of 30 120 m² across the five districts of the province. It must be noted that the portfolio is still reeling from the effects of Covid-19 pandemic on enterprises nationwide.

MAINTENANCE

The LEDA industrial parks and offices are maintained internally through appointed service providers on major works. Over the years, LEDA accessed grant funding from Department of Trade, Industry and Competition (the dtic) for the refurbishment of some factories in both Seshego and Nkowankowa. As the organization endeavours to undertake refurbishments across all districts in the five districts, budgetary constrains was a major factor to the LEDA grant applications, however in the year ahead, the entity will attempt to embark on new applications.

BUSINESS SITES

LEDA's commercial properties consists of shopping mall around economic hubs of the province. These Malls provide small traders and communities in the host municipalities with easy access to shopping as they are mostly situated around the major entry and exit roads to villages and townships. LEDA co-owns Malls with shareholders in Mokopane, and Thohoyandou respectively.

OCCUPANCY RATE

Occupancy is measure annually in terms of the available / lettable spaces in Malls, factories and offices. The demand for lettable spaces in factories differs from one region to another, based on the size and location. LEDA has big, medium and small factories. During the year under review, occupancy at LEDA was sitting at 87.99% whilst the entity experienced 100% occupancy of its co-owned Malls.

THE ECONOMIC IMPACT OF LEDA PROPERTY PORTFOLIO

A total of 1 108 entrepreneurs / tenants used LEDA's industrial parks and commercial properties to carry-out their daily businesses which contributed to the economic growth of Limpopo Province, in the process created 9 908 jobs.

ANNUAL PERFORMANCE INFORMATION

DELIVERY AGENT	OUTPUT	OUTPUT INDICATOR	2023/24 ANNUAL TARGET	ACTUAL OUTPUT	REASON FOR DEVIATION	CORRECTIVE ACTION	TECHNICAL INDICATOR DESCRIPTIONS
OUTCOME 5: INCREASED FINANCING OF HOUSING, SMMES AND COOPERATIVES AND YOUTH ENTREPRENEURSHIP DEVELOPMENT							
Agency - Land and Properties	5.7 Industrial parks (Leasing – increase leased m²)	Number of leased m²	30 120 m²	**Target not achieved.** 23 509m²	Demand for LEDA Properties has declined due to competition.	To continue with application for external funding to refurbish the properties.	Register of available lease space and Lease agreements

PRODUCT

Great North Transport

Great North Transport (GNT) is LEDA's subsidiary and a leading public passenger transportation company in the Limpopo Province, offering bus service to commuters and passengers.

The company operates across the five districts of Limpopo Province, transporting passenger across various destinations on daily basis.

During the past financial year, GNT continue to work towards achieving its directed performance measures established in the 2022/23 Corporate Plan.

TURNAROUND STRATEGY

The GNT turnaround plan commenced during the 2022/23 financial year. The strategy involved, amongst others, the acquisition of an additional 120 fleet and a strategic business model to generate revenue.

To purchase the new buses, GNT was allocated funding from Limpopo Provincial Treasury over the next two financial years, with 40 to be purchased in the 2024/25 financial year while the 80 will be bought during the 2025/26 financial year.

OPERATIONAL EXCELLENCE

Through revised performance criteria, GNT focused on improving its operational excellence to achieve efficiencies in cost reductions, customer satisfactory, on reliability, availability, and safety.

GNT has responded swiftly and fast-tracked plans to deliver long-term programmes earlier and working collaboratively with others to get things done.

The bus preventative maintenance repair programme continues to bear fruit as GNT has managed to prevent major declines in its bus availability considering the condition of its aged fleet.

An amount of R5m was put aside to assist fund this programme. To date, about 18 buses throughout all depots were repaired and brought back to operation.

SUB-CONTRACTING OF SMALL BUS OPERATORS

During the period under review, a key decision was undertaken that GNT should collaborate and partner with small bus operators in the province to assist the company to improve on its public transport mandate.

GNT experienced shortages of buses during this period and to mitigate this challenge, the company opted to partner with small bus operators to ensure non disruption of the company's transport services and at the same time enhancing economic growth and social inclusion.

A significant amount of work has begun to engage these bus operators through an open tender process for this purpose.

STATUTORY OBLIGATIONS

GNT successfully addressed all its statutory obligations (SARS and pension contributions) and is fully tax compliant at year-end during the year under review.

Pension payouts for employees who did not receive payouts in previous financial year, has seen a significant reduction from 1163 outstanding claims to just 226 claims at end of the 2023/24 financial year. A comprehensive outreach programme was introduced to call out all former employees whose pension monies are still with the liquidators and it is expected that all outstanding payments will be done in the next financial year.

MEMORANDUM OF UNDERSTANDING WITH TVET COLLEGES

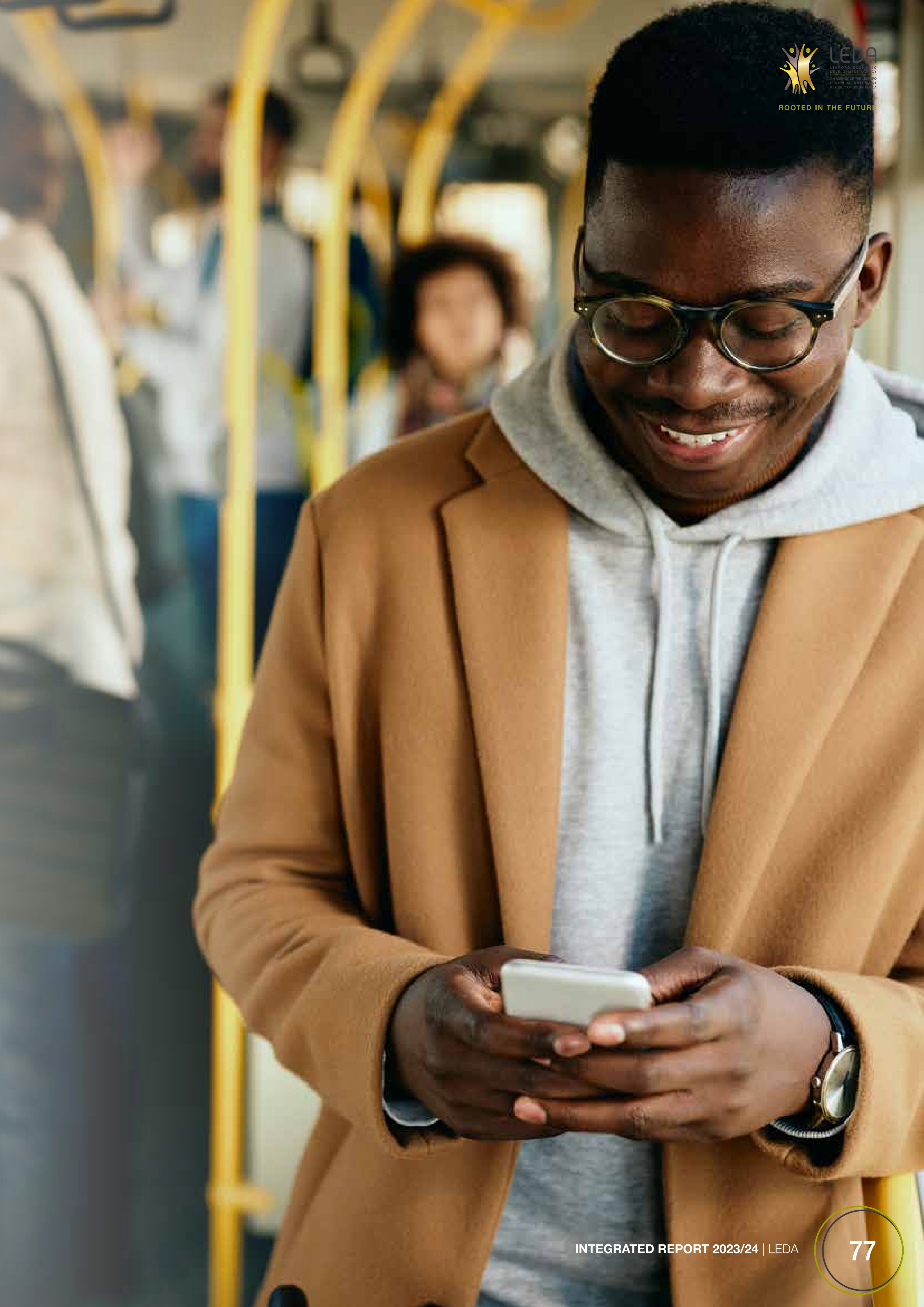
GNT signed a MoU with seven TVET Colleges in Limpopo Province; namely Capricorn, Sekhukhune, Waterberg, Lephalale, Mopani, Letaba and Vhembe TVET College to assist in the placement of student learners within GNT for practical application of their theoretical studies. This is to enhance their skills and experience in the workplace.

This partnership is aimed at ensuring that the entity contributes to the intake of young people within its operations to provide them with exposure to the transport sector as well as provide employment opportunities in their field of studies. During the year under review, GNT placed a total of 62 young people across its ten depots, with 33 in the Artisan Development/ Specialized field and 29 in the internship programme.

GNT embarked on "Operation Lungisa" which became effective on 01 July 2023. It is aimed at bringing buses back on the road to fulfil its public passenger mandates. As part of youth empowerment and return on investment, 17 Diesel Mechanic Apprentices, who spent three years on practical training, were recruited to work for the company in a quest for sustainability of the operations.

ANNUAL PERFORMANCE INFORMATION

DELIVERY AGENT	OUTPUT	OUTPUT INDICATOR	2023/24 ANNUAL TARGET	ACTUAL OUTPUT	REASON FOR DEVIATION	CORRECTIVE ACTION	TECHNICAL INDICATOR DESCRIPTIONS
OUTCOME 5: INCREASED FINANCING OF HOUSING, SMMES AND COOPERATIVES AND YOUTH ENTREPRENEURSHIP DEVELOPMENT							
GNT	6.5. Sustainability	% Statutory payments (pension, SARS).	100%	**Target achieved.** 100% of statutory payments were processed.	N/A	N/A	Statutory payment(s) report
		Number of passengers transported per annum.	10 million	**Target not achieved.** 6.7 million	Decline in the number of buses affected the number of passengers transported	120 buses will be procured in the new financial year and more passengers will be transported	Passenger count/ ticket sales report



OUTCOME 7

A WELL-CAPACITATED AND PERFORMING ORGANISATION

+ OUTCOME 7: A WELL-CAPACITATED AND PERFORMING ORGANISATION

100% CLEAN AUDIT FOR ALL EIGHT COMPANIES

LEDA GROUP ACHIEVE 90% OF PERFORMANCE TARGETS

REQUIRED OUTPUT: EFFECTIVENESS OF INTERNAL CONTROLS THROUGH SELF-ASSESSMENT
SOUND GOVERNANCE AND COMPLIANCE
EMPLOYEE TRAINING AND DEVELOPMENT

OUTPUT INDICATOR: NET PROFIT PERCENTAGE
PERCENTAGE OF CONTROLS IDENTIFIED IN THE OPERATIONAL SELF TESTED
NUMBER OF UNQUALIFIED EXTERNAL AUDIT OPINION ON THE PRIOR YEAR
NUMBER OF JOB SPECIFIC SKILLS TRAINING INTERVENTIONS

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

PRIORITY 1: A CAPABLE, ETHICAL AND DEVELOPMENTAL STATE

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

APPLICABLE OUTCOMES AND INTERVENTIONS

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

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

Corporate Services Business Division

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

HUMAN RESOURCES DEPARTMENT

GROUP LEDA STAFF PROFILE

OUTCOME

A well capacitated and performing organization

EMPLOYEE LEVEL	APPROVED ESTABLISHMENT	VACANCIES	RACE			GENDER		STAFF TERMINATIONS	
			Africans	Indians	Whites	Males	Females	Males	Females
Top Management	12	4	8	0	0	8	0	1	0
Senior Management	45	13	30	1	1	18	14	1	3
Professionally Qualified	110	15	93	1	1	60	35	4	2
Skilled technical and academically qualified	247	100	144	1	2	73	74	4	5
Semi-skilled	95	18	77	0	0	27	50	2	0
Very low skilled	96	18	78	0	0	22	56	1	4
TOTAL PERMANENT	**605**	**168**	**430**	**3**	**4**	**208**	**229**	**13**	**14**
Interns	21	0	21	0	0	9	12	0	2
Temporary Staff	7	0	7	0	0	1	6	1	1
TVET Learners	35	0	35	1	0	16	19	0	0
TOTAL	**668**	**168**	**493**	**4**	**4**	**234**	**266**	**14**	**17**

LONG-SERVICE RECOGNITION AWARDS

LEDA has a long-service recognition awards policy to reward staff loyalty and commitment, which assists as a motivation to staff.

SOUND LABOUR RELATIONS

The Labour Relations programme ensures that employees of LEDA are treated fairly, and that LEDA adheres to the legislation governing employment, relationship and practices. This embraces that employees should be fairly and equitably treated, with due concern being for their job security and the principle of Freedom of Association and Disassociation. The purpose is to advance the economic development, social justice, labour peace and democratisation of the workplace by fulfilling the primary objects of the Labour Relations Act No. 66 of 1995.

OCCUPATIONAL HEALTH AND SAFETY

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

EMPLOYEE WELLNESS PROGRAMME

LEDA supports the health and well-being of its employees and acknowledges that a variety of personal problems can disrupt employees work lives. As part of the Employee Wellness Programme (EWP), there is the Employee

Assistance Programme (EAP), and its purpose is to offer confidential assistance to employees who have the potential to be adversely affected by both personal and work-related challenges.

The Employee Wellness Programme enables LEDA to provide access to professional counselling services for all employees and encourage them to use the product in order to remain fit for purpose. The programme is a free service available to all employees and their immediate dependants. It gives access to specialist information from qualified consultants who provide information and advice using both telephone and face-to-face counselling on a range of both work and domestic issues for 24/7/365.

For the 2023/24 financial year LEDA hosted four wellness day events, which were aimed to address the risks identified through health and wellness programmes, campaigned and advocated for a healthy living and a balanced lifestyle. The focus of the programme was on health and wellness screening, financial wellness, educational health talks, nutrition, physical activities, and HIV counselling and testing.

SKILLS DEVELOPMENT

LEDA values a strong people development ethic and is committed to the growth of its employees. Training and development processes form an imperative component of human resources management within the organisation.

Programmes are in place that up-skill employees for the immediate requirements of their jobs and to better prepares them for horizontal and vertical career development opportunities in future.

LEDA is committed to exposing employees to structured external management programmes as well as supporting employees who are prepared to undertake relevant studies through the Educational Financial Assistance provided that such studies are linked to business needs and to the employee's career goals.

The skills development programmes such internship, learnership and developmental programmes are undertaken to release the potential of our employees and prospective employees.

LEARNERSHIPS

The entity hosted 59 students from TVET colleges within the Limpopo Province under the Learnerships programme for a duration of 12 months and 18 months in order to assist them to complete their qualifications and obtain their diplomas. 49 learners were under Limpopo Connexion under the ICT programme and the other 10 learners were placed at LEDA for various functions ranging from human resources, finance, auditing, etc.

INTERNSHIPS

LEDA registered 21 graduate interns for a period of 12 months under the internship programme. The aim is to assist in closing the gap that exists between the training given at different academic institutions and the world of work. From the 21 interns, 11 interns were under Musina-Makhado SEZ and the other 10 interns were placed at LEDA responsible for various functions ranging from finance, auditing, human resources, secretariat, etc. In addition, the programme is aimed at bettering their chances of employment. The learners and interns are introduced to the world of work through supervision and mentoring. Mentors / supervisors are allocated to each learner / intern to assist them with practical application of academic theory and to expose them to work based experience.

PERFORMANCE MANAGEMENT DEVELOPMENT SYSTEM

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

The PMDS is a tool used to accomplish better results by understanding and managing performance within agreed framework of planned goals, standards and competency requirements. Its primary emphasis is the development and growth of employees to drive excellent performance.

In addition, PMDS supports performance planning in the context of the organisational strategy and divisional business plans.

EMPLOYMENT EQUITY

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

Marketing and Communications

The department of Marketing and Communications provides internal, external and PR services, Stakeholder Relations Management and image building for the LEDA Agency and its subsidiaries. With its support services for the group, the department implemented the following programs underpinned by LEDA's vision during the year under review.

CORPORATE COMMUNICATIONS

INTERNAL COMMUNICATIONS

Internal communications provide LEDA staff with information about new developments and general information necessary for staff awareness. Internal communications uses email and WhatsApp platforms for information dissemination

EXTERNAL COMMUNICATIONS AND PUBLIC RELATIONS

LEDA website, Facebook and Twitter (X) are used for external communications. During the year under review LEDA these platforms were able to drive information about LEDA's activities.

LEDA WEBSITE AND FACEBOOK ACCOUNTS

- Distributed information about LEDA's R1Billion Business Idea and MEC of Department of Economic Development, Environment and Tourism's 100 Days in Office feedback campaigns.
- Distributed information on the GNT activities pertaining MEC's visit to Giyani Depot.
- Distributed information about Limpopo Investment Conference.
- Distributed information about Mapunguve.

ELECTRONIC COMMUNICATIONS

LEDA website continues to be a facility for public engagement with LEDA products and services. Through the WhatsApp linked to the website, clients can interact with LEDA without travelling to regional and branch offices.

SOCIAL MEDIA AND PUBLIC RELATIONS COMMUNICATIONS

MEDIA AND PUBLIC RELATIONS

- Distribution of messaging around key economic sectors of province and its relevance to the investment conference. Key to that message is that Limpopo is ready for business.
- Posting of key messages during and post the investment conference.
- Publishing of Risima products and services.
  - Publishing of images and messaging of SMME and Co-operatives awards by LEDA and LEDET.
- Facilitated interviews for the MEC of Department of Economic Development, Environment and Tourism on Power FM and Newsroom Africa.
- Facilitated media interviews for Acting CEO of Fetakgomo Tubatse SEZ during the Energy Indaba.

Invited the following media houses for Limpopo Investment Conference media launch and the Conference itself:

- Energy FM, Capricorn FM, Observer, Herald news, SABC Combo, and The Citizen newspaper

TELEVISION COVERAGE

- Newsroom Africa - https://youtu.be/Vgy-P7WQ_Bw
- SABC Channel 404 - https://youtu.be/f1VJutSx8MQ
- SABC Channel 404 link: https://youtu.be/gOdhpMWRlek?si=SRmBpUiTfUtlHmds

CORPORATE MARKETING

EVENTS MANAGEMENT

- Managed Limpopo Investment Conference and its media conference launch
- Facilitated the Investment Conference Exhibitions
- Facilitated and managed the LEDA Annual Charity Golf Day.
- Facilitated an exhibition for Fetakgomo-Tubatse SEZ during the Africa in Cape Town.
- Organized the MEC of Department of Economic Development, Environment and Tourism's 100 Days in Office feedback campaigns.
- Managed the branding of Limpopo Investment Conference.
- Managed the branding of LEDA Annual Charity Golf Day.
- Managed the branding at Mapunguve Festival.

THE ONE STOP SHOP

The Marketing and Communications department developed content for the One Stop Shop (OSS) in website in preparation for launch of the facility during the year under review.

CORPORATE SOCIAL INVESTMENT

LEDA uses its corporate citizenship values to extent helping hand in the form of social investments and sponsorship within its policy imperatives. Over the period, LEDA participated in corporate responsibility, Corporate Social Investment (CSI) as follows:

- Sponsorship to entrepreneur Over the past few months LEDA provided sponsorship to youth entrepreneur participating in the leather exhibition in Dubai.
- Sponsorship for Youth African Entrepreneur (YEP) taking place in Polokwane.
- Mandela Day Celebration – LEDA through CSI is renovated a Special School for children leaving with disabilities in Ga-Sekwati in the Makhudu-Thamaga Municipality. The school was handed over during the Mandela Month. Stakeholders including LEDA, LEDET, Department of Basic Education participated in the handing over of the project to demonstrate LEDA's commitment to CSI

Information Technology

The LEDA Information Communications Technology (ICT) department provide information communication services to the group and its subsidiaries on the following key results areas:

- Maintained the integrity of our systems and prevented incidences of cybersecurity breaches.
- Enabled service excellence to all our stakeholders through our agile infrastructure that supported remote engagements and service delivery.
- Continual stakeholder engagement enabled through virtual platforms and other technology-enabled means.
- System uptime enabled performance excellence.

LEDA ICT has achieved significant progress in the past year towards achieving its mandate to support the rest of the business units and subsidiaries by providing the Information technology services that enable them to achieve their strategic goals. It has endeavoured to meet its service level agreements with divisions/subsidiaries, despite all the challenges experienced during the year under review.

Technology has kept the LEDA's business running smoothly during the year under review. Although an increase in global cyber-attacks were reported, inclusive of South Africa, the ICT's security controls resulted with no breaches and with no impact on the business operations. The ICT department has initiated additional processes that will lead to new projects that are meant to improve the early detection and prevention of anomalies within the value chain.

Load shedding in South Africa remained a challenge during the period under review, particularly in keeping the LEDA's offices operational at all required times. LEDA has put together a plan to capacitate the head office and other critical offices with alternate energy to minimise business disruption and protect the investment of all deployed technologies.

The ICT department's investment, strategic and operational plans have been monitored and reported into the ICT Governance Committee. As part of the transitional and improvement plan, the ICT department will be advancing its strategic intent in the following areas:

- Appointment of resources that are fit for business.
- Continuous adherence to ICT Governance and related legislative frameworks.
- Onboard technology/ systems that are built for purpose.
- Continuous improvement of cybersecurity measures for both internal and external environment.

ANNUAL PERFORMANCE INFORMATION

DELIVERY AGENT	OUTPUT	OUTPUT INDICATOR	2023/24 ANNUAL TARGET	ACTUAL OUTPUT	REASON FOR DEVIATION	CORRECTIVE ACTION	TECHNICAL INDICATOR DESCRIPTIONS
OUTCOME 6: INCREASED RETURN ON INVESTMENT AND PROFIT STREAMS FROM LEDA GROUP							
Agency	6.1. Financial performance (DuPont ratios)	Margin.	2%	**Target achieved.** 11.6	The recognition of Agribusiness in the Agency.	N/A	Financial reports generated by the financial system.
		Asset turnover.	0.5	**Target achieved.** 0.58	Increase in asset base, as a result of the inclusion of Agribusiness.	N/A	Financial reports generated by the financial system.
		Leverage.	1.6	**Target achieved.** 1.57	N/A	N/A	Financial reports generated by the financial system.
		Return on Assets.	1%	**Target achieved.** 17%	N/A	N/A	Financial reports generated by the financial system.
		Return on Equity.	2%	**Target achieved.** 24%	N/A	N/A	Financial reports generated by the financial system.
OUTCOME 7: A WELL CAPACITATED AND PERFORMING ORGANISATION							
Agency	7.1. Effectiveness of internal controls through self-assessment	Percentage of controls identified as effective through the self-assessment	80%	**Target Achieved** 98%	N/A	N/A	Statement of factual correctness (quarterly reports from each division) submitted by the Head/Executive Manager
	7.2. Governance and oversight	Number of unqualified audit opinions	8	**Target not achieved.** 7	One subsidiary obtained a qualification	Clean audit administration strategy developed.	Annual external audit reports of LEDA and 7 subsidiaries
		Number of Board meetings	4	**Target achieved.** 12	N/A	N/A	Formal confirmation verifying the accuracy of the governance meetings held (attendance registers)
		Number of Audit & Risk Committee meetings	4	**Target achieved.** 12	The Committee had 8 additional special meetings to consider the quarterly reports, sustainability plans, and other important matters	N/A	Formal confirmation verifying the accuracy of the governance meetings held (attendance registers)
		Number of Social and Ethics Committee meetings	3	**Target achieved.** 3	N/A	N/A	Formal confirmation verifying the accuracy of the governance meetings held (attendance registers)
		Number of Credit & Investment Committee meetings	4	**Target achieved.** 7	The committee had additional meetings to consider the loan applications	N/A	Formal confirmation verifying the accuracy of the governance meetings held (attendance registers)

DELIVERY AGENT	OUTPUT	OUTPUT INDICATOR	2023/24 ANNUAL TARGET	ACTUAL OUTPUT	REASON FOR DEVIATION	CORRECTIVE ACTION	TECHNICAL INDICATOR DESCRIPTIONS
OUTCOME 7: A WELL CAPACITATED AND PERFORMING ORGANISATION (CONTINUED)							
Agency	7.2. Governance and oversight	Number of Executive Committee meetings	8	**Target achieved.** 13	EXCO had additional meetings to consider the Group APP and Budget for 2024/25 FY.	N/A	Formal confirmation verifying the accuracy of the governance meetings held (attendance registers)
		Number of Annual General meeting	1	**Target achieved.** 1	N/A	N/A	Formal confirmation verifying the accuracy of the governance meetings held (attendance registers)
		Number of Internal Audit reports	4	**Target achieved.** 4	N/A	N/A	Formal confirmation verifying the accuracy of the governance meetings held (attendance registers)
		Number of Enterprise Risk Management & monitoring reports	4	**Target achieved.** 4	N/A	N/A	Formal confirmation verifying the accuracy of the governance meetings held (attendance registers)
		Number of Human Capital reports	4	**Target achieved.** 4	N/A	N/A	Formal confirmation verifying the accuracy of the governance meetings held (attendance registers)
		Number of Ethics, Social & Governance reports	3	**Target achieved.** 3	N/A	N/A	Formal confirmation verifying the accuracy of the governance meetings held (attendance registers)

LEDA'S VALUE PROPOSITION

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

OUTLOOK AND CHALLENGES FACING THE COMPANY AND THEIR IMPLICATIONS

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

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

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

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

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

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

3. INNOVATIVE DIGITAL SOLUTIONS TO SOLVE SOCIO-ECONOMIC CHALLENGES

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

4. INCREASED DOMESTIC DIRECT INVESTMENT AND FOREIGN DIRECT INVESTMENT

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

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

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

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

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

7. A WELL CAPACITATED AND PERFORMING ORGANISATION

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

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

ANNUAL PERFORMANCE INFORMATION

DELIVERY AGENT	OUTPUT	OUTPUT INDICATOR	2023/24 ANNUAL TARGET	ACTUAL OUTPUT	REASON FOR DEVIATION	CORRECTIVE ACTION	TECHNICAL INDICATOR DESCRIPTIONS
OUTCOME 1: MINERAL BENEFICIATION PROJECTS CONTRIBUTING TOWARDS INCREASING LIMPOPO GDP FROM R400 BILLION TO R450 BILLION							
Agency – Trade and Investment Promotion	1.1. Produce goods/ products from minerals within the province	Value of de-risked projects	R1.2 billion	**Target not achieved.** R0	Target not achieved due to the technical skills and complexity of the task at hand	Resources to implement the programme are allocated for 2024/25 financial year	Documentation signed- off (bankability and/or feasibility studies) by the Executive Manager and, where applicable, the consultant or expert confirming the bankability of the project(s)
CMR	1.2. Operationalisation of mining asset	Number of operational mining assets	2 (Tshepong and Funani)	**Target not achieved.** R0	Partnership agreements with investors were still going through the approval processes at the point of reporting.	Fast-tracking the partnership agreements.	Verify the progress as reported in the project progress reports,
OUTCOME 2: AGRO-PROCESSING PROJECTS CONTRIBUTING TOWARDS INCREASING LIMPOPO GDP FROM R400 BILLION TO R450 BILLION							
Agency-Agri-Business	2.1. Produce Agro-processed products within the province	Number of Agro-processing projects de-risked	4	**Target not achieved.** R0	Unfavourable market conditions	The targets have been shifted to Quarter 1 of 2024/25 due to the delays experienced. LEDA has further made the contributions for the feasibility study, for establishment of a potato processing plant in Dendron in partnership with other stakeholders like Potato SA, IDC and LDARD.	Documentation signed- off (bankability and/or feasibility studies) by the Executive Manager and, where applicable, the consultant or expert confirming the bankability of the project(s)
OUTCOME 3: INNOVATIVE DIGITAL SOLUTIONS TO SOLVE SOCIO-ECONOMIC PROBLEMS AND OTHER SOLUTIONS							
Limpopo Connexion	3.1. A viable and sustainable LCX	Investment partner secured and onboarded	Investment partner onboarded and roll-out commenced	**Target not achieved.** • Investment partners were conditionally appointed. • The Due Diligence exercise on the conditionally appointed investment partners has been completed	The Investment agreement not yet developed. Investment partner is not yet onboarded as securing the investment partners is a long, tedious, and complex process, compounded by the current economic environment	The investment process is in its final stages with discussions with both state owned and private sector companies taking place	Investment agreement and approved and counter-signed investment roll-out plan
OUTCOME 4: INCREASED DOMESTIC DIRECT INVESTMENT AND FOREIGN DIRECT INVESTMENT							
Agency – Trade and Investment Promotion	4.1. Investment promotion	Rand value of investments facilitated	R30 billion	**Target achieved.** R37 447 000 000.00	There were more investment pledges secured, than initially expected and planned.	N/A	Proof of investment conference (investment pledges)
	4.2. Export facilitation	Rand value of exports facilitated	R400 million	**Target not achieved.** R0	N/A	N/A	Accurate statement by the Head and proof of third-party confirmations on exports

DELIVERY AGENT	OUTPUT	OUTPUT INDICATOR	2023/24 ANNUAL TARGET	ACTUAL OUTPUT	REASON FOR DEVIATION	CORRECTIVE ACTION	TECHNICAL INDICATOR DESCRIPTIONS
OUTCOME 4: INCREASED DOMESTIC DIRECT INVESTMENT AND FOREIGN DIRECT INVESTMENT (CONTINUED)							
Agency – Enterprise Development Finance	4.3. New business development (R1 billion business idea)	Number of concepts in the product development process (either of the six stages – ideation generation, product definition, prototyping, initial design, validation and testing, and commercialisation	20 (20 throughout the year)	**Target Achieved** 22	22 Entrepreneurs were linked to Funders: commercial banks, relevant government departments and DFIs	N/A	Documentation signed- off by LEDA & the entrepreneurs confirming the relationship between the two parties and the total number of concepts in the product development process.
Musina-Makhado Special Economic Zone	4.4. Musina-Makhado Special Economic Zone - Infrastructure Development	Rand value of Investment in SEZ infrastructure	R200 million	**Target not achieved.** R60 million	Underspending on SEZ Infrastructure was due to the delays incurred in obtaining tree removal and “borrowpit” permits, as well as the withholding of infrastructure projects pending finalization of outstanding township establishment conditions.	The borrowpit and tree relocation permits have since been obtained. 3 out of the 4 township establishment conditions have been resolved. The remaining land development right issue has been escalated to the department of agriculture for intervention.	Capex reports (proof of spending on infrastructure)
Fetakgomo-Tubatse IP	4.5. Fetakgomo-Tubatse Special Economic Zone - Infrastructure Development	Rand value of Investment in Infrastructure roll - out	R30 million	**Target not achieved.** R8.4 million	R22 million of the total budget was not spent. Delays in the finalization of the transactional agreement between LEDA/FTIP and private company.	Ensure proper project preparation processes with clear timelines.	Capex reports (proof of spending on infrastructure)
OUTCOME 5: INCREASED FINANCING OF HOUSING, SMMES AND COOPERATIVES AND YOUTH ENTREPRENEURSHIP DEVELOPMENT							
Agency – Enterprise Development Finance	5.1. SMME & Cooperative support (Loans)	Rand value of loans disbursed	R10 million	**Target not achieved.** R2.1 million	SMMES not having collateral/security was identified as a major challenge from the applications which were assessed and not approved. Hence, only R2.1 million worth of loan applications were approved and disbursed.	Benchmarking with other DFI's	Loan agreements
	5.2. SMME support (Non-financial - Incubation)	Number of SMMEs supported non-financially	110	**Target achieved.** 125	15 SMMEs from a private company funding project, were prioritized to form part of the incubation programme, thus increasing the total number of SMMEs supported.	N/A	Memorandum of understanding / agreements or SMME incubation report card
	5.3. Co-operative (non- financial - incubation)	Number of Cooperatives supported non-financially	110	**Target achieved.** 110	N/A	N/A	Memorandum of understanding / agreements or SMME incubation report card

DELIVERY AGENT	OUTPUT	OUTPUT INDICATOR	2023/24 ANNUAL TARGET	ACTUAL OUTPUT	REASON FOR DEVIATION	CORRECTIVE ACTION	TECHNICAL INDICATOR DESCRIPTIONS
OUTCOME 5: INCREASED FINANCING OF HOUSING, SMMES AND COOPERATIVES AND YOUTH ENTREPRENEURSHIP DEVELOPMENT (CONTINUED)							
Agency – Enterprise Developme nt Finance	5.4. Youth start-up loans	Number of youths enterprises financed through facilitation of loans or grants	30	**Target achieved.** 36	Collaboration with various stakeholders such as the Hollywood Foundation, Capricorn District Municipality & NYDA, assisted LEDA to link more youth entrepreneurs to access funding	N/A	Loan agreements or grant confirmations
	5.5. Military veterans	Number of SMMEs (Military veterans) supported non-financially	15 (15 on a year programme)	**Target not achieved.** 0	N/A	N/A	Register & support reports for Military veterans SMMEs
	5.6 Business skills training	Number of beneficiaries of business skills training	5 500	**Target achieved.** 6 746	Due to the high attendance of training sessions in all the 5 districts (Waterberg, Sekhukhune, Vhembe, Capricorn, and Mopani)	N/A	Training Plan, training reports And completion certificates register
Agency - Land and Properties	5.7 Industrial parks (Leasing – increase leased m²)	Number of leased m²	30 120 m²	**Target not achieved.** 23 509 m²	Demand for LEDA Properties has declined due to competition.	To continue with application for external funding to refurbish the properties.	Register of available lease space and Lease agreements
RISIMA	5.8. Housing and finance-related services provided across the province	Cumulative number of beneficiaries of Risima Housing Finance products	4 110	**Target not achieved.** 3 816	Less qualifying applications due tough economic conditions.	The company is in the process of opening two regional offices to have footprint across the province and roll-out the marketing campaign for Risima's product to increase sales.	Loan register and working files (home and incremental loans)
OUTCOME 6: INCREASED RETURN ON INVESTMENT AND PROFIT STREAMS FROM LEDA GROUP							
Agency	6.1. Financial performance (DuPont ratios)	Margin	2%	**Target achieved.** 11.6%	The recognition of Agribusiness in the Agency	N/A	Financial reports generated by the financial system
		Asset turnover	0.5	**Target achieved.** 0.58	Increase in asset base, as a result of the inclusion of Agribusiness	N/A	Financial reports generated by the financial system
		Leverage	1.6	**Target achieved.** 1.57	N/A	N/A	Financial reports generated by the financial system
		Return on Assets	1%	**Target achieved.** 17%	N/A	N/A	Financial reports generated by the financial system
		Return on Equity	2%	**Target achieved.** 24%	N/A	N/A	Financial reports generated by the financial system

DELIVERY AGENT	OUTPUT	OUTPUT INDICATOR	2023/24 ANNUAL TARGET	ACTUAL OUTPUT	REASON FOR DEVIATION	CORRECTIVE ACTION	TECHNICAL INDICATOR DESCRIPTIONS
OUTCOME 6: INCREASED RETURN ON INVESTMENT AND PROFIT STREAMS FROM LEDA GROUP (CONTINUED)							
New Era	6.2. Viable and sustainable New Era	Investor on-boarded	1 investor on-boarded	**Target not achieved.** 0	The bidders requested an intention to submit binding offers	• NEL Board has been approved. • Submission to LEDA BCIC is complete. • Awaiting resolution from the LEDA BCIC and Board of Directors	Board approval of preferred investment partner. Signed Investment agreement and roll-out plan
Risima	6.3. Profitability	Rand Value net profit	R32m	**Target achieved.** R48.5m	The target exceeded by R13.5m, due to high prime interest rate and cost control.	N/A	Annual Financial statements
	6.4. Investment growth	Return on investment	5%	**Target achieved.** 7.1%	The company exceeded the target to due increased number of incremental home loans disbursed during the year compared to the budgeted amount.	N/A	Annual Financial statements
GNT	6.5. Sustainability	% Statutory payments (pension, SARS).	100%	**Target achieved.** 100% of statutory payments were processed.	N/A	N/A	Statutory payment(s) report
		Number of passengers transported per annum	10 million	**Target not achieved.** 6.7 million	Decline in the number of buses affected the number of passengers transported	120 buses will be procured in the new financial year and more passengers will be transported	Passenger count/ ticket sales report
OUTCOME 7: A WELL CAPACITATED AND PERFORMING ORGANISATION							
Agency	7.1. Effectiveness of internal controls through self-assessment	Percentage of controls identified as effective through the self-assessment	80%	**Target Achieved** 98%	N/A	N/A	Statement of factual correctness (quarterly reports from each division) submitted by the Head/Executive Manager
	7.2. Governance and oversight	Number of unqualified audit opinions	8	**Target not achieved.** 7	One subsidiary obtained a qualification	Clean audit administration strategy developed.	Annual external audit reports of LEDA and 7 subsidiaries
		Number of Board meetings	4	**Target achieved.** 12	N/A	N/A	Formal confirmation verifying the accuracy of the governance meetings held (attendance registers)
		Number of Audit & Risk Committee meetings	4	**Target achieved.** 12	The Committee had 8 additional special meetings to consider the quarterly reports, sustainability plans, and other important matters	N/A	Formal confirmation verifying the accuracy of the governance meetings held (attendance registers)
		Number of Social and Ethics Committee meetings	3	**Target achieved.** 3	N/A	N/A	Formal confirmation verifying the accuracy of the governance meetings held (attendance registers)

DELIVERY AGENT	OUTPUT	OUTPUT INDICATOR	2023/24 ANNUAL TARGET	ACTUAL OUTPUT	REASON FOR DEVIATION	CORRECTIVE ACTION	TECHNICAL INDICATOR DESCRIPTIONS
OUTCOME 7: A WELL CAPACITATED AND PERFORMING ORGANISATION (CONTINUED)							
Agency	7.2. Governance and oversight	Number of Credit & Investment Committee meetings	4	**Target achieved.** 7	The committee had additional meetings to consider the loan applications	N/A	Formal confirmation verifying the accuracy of the governance meetings held (attendance registers)
		Number of Executive Committee meetings	8	**Target achieved.** 13	EXCO had additional meetings to consider the Group APP and Budget for 2024/25 FY.	N/A	Formal confirmation verifying the accuracy of the governance meetings held (attendance registers)
		Number of Annual General meeting	1	**Target achieved.** 1	N/A	N/A	Formal confirmation verifying the accuracy of the governance meetings held (attendance registers)
		Number of Internal Audit reports	4	**Target achieved.** 4	N/A	N/A	Formal confirmation verifying the accuracy of the governance meetings held (attendance registers)
		Number of Enterprise Risk Management & monitoring reports	4	**Target achieved.** 4	N/A	N/A	Formal confirmation verifying the accuracy of the governance meetings held (attendance registers)
		Number of Human Capital reports	4	**Target achieved.** 4	N/A	N/A	Formal confirmation verifying the accuracy of the governance meetings held (attendance registers)
		Number of Ethics, Social & Governance reports	3	**Target achieved.** 3	N/A	N/A	Formal confirmation verifying the accuracy of the governance meetings held (attendance registers)

FINANCIAL INFORMATION

General Information

COUNTRY OF INCORPORATION AND DOMICILE	South Africa
NATURE OF BUSINESS AND PRINCIPAL ACTIVITIES	Financing, Development, Business and Financial Management Support of Small and Medium Enterprises, Public Transport, Rental of Properties, Housing Finance, Mining, Exploration and Beneficiation, Agriculture, Export Promotion and Investment Attraction in Limpopo, Agro-Processing, Broadband and ICT, Special Economic Zones, Life Insurance
DIRECTORS	Mr. CC Nkadimeng Mr. M Maphutha Adv. TM Ncube (Chairperson) Ms. N Magadagela (BARC Chairperson) Mr. CA Chikane Mr. MS Ralebipi Mr. MSP Maake Mr. TR Makhuvha (CEO) Mr. NB Mokobane (COO) Mr. F Magidi (CFO)
REGISTERED OFFICE	Enterprise Development House Main Road Lebowakgomo 0737
BUSINESS ADDRESS	Enterprise Development House Main Road Lebowakgomo 0737
POSTAL ADDRESS	P O Box 760 Lebowakgomo 0737
ULTIMATE HOLDING COMPANY	Limpopo Department of Economic Development, Environment and Tourism (LEDET) incorporated in South Africa
BANKERS	ABSA Bank Limited
AUDITOR	Auditor General of South Africa
COMPANY SECRETARY	Ms. P Ngwako Molewa
LEVEL OF ASSURANCE	These consolidated financial statements have been audited in compliance with the applicable requirements of the Companies Act 71 of 2008.

Report of the Board Audit and Risk Committee

REPORT OF THE BOARD AUDIT AND RISK COMMITTEE IN TERMS OF TREASURY REGULATION 27.1.7 AND 27.1.10(B) AND (C) OF THE PUBLIC FINANCE MANAGEMENT ACT 1 OF 1999

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

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

- The risk areas of the Group's operations to be covered in the scope of internal audits;
- Activities of the internal audit function to determine the effectiveness thereof;
- Internal audit reports, including the response of management to issues raised therein;
- The external audit scope to ensure that the critical areas of the business are being addressed;
- The external auditors' report and management letter;
- The operational effectiveness of the Group's policies, systems and procedures;
- The effectiveness of the system for monitoring compliance with laws and regulations; and
- The annual financial statements. Based on the outcome of such reviews and information provided by management and internal audit, we are of the view that the internal controls of the entity operated fairly effective throughout the year under review.

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

Following our review of the consolidated financial statements for the year, we are in agreement with the external auditor's opinion.

1. MEMBERS OF THE BOARD AUDIT AND RISK COMMITTEE

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

Name	Qualification	Appointment date	Number of meetings held	Number of meetings attended
Adv. TM Ncube	LLB, BA Law	03/12/2019	13	13
Mr. M Ralebipi	Bcom Accounting	03/12/2019	13	11
Ms N Magadagela (Chairperson)	Chartered Accountant (SA)	12/01/2021	13	13

The committee is satisfied that the members thereof have the required knowledge and experience as set out in Section 94(5) of the Companies Act 71 of 2008, Public Finance Management Act, 1 of 1999 (PFMA), Regulation 42 of the Companies Regulation, 2011, and is in compliance with King IV, all the members have qualified experience.

2. MEETINGS HELD BY THE AUDIT COMMITTEE

The Audit and Risk committee performs the duties laid upon it by Section 94(7) of the Companies Act 71 of 2008 and the Public Finance Management Act, 1 of 1999 (PFMA) by holding meetings with the key role players on a regular basis and by the unrestricted access granted to the external auditor.

The Committee held 13 scheduled meetings during 2024 and attendance were as indicated above.

3. EXTERNAL AUDITOR

The Committee satisfied itself through enquiry that the external auditor is independent as defined by the Public Audit Act, 25

of 2001 (revised in 2004) as per the standards stipulated by the auditing profession. Requisite assurance was sought and provided by the Companies Act 71 of 2008 that internal governance processes within the firm support and demonstrate the claim to independence.

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

4. CONSOLIDATED FINANCIAL STATEMENTS

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

5. ACCOUNTING PRACTICES AND INTERNAL CONTROL

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

Ms. N Magadagela (CA) SA
Board Audit and Risk Committee Chairperson

Directors' Responsibilities and Approval

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

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

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

The Directors are of the opinion, based on the information and explanations given by management, which the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the consolidated financial statements. However, any system of internal financial control can only provide reasonable, and not absolute, assurance against material misstatement or loss.

The Directors have reviewed the Group's cash flow forecast for the year to 31 March 2025 and, in light of this review and the current financial position, they are satisfied that the Group has or had access to adequate resources to continue in operational existence for the foreseeable future.

The external auditor is responsible for independently auditing and reporting on the Group's consolidated financial statements. The consolidated financial statements have been examined by the Group's external auditor and their report is presented on page 105.

The consolidated financial statements set out on pages 113 to 239, which have been prepared on the going concern basis, were approved by the Board on 31 May 2024 and were signed on their behalf by:

Approval of financial statements

Adv. TM Ncube
Chairperson

Mr TR Makhuvha
CEO

Group Secretary's Certification

In terms of Section 88(2)(e) of the Companies Act 71 of 2008, as amended, the group company secretary certifies that, to the best of her knowledge and belief, the Limpopo Economic Development Agency and its subsidiaries shall lodge with the Registrat of Companies for the financial year ended 31 March 2024, all such returns as are required in terms of the Companies Act, and that all such returns will be true and correct.

Ms. P Ngwako Molewa
Group Company Secretary

Directors' Report

The Directors have pleasure in submitting their report on the consolidated financial statements of Limpopo Economic Development Agency and its Subsidiaries (the Group) for the year ended 31 March 2024.

1. NATURE OF BUSINESS

Limpopo Economic Development Agency (LEDA) and its subsidiaries (the Group) is a juristic entity established in terms of the

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

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

The consolidated annual financial statements of the Group for the year ending 31 March 2024 comprises the Agency, its subsidiaries and the group's interests in associates and joint ventures (together referred to as the group).

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

2. REVIEW OF FINANCIAL RESULTS AND ACTIVITIES

The consolidated and separate financial statements have been prepared in accordance with International Financial Reporting Standards and the requirements of the Limpopo Economic Development Agency Act, the Companies Act 71 of 2008 and the Public Finance Management Act 1 of 1999 (PFMA). The accounting policies have been applied consistently compared to the prior year.

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

3. SHARE CAPITAL

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

4. INSURANCE AND RISK MANAGEMENT

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

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

5. DIRECTORATE

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

6. INTERESTS IN SUBSIDIARIES, ASSOCIATES AND JOINT ARRANGEMENTS

Details of material investments in subsidiary companies, associates and joint arrangements are presented in the consolidated financial statements in notes 8, 9 and 10.

FETAKGOMO-TUBATSE SPECIAL ECONOMIC ZONE

Fetakgomo-Tubatse Special Economic Zone (SEZ) registered on the deeds office as a state-owned company on the 28 March 2023 and as a result of this registration, Fetakgomo-Tubatse Special Economic Zone's financial information will be presented separately as at 31st March 2024. LEDA bought 100% shares in Fetakgomo-Tubatse Special Economic Zone for a total amount of R100.00.

Fetakgomo-Tubatse Industrial Park was incorporated in South Africa with interests in the Government industry. The company operates in South Africa. The proposed Fetakgomo-Tubatse Special Economic Zone is spearheaded by local, provincial and national government, state-owned entities, and its implementation is anchored

DIRECTORS	OFFICE	DESIGNATION	APPOINTMENT/ RESIGNATION DATE
Mr. CC Nkadimeng	Deputy Chairman	Non-executive Independent	Appointed 01 March 2021
Mr. M Maphutha	Director	Non-executive Independent	Appointed 01 Dec 2019
Adv. TM Ncube	Chairperson	Non-executive Independent	Appointed 01 Dec 2019
Ms. N Magadagela	BARC Chairperson	Non-executive Independent	Appointed 12 January 2021
Mr. MS Ralebipi	Director	Non-executive Independent	Appointed 01 Dec 2019
Mr. CA Chikane	Director	Non-executive Independent	Appointed 01 March 2021
Mr. TR Makhuvha	GCEO	Executive	Appointed 1 April 2020
Mr. NB Mokobane	GCOO	Executive	Appointed 1 April 2020
Mr. MSP Maake	Director	Non-executive Independent	Appointed 01 April 2023
Mr. F Magidi	GCFO	Executive	Appointed 01 June 2019 Resigned 31 May 2024
Ms LS Mavhusha	Interim GCFO	Executive	Appointed 01 June 2024

in the quadripartite agreement which comprises of the dtic, Limpopo Department of Economic Development, Environment and Tourism, Sekhukhune District Municipality and Fetakgomo-Tubatse Local Municipality who are the key development partners that are commitment to support the development of the SEZ. The SEZ initiative is important not only to local, national and provincial economic growth, but to the job creation and skills development that its maturity will bring to the country at large. The SEZ entity has been established and is operational, and it is called the Fetakgomo-Tubatse Industrial Park (FTIP). The entity was set up in the main, to govern the process that would lead to the establishment and licencing of the FTSEZ.

LIMPOPO AGRIBUSINESS (SOC) LTD

During the provincial EXCO sitting held on the 20th of July 2022, it was resolved that Limpopo Agribusiness (SOC) (Agribusiness) LTD be a division of the Limpopo Economic Development Agency (LEDA)/(Agency) while continuing to retain its agro-processing investment mandate. The Audit and Risk Committee, in its sitting held on 28 April 2023, recommended to the board that Limpopo Agribusiness be divisionalised as of 01 April 2023. The board subsequently approved this for LEDA on 30 May 2023.

As a result of this decision, Agribusiness will be merged into the financial statements of the LEDA from 1 April 2023, and its financial information will no longer be presented separately.

The Agency elected not to account for the merger transaction as a business combination as it has already obtained control of the subsidiary before the merger, and the resulting parent-subsidiary relationship should continue to hold even in the context of separate financial statements.

Therefore, the Agency recognised Agribusiness's assets and Liabilities at the previous (31 March 2023) carrying amounts.

DISCLOSURE

The Agency's separate financial statements are prepared in terms of IAS 27. Profit/loss - derecognition of subsidiary R129 834 618

7. HOLDING DEPARTMENT

The group's holding department is Limpopo Department of Economic Development, Environment and Tourism (LEDET) which holds 100% (2023: 100%) of the group's equity.

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

8. EVENTS AFTER THE REPORTING PERIOD

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

9. GOING CONCERN

The directors believe that the group has adequate financial resources to continue in operation for the foreseeable future and accordingly the consolidated financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the group is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the group. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the group.

10. AUDITORS

The Auditor-General of South Africa will continue in 2024 as the auditors for the LEDA Group excluding New Era Life and Sefateng Chrome Mine (Pty) Ltd, who will continue with their seperate auditors, Sizwe Ntsaluba Gobod Grant Thorton Inc., and Deloitte Inc. respectfully.

11. SECRETARY

The company secretary is Ms. NPC Molewa.

Business address: Enterprise Development House
Main Road
Lebowakgomo
0737

12. SECTION 49 IMPOSED ON MAJOR SHAREHOLDER

In May 2013 the Minister of Mineral Resources considered the Corridor Mining Resources projects to be of national interest and furthering the need to promote a sustainable development of the country's mineral resources that currently held state mining assets should be preserved.

The Minister of Mineral Resources imposed a section 49(1) of the Mineral and Petroleum Resources Development Act (MPRDA) for a period not exceeding 10 years from the publication on the granting of new reconnaissance permission, prospecting rights, mining rights, production rights, exploration right, and mining permits in respect of unsurveyed state land known as Klein Letaba, the farms Alten 221LT, Plange 222LT, Zwartkoppies 413KT, Waterkop 113KT, Molendraai 811 LR, Commandodrift 228 LR, Gezond 235 KR, Inhambane 802 LR,Twyfelaar 119KT, Mineral area No. 3 and 4 of the farm Maandagshoek 254 KT, Mineral area No. 5 on portion of farm Maandagshoek 254 KT, and portion 1 of farm Mooihoek 255 KT.

The land identified in the notice constitutes land in respect of which various entities hold various rights in terms of the Mineral and Petroleum Resources Development Act, and this restriction will not affect those entities rights to exercise their respective exclusive rights in terms of section 19(1) (b) of the Act, or the renewal of any rights in terms of the Act.

The consolidated financial statements set out on pages 113 to 239, which have been prepared on the going concern basis, were approved by the board of directors on 31 May 2024, and were signed on its behalf by:

Adv. TM Ncube
Chairperson
31 July 2024

Independent Auditor's Report

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

REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

QUALIFIED OPINION

1. I have audited the consolidated and separate financial statements of the Limpopo economic Development Agency and its subsidiaries (the group) set out on pages 113 to 239 which comprise the statement of financial position as at 31 March 2024, statement of profit or loss and other comprehensive income, statement of changes in equity, and statement of cash flows for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.

2. In my opinion, except for the effects and possible effects of the matter described in the basis for qualified opinion section of my report, the consolidated and separate financial statements present fairly, in all material respects, the financial position of Limpopo Economic Development agency as at 31 March 2024 and its financial performance and cash flows for the year then ended, in accordance with the International Financial Reporting Standard (IFRS) and the requirements of the Public finance Management Act 1 of 1999 (PFMA) and the Companies Act 71 of 2008 (Companies Act).

BASIS FOR QUALIFIED OPINION ON THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

UNAUDITED SUBSIDIARY

3. The entity consolidated the New Era life Insurance Company Limited subsidiary but used unaudited financial statements of the subsidiary for the year ended 31 March 2024 as the audit of the subsidiary was not finalised in time for the finalisation of the consolidated financial statements. I was unable to determine the effect of the unaudited financial statements of the subsidiary on the consolidated financial statements.

REVENUE

4. During 31 March 2023, I was unable to obtain sufficient appropriate audit evidence that gross premiums were properly accounted for at the New Era Life insurance Company Limited subsidiary due to the unavailability of accounting records. I was unable to confirm the gross premiums by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to rendering of services stated at R171 458 487 in note 34 to the consolidated financial statements. My audit opinion on the financial statements for the period ended 31 March 2023 was modified accordingly. My opinion on the current year financial statements is also modified because of the possible effect of this matter on the comparability of the gross premium for the current period.

OPERATING EXPENSES

5. During 31 March 2023, I was unable to obtain sufficient appropriate audit evidence that gross policyholder benefits and administration expenses was properly accounted for at the New Era Life insurance Company Limited subsidiary due to the unavailability of accounting records. I was unable to confirm the gross policyholder benefits and administrative expenses by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to other operating expenses stated at R1 155 342 350 in note 62 to the consolidated financial statements. My audit opinion on the financial statements for the period ended 31 March 2023 was modified accordingly. My opinion on the current year financial statements is also modified because of the possible effect of this matter on the comparability of the operating expenses for the current period.

LOANS RECEIVABLE

6. Loans receivable were not accounted for in accordance with IFRS 9, Financial Instruments. Loans receivable amounting to R49 406 627 was impaired and subsequently written off in note 16 to the financial statements. This amount was not written off in accordance with internal policies and not subjected to expected credit loss calculations. Consequently, I was unable to determine the full extent of the understatement of the expected credit loss stated at R182 954 231 and

R148 909 856 in note 38 and understatement of related loans receivable, stated at R667 192 395 and R47 378 040 in note 16 to the consolidated and separate financial statements respectively, as it was impractical to do so. Additionally, there was an impact on the profit for the period and on the retained earnings.

CONTEXT FOR OPINION

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

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

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

EMPHASIS OF MATTERS

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

RESTATEMENT OF CORRESPONDING FIGURES

11. As disclosed in note 51 to the financial statements, the corresponding figures for 31 March 2023 were restated as a result of errors in the annual financial statements of the public entity at, and for the year ended, 31 March 2024.

UNCERTAINTY RELATING TO THE FUTURE OUTCOME OF EXCEPTIONAL LITIGATIONS

12. As disclosed in note 48 to the consolidated financial statements, the group is the defendant in several claims. The group is opposing these claims, as it believes that the claims can be successfully defended. The ultimate outcome of these matters could not be determined and no provision for any liability that may result was made in the financial statements.

MATERIAL IMPAIRMENTS

13. As disclosed in note 16 to the consolidated and separate financial statements, material impairments amounting to R97 678 210 and R83 099 606 respectively, were made to loans receivables, as a result of the irrevocability of loans made to businesses and the general public.

14. As disclosed in note 11 to the consolidated and separate financial statements, material impairments amounting to R355 808 058 and R68 857 771 were made to loans to subsidiaries and associates respectively, as a result of losses incurred by subsidiaries and associates.

15. As disclosed in note 17 to the consolidated and separate financial statements, material impairments amounting to R226 435 442 and R188 940 319 respectively, were made to trade and other receivables, as a result of non-collectability of revenue arising from property rentals.

OTHER MATTERS

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

UNAUDITED SUPPLEMENTARY SCHEDULES

17. Supplementary information set out on page xx to xx does not form part of the financial statement and is presented as additional information. I have not audited this schedule and, accordingly, I do not express an opinion on it.

RESPONSIBILITIES OF THE ACCOUNTING AUTHORITY FOR THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

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

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

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

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

21. A further description of my responsibilities for the audit of the consolidated and separate financial statements is included in the annexure to this auditor's report. This description, which is located at page 10 to the auditor's report, forms part of our auditor's report.

REPORT ON THE ANNUAL PERFORMANCE REPORT

22. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance information against predetermined objectives for the selected material performance indicators presented in the annual performance report. The accounting authority is responsible for the preparation of the annual performance report.

23. I selected the following material performance indicators related to Outcome 4 – Increased domestic direct investment and foreign direct investment and Outcome 5 – Increased financing of housing, SMMEs and Cooperatives and Youth entrepreneurship development presented in the annual performance report for the year ended 31 March 2024. I selected those indicators that measure the public entity's performance on its primary mandated functions and that are of significant national, community or public interest.

    Outcome 4 – Increased domestic direct investment and foreign direct investment.

    - Rand value of investment facilitated.
    - Rand value of exports facilitated.
    - Rand value of investment in infrastructure roll-out.

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

    - Rand value of loans disbursed.
    - Number of SMMEs supported non-financially.
    - Number of co-operatives supported non-financially.
    - Number of youths enterprises financed through facilitation of loans or grants.
    - Number of SMMEs (military veterans) supported non-financially.
    - Number of beneficiaries of business skills training.
    - Number of leased m².

24. I evaluated the reported performance information for the selected material performance indicators against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the public entity's planning and delivery on its mandate and objectives.

25. I performed procedures to test whether:

- the indicators used for planning and reporting on performance can be linked directly to the public entity's mandate and the achievement of its planned objectives.
- all the indicators relevant for measuring the public entity's performance against its primary mandated and prioritised functions and planned objectives are included.
- the indicators are well defined to ensure that they are easy to understand and can be applied consistently, as well as verifiable so that I can confirm the methods and processes to be used for measuring achievements.
- the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated.
- the indicators and targets reported on in the annual performance report are the same as those committed to in the approved initial or revised planning documents.

26. I performed the procedures to report material findings only; and not to express an assurance opinion or conclusion.

27. I did not identify any material findings on the reported performance information for the selected indicators.

OTHER MATTERS

28. I draw attention to the matters below.

ACHIEVEMENT OF PLANNED TARGETS

29. The tables that follow provide information on the achievement of planned targets and the key indicators that were not achieved as reported in the annual performance report. The reasons for any underachievement of targets/ measures taken to improve performance are included in the annual performance report on pages 91 to 95.

OUTCOME 4: INCREASED DOMESTIC DIRECT INVESTMENT AND FOREIGN DIRECT INVESTMENT

Targets achieved: 28%

Budget spent: 28%

KEY INDICATOR	PLANNED TARGET	REPORTED ACHIEVEMENT
Rand value of exports facilitated	R400 million	R0
Rand value of Investment in Infrastructure roll – out	R30 million	R8,4 million

OUTCOME 5: INCREASED FINANCING OF HOUSING, SMMES AND COOPERATIVES AND YOUTH ENTREPRENEURSHIP DEVELOPMENT

Targets achieved: 50%

Budget spent: 21%

KEY INDICATOR	PLANNED TARGET	REPORTED ACHIEVEMENT
Number of SMMEs (Military veterans) supported non-financially	15 (15 on a year programme)	0
Rand value of loans disbursed	R10 million	R2,1 million
Number of leased m²	30 120 m²	23 509 m²

MATERIAL MISSTATEMENTS

30. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information for outcome 4 –increased domestic direct investment and foreign direct investment and outcome 5 – increased financing of housing, SMMEs and cooperatives and youth entrepreneurship development. Management subsequently corrected all the misstatements and I did not include any material findings in this report.

REPORT ON COMPLIANCE WITH LEGISLATION

31. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting authority is responsible for the public entity's compliance with legislation.

32. I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.

33. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the public entity, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.

34. The material findings on compliance with the selected legislative requirements, presented per compliance theme, are as follows:

ANNUAL FINANCIAL STATEMENT, PERFORMANCE AND ANNUAL REPORT

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

    Material misstatements of non-current assets, current assets, liabilities, and revenue, expenditure and disclosure items identified by the auditors in the submitted financial statements were corrected and the supporting records were provided, but the uncorrected material misstatements resulted in the financial statements receiving a qualified opinion.

PROCUREMENT AND CONTRACT MANAGEMENT

36. Some of the services were not procured through a procurement process which is fair, equitable, transparent and competitive, as required by section 51(1)(a)(iii) of the PFMA.

REVENUE MANAGEMENT

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

CONSEQUENCE MANAGEMENT

38. I was unable to obtain sufficient appropriate audit evidence that disciplinary steps were taken against officials who had incurred fruitless and wasteful expenditure as required by section 51(1)(e)(iii) of the PFMA. This was because investigations into fruitless and wasteful expenditure were not performed.

OTHER INFORMATION IN THE ANNUAL REPORT

39. The accounting authority is responsible for the other information included in the annual report which includes the directors' report, the audit committee's report and the company secretary's certificate, as required by the Companies Act of South Africa. The other information referred to does not include the consolidated and separate financial statements, the auditor's report and those selected material indicators in the scoped-in objectives presented in the annual performance report that have been specifically reported on in this auditor's report.

40. My opinion on the consolidated and separate financial statements, the report on the audit of the annual performance report and the report on compliance with legislation do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.

41. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the consolidated and separate financial statements and the selected material indicators in the scoped-in objectives presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

INTERNAL CONTROL DEFICIENCIES

43. I considered internal control relevant to my audit of the consolidated and separate financial statements, annual performance report and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.

44. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the qualified and the material findings on compliance with legislation included in this report.

45. The accounting authority did not prepare accurate and complete financial statements that was supported by reliable evidence as the consolidated and separate financial statements contained material misstatements despite being reviewed by various role players in the oversight process.

46. Non-compliance with legislation could have been prevented if compliance was properly reviewed and monitored.

47. The accounting authority did not adequately review and verify the reported performance to ensure that the portfolio of evidence is supported by sufficient, reliable evidence.

Auditor-General

Polokwane

5 August 2024

AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

ANNEXURE TO THE AUDITOR'S REPORT

The annexure includes the following:

- The auditor-general's responsibility for the audit
- The selected legislative requirements for compliance testing

AUDITOR-GENERAL'S RESPONSIBILITY FOR THE AUDIT

PROFESSIONAL JUDGEMENT AND PROFESSIONAL SCEPTICISM

As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the consolidated and separate financial statements and the procedures performed on reported performance information for selected material performance indicators and on the public entity's compliance with selected requirements in key legislation.

FINANCIAL STATEMENTS

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

- identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the public entity's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made
- conclude on the appropriateness of the use of the going concern basis of accounting in the preparation of the consolidated and separate financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the public entity and its subsidiaries to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and separate financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the consolidated and separate financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a public entity to cease operating as a going concern.
- evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and determine 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. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

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

I also provide the accounting authority with a statement that I 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 my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

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

COMPLIANCE WITH LEGISLATION – SELECTED LEGISLATIVE REQUIREMENTS

The selected legislative requirements are as follows:

LEGISLATION	SECTIONS OR REGULATIONS
Public Finance Management Act 1 of 1991 (PFMA)	PFMA 55(1)(a) PFMA 55(1)(b) PFMA 51(1)(a)(iii) PFMA 57(b) PFMA 55(1)(c)(i) PFMA 51(1)(e)(iii) PFMA 51(1)(b)(i)
Preferential Procurement Regulations of 2022(PPR)	2022 Preferential Procurement regulation 4(4) and 5(4)
Preferential Procurement Regulations of 2017 (PPR)	2017 Preferential Procurement reg. 6(8), 7(8), 10(1) &(2) & 11(1) 2017 preferential Procurement reg. 8(2)
Treasury regulations	TR 29.1.1 TR 29.1.1(a) TR 29.1.1(c) TR 29.2.2 TR 33.1.3
Companies Act 71 of 2008	Co Act 46(1)(a) Co Act 46(1)(b) Co Act 46(1)(c)

Statement of Financial Position

AS AT 31 MARCH 2024

		GROUP		COMPANY	
	NOTES	2024 R	2023 R	2024 R	2023 R
ASSETS					
NON-CURRENT ASSETS					
Property, plant, and equipment	3	597 448 400	602 833 549	74 307 016	35 607 717
Right-of-use assets	4	34 492 500	32 246 275	824 902	1 289 030
Investment property	5	146 752 871	155 101 510	146 752 871	154 879 620
Intangible assets	7	67 222 338	82 491 518	15 832	15 832
Investments in subsidiaries	8	-	-	249 916 113	231 730 608
Investments in associates	10	256 557 277	143 387 700	3 066 744	3 066 744
Loans receivable	16	629 689 156	635 188 177	37 948 210	42 331 345
Investments at fair value	19	5 175 811	5 149 125	5 175 811	-
Long term investment	20	26 026 227	24 106 377	-	-
Environmental rehabilitation deposit	14	2 662 288	2 662 288	-	-
		1 766 026 868	**1 683 166 519**	**518 007 499**	**468 920 896**
CURRENT ASSETS					
Biological assets	6	2 197 520	9 323 495	2 197 520	-
Inventories	15	80 104 282	80 230 571	10 664 238	455 091
Loans to group companies	11	60 078 034	21 863 899	48 676	1 114 339
Loans to shareholders	12	1 500 000	1 500 000	-	-
Loans receivable	16	37 503 238	41 882 131	7 324 333	9 141 227
Trade and other receivables	17	137 665 561	196 045 964	95 611 654	127 148 398
Investments at fair value	19	55 209 094	45 194 765	8 025 903	7 231 891
Prepayments		1 719 141	2 948 626	-	-
Prepaid expenses	59	1 389 487	1 477 837	-	-
Cash and cash equivalents	21	647 597 583	386 922 721	66 549 825	57 359 749
		1 024 963 940	**787 390 009**	**190 422 149**	**202 450 695**
Assets held for sale	61	6 472 493	10 036 320	6 472 493	6 000 000
Total Assets		**2 797 463 301**	**2 480 592 848**	**714 902 141**	**677 371 591**
EQUITY AND LIABILITIES					
EQUITY					
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF PARENT					
Share capital	22	409 216 005	409 216 005	409 216 005	409 216 005
Retained income		964 638 720	738 929 481	36 536 908	(1 777 182)
		1 373 854 725	1 148 145 486	445 752 913	407 438 823
Non-controlling interest	8	(5 334 118)	(5 323 355)	-	-
		1 368 520 607	**1 142 822 131**	**445 752 913**	**407 438 823**

Statement of Financial Position

AS AT 31 MARCH 2024 (CONTINUED)

		GROUP		COMPANY	
	NOTES	2024 R	2023 R	2024 R	2023 R
LIABILITIES					
NON-CURRENT LIABILITIES					
NON-CURRENT LIABILITIES					
Insurance contracts	25	2 020 126	1 926 978	-	-
Investment Contracts	26	6 552 510	6 415 848	-	-
Finance lease liabilities	4	26 569 126	28 243 540	376 130	964 812
Retirement benefit obligation	13	20 306 000	21 725 000	13 600 000	14 110 000
Deferred income	32	297 553 544	354 304 487	6 512 426	2 308 955
Provisions	27	18 563 147	21 601 532	-	-
Employee benefits	31	3 565 312	3 891 798	-	-
		375 129 765	**438 109 183**	**20 488 556**	**17 383 767**
CURRENT LIABILITIES					
Trade and other payables	30	326 907 953	316 729 320	191 811 963	143 787 569
Loans from group companies	23	-	-	2 513 764	-
Insurance contracts	25	11 346 505	10 823 315	-	-
Finance lease liabilities	4	9 531 646	9 115 374	646 093	557 785
Retirement benefit obligation	13	2 885 000	2 831 000	1 862 000	1 790 000
Deferred income	32	682 447 815	550 263 251	24 032 666	105 655 647
Current tax payable	33	-	-	-	-
Provisions	27	2 872 267	-	-	-
Contract Liability	28	17 397 501	-	17 397 501	-
Employee benefits	31	1 118 857	2 776 500	920 168	758 000
FLISP Fund	29	-	7 614 039	-	-
		1 054 507 544	**900 152 799**	**239 184 155**	**252 549 001**
Total Liabilities		**1 429 637 309**	**1 338 261 982**	**259 672 711**	**269 932 768**
Total Equity and Liabilities		**2 798 157 916**	**2 481 084 113**	**705 425 624**	**677 371 591**

Statement of Profit or Loss and Other Comprehensive Income

for the year ended 31 March 2024

		GROUP		COMPANY	
	NOTES	2024 R	2023 R	2024 R	2023 R
Revenue	35	638 609 714	744 204 380	158 064 756	139 792 444
Cost of sales	36	(23 592 452)	(39 738 339)	(1 044 556)	-
Gross profit		**615 017 262**	**704 466 041**	**157 020 200**	**139 792 444**
Other operating income	37	38 593 393	29 025 735	3 065 832	1 709 312
Government grants	59	529 991 176	481 665 096	253 335 161	283 964 289
Other operating gains (losses)	38	(14 514 915)	5 432 939	(7 673 762)	(295 605)
Expected credit loss allowance	39	182 954 231	(42 626 080)	148 909 856	(131 413 267)
Other operating expenses	64	(1 111 912 097)	(1 158 663 269)	(392 225 911)	(342 440 227)
Operating profit (loss)	39	**240 129 050**	**19 300 462**	**162 431 376**	**(48 683 054)**
Investment income	42	40 482 764	27 811 102	11 259 820	10 863 708
Finance costs	43	(18 104 777)	(13 442 038)	(7 869 936)	(3 469 853)
Fair value gains / (losses)	62	(95 332 009)	495 691	(127 507 170)	737 366
Income / (loss) from equity accounted Investments		119 395 971	36 344 224	-	-
Other non-operating gains (losses)	44	346 807	(2 632 873)	-	-
Profit (loss) for the year		**286 917 806**	**67 876 568**	**38 314 090**	**(40 551 833)**
OTHER COMPREHENSIVE INCOME					
ITEMS THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS					
Remeasurements on net defined benefit liability/asset	46	845 000	5 801 000	-	-
Other comprehensive income for the year net of taxation	46	**845 000**	**5 801 000**	**-**	**-**
Total comprehensive income (loss) for the year		**287 762 806**	**73 677 568**	**38 314 090**	**(40 551 833)**
PROFIT (LOSS) ATTRIBUTABLE TO:					
Owners of the parent		287 773 569	73 694 627	38 314 090	(40 551 833)
Non-controlling interest	8	(10 763)	(17 059)	-	-
		287 762 806	**73 677 568**	**38 314 090**	**(40 551 833)**
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:					
Owners of the parent		287 773 569	73 694 627	38 314 090	(40 551 833)
Non-controlling interest		(10 763)	(17 059)	-	-
		287 762 806	**73 677 568**	**38 314 090**	**(40 551 833)**

Statement of Changes in Equity

FOR THE YEAR ENDED 31 MARCH 2024

GROUP	Notes	Share capital R	Retained income R	Total attributable to equity holders of the group / company R	Non-controlling interest R	Total equity R
Opening balance as previously reported		409 216 005	646 455 887	1 055 671 892	(5 306 296)	1 050 365 596
Adjustments						
Prior year adjustments		-	18 778 967	18 778 967	-	18 778 967
Balance at 01 April 2022 as restated		**409 216 005**	**665 234 854**	**1 074 450 859**	**(5 306 296)**	**1 069 144 563**
Profit for the year		-	67 893 627	67 893 627	(17 059)	67 876 568
Other comprehensive income	45	-	5 801 000	5 801 000	-	5 801 000
Total comprehensive income for the year		**-**	**73 694 627**	**73 694 627**	**(17 059)**	**73 677 568**
Prior year adjustments		409 216 005	-	-	-	-
Balance at 01 April 2023		**409 216 005**	**676 865 151**	**1 086 081 156**	**(5 323 355)**	**1 080 757 801**
Profit for the year		-	286 928 569	286 928 569	(10 763)	286 917 806
Other comprehensive income	46	-	845 000	845 000	-	845 000
Total comprehensive income for the year		**-**	**287 773 569**	**287 773 569**	**(10 763)**	**287 762 806**
Balance at 31 March 2024		**409 216 005**	**964 638 720**	**1 373 854 725**	**(5 334 118)**	**1 368 520 607**
Note		22				

COMPANY						
Opening balance as previously reported		409 216 005	17 416 037	426 632 042	-	426 632 042
Adjustments						
Prior period error		-	21 358 614	21 358 614	-	21 358 614
Prior year adjustments			-	-	-	-
Balance at 01 April 2022 as restated		**409 216 005**	**38 774 651**	**447 990 656**	**-**	**447 990 656**
Loss for the year		-	(40 551 833)	(40 551 833)	-	(40 551 833)
Total comprehensive Loss for the year		**-**	**(40 551 833)**	**(40 551 833)**	**-**	**(40 551 833)**
Balance at 01 April 2023		**409 216 005**	**(1 777 182)**	**407 438 823**	**-**	**407 438 823**
Profit for the year		-	38 314 090	38 314 090	-	38 314 090
Total comprehensive income for the year		**-**	**38 314 090**	**38 314 090**	**-**	**38 314 090**
Balance at 31 March 2024		**409 216 005**	**36 536 908**	**445 752 913**	**-**	**445 752 913**
Note		22				

The accounting policies on pages 118 to 157and the notes on pages 158 to 239 form an integral part of the consolidated financial statements.

Statement of Cash Flows

FOR THE YEAR ENDED 31 MARCH 2024

		GROUP		COMPANY	
	NOTES	2024 R	2023 R	2024 R	2023 R
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash receipts from customers		1 265 574 686	1 220 616 786	452 033 247	344 964 327
Cash paid to suppliers and employees		(770 619 552)	(1 247 135 722)	(430 880 714)	(297 716 847)
Cash (used in)/generated from operations	47	494 955 134	**(26 518 936)**	**21 152 533**	**(47 247 476)**
Interest income		40 286 350	25 622 862	4 896 100	4 682 858
Dividends received		196 414	2 188 240	6 363 720	6 180 850
Finance costs		(18 104 777)	(13 459 935)	(7 869 936)	(1 755 064)
Foreign exhange gains/(losses)		(296 838)	(229 087)	(296 838)	(229 087)
Net cash from operating activities		517 036 283	**(12 396 856)**	**24 245 579**	**(38 367 919)**
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of property, plant and equipment	3	(61 653 296)	(50 579 070)	(4 657 011)	(1 526 707)
Sale and write off of property, plant and equipment	3	(3 039 481)	3 303 486	(291 950)	-
Proceeds from sale of shares	18	(632 586)	-	(23 300 000)	(9 999 489)
Purchase of investment property	5	-	4 834 000	-	-
Sale of investment property	5	-	-	602 352	103 657
Purchase of other intangible assets	7	(1 016 343)	-	-	-
Movement in investment in associates	7	6 226 394	6 422 524	-	290 850
Purchase of investments at fair value		-	-	98 506	(223 101)
RHLF Fund Liability		-	-	-	(1 526 707)
Net cash from investing activities		**(59 977 977)**	**(36 019 059)**	**(27 548 103)**	**(12 881 497)**
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from loans from group companies		(214 199 708)	86 420 371	1 065 661	15 458 106
Movement in loans from group companies		-	-	2 513 764	(13 034 451)
Repayment of loans from shareholders		-	(2 399 510)	-	-
Insurance contracts		616 338	(5 180 944)	-	-
Other operating lease		-	(2 425)	-	-
Investment contracts		136 662	145 479	-	-
Movement in RHLF liability		-	(7 700 280)	-	-
Movement in FLISP Fund liability		(7 614 039)	(7 212 754)	-	-
Other payables		17 397 501	(1 807 411)	-	-
Other receivables		88 350	(337 694)	-	-
Lease liabilities		9 413 912	18 825 559	(460 711)	(424 043)
Net cash from financing activities		**(194 160 984)**	**80 750 391**	**3 118 714**	**1 999 612**
Total cash movement for the year		**262 897 322**	**32 334 476**	**(183 810)**	**(49 249 804)**
Cash at the beginning of the year		386 843 416	367 540 857	57 359 749	106 010 612
Total cash at end of the year	21	**649 740 738**	**399 875 333**	**57 175 939**	**56 760 808**

Accounting Policies

CORPORATE INFORMATION

LEDA is a public company incorporated and domiciled in South Africa.

The consolidated and separate financial statements for the year ended 31 March 2024 were authorised for issue in accordance with a resolution of the directors on:

FUNCTIONAL AND PRESENTATION CURRENCY

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

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

1. SIGNIFICANT ACCOUNTING POLICIES

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

1.1 BASIS OF PREPARATION

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

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

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

These accounting policies are consistent with the previous period. Historical cost convention

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

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

SUBSIDIARIES

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

NON-CONTROLLING INTERESTS

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

LOSS OF CONTROL

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

COMMON CONTROL

A common-control transaction is a transfer or net assets or an exchange of equity interests between entities under the control of the same parent.

A common control transaction is similar to a business combination for the entity that receives the net assets or equity interests, however, such a transaction does not meet the definition of a business combination because there is no change in control over the net assets by the parent.

ASC 805-50 requires that the receiving entity recognize the assets received at their historical carrying amounts, as reflected in the parent's financial statements.

The net assets are derecognised by the transferring entity and recognised by the receiving entity at their historical carrying amounts.

INTERESTS IN EQUITY-ACCOUNTED INVESTEES

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

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

TRANSACTIONS ELIMINATED ON CONSOLIDATION

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

MATERIALITY AND AGGREGATION

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

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

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

1.2 CONSOLIDATION BASIS OF CONSOLIDATION

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

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

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

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

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

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

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

The difference between the fair value of consideration paid or received and the movement in non-controlling interest for such transactions is recognised in equity attributable to the owners of the company.

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

PRINCIPLES OF CONSOLIDATION AND EQUITY ACCOUNTING

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

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and

- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

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

ASSOCIATES

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

JOINT ARRANGEMENTS

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

JOINT VENTURES

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

INVESTMENTS IN SUBSIDIARIES IN THE SEPARATE FINANCIAL STATEMENTS

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

BUSINESS COMBINATIONS

The group accounts for business combinations using the acquisition method of accounting. The cost of the business combination is measured as the aggregate of the fair values of assets given, liabilities incurred or assumed and equity instruments issued. Costs directly attributable to the business combination are expensed as incurred, except the costs to issue debt which are amortised as part of the effective interest and costs to issue equity which are included in equity.

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

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

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

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

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

In cases where the group held a non-controlling shareholding in the acquiree prior to obtaining control, that interest is measured to fair value as at acquisition date. The measurement to fair value is included in profit or loss for the year. Where the existing shareholding was classified as an available-for-sale financial asset, the cumulative fair value adjustments recognised previously to other comprehensive income and accumulated in equity are recognised in profit or loss as a reclassification adjustment.

Goodwill is determined as the consideration paid, plus the fair value of any shareholding held prior to obtaining control, plus non-controlling interest and less the fair value of the identifiable assets and liabilities of the acquiree. If, in the case of a bargain purchase, the result of this formula is negative, then the difference is recognised directly in profit or loss.

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

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

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

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

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

1.3 JOINT ARRANGEMENTS

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

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

JOINT VENTURES

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

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

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

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

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

INVESTMENTS IN JOINT VENTURES IN THE SEPARATE FINANCIAL STATEMENTS

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

1.4 INVESTMENTS IN ASSOCIATES

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

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

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

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

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

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

INVESTMENTS IN ASSOCIATES IN THE SEPARATE FINANCIAL STATEMENTS

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

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

1.5 SIGNIFICANT JUDGEMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

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

POLICY LIABILITIES FOR INSURANCE CONTRACTS DISCOUNTED LIABILITIES

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

Due to the small size of the book of the group, it is believed that detailed experience investigations to establish mortality and lapse assumptions may not result in credible results and have not been conducted.

DEMOGRAPHIC ASSUMPTIONS

MORTALITY

The mortality basis remained unchanged at 100% of SA85-90 with a constant addition of 0.00412 for discounted liabilities. An additional Mortality was allowed for at 100% of ASA High Risk AIDS model for assured lives (2003) was included (40% of ASSA High risk AIDS Model for Assured lives (2000)).

WITHDRAWALS

Withdrawals assumptions were left unchanged at 20% in year 1, 10% in year 2 and 5% in years 3 onwards. Economic assumptions

INVESTMENT RETURN

The nominal government bond ("risk free") yield curve as at 31 March 2024. The same approach was used in the previous valuation using the respective yield curve as at 31 March 2023.

INFLATION

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

TAXATION

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

CRITICAL JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

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

LEASE CLASSIFICATION

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

CONTINGENT LIABILITIES

Management applies its judgement to the fact patterns and advice it receives from its attorneys, advocates and other advisors in assessing if an obligation is probable, more likely than not, or remote. This judgement application is used to determine if the obligation is recognised as a liability or disclosed as a contingent liability.

RETIREMENT MEDICAL BENEFIT OBLIGATIONS

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

KEY SOURCES OF ESTIMATION UNCERTAINTY

IMPAIRMENT OF FINANCIAL ASSETS

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

ALLOWANCE FOR SLOW MOVING, DAMAGED AND OBSOLETE INVENTORY

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

FAIR VALUE ESTIMATION

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

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

IMPAIRMENT TESTING

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

USEFUL LIVES OF PROPERTY, PLANT AND EQUIPMENT

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

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

PROVISIONS

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

Provisions are recognised when the group has a present obligation (legal or constructive) as a result of a past event, it is probable that the group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

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

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

Provisions are inherently based on assumptions and estimates using the best information available. Additional disclosure of these estimates of provisions are included in note 27.

TRADE AND OTHER RECEIVABLES

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

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

Trade and other receivables are classified as loans and receivables.

TAXATION

Judgement is required in determining the provision for income taxes due to the complexity of legislation. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The entity recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

The entity recognises the net future tax benefit related to deferred income tax assets to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future. Assessing the recoverability of deferred income tax assets requires the entity to make significant estimates related to expectations of future taxable income. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the entity to realise the net deferred tax assets recorded at the end of the reporting period could be impacted.

OUTSTANDING CLAIMS

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

EXPECTED CREDIT LOSSES

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

LEASES

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

DEFERRED TAX

Within South Africa, changes in tax rates are regarded as substantially enacted from the time they are announced in terms of the Minister of Finance's Budget Statement. However, this principle only applies when the change in tax rates is not inextricably linked to other changes in the tax laws.

Where changes in the tax rate is explicitly aligned to other changes in the tax law, then the change in tax rate is regarded to be substantially enacted when it has been approved by Parliament and signed by the President. The Company has viewed the Minister of Finance Budget Speech which indicated the lowering of the corporate tax rate to 27% for years of assessment commencing on or after 1 April 2022, to not have been substantially enacted as the change in the tax rate is inextricably linked to other changes in the tax laws, namely that the reduction in income tax is linked to the assessed loss and interest limitation changes, which have not been promulgated to date. As such, deferred tax assets and liabilities have been calculated at the current corporate tax rate of 28%.

Furthermore, deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised. The most significant management assumption is the forecasts that are used to support the probability assessment that sufficient taxable profits will be generated by the company to utilise the deferred tax assets.

1.6 BIOLOGICAL ASSETS

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

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

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

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

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

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

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

Biological assets - Bearer Plant	Straight line	50 to 70 Years

1.7 INVESTMENT PROPERTY

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

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

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

COST MODEL

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

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

ITEM	DEPRECIATION METHOD	AVERAGE USEFUL LIFE
Property - land	Straight line	Indefinite
Property - buildings	Straight line	50 years
Capitalised renovations and other components	Straight line	5 to 50 years

1.8 PROPERTY, PLANT AND EQUIPMENT

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

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

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

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

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

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

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

ITEM	DEPRECIATION METHOD	AVERAGE USEFUL LIFE
Land	Straight line	Indefinite
Buildings	Straight line	50 years
Communication equipment	Straight line	5 years
Plant and machinery	Straight line	2 to 30 years
For agricultural use	Straight line	2 to 30 years
For mining use	Straight line	20 years
For operation use	Straight line	2 to 30 years
Leasehold improvements and temporary buildings	Straight line	5 to 10 years
IT equipment	Straight line	2 to 6 years
Motor vehicles	Straight line	5 to 50 years
Office equipment	Straight line	5 years
Mining assets	Straight line	per mines useful lives

ITEM	DEPRECIATION METHOD	AVERAGE USEFUL LIFE
Ancillary vehicles	Straight line	200 000 kilometres
Sundry equipment	Straight line	5 to 10 years
Security equipment	Straight line	4 years
Workshop equipment	Straight line	5 - 7 years
Operating equipment	Straight line	4 years
Furniture's and fixtures	Straight line	3 to 35 years
Audio visual equipment	Straight line	7 years
Computer equipment	Straight line	3 to 8 Years
Broadband IT equipment	Straight line	5 to 10 years
Broadband civil works	Straight line	30 to 50 years
Broadband fibre works	Straight line	25 to 30 years
Rehabiliation assets/decommissioning asset	Straight line	Useful life of mine
Stripping assets	Straight line	Useful life of mine
Infrastructure	Straight line	20 years

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

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

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

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

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

1.9 SITE RESTORATION AND DISMANTLING COST

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

The cost of an item of property, plant, and equipment includes the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

1.10 INTANGIBLE ASSETS

An intangible asset is recognised when:

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

Intangible assets are initially recognised at cost.

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

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

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

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

EXPLORATION AND EVALUATION

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

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

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

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

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

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

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

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

1.11 FINANCIAL INSTRUMENTS CLASSIFICATION

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

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

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

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

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

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

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

FINANCIAL ASSETS

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

- Loans to related parties: Amortised cost
- Trade and other receivables: Amortised cost
- All investments outside the scope of IAS 27, IAS 28, IFRS 16 and IFRS 10: Fair Value through profit or loss

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

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

A financial asset measured at fair value through other comprehensive income.

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

A financial asset is measured at Fair value through profit or loss.

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

INITIAL RECOGNITION AND MEASUREMENT

Financial instruments are recognised initially when the group becomes a party to the contractual provisions of the instruments.

The group classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Financial instruments are measured initially at fair value, except for equity investments for which a fair value is not determinable, which are measured at cost and are classified as available-for-sale financial assets.

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

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

SUBSEQUENT MEASUREMENT

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

Net gains or losses on the financial instruments at fair value through profit or loss are recognised net of dividends and interest. Dividend income is recognised in profit or loss as part of other income when the group's right to receive payment is established.

Loans and receivables are subsequently measured at amortised cost, using the effective interest method, less accumulated impairment losses.

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

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

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

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

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

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

DERECOGNITION

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

FAIR VALUE DETERMINATION

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

IMPAIRMENT OF FINANCIAL ASSETS

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

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

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

Impairment losses are recognised in profit or loss.

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

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

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

Impairment of financial assets is recognised in stages:

Stage 1 - as soon as a financial instrument is originated or purchased, 12-month expected credit losses are recognised in profit or loss and a loss allowance is established. This serves as a proxy for the initial expectations of credit losses. For financial assets, interest revenue is calculated on the gross carrying amount (i.e. without deduction for expected credit losses).

Stage 2 - if the credit risk increases significantly and is not considered low, full lifetime expected credit losses are recognised in profit or loss. The calculation of interest revenue is the same as for Stage 1.

Stage 3 - if the credit risk of a financial asset increases to the point that it is considered credit-impaired, interest revenue is calculated based on the amortised cost (i.e. the gross carrying amount less the loss allowance). Financial assets in this stage will generally be assessed individually. Lifetime expected credit losses are recognised on these financial assets.

FINANCIAL LIABILITIES

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

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

FAIR VALUE OPTION

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

LOANS RECEIVABLE AT AMORTISED COST

CLASSIFICATION

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

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

RECOGNITION AND MEASUREMENT

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

They are subsequently measured at amortised cost.

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

APPLICATION OF THE EFFECTIVE INTEREST METHOD

Interest income is calculated using the effective interest method, and is included in profit or loss in investment income.

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

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

TRADE AND OTHER RECEIVABLES

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

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

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

Trade and other receivables are classified as loans and receivables.

TRADE AND OTHER PAYABLES

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

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

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

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

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

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

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

CASH AND CASH EQUIVALENTS

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

BANK OVERDRAFT AND BORROWINGS

Bank overdrafts and borrowings are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the group's accounting policy for borrowing costs.

FINANCE COST

Finance costs comprise of interest payable on borrowings such as bank accounts in overdraft, interest portion on operating and finance lease liabilities and interest charged by suppliers for late payment of services of goods rendered.

All interest costs incurred in connection with borrowings or financial transactions are expensed as incurred as part of finance costs. The interest expense component of lease payments is also recognised in the income statement using the effective interest rate method.

MEASUREMENT AND RECOGNITION OF EXPECTED CREDIT LOSSES

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

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

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

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

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

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

APPLICATION OF THE EFFECTIVE INTEREST METHOD

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

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

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

1.12 HEDGE ACCOUNTING

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

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

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

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

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

1.13 TAX

CURRENT TAX ASSETS AND LIABILITIES

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

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

DEFERRED TAX ASSETS AND LIABILITIES

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

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

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

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

TAX EXPENSES

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

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

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

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

1.14 LEASES

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

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

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

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

GROUP AS LESSEE

A lease liability and corresponding right-of-use asset are recognised at the lease commencement date, for all lease agreements for which the group is a lessee, except for short-term leases of 12 months or less, or leases of low value assets. For these leases, the group recognises the lease payments as an operating expense (note 38) on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

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

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

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

LEASE LIABILITY

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

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

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

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

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

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

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

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recognised in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

At the commencement date, a lessee shall measure the lease liability at the present value of the lease payments that are not paid at that date. The lease payments shall be discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the lessee shall use the lessee's incremental borrowing rate.

RIGHT-OF-USE ASSETS

Right-of-use assets are presented as a separate line item on the Statement of Financial Position. Lease payments included in the measurement of the right-of-use comprise the following:

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

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

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

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

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

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

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate. Each part of a right-of-use asset with a cost that is significant in relation to the total cost of the asset is depreciated separately.

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

GROUP AS LESSOR

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

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

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

OPERATING LEASES

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

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

Modifications made to operating leases are accounted for as a new lease from the effective date of the modification. Any prepaid or accrued lease payments relating to the original lease are treated as part of the lease payments of the new lease.

FINANCE LEASES

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

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

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

Lease payments included in the measurement of the net investment in the lease comprise the following:

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

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

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

1.15 INVENTORIES

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

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

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

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

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

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

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

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

1.16 IMPAIRMENT OF ASSETS

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

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

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

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. The write down is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss.

An entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset other than goodwill attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation other than goodwill is recognised immediately in profit or loss. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

1.17 SHARE CAPITAL AND EQUITY

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Ordinary shares are recognised at par value and classified as 'share capital' in equity. Any amount received from the issue of shares in excess of par value is classified as 'share premium' in equity. Dividends are recognised as a liability in the year in which they are declared.

1.18 EMPLOYEE BENEFITS

SHORT-TERM EMPLOYEE BENEFITS

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

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

DEFINED CONTRIBUTION PLANS

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

Payments made to industry-managed (or state plans) retirement benefit schemes are dealt with as defined contribution plans where the group's obligation under the schemes is equivalent to those arising in a defined contribution retirement benefit plan.

DEFINED BENEFIT PLANS

For defined benefit plans the cost of providing the benefits is determined using the projected unit credit method. Actuarial valuations are conducted on an annual basis by independent actuaries separately for each plan.

Consideration is given to any event that could impact the funds up to the end of the reporting period where the interim valuation is performed at an earlier date.

Past service costs are recognised immediately to the extent that the benefits are already vested, and are otherwise amortised on a straight line basis over the average period until the amended benefits become vested.

To the extent that, at the beginning of the financial year, any cumulative unrecognised actuarial gain or loss exceeds ten percent of the greater of the present value of the projected benefit obligation and the fair value of the plan assets (the corridor), that portion is recognised in profit or loss over the expected average remaining service lives of participating employees. Actuarial gains or losses within the corridor are not recognised.

Actuarial gains and losses are recognised in the year in which they arise, in other comprehensive income.

Gains or losses on the curtailment or settlement of a defined benefit plan is recognised when the group is demonstrably committed to curtailment or settlement.

When it is virtually certain that another party will reimburse some or all of the expenditure required to settle a defined benefit obligation, the right to reimbursement is recognised as a separate asset. The asset is measured at fair value. In all other respects, the asset is treated in the same way as plan assets. In profit or loss, the expense relating to a defined benefit plan is presented as the net of the amount recognised for a reimbursement.

The amount recognised in the statement of financial position represents the present value of the defined benefit obligation as adjusted for unrecognised actuarial gains and losses and unrecognised past service costs, and reduces by the fair value of plan assets.

Any asset is limited to unrecognised actuarial losses and past service costs, plus the present value of available refunds and reduction in future contributions to the plan.

RESTRUCTURING BENEFITS

Restructuring benefits are employee benefits provided in exchange for the termination of an employee's employment. GNT recognises a liability and expense for termination benefits at the earlier of the following dates:

- when GNT can no longer withdraw the offer of those benefits; and
- when the entity recognises costs for a restructuring that is within the scope of IAS 37 and involves the payment of termination benefits.

1.19 PROVISIONS AND CONTINGENCIES

Provisions are recognised when:

- the group has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

Where the effect of the time value of money is material, the amount of a provision shall be the present value of the expenditures expected to be required to settle the obligation.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement shall be treated as a separate asset. The amount recognised for the reimbursement shall not exceed the amount of the provision.

Provisions are not recognised for future operating losses.

If an entity has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision.

A constructive obligation to restructure arises only when an entity:

- has a detailed formal plan for the restructuring, identifying at least:
  - the business or part of a business concerned;
  - the principal locations affected;
  - the location, function, and approximate number of employees who will be compensated for terminating their services;
  - the expenditures that will be undertaken; and
  - when the plan will be implemented; and
- has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

Provisions shall be reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision shall be reversed.

Contingencies recognised in the current year required estimates and judgments. Commitments require certain judgement when determining if a contractual obligation exists and to determine if the entity's future expenditure has been committed in an irrevocable agreement or that there are elements of non-cancelability.

1.20 GOVERNMENT GRANTS

Government grants are recognised when there is reasonable assurance that:

- the group will comply with the conditions attaching to them; and
- the grants will be received.

Government grants are recognised as income over the periods necessary to match them with the related costs that they are intended to compensate.

A government grant that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs is recognised as income of the period in which it becomes receivable.

Government grants related to assets are presented in the statement of financial position by setting up the grant as deferred[; income that is recognised in profit and loss on a systematic basis over the useful life of the asset.

Grants related to income are presented as a credit in the profit or loss (separately).

Repayment of a grant related to income is applied first against any un-amortised deferred credit set up in respect of the grant. To the extent that the repayment exceeds any such deferred credit, or where no deferred credit exists, the repayment is recognised immediately as an expense.

Repayment of a grant related to an asset is recorded by increasing the carrying amount of the asset or reducing the deferred income balance by the amount repayable. The cumulative additional depreciation that would have been recognised to date as an expense in the absence of the grant is recognised immediately as an expense.

1.21 REVENUE

SALE OF GOODS

Revenue is measured based on the consideration to which the entity expects to be entitled in a contract with a customer and excluded amounts collected on behalf of third parties. Revenue from the sale of goods is recognised when performance obligations are satisfied, meaning when the entity transfers control of a product to a customer. Performance obligation will inter alia include the following five steps to recognise revenue:

- Identify the contract with a customer,
- Identify the performance obligations,
- Determining the transaction price,
- Allocating the transaction price to the performance obligation, and
- Recognising revenue when/as performance obligations are satisfied. Rendering of services

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the end of the reporting period. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably,
- it is probable that the economic benefits associated with the transaction will flow to the entity,
- the stage of completion of the transaction at the end of the reporting period can be measured reliably, and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue shall be recognised only to the extent of the expenses recognised that are recoverable.

RENTAL INCOME

Rental income is recognised on the straight-line basis over the term of the rental agreement.

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for goods and services provided in the normal course of business, net of trade discounts and volume rebates, and value added tax.

EQUITABLE SHARE

Equitable share allocation is recognised in the financial statements in the financial year for which it has been approved. The amount recognised is accounted for excluding the amount deducted for value added tax. Approved allocations not received in cash at the end of the financial year are accrued for.

GOVERNMENT AND OTHER GRANTS

Government and other grants are recognised in the balance sheet, initially as deferred income when there is reasonable assurance that it will be received, and that the entity will comply with the conditions attached to it. Once conditions are met during a specific year, the total of the expenses incurred for the year is transferred from deferred income and recognised under grants received. Value added tax is taken into consideration in respect of the conditions for individual grants received.

INTEREST RECEIVED

Interest is recognised, in profit or loss, using the effective interest rate method as it accrues (taking into account the effective yield on the asset) unless collectability is in doubt. Interest income is included in investment income and interest expense in finance cost in the statement of profit or loss.

DIVIDENDS

Dividends are recognised, in profit or loss, when the entity's right to receive payment has been established, which is generally when shareholders approve the dividend.

1.22 OTHER INCOME

Other incomes are all other income other than operating revenue. Other income is recognised as income when the right to receive has been established. Other income is included in other operating income in the statement of profit or loss.

1.23 TURNOVER

Turnover comprises of sales to customers and service rendered to customers. Turnover is stated at the invoice amount and is exclusive of value added tax.

1.24 COST OF SALES

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

The related cost of providing services recognised as revenue in the current period is included in cost of sales. Contract costs comprise:

- costs that relate directly to the specific contract;
- costs that are attributable to contract activity in general and can be allocated to the contract; and
- such other costs as are specifically chargeable to the customer under the terms of the contract.

1.25 UNKNOWN DEPOSITS

CLASSIFICATION

Deposits made into the Agency's bank accounts without adequate and traceable customer references to permit the allocation of the deposits into the accounting system are referred to as unknown deposits.

RECOGNITION AND MEASUREMENT

- After all reasonable steps have been taken to determine the origin of unknown deposits, and they remain untraceable: The deposits are immediately recorded in the unknown deposit account to facilitate future claims against the deposits. The deposits are temporarily posted into the creditor's control account: Unknown Deposits.
- The unknown deposit account entries are monitored regularly to check if there is new information that helps trace the origin of the deposits.

Thereafter, traceable deposits are journalized to take them out of the general ledger control account: Unknown Deposits into the respective customer account.

DERECOGNITION

On a quarterly basis, a list of unknown deposits will be published on the Agency website, alerting customers who made payments to come forward and claim their deposits. If deposits remain untraceable and unclaimed for a period of three (3) years, the following are considered:

(a) An email will be circulated to all customers that owe the Agency requesting them to review their statements and come forward if there are any payments made but not reflecting on their accounts.

(b) When a claim is substantiated, the deposits will be credited to the customer's account within two months.

(c) Any unknown deposit that remains unclaimed after the follow up is forfeited and transferred to other income of the Agency.

1.26 INVESTMENT IN SUBSIDIARIES, JOINT VENTURE, AND ASSOCIATES

Investments in subsidiaries, joint ventures, and associates

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

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

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

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

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

1.27 RELATED PARTIES

The Group operates in an economic environment currently dominated by entities directly or indirectly owned by the South African Government. As a result of the Constitutional independence of all three spheres of government in South Africa, only parties within the provincial sphere of government will be considered to be a related party.

Key management is defined as being individuals with the authority and responsibility for planning, directing and controlling the activities of the entities in the Group. We regard all individuals from the level of executive manager up to the Board of Directors as key management per the definition of the standard.

Close family members of key personnel are considered to be those family members who may be expected to influence, or be influenced by key management individuals in their dealings with the entities in the Group.

Other related party transactions are also disclosed in terms of the requirements of the standard. The objective of the standard and the financial statements is to provide relevant and reliable information and therefore materiality is considered in the disclosure of these transactions.

1.28 LOANS AND BORROWINGS FROM RELATED PARTIES AND SHAREHOLDERS

These financial assets are classified as loans and receivables. Loans from shareholders, loans from related and group companies and borrowings are classified as financial liabilities subsequently measured at amortised cost.

Borrowing and loans from shareholders, group companies and related parties are recognised when the group becomes a party to the contractual provisions of the loan. Loans are measured at initial recognition, at fair value plus transactions costs, if any.

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

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

Interest expense calculated on the effective interest method, is included in profit or loss in finance cost.

1.29 IRREGULAR AND FRUITLESS AND WASTEFUL EXPENDITURE

Fruitless expenditure as defined in section 1 of the PFMA means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

Irregular expenditure as defined in section 1 of the PFMA is expenditure other than unauthorised expenditure, incurred in contravention of or that is not in accordance with a requirement of any applicable legislation, including:

(a) this Act; or
(b) the State Tender Board Act, 1968 (Act No. 86 of 1968), or any regulations made in terms of the Act; or
(c) any provincial legislation providing for procurement procedures in that provincial government.

Irregular expenditure that was incurred and identified during the current financial period and which was condoned before the end of the year financial period and/or before finalisation of the financial statements must also be recorded appropriately in the irregular expenditure register. In such an instance, no further action is also required with the exception of updating the note to the financial statements.

Irregular expenditure that was incurred and identified during the current financial period and for which condonement is being awaited at period end must be recorded in the irregular expenditure register. No further action is required with the exception of updating the note to the financial statements.

Where irregular expenditure was incurred in the previous financial year and is only condoned in the following financial period the register and the disclosure note to the financial statements must be updated with the amount condoned.

Irregular expenditure that was incurred and identified during the current financial year and which was not condoned by the National Treasury or the relevant authority must be recorded appropriately in the irregular expenditure register. If liability for the irregular expenditure can be attributed to a person, a debt account must be created if such a person is liable in law. Immediate steps must thereafter be taken to recover the amount from the person concerned. If recovery is not possible, the accounting officer or accounting authority may write off the amount as debt impairment and disclose such in the relevant note to the financial statements.

The irregular expenditure register must also be updated accordingly. If the irregular expenditure has not been condoned and no person is liable in law, the expenditure related thereto must remain against the relevant programme/expenditure item, be disclosed as such in the note to the financial statements and updated accordingly in the irregular expenditure register.

IRREGULAR EXPENDITURE

For determining whether irregular expenditure occurred, the following must be present:

(a) expenditure incurred in contravention of, or not in accordance with legislation; and
(b) expenditure must have been recognised in the statement of financial performance or liability recognised in the statement of financial position (where expenditure is not reflected in the statement of financial performance) in a case of institutions that are required to comply with the International Financial Reporting Standards (IFRS). The earlier of an invoice or payment will trigger irregular expenditure for these transactions.

Irregular expenditure when incurred and confirmed is recorded in the annual financial statements disclosure. This relates to irregular expenditure incurred in the current financial year, with a one financial year for comparative analysis.

Irregular expenditure for the previous financial year (comparative amounts) must be recognised in the period in which they occurred as follows:

(a) irregular expenditure incurred and confirmed in the previous financial year;
(b) irregular expenditure that was under assessment in the previous financial year and confirmed in the current financial year;
(c) irregular expenditure that was not discovered in the previous financial year and identified and confirmed in the current financial year; and
(d) irregular expenditure payments relating to multi-year contracts that was not condoned or removed.

Additional information relating to irregular expenditure under assessment, determination, investigation, narratives, and the process of dealing with the irregular expenditure must be recorded in the annual report of LEDA.

FRUITLESS AND WASTEFUL EXPENDITURE

For determining whether fruitless and wasteful expenditure has been incurred, the following must be present –

(a) expenditure must be made in vain; and

(b) would have been avoided had reasonable care been exercised.

Fruitless and wasteful expenditure when incurred and confirmed is recorded in the annual financial statements disclosure. This relates to fruitless and wasteful expenditure incurred in the current financial year, with a one previous financial year comparative analysis.

Fruitless and wasteful expenditure for previous financial year (comparative amounts) must be recognised in the period in which they occurred as follows:

(a) fruitless and wasteful expenditure incurred and confirmed in the previous financial year;

(b) fruitless and wasteful expenditure that was under assessment in the previous financial year and confirmed in the current financial year; and

(c) fruitless and wasteful expenditure that was not discovered in the previous financial year and identified and confirmed in the current financial year.

Additional information relating to fruitless and wasteful expenditure under assessment, determination, investigations, narratives and a process of dealing with the concerned fruitless and wasteful expenditure must be recorded in the annual report of LEDA.

If there is a dispute regarding whether the alleged irregular or fruitless and wasteful expenditure meets the definition, the assessment process must be conducted and completed within three months from the date the alleged expenditure was reported to the accounting officer or accounting authority.

1.30 CLASSIFICATION OF INSURANCE AND INVESTMENT CONTRACTS

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

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

1.31 RECOGNITION AND MEASUREMENT OF INSURANCE CONTRACTS

PREMIUMS, ACQUISITION COSTS AND POLICYHOLDER BENEFITS

PREMIUMS

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

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

ACQUISITION COSTS

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

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

POLICYHOLDER BENEFITS

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

INSURANCE CLAIMS

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

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

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

POLICYHOLDER LIABILITIES

DISCOUNTED LIABILITIES

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

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

UNDISCOUNTED LIABILITIES

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

REINSURANCE CONTRACTS HELD

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

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

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

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

RECEIVABLES AND PAYABLES RELATED TO INSURANCE CONTRACTS

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

LIABILITIES AND RELATED ASSETS UNDER LIABILITY ADEQUACY TESTS

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

1.32 RECOGNITION AND MEASUREMENT OF INVESTMENT CONTRACTS

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

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

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

Fair value movements are reflected in profit or loss.

1.33 PROPERTIES IN POSSESSION

Properties in possession comprise of assets that are expected to be recovered primarily through a sale transaction rather than through continuing use. Properties in possession are recognised at the lower of fair value less costs to sell and the carrying amount of the asset with which they are associated. The Group is firmly committed to the sale of these assets with various initiatives implemented to ensure transfer of these properties. No depreciation is charged on these assets. Any subsequent write-down of the acquired asset to fair value less costs to sell is recognised in the statement of comprehensive income, as ‘Operating expenditure’.

Any subsequent increase in the fair value less costs to sell, to the extent that this does not exceed the cumulative write down is also recognised as 'Credit impairment charge', and any realised gains and losses on disposal recognised in 'Fees and other income'.

1.34 COMMITMENTS

Items are classified as commitments when an entity has committed itself to future transactions that will normally result in the outflow of cash.

Disclosures are required in respect of unrecognised contractual commitments.

Commitments for which disclosure is necessary to achieve a fair presentation should be disclosed in a note to the financial statements, if both the following criteria are met:

- Contracts should be non-cancelable or only cancelable at significant cost (for example, contracts for computer or building maintenance services); and
- Contracts should relate to something other than the routine, steady, state business of the entity – therefore salary commitments relating to employment contracts or social security benefit commitments are excluded.

1.35 FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or, in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible to the company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

For all other financial instruments not traded in an active market, the fair value is determined by using valuation techniques deemed to be appropriate in the circumstances. Valuation techniques include the market approach (i.e., using recent arm's length market transactions adjusted as necessary and reference to the current market value of another instrument that is substantially the same) and the income approach (i.e., discounted cash flow analysis and option pricing models making as much use of available and supportable market data as possible).

All financial assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the company determines whether transfers have occurred between levels in the hierarchy by reassessing the categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at each reporting date.

1.36 CONSTRUCTION CONTRACTS AND RECEIVABLES

Where the outcome of a construction contract can be estimated reliably, contract revenue and costs are recognised by reference to the stage of completion of the contract activity at the end of the reporting period, as measured by surveys of work done.

Variations in contract work, claims and incentive payments are included to the extent that they have been agreed with the customer.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent that contract costs incurred are recoverable. Contract costs are recognised as an expense in the period in which they are incurred. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

1.37 EVENTS AFTER REPORTING PERIOD

Events after the reporting period date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:

- Those that provide evidence that existed at the reporting date (adjusting events after the reporting date); and
- Those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

1.38 FOREIGN CURRENCY TRANSACTIONS

A foreign currency transaction is recorded, on initial recognition in Rand, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At the end of the reporting period:

- foreign currency monetary items are translated using the closing rate;
- non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous consolidated financial statements are recognised in profit or loss in the period in which they arise.

When a gain or loss on a non-monetary item is recognised to other comprehensive income and accumulated in equity, any exchange component of that gain or loss is recognised to other comprehensive income and accumulated in equity. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

Cash flows arising from transactions in a foreign currency are recorded in Rand by applying to the foreign currency amount the exchange rate between the Rand and the foreign currency at the date of the cash flow.

1.39 NON-CURRENT ASSETS (DISPOSAL GROUPS) HELD FOR SALE OR DISTRIBUTION TO OWNERS

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets and disposal groups are classified as held for distribution to owners when the entity is committed to distribute the asset or disposal group to the owners. This condition is regarded as met only when the distribution is highly probable and the asset (or disposal group) is available for immediate distribution in its present condition, provided the distribution is expected to be completed within one year from the classification date.

Non-current assets (or disposal groups) held for sale (distribution to owners) are measured at the lower of their carrying amount and fair value less costs to sell (distribute).

A non-current asset is not depreciated (or amortised) while it is classified as held for sale (held for distribution to owners), or while it is part of a disposal group classified as such.

Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale (distribution to owners) are recognised in profit or loss.

1.40 VAT

Revenue, expenses and assets are recognised net of amounts of value added tax (VAT). The net amount of VAT recoverable from, or payable to the taxation authority is included in the statement of financial position. The entity accounts for VAT on the invoice basis.

1.41 CASHFLOW STATEMENT

The cash flow statement of the group is disclosed on the direct method whereby major classes of gross cash receipts and gross cash payments are disclosed.

Notes to the Consolidated Financial Statements

2. NEW STANDARDS AND INTERPRETATIONS

2.1 STANDARDS AND INTERPRETATIONS EFFECTIVE AND ADOPTED IN THE CURRENT YEAR

In the current year, the group has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations: IAS 1 was amended to require that only material accounting policy information shall be disclosed in the annual financial statements. The amendment will not result in changes to measurement or recognition of financial statement items, but management will undergo a review of accounting policies to ensure that only material accounting policy information is disclosed.

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

The company has adopted the amendment for the first time in the 2024 annual financial statements

2.2 STANDARDS AND INTERPRETATIONS NOT YET EFFECTIVE

The group has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the group's accounting periods beginning on or after 01 April 2024 or later periods:

3. PROPERTY, PLANT AND EQUIPMENT

GROUP	2024 Cost or revaluation R	2024 Accumulated depreciation R	2024 Carrying value R	2023 Cost or revaluation R	2023 Accumulated depreciation R	2023 Carrying value R
Land	12 345 669	(1 002 260)	11 343 409	10 365 669	-	10 365 669
Buildings	89 447 549	(37 195 188)	52 252 361	91 433 192	(35 225 975)	56 207 217
Plant and machinery	84 542 534	(58 465 306)	26 077 228	85 427 769	(54 493 465)	30 934 304
Furniture and fixtures	13 388 914	(9 525 559)	3 863 355	13 489 019	(9 493 368)	3 995 651
Motor vehicles	428 254 538	(248 524 561)	179 729 977	427 112 246	(210 121 600)	216 990 646
Office equipment	11 368 297	(8 028 090)	3 340 207	11 382 148	(7 659 412)	3 722 736
IT equipment	292 686 970	(147 542 552)	145 144 418	291 763 086	(133 287 662)	158 475 424
Sundry equipment	4 535 874	(2 399 489)	2 136 385	4 366 142	(1 961 005)	2 405 137
Leasehold improvements	126 115	(126 115)	-	126 115	(100 883)	25 232
Bearer plants	4 020 307	(3 047 133)	973 174	4 020 307	(2 997 859)	1 022 448
Specialised equipment infrastructure	1 677 649	(160 006)	1 517 643	138 508	(37 918)	100 590
Workshop equipment	5 415 260	(3 921 623)	1 493 637	7 830 794	(5 798 513)	2 032 281
Rehabilitation assets	17 742 894	-	17 742 894	19 920 150	(2 177 256)	17 742 894
WIP Broadband infrastructure	151 833 712	-	151 833 712	98 813 320	-	98 813 320
Total	**1 117 386 282**	**(519 937 882)**	**597 448 400**	**1 066 188 465**	**(463 354 916)**	**602 833 549**

COMPANY	2024 Cost or revaluation R	2024 Accumulated depreciation R	2024 Carrying value R	2023 Cost or revaluation R	2023 Accumulated depreciation R	2023 Carrying value R
Land	4 773 839	(1 002 260)	3 771 579	2 793 839	-	2 793 839
Buildings	59 390 537	(27 248 949)	32 141 588	35 872 921	(15 253 246)	20 619 675
Plant and machinery	82 860 020	(57 872 762)	24 987 258	1 709 442	(1 104 761)	604 681
Furniture and fixtures	6 018 363	(4 076 263)	1 942 100	6 321 660	(4 714 315)	1 607 345
Motor vehicles	8 224 837	(6 923 277)	1 301 560	4 940 647	(4 036 235)	904 412
Office equipment	3 401 766	(2 916 316)	485 450	4 044 734	(3 353 543)	691 191
IT equipment	13 080 096	(9 047 575)	4 032 521	13 290 112	(10 356 816)	2 933 296
Sundry equipment	4 099 038	(2 229 717)	1 869 321	4 099 038	(1 833 275)	2 265 763
Bearer plants	4 020 307	(3 047 133)	973 174	-	-	-
Audio visual equipment	1 677 649	(160 006)	1 517 643	138 508	(37 918)	100 590
Workshop equipment	5 206 445	(3 921 623)	1 284 822	6 557 160	(4 852 419)	1 704 741
Work in progress	-	-	-	1 382 184	-	1 382 184
Total	**192 752 897**	**(118 445 881)**	**74 307 016**	**81 150 245**	**(45 542 528)**	**35 607 717**

3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

RECONCILIATION OF PROPERTY, PLANT AND EQUIPMENT - GROUP - 2024	Opening balance R	Additions R	Write-offs and Disposals R	Transfers R	Prior period adjustment R	Depreciation R	Impairment loss and reversal R	Total R
Land	10 365 669	-	-	977 740	-	-	-	11 343 409
Buildings	56 207 217	40 932	(32 194)	-	-	(3 963 594)	-	52 252 361
Plant and machinery	30 934 304	346 315	(236 002)	-	584	(4 967 973)	-	26 077 228
Furniture and fixtures	3 995 651	1 269 052	(13 462)	-	-	(1 387 886)	-	3 863 355
Motor vehicles	216 990 646	-	(431 412)	262 560	-	(25 748 093)	(11 343 724)	179 729 977
Office equipment	3 722 736	913 586	(13 320)	-	-	(1 219 753)	(63 042)	3 340 207
IT equipment	158 475 424	3 088 759	(363 347)	-	-	(15 543 735)	(512 683)	145 144 418
Sundry equipment	2 405 137	169 730	-	-	1	(438 483)	-	2 136 385
Leasehold improvements	25 232	-	-	-	-	(25 232)	-	-
Bearer plants	1 022 448	-	-	-	-	(49 274)	-	973 174
Audio visual equipment	100 590	156 957	-	1 382 184	-	(122 088)	-	1 517 643
Workshop equipment	2 032 281	120 754	(60 056)	-	-	(599 342)	-	1 493 637
Rehabilitation assets	17 742 894	-	-	-	-	-	-	17 742 894
Work in progress	98 813 320	55 547 211	-	(2 526 819)	-	-	-	151 833 712
	602 833 549	**61 653 296**	**(1 149 793)**	**95 665**	**585**	**(54 065 453)**	**(11 919 449)**	**597 448 400**

3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

RECONCILIATION OF PROPERTY, PLANT AND EQUIPMENT - GROUP - 2023	Opening balance R	Additions R	Write-offs and Disposals R	Transfers R	Prior period error depreciation R	Depreciation R	Impairment loss and reversal R	Total R
Land	10 365 669	10 365 669	-	-	-	-	-	10 365 669
Buildings	59 095 703	-	(31 762)	-	-	(2 856 724)	-	56 207 217
Plant and machinery	35 351 115	147 255	(700)	194 083	(194 082)	(4 498 707)	(64 660)	30 934 304
Furniture and fixtures	4 955 175	482 151	(76 292)	-	213 622	(1 293 248)	(285 757)	3 995 651
Motor vehicles	242 400 477	-	(2 833 333)	3 678 427	-	(27 179 473)	924 548	216 990 646
Office equipment	4 456 262	173 585	(3 847)	261 743	(261 743)	(888 645)	(14 619)	3 722 736
IT equipment	186 505 854	1 535 705	(115 938)	67 326	(3 678 427)	(25 586 746)	(252 350)	158 475 424
Sundry equipment	2 754 465	135 840	-	-	67 326	(552 494)	-	2 405 137
Leasehold improvements	62 629	-	-	-	-	(37 397)	-	25 232
Bearer plants	1 071 587	-	-	-	-	(49 139)	-	1 022 448
Audio visual equipment	120 361	-	-	-	-	(19 771)	-	100 590
Workshop equipment	3 234 787	385 090	(29 717)	-	116 108	(1 243 131)	(430 856)	2 032 281
Rehabilitation assets	17 742 894	-	-	-	-	-	-	17 742 894
Work in progress	51 093 879	47 719 441	-	-	-	-	-	98 813 320
	619 210 857	**50 579 067**	**(3 091 589)**	**4 201 579**	**(3 737 196)**	**(64 205 475)**	**(123 694)**	**602 833 549**

3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

RECONCILIATION OF PROPERTY, PLANT AND EQUIPMENT - COMPANY - 2024

	Opening balance R	Additions R	Disposals R	Transfers R	Other changes, movements R	Depreciation R	Total R
Land	2 793 839	-	-	977 740	-	-	3 771 579
Buildings	20 619 675	40 931	-	13 376 150	-	(1 895 168)	32 141 588
Plant and machinery	604 681	346 316	(5 048)	28 496 727	584	(4 456 002)	24 987 258
Furniture and fixtures	1 607 345	972 483	(9 827)	10 480	1 172	(639 553)	1 942 100
Motor vehicles	904 412	-	(3)	868 854	-	(471 703)	1 301 560
Office equipment	691 191	16 600	(1 713)	39 497	-	(260 125)	485 450
IT equipment	2 933 296	1 892 589	(27 529)	283 569	(1 075)	(1 048 329)	4 032 521
Sundry equipment	2 265 763	-	-	-	-	(396 442)	1 869 321
Bearer plants	-	-	-	1 022 448	-	(49 274)	973 174
Audio visual equipment	100 590	-	-	1 539 141	-	(122 088)	1 517 643
Workshop equipment	1 704 741	86 500	(59 829)	-	962	(447 295)	1 285 079
Work in progress	1 382 184	1 144 635	-	(2 526 819)	-	-	-
	35 607 717	**4 500 054**	**(103 949)**	**44 087 787**	**1 643**	**(9 785 979)**	**74 307 273**

RECONCILIATION OF PROPERTY, PLANT, AND EQUIPMENT - COMPANY - 2023

	Opening balance R	Additions R	Disposals R	Depreciation R	Impairment loss R	Total R
Land	2 793 839	-	-	-	-	2 793 839
Buildings	21 375 180	-	(11 020)	(744 485)	-	20 619 675
Plant and machinery	777 110	147 256	-	(283 977)	(35 708)	604 681
Furniture and fixtures	2 510 168	51 417	(2 063)	(667 034)	(285 143)	1 607 345
Motor vehicles	1 131 829	-	-	(227 417)	-	904 412
Office equipment	1 003 785	-	(3 828)	(294 147)	(14 619)	691 191
IT equipment	3 958 464	576 390	(20 228)	(1 329 519)	(251 811)	2 933 296
Sundry equipment	2 737 505	-	-	(471 742)	-	2 265 763
Audio visual equipment	120 361	-	-	(19 771)	-	100 590
Workshop equipment	2 884 914	381 790	-	(1 129 888)	(430 856)	1 705 960
Work in progress	1 382 184	-	-	-	-	1 382 184
	40 675 339	**1 156 853**	**(37 139)**	**(5 167 980)**	**(1 018 137)**	**35 608 936**

PROPERTY, PLANT AND EQUIPMENT ENCUMBERED AS SECURITY

Refer to note 61 for non-current relating to buses and ancillary vehicles that are currently held for sale and accordingly reclassified to current assets as per IFRS 5 requirements.

CHANGES IN ESTIMATES

The group reassesses the useful lives and residual values of items of group at the end of each reporting period, in line with the accounting policy and IAS 16 Property, plant and equipment. These assessments are based on historic analysis, benchmarking, and the latest available and reliable information.

DEPRECIATION METHOD

Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the group.

3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

OTHER INFORMATION	GROUP		COMPANY	
CORRIDOR MINING RESOURCES	2024 R	2023 R	2022 R	2021 R
Fully depreciated property, plant and equipment still in use	109 476	103 211	-	-

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

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

The group leases several assets, including buildings, plant and IT equipment. The average lease term is - years. Details pertaining to leasing arrangements, where the group is lessee are presented below:

NET CARRYING AMOUNTS OF RIGHT-OF-USE ASSETS

The carrying amounts of right-of-use assets are as follows:

Land	3 679 044	-	-	-
Buildings	28 870 982	26 005 824	7 810	9 847
Plant and machinery	-	78 018	-	-
Office equipment	852 644	2 987 354	817 092	1 279 183
IT equipment	327 366	780 547	-	-
Sleeping grounds	762 465	2 394 532	-	-
	34 492 501	**32 246 275**	**824 902**	**1 289 030**

ADDITIONS TO RIGHT-OF-USE ASSETS

Land	3 702 669	-	-	-
Buildings	6 655 487	2 207 119	-	-
Sleeping ground	-	596 529	-	-
Office equipment	78 018	494 803	78 018	76 654
IT equipment	-	913 159	-	-
	10 436 174	**4 211 610**	**78 018**	**76 654**

ADJUSTMENTS

Right of use asset adjustment (LEDA -	-	(29 380)	--	(29 380)-

TERMINATION OF LEASES FOR RIGHT-OF-USE ASSETS

Sleeping ground	(235 880)	(15 877)	--	(15 877)

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

	GROUP		COMPANY	
	2024 R	2023 R	2022 R	2021 R

DEPRECIATION RECOGNISED ON RIGHT-OF-USE ASSETS

Depreciation recognised on each class of right-of-use assets, is presented below. It includes depreciation which has been expensed in the total depreciation charge in profit or loss (note 38), as well as depreciation which has been capitalised to the cost of other assets.

	2024 R	2023 R	2022 R	2021 R
Buildings and Fibre leases	1 632 934	6 734 651	2 037	289 638
Land	23 655	-	-	-
Plant and machinery	-	15 604	-	-
Office equipment	2 212 729	991 919	540 110	247 524
IT equipment	327 694	10 646	-	-
Land	23 655	-	-	-
Sleeping grounds	1 396 187	2 005 452	-	-
	5 616 854	**9 758 272**	**542 147**	**537 162**

RECLASSIFICATION BETWEEN CLASSES (GNT)

	2024 R	2023 R	2022 R	2021 R
Buildings	-	(347 626)	-	-
Office equipment	-	319 968	-	-
Sleeping ground	-	87 919	-	-
	-	**60 261**	**-**	**-**

OTHER DISCLOSURES

	2024 R	2023 R	2022 R	2021 R
Interest expense on lease liabilities	3 256 483	2 063 400	-	78 349
Expenses on short term leases included in operating expenses	2 316 026	5 366 034	-	-
Leases of low value assets included in operating expenses operating expenses	41 776	(91 711)	-	-

FINANCE LEASE LIABILITIES

	2024 R	2023 R	2022 R	2021 R
The maturity analysis of lease liabilities is as follows:				
Within one year	12 950 050	13 414 563	723 690	680 272
Two to five years	18 103 149	18 544 238	381 865	1 047 190
More than five years	183 004 199	178 325 000	-	-
	214 057 398	210 283 801	1 105 555	1 727 462
Less finance charges component	(178 531 625)	(173 016 712)	(83 332)	(204 865)
	35 525 773	**37 267 089**	**1 022 223**	**1 522 597**
Non-current liabilities	25 994 127	28 185 795	376 130	964 812
Current liabilities	9 531 646	9 081 294	646 093	557 785
	35 525 773	**37 267 089**	**1 022 223**	**1 522 597**

EXPOSURE TO LIQUIDITY RISK

Refer to note 53 financial instruments and risk management for the details of liquidity risk exposure and management.

EXPOSURE TO CURRENCY RISK

Refer to note 53 financial instruments and financial risk management for details of currency risk management for lease liabilities.

5. INVESTMENT PROPERTY

	2024			2023		
GROUP	Cost / Valuation R	Accumulated depreciation R	Carrying value R	Cost / Valuation R	Accumulated depreciation R	Carrying value R
Investment property	333 749 990	(186 997 119)	146 752 871	342 434 816	(187 333 306)	155 101 510
COMPANY						
Investment property	333 749 990	(186 997 119)	146 752 871	342 147 757	(187 268 137)	154 879 620

RECONCILIATION OF INVESTMENT PROPERTY - GROUP - 2024

	Opening balance R	Additions R	Disposals R	Classified as held for sale R	Depreciation R	Impairments R	Total R
Investment property	155 101 510	291 950	(775 763)	(472 493)	(7 110 990)	(281 343)	146 752 871

RECONCILIATION OF INVESTMENT PROPERTY - GROUP - 2023

	Opening balance R	Classified as held for sale R	Depreciation R	Impairments R	Total R
Investment property	180 284 398	(6 000 000)	(8 378 010)	(10 804 878)	155 101 510

RECONCILIATION OF INVESTMENT PROPERTY - COMPANY - 2024

	Opening balance R	Additions R	Disposals R	Classified as held for sale R	Transfers R	Depreciation R	Impairments R	Total R
Investment property	154 879 620	291 950	(775 763)	(472 493)	221 890	(7 110 990)	(281 343)	146 752 871

RECONCILIATION OF INVESTMENT PROPERTY - COMPANY - 2023

	Opening balance R	Classified as held for sale R	Depreciation R	Impairments R	Total R
Investment property	180 062 505	(6 000 000)	(8 378 007)	(10 804 878)	154 879 620

	GROUP		COMPANY	
	2022 R	2021 R	2022 R	2021 R
Fair value of investment properties	622 991 961	823 673 968	622 991 961	823 673 968

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

These benefits are expressed in monetary terms and are based upon the estimated rentals such a property would generate in the market between a willing landlord and tenant. The rationale why fair value is not determinable on non rental generating properties is based on the following guidelines of paragraph 79(e)ii) of IAS 40.

5. INVESTMENT PROPERTY (CONTINUED)

"LEDA owns properties located across the Limpopo province with most located in remote areas. Paragraph 79 (e) requires a disclosure of the fair value of our properties, (ii) provides that where fair value cannot be determined those exceptional cases must be disclosed as indicated in paragraph 53 of IAS 40. We assessed our properties that are not leased out and identified that there is no active market as defined by IFRS 13 Appendix A for the types of properties and land. This is due to a lack of sufficient frequency and volume to provide pricing on a continuous basis. As such, we could not reasonably calculate the fair value of these properties".

The intention of the standard setters was not that experts be appointed to determine the values as was recommended by the audit team. The idea in terms of the basis of conclusion to both standards is merely to reflect this fair value where possible by using available techniques which we have indicated above that they would not result in a reliable determination and therefore an explanation in accordance with paragraph 79 above is to be made.

These properties fully impaired to a nominal value of one rand or impaired based on their recalculated recoverable amount.

Registers with details of land and buildings are available for inspection by shareholders or their duly authorised representatives at the registered office of the company.

AMOUNTS RECOGNISED IN PROFIT AND LOSS FOR THE YEAR	GROUP		COMPANY	
	2024 R	2023 R	2024 R	2023 R
Rental income from investment property	139 421 437	127 886 060	139 421 437	127 886 060
Other rental related income	10 647 925	1 782 795	10 647 925	1 782 795
Direct operating expenses from rental generating property	(107 437 166)	(70 488 537)	(107 437 166)	(70 488 537)
	42 632 196	**59 180 318**	**42 632 196**	**59 180 318**

Registers with details of land and buildings are available for inspection by shareholders or their duly authorised representatives at the registered office of the Agency.

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

6. BIOLOGICAL ASSETS

GROUP	2024 Cost / Valuation R	2024 Accumulated depreciation R	2024 Carrying value R	2023 Cost / Valuation R	2023 Accumulated depreciation R	2023 Carrying value R
Tea leaves	2 197 520	-	2 197 520	9 323 495	-	9 323 495

RECONCILIATION OF BIOLOGICAL ASSETS - GROUP - 2024	Opening balance R	Gains(losses) arising from changes in fair value R	Total R
Trees in a plantation forest	9 323 495	(7 125 975)	2 197 520

RECONCILIATION OF BIOLOGICAL ASSETS - GROUP - 2023	Opening balance R	Gains(losses) arising from changes in fair value R	Total R
Trees in a plantation forest	3 873 362	5 450 133	9 323 495

6. BIOLOGICAL ASSETS (CONTINUED)

NON – FINANCIAL INFORMATION QUANTITIES OF EACH BIOLOGICAL ASSET	GROUP 2024 R	GROUP 2023 R	COMPANY 2024 R	COMPANY 2023 R
Trees in a plantation forest	-	308 725	-	-

FINANCIAL RISK MANAGEMENT STRATEGIES RELATED TO AGRICULTURAL ACTIVITY

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

NATURE OF THE ACTIVITIES INVOLVING EACH GROUP OF BIOLOGICAL ASSETS

TEA LEAVES

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

METHODS AND ASSUMPTIONS USED IN DETERMINING FAIR VALUE:

Fair Valuation was determined with reference to the Indian Market since it's the most relevant Tea market in the world. Different teas are quoted in the India-Mart website which acts as an organized Competitive and Active Market. The information is easily accessible, and comparisons can easily be done in this Tea Market. This is approach is consistent with other years.

This Active Market was treated as the advantageous market, therefore, as a Level 2 fair value hierarchy input because we adjusted for country risk. The quoted price in rupees was adjusted to a Rand Value and estimated adjustment was made due to South Africa being smaller and inactive market.

NET BIOLOGICAL ASSETS

Current assets	2 197 520	9 323 495	2 197 520	-

7. INTANGIBLE ASSETS

GROUP	2024 Cost / Valuation R	2024 Accumulated amortisation R	2024 Carrying value R	2023 Cost / Valuation R	2023 Accumulated amortisation R	2023 Carrying value R
Computer software	91 192 280	(70 319 745)	20 872 535	94 967 235	(58 908 471)	36 058 764
Intangible assets under development	3 560 405	(2 421 076)	1 139 329	3 560 405	(2 278 660)	1 281 745
Bus routes	7 363 231	(4 688 231)	2 675 000	2 675 000	-	2 675 000
Exploration and evaluation assets	43 677 046	(1 141 572)	42 535 474	43 617 581	(1 141 572)	42 476 009
Total	**145 792 962**	**(78 570 624)**	**67 222 338**	**144 820 221**	**(62 328 703)**	**82 491 518**

COMPANY						
Computer software	807 978	(792 146)	15 832	807 978	(792 146)	15 832

7. INTANGIBLE ASSETS (CONTINUED)

RECONCILIATION OF INTANGIBLE ASSETS - GROUP - 2024	Opening balance R	Additions R	Disposals R	Amortisation R	Total R
Computer software	36 058 764	956 878	(2)	(16 143 105)	20 872 535
Intangible assets under development	1 281 745	-	-	(142 416)	1 139 329
Bus routes	2 675 000	-	-	-	2 675 000
Exploration and evaluation assets	42 476 009	59 465	-	-	42 535 474
	82 491 518	**1 016 343**	**(2)**	**(16 285 521)**	**67 222 338**

RECONCILIATION OF INTANGIBLE ASSETS - GROUP - 2023	Opening balance R	Amortisation R	Total R
Computer software	55 384 110-	(19 325 346)	36 058 764
Intangible assets under development	1 424 162	(142 417)	1 281 745
Bus routes	2 675 000	-	2 675 000
Exploration and evaluation assets	42 476 009	-	42 476 009
	101 959 281	**(19 467 763)**	**82 491 518**

RECONCILIATION OF INTANGIBLE ASSETS - COMPANY - 2024	Opening balance R	Total R
Computer software	15 832	15 832

RECONCILIATION OF INTANGIBLE ASSETS - COMPANY - 2023	Opening balance R	Amortisation R	Total R
Computer software	49 192	(33 360)	15 832

OTHER INFORMATION

CORRIDOR MINING RESOURCES

WATER USE RIGHTS - LEBALELO

The remaining useful life at date of assessment is nine years (2023:10 years)

EXPLORATION AND EVALUATION ASSET

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

MINING ASSET

Tshepong project and Fumani Greenstone project have been classified as Mining assets. The feasibility of these projects have been determined. Fumani Greenstone project and Tshepong have been granted a mining right but this has not been executed as yet.

Mining assets are amortised on the unit of production method.

GREAT NORTH TRANSPORT

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

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

8. INVESTMENTS IN SUBSIDIARIES INCLUDING CONSOLIDATED STRUCTURED ENTITIES

GROUP

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

Name of company	Held by	% voting power 2024	% voting power 2023	% holding 2024	% holding 2023	Carrying amount 2024 R	Carrying amount 2023 R
Risima Housing Finance Corporation (SOC) Limited		100%	100%	100%	100%	218 829 331	218 829 331
Great North Transport (SOC) Limited		100%	100%	100%	100%	500 000	500 000
Corridor Mining Resources (SOC) Limited		100%	100%	100%	100%	100	100
New Era Life (SOC) Limited		100%	100%	100%	100%	118 800 000	95 500 000
Musina Makhado SEZ (SOC) Limited		100%	100%	100%	100%	100	100
Fetakgomo-Tubatse Industrial Park		100%	100%	100%	100%	100	-
Limpopo Connexion (SOC) Limited		100%	100%	100%	100%	100	100
Limpopo Agribusiness (SOC) Limited		0%	100%	0%	100%	-	100
						338 129 731	**314 829 731**
Impairment of investment in subsidiaries						(88 213 618)	(83 099 123)
						249 916 113	**231 730 608**

RECONCILIATION OF PROVISION FOR IMPAIRMENT OF INVESTMENT IN SUBSIDIARIES	GROUP 2024 R	GROUP 2023 R	COMPANY 2024 R	COMPANY 2023 R
PROVISION FOR IMPAIRMENT				
Opening balance			(83 099 123)	(68 679 995)
Decrease/(Increase) in Provision	-	-	(5 114 495)	(14 419 128)
Closing balance	**-**	**-**	**(88 213 618)**	**(83 099 123)**

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

2024 SUMMARISED STATEMENT OF FINANCIAL POSITION	Non-current assets R	Current assets R	Total assets R	Non-current liabilities R	Current liabilities R	Total liabilities R	Carrying amount of non- controlling interest R
Corridor Mining Resources (SOC) Limited	217 785 910	65 497 584	283 283 494	18 870 937	252 558 074	271 429 011	(5 334 118)
Great North Transport (SOC) Limited	198 598 314	63 782 747	262 381 061	103 335 264	145 987 870	249 323 134	-
Risima Housing Finance Corporation (SOC) Limited	598 512 614	105 658 815	704 171 429	3 419 424	11 683 653	15 103 077	-
Limpopo Connexion (SOC) Limited	181 990 246	96 408 865	278 399 111	187 707 302	66 804 783	254 512 085	-
Musina-Makhado Special Economic Zone (SOC) Limited	203 337 608	289 967 915	493 305 523	20 943 303	455 845 329	476 788 632	-
New Era Life Insurance Co Limited	213 299	50 633 148	50 846 447	8 572 635	17 897 980	26 470 615	-
Fetakgomo-Tubatse Industrial Park	5 216 547	157 660 796	162 877 343	1 285 283	157 036 348	158 321 631	-
Total	**1 405 654 538**	**829 609 870**	**2 235 264 408**	**344 134 148**	**1 107 814 037**	**1 451 948 185**	**(5 334 118)**

2023 SUMMARISED STATEMENT OF FINANCIAL POSITION	Non-current assets R	Current assets R	Total assets R	Non-current liabilities R	Current liabilities R	Total liabilities R	Carrying amount of non- controlling interest R
Corridor Mining Resources (SOC) Limited	108 899 785	27 116 881	136 016 666	21 601 532	246 053 760	267 655 292	(5 323 355)
Great North Transport (SOC) Limited	227 193 319	275 813 691	503 007 010	146 291 987	141 752 353	288 044 340	-
Risima Housing Finance Corporation (SOC) Limited	591 487 424	66 184 718	657 672 142	248 369	17 755 753	18 004 122	-
Limpopo Connexion (SOC) Limited	213 612 711	91 086 294	304 699 005	208 581 140	84 767 435	293 348 575	-
Musina-Makhado Special Economic Zone (SOC) Limited	146 070 990	289 674 380	435 745 370	25 198 813	394 035 798	419 234 611	-
New Era Life Insurance Co Limited	767 338	43 354 511	44 121 849	8 591 227	18 852 163	27 443 390	-
	1 288 031 567	**793 230 475**	**2 081 262 042**	**410 513 068**	**903 217 262**	**1 313 730 330**	**(5 323 355)**

9. JOINT ARRANGEMENTS

JOINT VENTURES

UNRECOGNISED LOSSES

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

10. INVESTMENTS IN ASSOCIATES

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

GROUP Name of company	Held by	% ownership interest 2024	% ownership interest 2023	Carrying amount 2024 R	Carrying amount 2023 R
Vanadium & Magnetite Exploration & Development Co. (SA) (Proprietary) Limited		33.33 %	33.33 %	300 000	300 000
Sefateng Chrome Mine (Pty) Ltd		55,00 %	55,00 %	151 259 159	42 075 809
AttaClay (Proprietary) Limited		30.00 %	30.00 %	3 603 714	3 420 484
INCA Mining		2.00 %	2.00 %	566 310	566 310
Makapan Mall (Proprietary) Limited t/a Mokopane Mall		50.00 %	50.00 %	70 574 862	66 043 949
OK Bazaars Venda Limited		33.33 %	33.33 %	27 779 583	27 967 494
AON Limpopo (Proprietary) Limited		48.48 %	48.48 %	2 473 649	4 642 040
				256 557 277	**143 387 700**

COMPANY Name of company	Held by	% ownership interest 2024	% ownership interest 2023	Carrying amount 2024 R	Carrying amount 2023 R
AttaClay (Proprietary) Limited	Unlisted	30.00 %	30.00 %	30	30
Makapan Mall (Proprietary) Limited t/a Mokopane Mall	Unlisted	50.00 %	50.00 %	2 250 500	2 250 500
Mahube Mining (Proprietary) Limited	Unlisted	21.00 %	21.00 %	200	200
The New Chuene Resort (Proprietary) Limited	Unlisted	30.00 %	30.00 %	1 000 000	1 000 000
OK Bazaars Venda Limited	Unlisted	33.33 %	33.33 %	806 300	806 300
Rent a Sign Lebowa (Proprietary) Limited	Unlisted	50.00 %	50.00 %	500	500
AON Limpopo (Proprietary) Limited	Unlisted	48.48 %	48.48 %	9 914	9 914
				4 067 444	**4 067 444**
Impairment of investments in associates				(1 000 700)	(1 000 700)
				3 066 744	**3 066 744**

MOVEMENT IN IMPAIRMENT

Opening balance				
Less: Investment written off that was impaired	-	-	1 000 700	14 750 700
	-	-	-	(13 750 000)
	-	**-**	**1 000 700**	**1 000 700**

10. INVESTMENTS IN ASSOCIATES (CONTINUED)

MATERIAL ASSOCIATES

THE FOLLOWING ASSOCIATES ARE MATERIAL TO THE GROUP:

	Country of incorporation	Method	% Ownership interest 2022	% Ownership interest 2021
AON Limpopo (Proprietary) Limited	South Africa	Equity	48.48 %	48.48 %
Makapan Mall (Proprietary) Limited t/a Mokopane Mall	South Africa	Equity	50.00 %	50.00 %
AttaClay (Proprietary) Limited	South Africa	Equity	30.00 %	30.00 %
OK Bazaars Venda Limited	South Africa	Equity	33.33 %	33.33 %
Sefateng Chrome Mine (Pty) Ltd	South Africa	Equity	55,00 %	55,00 %
Vanadium & Magnetite Exploration (Proprietary) Limited	South Africa	Equity	33.33 %	33.33 %
Inca Mining	South Africa	Equity	2,00 %	2,00 %

The country of incorporation is the same as the principle place of business for all associates. The percentage voting rights is equal to the percentage ownership for all associates.

CORRIDOR MINING RESOURCES

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

Represented by 55% shares in Sefateng Chrome Mine (Pty) Ltd, a company whose main activity is mining of chrome ore. Corridor Mining resources does not have control of the company and hence it is classified as an associate.

The company has a 2% shareholding in INCA Mining. The investment is equity accounted for as the company does not have any significant shareholding or control of the entity but does have influence by having a director on the board.

SUMMARISED FINANCIAL INFORMATION OF MATERIAL ASSOCIATES

2024

SUMMARISED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Revenue R	Profit (loss) from continuing operations R	Total comprehensive income R
AON Limpopo (Proprietary) Limited	2 978 808	1 001 390	1 001 390
Makapan Mall (Proprietary) Limited t/a Mokopane Mall	18 235 522	14 561 841	14 561 841
AttaClay (Proprietary) Limited	6 942 262	610 766	610 766
OK Bazaars Venda Limited	191 050 000	6 847 000	6 847 000
Sefateng Chrome Mine (Pty) Ltd	507 366 253	198 515 181	198 515 181
	726 572 845	**221 536 178**	**221 536 178**

SUMMARISED STATEMENT OF FINANCIAL POSITION	Non-current assets R	Current assets R	Non-current liabilities R	Current liabilities R	Total net assets R
AON Limpopo (Proprietary) Limited	602 265	21 338 244	260 420	12 582 951	9 097 138
Makapan Mall (Proprietary) Limited t/a Mokopane Mall	191 788 194	1 213 089	32 110 801	14 619 681	146 270 801
AttaClay (Proprietary) Limited	1 542 979	26 652 719	(910 214)	13 491 766	15 614 146
OK Bazaars Venda Limited	39 132 559	85 446 495	28 641 263	23 691 095	72 246 696
Sefateng Chrome Mine (Pty) Ltd	1 618 293 882	58 188 950	1 029 387 206	372 078 970	275 016 656
	1 851 359 879	**192 839 497**	**1 089 489 476**	**436 464 463**	**518 245 437**

10. INVESTMENTS IN ASSOCIATES (CONTINUED)

RECONCILIATION OF NET ASSETS TO EQUITY ACCOUNTED INVESTMENTS IN ASSOCIATES	Total net assets R	Interest in associate at % ownership R	Investment in associate R
AON Limpopo (Proprietary) Limited	9 097 138	4 410 293	2 473 649
Makapan Mall (Proprietary) Limited trading as Mokopane Mall	146 270 801	73 135 401	70 574 862
AttaClay (Proprietary) Limited	15 614 146	4 684 244	3 603 714
OK Bazaars Venda Limited	72 246 696	24 079 824	27 779 583
Sefateng Chrome Mine (Pty) Ltd	275 016 656	-	300 000
Vanadium & Magnatite Exploration (Proprietary) Limited	-	-	566 310
	793 262 093	**106 309 762**	**105 298 118**

RECONCILIATION OF MOVEMENT IN INVESTMENTS IN ASSOCIATES	Investment at beginning of 2024 R	Share of profit / (loss) R	Dividends received from associates R	Investment at end of 2024 R
AON Limpopo (Proprietary) Limited	3 013 654	485 474	(1 025 479)	2 473 649
Makapan Mall (Proprietary) Limited t/a Mokopane Mall	66 043 941	7 280 921	(2 750 000)	70 574 862
AttaClay (Proprietary) Limited	3 420 484	183 230	-	3 603 714
OK Bazaars Venda Limited	27 967 493	2 282 105	(2 470 015)	27 779 583
Sefateng Chrome Mine (Pty) Ltd	42 075 809	109 183 350	-	151 259 159
Vanadium & Magnetite Exploration (Proprietary) Limited	300 000	-	-	300 000
Inca Mining	434 312	131 998	-	566 310
	142 821 381	**119 547 078**	**(6 245 494)**	**256 557 277**

ASSOCIATES WITH DIFFERENT REPORTING DATES

The end of the reporting year of Limpopo Economic Development Agency and its subsidiaries is a group. The associates with year-ends three months and less than the group's reporting period were equity accounted. The Group scrutinises the period from the most recent year end to 31 March 2024 for significant transactions and adjusts the audited financial statements where necessary.

Associates with year-ends greater than three months compared to the Group's financial year end, management accounts were applied up to and including 31 March 2024. The adjustments to the year ending 31 March 2024 were not significant to the group.

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

Makapan Mall (Proprietary) Limited	28 February 2024
OK Bazaars Venda Limited	30 June 2023 (All transactions included up until 31 March 2024)
AttaClay (Proprietary) Limited	30 June 2023 (All transactions included up until 31 March 2024)
AON Limpopo (Proprietary) Limited	31 December 2023

NATURE OF INVESTMENTS IN ASSOCIATES

The relationship between the Group and the associates are purely of an investment nature and the activities of the associates are not strategic to the Group's operations.

CONTINGENCIES

Refer to note 48 Contingencies for details of contingencies related to associates.

11. LOANS TO GROUP COMPANIES

	GROUP		COMPANY	
	2024 R	2023 R	2024 R	2023 R
SUBSIDIARIES				
Corridor Mining Resources (SOC) Limited	-	-	229 743 671	225 299 457
Great North Transport (SOC) Limited	-	-	39 338 169	31 335 582
Limpopo Agribusiness (SOC) Limited	-	-	-	195 365 493
Limpopo Connexion (SOC) Limited	-	-	17 868 446	14 139 417
Musina Makhado Special Economic Zone (SOC) Limited	-	-	48 677	948 635
Total for subsidiaries	-	-	286 998 963	467 088 584
Provision for impairment of loans to subsidiaries		-	(286 950 287)	(465 974 245)
Total for subsidiaries	**-**	**-**	**48 676**	**1 114 339**

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

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

These loans are unsecured and have no fixed repayment terms.

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

Limpopo Economic Development Agency (LEDA) has subordinated the right to claim or accept payment of the loan to them in favour of other creditors until the assets of Great North Transport (SOC) Ltd, Corridor Mining Resources (SOC) Ltd and Limpopo Agribusiness (SOC) fairly valued, exceeds it’s liabilities.

ASSOCIATES				
Sefateng Chrome (Pty) Ltd	60 078 034	61 028 032	-	-
Rent-a-sign Lebowa (Proprietary) Limited	1 635 082	1 635 082	1 635 082	1 635 082
Mahube Mining (Proprietary) Limited	67 222 689	67 222 689	67 222 689	67 222 689
Total for associates	**128 935 805**	**129 885 803**	**68 857 771**	**68 857 771**
Provision for impairment of loans to associates	(68 857 771)	(108 021 903)	(68 857 771)	(68 857 771)
Group total for loans to group companies	**60 078 034**	**21 863 900**	**-**	**-**

SEFATENG CHROME MINE

This loan is unsecured, has no fixed terms of repayment and bears interest at JIBAR + 1%.

The loan to Sefateng Chrome Mine bears interest on an out of shareholding relationship with the BEE partner at prime + 8% before the awarding of the mining right and prime +2% after the awarding of the mining right in December 2014. There is no fixed term of repayment.

11. LOANS TO GROUP COMPANIES (CONTINUED)

	GROUP		COMPANY	
	2024 R	2023 R	2024 R	2023 R
GRAND TOTAL FOR LOANS TO GROUP COMPANIES IS DISCLOSED AS FOLLOWS				
CURRENT ASSETS				
Non-current assets	60 078 034	21 863 900	48 676	1 114 339
LOAN RECONCILIATION				
Loans to group companies	128 935 805	129 885 803	355 856 734	535 946 355
Provision for impairment	(68 857 771)	(108 021 903)	(355 808 058)	(534 832 016)
	60 078 034	**21 863 900**	**48 676**	**1 114 339**
MOVEMENT IN IMPAIRMENT BALANCE				
Opening balance	108 021 903	231 494 346	534 832 016	552 184 530
Less: Balance written off that was impaired	(56 717 224)	(114 695 897)	(179 023 958)	(114 695 897)
Impairment balance adjustment	-	(8 776 546)	-	97 343 383
Closing balance	**51 304 679**	**108 021 903**	**355 808 058**	**534 832 016**

EXPOSURE TO CREDIT RISK

Loans receivable inherently expose the group to credit risk, being the risk that the group will incur financial loss if counterparties fail to make payments as they fall due.

Loans receivable are subject to the impairment provisions of IFRS 9 Financial Instruments, which requires a loss allowance to be recognised for all exposures to credit risk. The loss allowance for group loans receivable is calculated based on twelve month expected losses if the credit risk has not increased significantly since initial recognition. In cases where the credit risk has increased significantly since initial recognition, the loss allowance is calculated based on lifetime expected credit losses. The loss allowance is updated to either twelve month or lifetime expected credit losses at each reporting date based on changes in the credit risk since initial recognition. If a loan is considered to have a low credit risk at the reporting date, then it is assumed that the credit risk has not increased significantly since initial recognition. On the other hand, if a loan is in arrears more than 90 days, then it is assumed that there has been a significant increase in credit risk since initial recognition.

In determining the amount of expected credit losses, the group has taken into account any historic default experience, the financial positions of the counterparties as well as the future prospects in the industries in which the counterparties operate.

The estimation techniques explained have been applied for the first time in the current financial period, which is the first time the group has applied IFRS 9. Group loans receivable were previously impaired only when there was objective evidence that the loan was impaired. The impairment was previously calculated as the difference between the carrying amount and the present value of the expected future cash flows.

FAIR VALUE OF GROUP LOANS RECEIVABLE

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

12. LOANS TO SHAREHOLDERS

	GROUP		COMPANY	
	2024 R	2023 R	2024 R	2023 R
Autumn Star 625 SOC Ltd - BEE Partners	1 500 000	1 500 000	-	-

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

SPLIT BETWEEN NON-CURRENT AND CURRENT PORTIONS

Current assets	1 500 000	1 500 000	-	-

FAIR VALUE OF LOANS TO SHAREHOLDERS

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

13. RETIREMENT BENEFIT OBLIGATION

RETIREMENT MEDICAL BENEFIT

GROUP

The plan is a post-employment medical benefit plan, governed by the Pension Fund Act of 1956. Members and their dependents are entitled to a 60% subsidy of medical aid contributions for LEDA and 70% contribution for GNT.

Former employees of the Limpopo Economic Development Agency and subsidiary Great North Transport (SOC) Limited, participate in Bonitas, Discovery Health or Health Squared medical schemes

Great North Transport (SOC) Ltd subsidise 100% of AdmedGap contributions in retirement.

Dependents of members who die whilst in service are entitled to a 60% subsidy of medical aid contributions.

LEDA and Great North Transport (SOC) Ltd embarked on a reduction exercise to better manage their post-employment health care liability. A consultative process was entered into with retired members who are currently in receipt of the benefit and negotiations are still ongoing. Further, as mentioned above, a resolution was passed by the Board of Directors confirming that future retirees will no longer qualify for post employment health care subsidisation.

AGENCY

The plan is a post-employment medical benefit plan, governed by the Pension Fund Act 1956.Members and their dependents are entitled to 60% subsidy and medical aid contribution.

The accrued liability is currently unfunded and will in future increase with the discount rate used to calculate the present value of the expected future cash flows. LEDA Agency has not legally ring-fenced any assets to fund this liability and there are therefore no “Plan Assets” (as defined by IAS 19). Unanticipated changes in the subsidised medical schemes contributions will directly affect the liability. The risk is therefore that LEDA Agency will have to fund any medical aid expenses for the individuals on the plan that is not covered by the medical aid funds.

Retired employees of Limpopo Economic Development Agency participate in Bonitas, Discovery Health or Health Squared medical schemes.

Limpopo Economic Development Agency embarked on a reduction exercise to better manage their post-employment health care liability. A consultative process was entered into with retired members who are currently in receipt of the benefit and negotiations are still ongoing. Further, as mentioned above, a resolution was passed by the Board of Directors confirming that future retirees will no longer qualify for post-employment health care subsidisation.

13. RETIREMENT BENEFIT OBLIGATION

HEALTHCARE SUBSIDY

LEDA Agency pays a percentage of the contributions of the selected plan option of one of the medical schemes on which LEDA Agency participates. There are no in-service employees eligible for post-employment health care subsidisation. Therefore, only the continuation members currently eligible for post- employment health care subsidisation have been included in the valuation.

PRE-RETIREMENT BENEFIT

Since there are no in-service employees eligible for post-employment health care subsidisation, there is no subsidy payable to the spouse or life partner of an employee on the death of the in-service employee of LEDA Agency.

POST-EMPLOYMENT BENEFIT

On the death of a continuation member, the surviving spouse will continue to receive post-employment health care subsidisation. Current retired members are entitled to a 60% subsidy of medical aid risk contributions in retirement. This subsidy does not include any elected savings. Contributions towards loyalty reward programmes such as Vitality are not included in the subsidised contributions.

DISCOUNT RATE

IAS 19 requires that the market returns on high quality corporate interest-bearing bonds should be used. Should a sufficiently deep market of high-quality corporate bonds not exist, government interest bearing bonds must be used instead. The currency and term of the bonds should be consistent with the currency and estimated term of the liabilities

The discount rates and the inflation is based on assumptions on the yields taken from the government zero coupon bond yield curves as at 31 March 2024, at the appropriate term. The discount rate that was used is 10.23% which is taken from the South African government zero coupon bond yield curve as at 31 March 2024.

The health cost inflation of 7,76% per annum implies that a real discount rate of 2.00% per annum was used in the valuation

ACCRUED LIABILITY

For the purpose of the valuation the benefit is assumed to accrue uniformly since the date at employment commenced at Limpopo Economic Development Agency until the expected date of payment. The accrual of benefit in this way is consistent with the Projected Unit Credit Method of Valuation referred to in IAS 19. The benefit for the continuation members is regarded as being fully accrued.

COST OF POST-EMPLOYMENT HEALTH CARE BENEFITS ACCRUING OVER THE YEAR

The cost of the benefits accruing over the next year has been calculated using the key assumptions below.

The interest cost represents the investment return required so that the benefits accrued in respect of past service can be met in the future.

13. RETIREMENT BENEFIT OBLIGATION (CONTINUED)

RETIREMENT AGE

LEDA Agency pays a percentage of the contributions of the selected plan option of one of the medical schemes on which LEDA Agency participates. There are no in-service employees eligible for post-employment health care subsidisation. Therefore, only the continuation members currently eligible for post- employment health care subsidisation have been included in the valuation.

PRE-RETIREMENT BENEFIT

Since there are no in-service employees eligible for post-employment health care subsidisation, there is no subsidy payable to the spouse or life partner of an employee on the death of the in-service employee of LEDA Agency.

POST-EMPLOYMENT BENEFIT

On the death of a continuation member, the surviving spouse will continue to receive post-employment health care subsidisation. Current retired members are entitled to a 60% subsidy of medical aid risk contributions in retirement. This subsidy does not include any elected savings. Contributions towards loyalty reward programmes such as Vitality are not included in the subsidised contributions.

DISCOUNT RATE

IAS 19 requires that the market returns on high quality corporate interest-bearing bonds should be used. Should a sufficiently deep market of high-quality corporate bonds not exist, government interest bearing bonds must be used instead. The currency and term of the bonds should be consistent with the currency and estimated term of the liabilities

The discount rates and the inflation is based on assumptions on the yields taken from the government zero coupon bond yield curves as at 31 March 2024, at the appropriate term. The discount rate that was used is 10.23% which is taken from the South African government zero coupon bond yield curve as at 31 March 2024.

The health cost inflation of 7,76% per annum implies that a real discount rate of 2.00% per annum was used in the valuation

ACCRUED LIABILITY

For the purpose of the valuation the benefit is assumed to accrue uniformly since the date at employment commenced at Limpopo Economic Development Agency until the expected date of payment. The accrual of benefit in this way is consistent with the Projected Unit Credit Method of Valuation referred to in IAS 19. The benefit for the continuation members is regarded as being fully accrued.

Cost of post-employment health care benefits accruing over the year

The cost of the benefits accruing over the next year has been calculated using the key assumptions below.

The interest cost represents the investment return required so that the benefits accrued in respect of past service can be met in the future.

13. RETIREMENT BENEFIT OBLIGATION (CONTINUED)

The retirement medical benefit value is summarised below.

	GROUP		COMPANY	
	2024 R	2023 R	2024 R	2023 R
CARRYING VALUE				
Non-current liabilities	(20 306 000)	(21 725 000)	(13 600 000)	(14 110 000)
Current liabilities	(2 885 000)	(2 831 000)	(1 862 000)	(1 790 000)
	(23 191 000)	**(24 556 000)**	**(15 462 000)**	**(15 900 000)**
MOVEMENTS FOR THE YEAR				
Opening balance	24 556 000	30 242 000	15 900 000	16 022 000
Contributions by members	(2 831 000)	(3 342 000)	(1 790 000)	(1 726 000)
Net expense recognised in profit or loss	1 466 000	(2 344 000)	1 352 000	1 604 000
	23 191 000	**24 556 000**	**15 462 000**	**15 900 000**
NET EXPENSE RECOGNISED IN PROFIT OR LOSS				
Interest cost	2 367 000	2 792 000	1 482 000	1 482 000
Actuarial (losses) gains	(901 000)	(5 136 000)	122 000	122 000
	1 466 000	**(2 344 000)**	**1 604 000**	**1 604 000**
KEY ASSUMPTIONS USED				
ASSUMPTIONS USED ON THE LAST VALUATION				
Actual return on plan assets	60	60	60	60
Discount rates used	10,23 %	10,23 %	10,23 %	10,23 %
Expected rate of return on assets	7,76 %	7,76 %	7,76 %	7,76 %

ACCRUED CONTRACTUAL LIABILITY

The contractual liability (contributions liability) is the present value of the employer's share of the total expected future postemployment contributions that will become payable in accordance with the assumptions.

SENSITIVITY ANALYSIS

HEALTH CARE COST INFLATION

Medical scheme contributions have in the past increased at a significantly higher rate than general price inflation. On 31 March 2024 the implied consumer price inflation rate amounted to 5.76% per annum.

It would be appropriate to assume that medical scheme contributions will increase at a faster rate than the CPI, eg. CPI plus 2% per annum.

MORTALITY

There are no in service member eligible for post employment health care subsidation therefore pre-retirement mortality is not applicable.

14. ENVIRONMENTAL REHABILITATION DEPOSIT

	GROUP		COMPANY	
	2024 R	2023 R	2024 R	2023 R

The environmental rehabilitation deposits comprise of the following components:

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

	Group 2024 R	Group 2023 R	Company 2024 R	Company 2023 R
Fumani Green Stone	1 958 904	1 958 904	-	-
Khumong Chrme mine	70 000	70 000	-	-
Tshepong Chrome mine	633 384	633 384	-	-
	2 662 288	**2 662 288**	**-**	**-**

15. INVENTORIES

	Group 2024 R	Group 2023 R	Company 2024 R	Company 2023 R
Stationery and consumables	8 362 731	11 478 752	8 362 731	455 091
Production supplies	3 893 188	2 797 030	-	-
Production supplies and other	67 706 535	65 846 924	2 159 678	-
Agricultural produce 1	78 101	-	78 102	-
Diesel	63 631	106 908	63 631	-
Agricultural produce - pepper stock	96	957	96	-
	80 104 282	**80 230 571**	**10 664 238**	**455 091**

INVENTORY RECONCILIATION

	Group 2024 R	Group 2023 R	Company 2024 R	Company 2023 R
Opening balance	80 230 571	80 138 795	455 091	528 003
Net: purchases / issues	(126 289)	91 776	(1 000 482)	(72 912)
Transfers	-	-	11 209 629	-
Closing balance	**80 104 282**	**80 230 571**	**10 664 238**	**455 091**

INVENTORY PLEDGED AS SECURITY

No inventory serves as security for any liabilities.

16. LOANS RECEIVABLE

	GROUP		COMPANY	
	2024 R	2023 R	2024 R	2023 R
Loans receivable are presented at amortised cost as follows:				
L.G. Vrugte	1 118 060	417 739	1 118 060	-
Revolving capital loan - L.G. Vrugte	-	700 321	-	-
Loan - Zetmac	1 795 519	1 795 519	1 795 519	-
General Housing Loans (Product A)	634 080 186	618 521 394	-	-
Executive Housing Lons (Product B)	-	15 477 377	-	-
Reposessed properties	312 772	312 772	-	-
EDFU and divestment loans	127 564 068	175 944 898	127 564 067	175 944 898
Provision for impairment	(97 678 210)	(136 099 712)	(83 099 606)	(124 472 326)
	667 192 395	**677 070 308**	**47 378 040**	**51 472 572**

MOVEMENT IN IMPAIRMENT

Opening balance	136 099 712	154 128 438	124 472 326	144 642 548
Additional impairmenat/adjustment	9 908 496	(17 792 372)	8 033 907	(19 934 868)
Less: Balances written off that was impaired	(48 327 459)	(236 354)	(49 406 627)	(235 354)
	97 680 749	**136 099 712**	**83 099 606**	**124 472 326**

MOVEMENT IN IMPAIRMENT

Non-current assets	629 689 156	635 188 177	37 948 210	42 331 345
Current assets	37 503 238	41 882 131	7 324 333	9 141 227
	667 192 394	**677 070 308**	**45 272 543**	**51 472 572**

TERMS AND CONDITIONS

Loan - L.G. Vrugte: The loan is unsecured and bears interest as determined by the board of directors and no specific terms of repayment have been identified.

Revolving capital loan - L.G. Vrugte: The loan is unsecured and interest free and no specific terms of repayment have been determined.

Loan - Zetmac: The loan is unsecured and interest free and no specific terms of repayment have been determined.

Housing loans (Product A & B): Housing loans comprise of Product A and Product B. They are presented at amortised cost, which is net of the loans and receivables impairments.

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

The following are some of the minimum of the terms and conditions applicable to EDFU loans:

PROCUREMENT/ BRIDGING LOANS

- Loan agreement be signed by the client and LEDA delegated representative detailing the interest rate, repayment period, installment and other condition of the loan, prior disbursement
- Unlimited deed of surety be signed by the directors of the business against personal and business assets, prior disbursement of the loan.
- The signed contract between the client and the employer be referred to LEDA Legal Services for legal due diligence to mitigate legal and compliance risk.

16. LOANS RECEIVABLE (CONTINUED)

- Applicant must provide LEDA with proof of payment of the guarantee, amounting to 10% of the total project cost.
- Deed of cession agreement be signed by the cedent, cession, and consented to and acknowledged by the employer, prior disbursement of the loan.
- The loan is for one (1) month.
- Interest is charged at prime plus 2% per annum.
- Application fee of R5000 and administration fee of R3000 is capitalised on clients' account. (This applies to all the loans above the NCA threshold of R250 000.00) OR in case of a loans less than or equal to R250 000, an initiation fee of R2500 be capitalised on clients' account.

OTHER TERMS AND CONDITIONS ARE IMPOSED BY THE DELEGATED APPROVAL AUTHORITY

Asset finance/ working capital/franchise:

- Loan agreement must be signed.
- Unlimited deed of surety signed by all directors against their personal assets.
- Loan period are for 24/36/48/60 months.
- Interest will be charged at prime plus 2% per annum.
- The application fee of R5000 and administration fee of R3000 is capitalised.
- Registration of surety mortgage bond on the property at Erf XYZ Polokwane in favour of LEDA, prior disbursement.
- Proof of activation of credit life cover of R5m to be ceded to LEDA to mitigate the demise of the director(s) of the business, prior disbursement of the loan.
- Provision of business all risk insurance to cover the business assets, prior disbursement of the loan.

These are the bare minimum terms and conditions of the loan(s) and other additional conditions are imposed by the delegated approval authority when the deal is considered.

INTEREST RATES

The pricing for the loans is as follows:

Prime -3% minimum to Prime + 2% maximum

AGENCY

EDFU LOANS

The company considers a financial instrument to have experienced a Significant Increase in Credit Risk (SICR) when one or more of the following quantitative, qualitative or backstop criteria have been met:

QUANTITATIVE CRITERIA

The remaining Lifetime probability default at the reporting date has increased, compared to the residual Lifetime probability default expected at the reporting date when the exposure was first recognised, so that it exceeds the relevant threshold per the table below:

Lifetime PD band at initial recognition		Increase in Lifetime PD at reporting date which is considered significant
EDFU Loans	20%	10 Basis Points

16. LOANS RECEIVABLE (CONTINUED)

QUALITATIVE CRITERIA:

For Retail portfolios, if the borrower meets one or more of the following criteria:

- Direct debit cancellation
- Extension to the terms granted
- Previous arrears within the last [12] months

BACKSTOP

A backstop is applied and the financial instrument considered to have experienced a SICR if the borrower is more than 120 days past due on its contractual payments.

EXPECTED CREDIT LOSSES

Expected credit losses are calculated using the following model ECL = EAD × LGD × PD, where:

- ECL : Expected Credit Loss
- EAD : Exposure at default
- LGD : Loss given default
- PD : Probability of default

In estimating expected credit losses, entities are required to consider more than one outcome and consider the likelihood of a number of potential outcomes occurring in practice. An expected loss estimate should reflect: – An unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes. The entity uses past payment patterns as well as forward looking factors to estimate the potential outcomes.

	Probability	Recovery Rate
Scenario 1	0,7	0,93
Scenario 2	0,3	0,43

STAGES IN TERMS OF IFRS 9

Under the General Approach, at each reporting date, entities are required to determine whether there has been a SICR since initial recognition and whether the loan is credit impaired. This determines whether the loan is in Stage 1, Stage 2 or Stage 3, which in turn determines both:

PERFORMING

STAGE 1

- As soon as a financial instrument is originated or purchased, 12-month expected credit losses are recognised in profit or loss and a loss allowance is established.
- This serves as a proxy for the initial expectations of credit losses.
- For financial assets, interest revenue is calculated on the gross carrying amount (i.e. without deduction for expected credit losses).

16. LOANS RECEIVABLE (CONTINUED)

NON-PERFORMING

STAGE 2

- If the credit risk increases significantly and is not considered low, full lifetime expected credit losses are recognised in profit orloss.
- The calculation of interest revenue is the same as for Stage 1.

CREDIT IMPAIRED

STAGE 3

- If the credit risk of a financial asset increases to the point that it is considered credit-impaired, interest revenue is calculated on the amortised cost (i.e. the gross carrying amount less the loss allowance).
- Financial assets in this stage will generally be assessed individually. Lifetime expected credit losses are recognised on these financial assets.

	GROUP		COMPANY	
	2024 R	2023 R	2024 R	2023 R
LEVEL 1				
Product A	1 243 079	1 210 938	-	-
Product B	-	35 388	-	-
LEVEL 2				
Product A	501 621	680 277	334 399	451 775
Product B	-	25 115	-	-
LEVEL 3				
Product A	66 246 302	108 530 138	56 295 961	98 647 766
Product B	-	245 071	-	-
	67 991 002	**110 726 927**	**56 630 360**	**99 099 541**

RISIMA HOUSING FINANCE CORPORATION

The company considers a financial instrument to have experienced a SICR when one or more of the following quantitative, qualitative or backstop criteria have been met:

QUANTITATIVE CRITERIA

The remaining Lifetime Probability Default at the reporting date has increased, compared to the residual Lifetime Probability Default expected at the reporting date when the exposure was first recognised, so that it exceeds the relevant threshold per the table below:

RETAIL MORTGAGE LOANS

Lifetime PD band at initial recognition	Increase in Lifetime PD at reporting date which is considered significant
Product A: 5%	4 Basis Points
Product B: 1%	2 Basis Points

16. LOANS RECEIVABLE (CONTINUED)

QUALITATIVE CRITERIA

For Retail portfolios, if the borrower meets one or more of the following criteria:

- Direct debit cancellation
- Extension to the terms granted
- Previous arrears within the last [12] months

BACKSTOP

A backstop is applied and the financial instrument considered to have experienced a significant increase in credit risk if the borrower is more than 120 days past due on its contractual payments.

EXPECTED CREDIT LOSSES

Expected credit losses are calculated using the following model ECL = EAD × LGD × PD, where :

- ECL : Expected credit loss
- EAD : Exposure at default
- LGD : Loss given default
- PD : Probability of default

In estimating expected credit losses, entities are required to consider more than one outcome and consider the likelihood of a number of potential outcomes occurring in practice. An expected loss estimate should reflect:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes. The entity uses past payment patterns as well as forward looking factors to estimate the potential outcomes.

The prime lending rate increased marginally from 7.00% in the prior year to 7.75% at year-end and remained at 7.00% after year-end. The increase of 0.75% (at year-end) in the prime lending rate has marginally increased installment on loans and has slightly reduced the ability of borrowers to pay. The expected growth rate of at least 3% and the marginal increase in interest rates supports the current probability rates for scenario 1.

	Probability	Recovery Rate
Scenario 1	0.75	0.8
Scenario 2	0.25	0.6

16. LOANS RECEIVABLE (CONTINUED)

STAGES IN TERMS OF IFRS 9:

Under the General Approach, at each reporting date, entities are required to determine whether there has been a SICR since initial recognition and whether the loan is credit impaired. This determines whether the loan is in Stage 1, Stage 2 or Stage 3, which in turn determines both:

PERFORMING

STAGE 1

- As soon as a financial instrument is originated or purchased, 12-month expected credit losses are recognised in profit or loss and a loss allowance is established.
- This serves as a proxy for the initial expectations of credit losses.
- For financial assets, interest revenue is calculated on the gross carrying amount (i.e. without deduction for expected credit losses).

NON PERFORMING

STAGE 2

- If the credit risk increases significantly and is not considered low, full lifetime expected credit losses are recognised in profit or loss
- The calculation of interest revenue is the same as for Stage 1.

CREDIT IMPAIRED

STAGE 3

- If the credit risk of a financial asset increases to the point that it is considered credit-impaired, interest revenue is calculated based on the amortised cost (i.e. the gross carrying amount less the loss allowance).
- Financial assets in this stage will generally be assessed individually. Lifetime expected credit losses are recognised on these financial assets.

	GROUP		COMPANY	
	2024 R	2023 R	2024 R	2023 R
LEVEL 1				
Product A	1 210 938	902 644	-	-
Product B	35 388	6 817	-	-
LEVEL 2				
Product A	228 502	694 385	-	-
Product B	25 115	18 499	-	-
LEVEL 3				
Product A	9 882 372	7 777 541	-	-
Product B	245 071	86 003	-	-
	11 627 386	**9 485 889**		
3 to 6 months	14 973 512	17 061 497	-	-
Over 6 months	619 338 031	592 501 658	-	-
Impaired	(11 627 386)	(9 485 889)	-	-
	622 684 157	**600 077 266**	**-**	**-**

16. LOANS RECEIVABLE (CONTINUED)

EXPOSURE TO CREDIT RISK

Loans receivable inherently exposes the group to credit risk, being the risk that the group will incur financial loss if counterparties fail to make payments as they fall due.

Loans receivable are subject to the impairment provisions of IFRS 9 Financial Instruments, which requires a loss allowance to be recognised for all exposures to credit risk. The loss allowance for loans receivable is calculated based on 12 month expected losses if the credit risk has not increased significantly since initial recognition. In cases where the credit risk has increased significantly since initial recognition, the loss allowance is calculated based on lifetime expected credit losses. The loss allowance is updated to either twelve month or lifetime expected credit losses at each reporting date based on changes in the credit risk since initial recognition. If a loan is considered to have a low credit risk at the reporting date, then it is assumed that the credit risk has not increased significantly since initial recognition. On the other hand, if a loan is in arrears more than 90 days, then it is assumed that there has been a significant increase in credit risk since initial recognition.

In determining the amount of expected credit losses, the group has taken into account any historic default experience, the financial positions of the counterparties as well as the future prospects in the industries in which the counterparties operate or are employed. This information has been obtained from the counterparties themselves, as well as from economic reports, financial analyst reports and various external sources of actual and forecast data and is applied to estimate a probability of default occurring as well as estimating the loss upon default.

The estimation techniques explained have been applied for the first time in the current financial period, which is the first time the group has applied IFRS 9. Loans receivable were previously impaired only when there was objective evidence that the loan was impaired. The impairment was previously calculated as the difference between the carrying amount and the present value of the expected future cash flows.

EXPOSURE TO INTEREST RATE RISK

Refer to note 53 for details of interest rate risk management for investments in loans receivable..

17. TRADE AND OTHER RECEIVABLES

	GROUP		COMPANY	
	2024 R	2023 R	2024 R	2023 R
FINANCIAL INSTRUMENTS				
Trade receivables - other	47 568 938	87 439 521	-	-
Rental debtors	273 473 814	238 822 604	261 967 341	238 822 604
Deposits	4 133 894	2 015 664	3 836 422	1 343 252
Accrued Income	1 696 993	-	-	-
Trade receivables - Student debtors	5 587 430	5 414 804	5 583 054	5 414 804
Other receivables	-	-	12 055 536	61 957 627
Provision for bad debt	(226 435 442)	(246 590 367)	(188 940 319)	(183 461 084)
NON-FINANCIAL INSTRUMENTS:				
VAT	19 390 405	45 349 945	1 109 620	3 071 195
Warranty	14 314	-	-	-
Directors	72 592	-	-	-
Prepayments	11 634 000	194 344	-	-
Staff debtor	38 254	-	-	-
Total trade and other receivables	**137 175 192**	**132 646 515**	**95 611 654**	**127 148 398**

17. TRADE AND OTHER RECEIVABLES (CONTINUED)

	GROUP		COMPANY	
	2024 R	2023 R	2024 R	2023 R
DISCLOSED AS FOLLOWS				
Current assets	137 175 192	196 045 964	95 611 654	127 148 398
FINANCIAL INSTRUMENT AND NON-FINANCIAL INSTRUMENT COMPONENTS OF TRADE AND OTHER RECEIVABLES				
At amortised cost	106 025 627	150 501 675	94 502 034	123 425 216
Non-financial instruments	31 149 565	45 544 289	1 109 620	3 071 195
	137 175 192	**196 045 964**	**95 611 654**	**126 496 411**

EXPOSURE TO CREDIT RISK

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

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

RECONCILIATION OF LOSS ALLOWANCES

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

	Group 2024 R	Group 2023 R	Company 2024 R	Company 2023 R
Opening balance in accordance with IFRS 9	246 590 367	269 795 704	183 461 084	230 641 373
Provision raised on new trade receivables	(20 154 925)	65 107 364	5 479 235	41 132 413
Provisions reversed on settled trade receivables	-	(91 196 006)	-	(91 196 006)
Closing balance	**226 435 442**	**246 590 367**	**188 940 319**	**183 461 084**

CONTRACT RECEIVABLES (STUDENT DEBT)

Total outstanding student debt at the end of the financial year amounted to R 5 583 054 (2022: R 5 414 804).The impairment on student debt is included in the total impairment balance above and amounts to R 4 839 221 (2022: R 4 732 700).

Impairment provided for in the current year amounted to R 106 520 (2022: R 898 047) and was allocated to the statement of financial performance as part of the impairment total. The biggest portion of the balances impaired is overdue for longer than 120 days. LEDA has subsequently implemented credit control measures that require that students must first settle student fees outstanding before any certificates will be issued or before they can register for the next course.

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

FAIR VALUE OF TRADE AND OTHER RECEIVABLES

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

17. TRADE AND OTHER RECEIVABLES (CONTINUED)

ASSUMPTIONS USED IN IMPAIRMENTS

STUDENT DEBTORS

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

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

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

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

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

History shows that on average, for the past three years, 88% of new loans granted are paid. Therefore only 10% of the current balances are provided as expected credit losses. The risk of non-recoverability therefore lies in accounts in arrears after the current ageing period. Based on the above and taking into consideration past history all balances in arrears for 30 days and over are deemed as high risk and are therefore provided in full as expected credit losses.

RENTAL DEBTORS

The company considers a financial instrument to have experienced a significant increase in credit risk when one or more of the following quantitative, qualitative or backstop criteria have been met:

QUANTITATIVE CRITERIA

The remaining Lifetime Probability Default at the reporting date has increased, compared to the residual Lifetime Probability Default expected at the reporting date when the exposure was first recognised.

QUALITATIVE CRITERIA

For loan portfolios, if the borrower meets one or more of the following criteria:

- Direct debit cancellation
- Extension to the terms granted
- Previous arrears within the last 12 months

BACKSTOP

A backstop is applied, and the financial instrument considered to have experienced a SICR if the borrower is more than 120 days past due on its contractual payments.

17. TRADE AND OTHER RECEIVABLES (CONTINUED)

EXPECTED CREDIT LOSSES

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

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

In estimating expected credit losses, entities are required to consider more than one outcome and consider the likelihood of a number of potential outcomes occurring in practice. An expected loss estimate should reflect: – An unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes. The entity uses past payment patterns as well as forward looking factors to estimate the potential outcomes.

STAGES IN TERMS OF IFRS 9

Under the Simplified approach, at each reporting date, entities are required to determine whether there has been a (SICR since initial recognition and whether the loan is credit impaired. This determines whether the loan is in Stage 1, Stage 2 or Stage 3, which in turn determines both:

PERFORMING

STAGE 1

- As soon as a financial instrument is originated or purchased, 12-month expected credit losses are recognised in profit or loss and a loss allowance is established.
- This serves as a proxy for the initial expectations of credit losses.
- For financial assets, interest revenue is calculated on the gross carrying amount (i.e. without deduction for expected credit losses).

NON-PERFORMING

STAGE 2

- If the credit risk increases significantly and is not considered low, full lifetime expected credit losses are recognised in profit or loss.
- The calculation of interest revenue is the same as for Stage 1.

CREDIT IMPAIRED

STAGE 3

- If the credit risk of a financial asset increases to the point that it is considered credit-impaired, interest revenue is calculated based on the amortised cost (i.e. the gross carrying amount less the loss allowance).
- Financial assets in this stage will generally be assessed individually. Lifetime expected credit losses are recognised on these financial assets.

17. TRADE AND OTHER RECEIVABLES (CONTINUED)

	GROUP		COMPANY	
	2024 R	2023 R	2024 R	2023 R
LEVEL 1				
Product A	4 339 955	16 944	4 339 955	16 944
LEVEL 2				
Product A	14 212 469	10 948 535	14 212 469	10 948 535
LEVEL 3				
Product A	156 943 135	214 700 193	156 943 135	214 700 193
	175 495 559	**225 665 672**	**175 495 559**	**225 665 672**

18. INVESTMENTS AT FAIR VALUE

Investments held by the group which are measured at fair value, are as follows:

DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS:

ABSA Investment	8 025 903	7 231 891	8 025 903	7 231 891
Collective investments schemes	47 183 191	38 319 154	-	-
Shares - LG Vrugte	356 280	356 280	356 280	-
Listed shares - Zeder Investments Ltd.	4 616 652	4 589 966	4 616 652	-
• 2 668 585 shares at fair value of R1,73 per share				
Investment - Houers Co-operative	48 379	48 379	48 379	-
• 91 281 shares cost of R0.53 per share				
Investment - Zetmag	154 500	154 500	154 500	-
• 24 500 ordinary shares at R1 each and 130 000 preference shares at R1 each				
	60 384 905	**50 343 890**	**13 201 714**	**7 231 891**

DISCLOSED AS FOLLOWS

Non-current assets	5 175 811	5 149 125	5 175 811	-
Current assets	55 209 094	45 194 765	8 025 903	7 231 891
	60 384 905	**50 343 890**	**13 201 714**	**7 231 891**

18. INVESTMENTS AT FAIR VALUE (CONTINUED)

RISK EXPOSURE

The investments held by the group expose it to various risks, including credit risk, currency risk, interest rate risk and price risk. Refer to note 53 financial instruments and risk management for details of risk exposure and the processes and policies adopted to mitigate these risks.

IFRS 9 Financial Instruments was adopted in the current year and replaces IAS 39. This note reflects the application of IFRS 9 to the specified instruments. Prior year figures have been restated in this note.

COST DEEMED TO BE FAIR VALUE

Management has deemed the cost of the above mentioned investments (excluding the listed shares) to be the best indicator of the fair value of the investments in line with par B5.2.3 of the application guidance to IFRS 9 on the following grounds:

- The entities operate on the basis of Cooperatives which renders a service to the members (i.e. packaging of agricultural produce and processing agricultural produce).
- The financial performance of the entities fluctuate from year to year based on the volume of produce that is delivered by the members.
- The fair values cannot be easily obtained without performing valuations of the companies. These valuations will fluctuate significantly from year to year and results in undue cost and effort on the part of the company.
- The overall value of the investments are considered immaterial.

OTHER

NEW ERA

COLLECTIVE INVESTMENT SCHEMES

The collective investment scheme consists of investments in six funds. Each fund invests in an underlying portfolio of money market instruments.

FAIR VALUE HIERARCHY OF INVESTMENTS

For financial assets recognised at fair value, disclosure is required of a fair value hierarchy which reflects the significance of the inputs used to make the measurements.

Level 1 represents those assets which are measured using unadjusted quoted prices for identical assets.

Level 2 applies inputs other than quoted prices that are observable for the assets either directly (as prices) or indirectly (derived from prices).

Level 3 applies inputs which are not based on observable market data.

The valuation of the unitised funds in the collective investment scheme is based on the prices of the underlying investments held by these entities. The collective investment schemes investments are valued with reference to the unit valuation provided by the relevant management company. The valuation technique used is classified as a Level 2 - assets measured using other than quoted prices that are observable for the assets either directly or indirectly. Money market collective investment scheme portfolios are priced at a R1 constant price.

19. LONG-TERM INVESTMENT

	GROUP		COMPANY	
	2024 R	2023 R	2024 R	2023 R
Long-term investment	26 026 227	24 106 377	-	-

SPLIT BETWEEN NON-CURRENT AND CURRENT PORTIONS

Non-current assets	26 026 227	-	-	-

LONG-TERM INVESTMENTS PLEDGED AS SECURITY

Investments pledged as security for contingent liabilities.			12 362 200	12 362 000

A contract was entered into, in terms of which Eskom is required to build electricity infrastructure for MMSEZ. The agreement requires a security guarantee for electricity accounts. The guarantee is currently held by ABSA bank and earns interest at a prime linked rate. The amount of the guarantee is determined by Eskom from time to time based on estimated electricity charge. The amount will be paid over to Eskom by ABSA should MMSEZ fail to fulfill its financial obligations for the electricity accounts as required by the agreement. The security will only be extinguished 60 days following the lapse or termination of the electricity supply agreement with Eskom. The estimated completion date of the project is September 2024.

Investments pledged as security for contingent liabilities.			10 341 408	10 341 408

The electricity supply agreement also requires an early termination guarantee. The guarantee is also held by ABSA bank and earns interest at a prime linked rate. This guarantee amount will be paid over to Eskom should MMSEZ terminate its electricity supply agreement before the expiry of the 13th year the agreement completion date. The estimated completion date of the agreement is September 2024. The guarantee amount will reduce by 1/10 (one tenth) per annum after four years from completion date of the electricity supply agreement

The interest is capitalised on the guarantees. The interest capitalised as at March 2024 for the financial year is R 1 919 849.91.The total cumulative interest capitalised since inception is R 3 640 206,36.

20. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of:				
Cash on hand	54 105 100	7 517	75	338
Bank balances	136 575 692	79 131 963	7 653 333	32 647 504
Short-term deposits	355 875 138	307 783 241	58 896 417	24 711 907
Other cash and cash equivalents	101 041 653	-	-	-
	647 597 583	**386 922 721**	**66 549 825**	**57 359 749**
Current assets	647 597 583	386 922 721	66 549 825	57 359 749
Non-current assets	-	-	-	-
	647 597 583	**386 922 721**	**66 549 825**	**57 359 749**

ABSA account number 6900642659 with a balance of R553 161(2023:R553 161) serves as security for Eskom guarantee. This balance is included in the total of bank balance above.

1. PLEDGED FINANCIAL ASSETS

As of 31 March 2023, Limpopo Economic Development Agency discloses the carrying amount of financial assets that have been pledged as collateral for liabilities. These disclosures are made in accordance with the requirements of IFRS 7 Financial Instruments: Disclosures, paragraph 14.

The financial asset: Account 1150000145 – EDFU has a “Limited Cession and Pledge with Absa Call deposit account number 9106512063.

20. CASH AND CASH EQUIVALENTS (CONTINUED)

2. CARRYING AMOUNT OF PLEDGED FINANCIAL ASSETS

The carrying amount of financial assets pledged as collateral for liabilities is as follows:

Absa Call deposit account number 9106512063 R1 478 382.55

3. TERMS AND CONDITIONS OF THE PLEDGE

Details of Pledged/Ceded balances are as follows:

Limited Cession and Pledge in security for R1 060 000.00 of proceeds from Cash Investments with Absa Call deposit account number 9106512063, provided by LEDA.

21. SHARE CAPITAL

	GROUP		COMPANY	
	2024 R	2023 R	2024 R	2023 R
AUTHORISED				
409 216 005 Ordinary shares of R1 each	409 216 005	409 216 005	409 216 005	409 216 005
ISSUED				
Ordinary shares	409 216 005	409 216 005	409 216 005	409 216 005

22. LOANS FROM GROUP COMPANIES

	Group 2024 R	Group 2023 R	Company 2024 R	Company 2023 R
SUBSIDIARIES				
Fetakgomo-Tubatse SEZ (SOC) Limited	-	-	2 513 764	-
SPLIT BETWEEN NON-CURRENT AND CURRENT PORTIONS				
Non-current liabilities	-	-	-	-
Current liabilities	-	-	2 513 764	-
	-	**-**	**2 513 764**	**-**

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

FAIR VALUE OF GROUP LOANS PAYABLE

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

23. INSURANCE CONTRACTS

	GROUP		COMPANY	
	2024 R	2023 R	2024 R	2023 R
Policyholder liabilities for insurance contracts	13 366 631	12 750 293	-	-

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

Balance at the beginning of the year	9 235 218	11 345 608	-	-
Transfer to/from profit or (loss)	(789 386)	(2 110 390)	-	-
	8 445 832	**9 235 218**	**-**	**-**

RECONCILIATION OF TRANSFER TO/FROM PROFIT OR LOSS:

Movement in the policyholder liabilities for insurance contracts	(789 386)	(2 110 390)	-	-
Movement in the reinsurance asset	-	(343 807)	-	-
	(789 386)	**(2 454 197)**	**-**	**-**

RECONCILIATION OF TRANSFER TO/FROM PROFIT OR (LAOSS):

Balance at the beginning of the year	3 515 074	6 585 629	-	-
Current year claims intimated	1 405 725	(3 070 555)	-	-
	4 920 799	**3 515 074**	**-**	**-**

NET POLICYHOLDER LIABILITIES FOR INSURANCE CONTRACTS:

Policyholder liabilities for insurance contracts	8 445 832	9 235 218	-	-
Reinsurers' share of policyholder liabilities for insurance contracts	(1 014 274)	(1 014 274)	-	
	7 431 558	**8 220 944**	**-**	**-**

THE NET POLICYHOLDER LIABILITIES FOR INSURANCE CONTRACTS ARE SPLIT BETWEEN DISCOUNTED AND UNDISCOUNTED LIABILITIES AS FOLLOWS:

Discounted liabilities	5 742 269	6 352 218	-	-
Undiscounted liabilities	1 689 289	1 868 726	-	-
	7 431 558	**8 220 944**	**-**	**-**

MATURITY PROFILE

Non-current liabilities	2 020 126	1 926 978	-	-
Current liabilities	11 346 505	10 823 315	-	-
	13 366 631	**12 750 293**	**-**	**-**

At each reporting date, the adequacy of the insurance liabilities is assessed. If that assessment shows that the carrying amount of the insurance liabilities (as measured under the FSV basis) is inadequate in light of the estimated future cash flows (based on the best estimate basis underlying the FSV basis, but excluding compulsory margins as described in SAP 104 as well as any additional discretionary margins), the deficiency is recognised in profit or loss.

23. INSURANCE CONTRACTS (CONTINUED)

The compulsory margins used for the discounted policy holder liabilities were as follows:

Assumption	Margins	
Investment return	0.25 %	Decrease *
Mortality	7.50 %	Increase
Expenses	10.00 %	Increase
Expenses inflation	10.00 %	Increase
Lapses (where relevant)	25.00 %	Increase / decrease *
Surrenders (were relevant)	10.00 %	Increase / decrease *

* Depending on which change increases the liability.

24. INVESTMENT CONTRACTS

	GROUP		COMPANY	
AT FAIR VALUE THROUGH PROFIT (LOSS)	2024 R	2023 R	2024 R	2023 R
Benefits expected to be paid in more than 12 months	6 552 510	6 415 848	-	-

The fair value of the liabilities is set equal to the accumulated fair value of the underlying assets which are classified as Level 2 fair value assets.

In the ordinary course of business, the above liabilities are not expected to mature within the next 12 months, however benefits due to death, surrender and paid-up transfers are expected.

Opening Balance	6 415 848	6 270 369	-	-
Proceeds on investment contracts	5 720	5 559	-	-
Investment returns	130 941	139 920	-	-
	6 552 509	**6 415 848**	**-**	**-**

MATURITY PROFILE

In the ordinary course of business, the above liabilities are not expected to mature within the next 12 months, however, benefits due to death, surrender and paid-up transfers are expected. The estimated outflow is as follows:

SPLIT BETWEEN NON-CURRENT AND CURRENT PORTIONS

Non-current liabilities	6 552 510	6 415 848	-	-
Current liabilities	-	-	-	-
	6 552 510	**6 415 848**	**-**	**-**

FAIR VALUE DISCLOSURES

The fair value of the liability is set equal to the accumulated fair value of the underlying assets which are classified as Level 2 fair value assets

25. PROVISIONS

RECONCILIATION OF PROVISIONS - GROUP - 2024	Opening balance R	Additions R	Reversed during the year R	Change in discount factor R	Total R
Incentive bonus	-	2 872 267	-	-	2 872 267
Environmental rehabilitation	21 601 532	-	(670 673)	(2 367 712)	18 563 147
	21 601 532	**2 872 267**	**(670 673)**	**(2 367 712)**	**21 435 414**

RECONCILIATION OF PROVISIONS - GROUP - 2023	Opening balance R	Additions R	Total R
Environmental rehabilitation	21 460 628	140 904	21 601 532

	GROUP		COMPANY	
	2024 R	2023 R	2024 R	2023 R
Non-current liabilities	18 563 147	21 601 532	-	-
Current liabilities	2 872 267	-	-	-
	21 435 414	**21 601 532**	**-**	**-**

LEDA Group has a performance management system in place. The Policy regulates both the performance employee and the entity. The policy is approved by the Board.

CORRIDOR MINING RESOURCES

The environmental rehabilitation provision is made to comply with the National Environmental Management Act (NEMA) and the Mineral and Petroleum Resources Development Act (MPRDA). Any disturbance to the environment caused during any phase under a right or permit issued by the Department of Mineral Resources should be restored to its natural state upon closure of any activities performed. The costs of restoration/rehabilitation remains the responsibility of the owner of that right or permit. The provision is made with the guidance as set out in IFRIC 1.

The Group makes full provision for the cost of rehabilitating mine sites and related production facilities (if applicable) at the time of developing the mines and installing and using those facilities.

The calculation of these provisions requires management to estimate the quantum and timing of future costs, taking into account the unique nature of each site, the long timescales involved and the potential associated obligations. These provisions have been created by and external independent expert – Gudani Consulting Environmental and Social Scientist represented by Mr. Setenane Nkopane (Pr.Sci.Nat). Assumptions based on the current economic environment have been made, which management believes are a reasonable basis upon which to estimate the future liability. These calculations also require management to determine an appropriate rate to discount future costs to their net present value as required by IAS 37. The discount rates applied are the percentages of yields on government bonds with maturities approximating the timing of expected cash flows for each project.

26. OTHER LIABILITY

	GROUP		COMPANY	
	2024 R	2023 R	2024 R	2023 R
Disposal of Investment properties (Moditlo & Mpumalanga stands)	17 397 501	-	17 397 501	-

SPLIT BETWEEN NON-CURRENT AND CURRENT PORTIONS DISCLOSED AS FOLLOWS

Current liabilities	17 397 501	-	17 397 501	-

27. FLISP FUND (FINANCE LINKED INDIVIDUAL SUBSIDY PROGRAMME)

FLISP Fund	-	7 614 039	-	-

Risima Housing Finance Corporation (SOC) Limited has been appointed to administer and implement Finance Linked Individual Subsidy Program (FLISP) by COGHSTA up to 2022.

Current liabilities	-	7 614 039	-	-

28. TRADE AND OTHER PAYABLES

FINANCIAL INSTRUMENTS

Trade payables	173 474 750	163 332 351	127 969 540	89 933 597
Sundry creditor - Langa	-	-	-	211 498
Unknown deposits	10 282 437	5 271 458	6 785 398	5 271 458
Debtors and other payables with credit balances	11 372 240	11 067 217	8 430 377	6 521 831
Accruals	6 529 497	7 764 920	-	-
Deposits received	23 362 788	21 102 087	20 215 182	19 658 822

FINANCIAL INSTRUMENTS

Amounts received in advance	12 892 063	12 206 490	969 302	927 975
Accrued leave pay	26 630 886	24 959 791	16 550 226	14 045 008
VAT	8 686 209	199 433	-	-
SARS - Royalty taxes	4 113 141	4 113 141	-	-
Accrued bonus	21 701 633	18 537 610	-	-
HR payables	4 431 559	4 394 506	4 402 105	3 923 857
Acting allowance	26 196	35 359	-	-
Other payables	23 404 554	43 744 957	6 489 833	3 293 523
	326 907 953	**316 729 320**	**191 811 963**	**143 787 569**

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

At amortised cost	225 021 712	208 538 033	174 292 435	121 597 206
Non-financial instruments	101 552 129	108 051 714	17 519 528	22 190 363
	326 907 953	**316 729 320**	**191 811 963**	**143 787 569**

28. TRADE AND OTHER PAYABLES (CONTINUED)

EXPOSURE TO CURRENCY RISK

Refer to note 53 financial instruments and financial risk management for details of currency risk management for trade payables.

EXPOSURE TO LIQUIDITY RISK

Refer to note 53 financial instruments and financial risk management for details of liquidity risk exposure and management.

EXPOSURE TO INTEREST RATE RISK

Refer to note 53 financial instruments and financial risk management for details of interest rate risk management for trade and other payables.

FAIR VALUE OF TRADE AND OTHER PAYABLES

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

29. EMPLOYEE BENEFITS

	GROUP		COMPANY	
SUMMARY OF LONG SERVICE AWARDS	2024 R	2023 R	2024 R	2023 R
Employee benefits	4 684 172	6 668 298	920 168	758 000

SPLIT BETWEEN NON-CURRENT AND CURRENT PORTIONS

Non-current liabilities	3 565 315	3 891 798	920 168	595 921
Current liabilities	1 118 857	1 007 203	-	162 079
	4 684 172	**4 899 001**	**920 168**	**758 000**

The long-service award benefit value is summarised below.

The last actuarial valuation for the long service award was concluded for the year ended 31 March 2024.

During the valuation process the following key assumptions were used:

Discounted rate	10,25 %	9,85 %
Active members	415	437
Expected average retirement age	64,00	63,90
Liability duration in years	7,00	7,00

The provision for incentive bonuses are calculated annually based on short term employee benefits which are based on the performance contract of individual employees entered into the Agency.

30. DEFERRED INCOME

	GROUP		COMPANY	
	2024 R	2023 R	2024 R	2023 R

Deferred income relates to government grants received and not yet utilised.

	GROUP 2024 R	GROUP 2023 R	COMPANY 2024 R	COMPANY 2023 R
Non-current liabilities	297 553 544	350 432 200	6 512 426	2 308 955
Current liabilities	682 447 815	550 263 251	24 032 666	105 655 647
	980 001 359	**900 695 451**	**30 545 092**	**107 964 602**

	GROUP 2024 R	GROUP 2023 R	COMPANY 2024 R	COMPANY 2023 R
Musina Makhado - Special Economic Zone	445 112 263	382 608 697	-	-
Transnet	1 392 000	1 392 000	1 392 000	1 392 000
Technology Innovation Agency Project	1 514 408	1 514 408	1 514 408	1 514 408
Sanitation Project (Department of Education)	23 172	23 172	23 172	23 172
Department of Science and Technology Project	574 650	574 650	574 650	574 650
GNT - Recapitalisation grant	115 726 161	143 526 938	-	-
Limpopo Connexion - Broadband grant	235 411 896	259 135 309	-	-
Business Training	-	-	(43 515)	(43 515)
One Stop Shop	1 641 494	3 892 677	3 892 677	3 892 677
Revitalisation of industrial park	3 165 199	3 693 109	-	3 693 109
Limpopo Agribusiness	2 304 630	7 459 907	-	-
COVID-19 Relief	3 008 197	3 008 197	-	3 008 197
Digital Hub	13 197 729	14 650 804	-	14 650 804
Business Incubation Programme	47 460	35 931	-	35 931
CSIR assets	3 676 154	-	-	-
Fetakgomo-Tubatse	144 951 992	79 223 168	-	79 223 169
	980 001 359	**892 188 963**	**30 545 092**	**107 964 602**

	GROUP 2024 R	GROUP 2023 R	COMPANY 2024 R	COMPANY 2023 R
Opening balance	893 235 545	761 598 171	107 964 602	59 019 587
Funding received	196 306 951	324 643 078	300 000	66 347 826
Reversed	43 515	(208 897)	43 515	-
Expenses transferred to grant income	(107 838 607)	(193 843 389)	(71 763 260)	(17 402 811)
Transfer to FTIP	-	-	(79 223 168)	-
Transfer from Agribusiness	-	-	7 459 908	-
Expensed in the year	-	-	(5 999 763)	-
	981 747 404	**892 188 963**	**30 545 092**	**107 964 602**

The deferred income liability is secured by a separate call account with a balance of 2023: R 95 233 363 (2022: R 95 233 363) at year-end.

NATURE AND EXTENT OF DEFERRED REVENUE GRANT- AGENCY

Transnet (Deferred Revenue of 2024: R1 392 000; (2023: R1 392 000)

The grant was received from Transnet. The funding was provided to assist in the establishment of a business hub for small and medium business enterprises in the Tubatse area of Limpopo.

Technology Innovation Agency Project (Deferred Revenue of 2024: R1 514 408 ; 2023: R1 514 408)

The grant was received from the Technology and Innovation Agency. The SIP capital funding received is used to fund small and medium business enterprises to be established.

30. DEFERRED INCOME (CONTINUED)

Sanitation Project (Department of Education (Deferred Revenue of 2024: R23 172; (2023: R23 172)

The grant was received from the Department of Education (DoE) for the cleaning project. LEDA was appointed as the project administrator/coordinator - It involves the cleaning of pit latrines in schools. The annual grant of R5 000 000 was extended to LEDA to identify relevant service providers. The project ended in 2017/18, no further funding was received from DoE.

Business Training (Deferred Revenue of 2024:R0; (2023: R(43 515))

The grant was received from the Provincial Treasury. The funding on the grant is utilised to assist with the accreditation of training centres and the procuring of required materials at these training centres.

One Stop Shop (Deferred Revenue of 2024: R1 641 494; (2023: R3 892 677)

The grant was received from the Department of Trade and Industries for the development of the Limpopo One Stop Shop, the retrofit, furniture and high-end audio visual equipment.

The retrofit is complete, furniture and audio-visual equipment is outstanding.

Revitalisation of Industrial Park (Deferred Revenue of 2024: R3 165 199; (2023: R3 693 109)

This is the confirmed investment amount of Seshego Industrial Park phase 1B refurbishment of security features.

The DTIC runs the revitalisation and /or refurbishment of state owned Industrial Parks throughout South Africa. LEDA is a beneficiary of the programme in Limpopo. Three IP (Seshego,Nkowankowa and Thohoyandou) will be refurbished.

COVID-19 relief fund (Deferred Revenue of 2024: R3 008 197; (2023: R3 008 197)

The funding was allocated to provide a prompt remedial action to the challenges faced by Cooperatives and SMME's threatening the collapse of the majority of community enterprises due to the effect of COVID. The funding to be utilised to provide financial and non-financial support.

Digital Hub Fund (Deferred Revenue of 2024: R13 197 729; (2023: R14 650 804)

The purpose of the digital hub funding is to promote digital transformation in Limpopo Province. The funding to be used to establish new facilities that will assist in addressing the needs of the youth and the unemployment who wish to be gainfully employed either by seeking employment or through the establishment of enterprises. The facilities will offer various training programmes, high bandwidth and cutting edge technical facilities and services, as well as meeting rooms, event and training rooms.

Business incubation Program (Deferred Revenue of 2024: R47 460; (2023: R35 931)

The funding was allocated to provide a prompt remedial action to the challenges faced by Cooperatives and SMME's threatening the collapse of the majority of community enterprises due to the effect of COVID-19. The funding to be utilised to provide financial and non-financial support. The deferred income is the same as the COVID-19 Relief grant that was received.

DTI Grant - Thubatse (Deferred Revenue 2024: R-; (2023: R79 223 169)

This proposed Fetakgomo-Thubatse SEZ is conceived as a one-stop world-class integrated sector specific SEZ whose main objective is to develop a low carbon green energy economy which will offer promising opportunities not only to fight climate change, but to enhance energy security and develop local industries. The planning processes have progressed so well and the preparation for the implementation of the SEZ has reached admirable levels.

The implementation process would entail, project preparation for site development, roads, infrastructure, water requirements, electricity requirements, infrastructure roll-out, investment promotion projects and business deal brokerage, marketing of the SEZ and intensive stakeholder engagements.

30. DEFERRED INCOME (CONTINUED)

LIMPOPO AGRIBUSINESS

CSIR (Deferred Revenue of 2024: R3 169 147; (2023: R3 297 371)

This grant was received from the Department of Agriculture as well as the Department of Science and Technology (DST). A number of assets were bought for use by Venteco (Pty) Ltd at the Shiva Tea Estate for production purposes.

Use of government housing (Deferred Revenue of 2023: R841 495; (2022: R873 469)

The company has access to exclusive use of residential houses on Government land. The right of use is recorded as deferred revenue and the amount is amortised over the useful life of the related asset.

Business plan (Deferred Revenue of 2023: R1 821 633; (2022: R1 821 633)

The grant was received by the Department of Agriculture for the use to undertake a comprehensive situation analysis and develop a bankable business plan for restitution projects.

Vhembe Fresh Packhouse (Deferred Revenue of 2023: R1 627 632;

The grant was received by the Vhembe District Municipality for the refurbishment of the Vhembe Fresh Produce Market Pack House.

LIMPOPO CONNEXION

Operating grant (Deferred revenue of 2023: R257 760 859; (2022: R307 115 424)

This grant was received from the Limpopo Department of Economic Development, Environment and Tourism (LEWDEST). The grant was used for designing, building, operating and maintaining a transmission carried broadband open accessed and affordable network infrastructure.

GREAT NORTH TRANSPORT

Recapitalisation grant

The nature and extent of government grants recognised in the financial statements and an indication of other forms of government assistance from which the entity has directly benefited. Unfulfilled conditions attaching to government assistance that has been recognised relating to the acquisition of busses.

Musina Makhado Special Economic Zone

Musina Makhado Special Economic Zone has been allocated a grant to develop infrastructure assets that will be utilised taproot economic activities at the approved special economic zone and area of Musina and Makhado. The nature of the grant is capital and it is for development of bulk infrastructure assets. The entity accounts for the grant using the capital approach, therefore all grant income received will be deferred until recompilation of the asset.

31. CURRENT TAX PAYABLE (RECEIVABLE)

	GROUP		COMPANY	
	2024 R	2023 R	2024 R	2023 R
Current tax payable	-	-	-	-

32. REVENUE

REVENUE FROM CONTRACTS WITH CUSTOMERS

	GROUP 2024 R	GROUP 2023 R	COMPANY 2024 R	COMPANY 2023 R
Sale of goods and services	138 801 808	143 477 594	1 642 828	-
Rendering of services	103 522 965	171 458 487	-	-
Subsidies received from Department of Roads and Transport	230 751 933	279 900 729	-	-
Broadband revenue	2 212 328	3 711 334	-	-
Private hire	6 898 752	5 863 792	-	-
Students revenue (business support)	3 165 034	1 664 821	3 165 034	1 664 821
	485 352 820	**606 076 757**	**4 807 862**	**1 664 821**

REVENUE OTHER THAN FROM CONTRACTS WITH CUSTOMERS

	GROUP 2024 R	GROUP 2023 R	COMPANY 2024 R	COMPANY 2023 R
Other rental income	148 336 525	133 996 420	148 336 525	133 996 420
Interest received - Trading	4 920 369	4 131 203	4 920 369	4 131 203
	153 256 894	**138 127 623**	**153 256 894**	**138 127 623**
	638 609 714	**744 204 380**	**158 064 756**	**139 792 444**

The total disclosed as contract revenue represent class fees paid by students to attend classes to possibly obtain certificates. Revenue is currently acknowledged in the financial year that students register. At the end of each financial year an analysis is performed to determine the revenue that falls outside the financial period. As the total of the differences are not material, the financial statements are not adjusted.

The balances of students that failed to pay student fees are evaluated at the end of each financial period and such balances are impaired. Refer to note 17 of the financial statements in respect of impairment of student balances.

33. COST OF SALES

	GROUP 2024 R	GROUP 2023 R	COMPANY 2024 R	COMPANY 2023 R
Sale of goods	1 044 556	13 678 465	1 044 556	-
Rendering of services	22 547 896	22 872 724	-	-
Manufactured goods:				
Depreciation and impairment	-	3 187 150	-	-
	23 592 452	**39 738 339**	**1 044 556**	**-**

34. OTHER OPERATING INCOME

	GROUP 2024 R	GROUP 2023 R	COMPANY 2024 R	COMPANY 2023 R
Administration and management fees received	34 895	34 575	34 895	34 575
Fees earned	1 897 076	2 455 452	-	-
Commissions received	1 916 612	2 228 628	-	-
Recovery income	3 686 384	2 836 566	3 686 383	2 836 566
Sundry income	6 863 277	(1 297 129)	(862 346)	(1 297 129)
Sponsorships	7 200 863	135 300	206 900	135 300
Other income	4 959 942	3 963 412	-	-
Insurance recoveries	-	172 500	-	-
Compensation from insurance claims	12 235 386	15 299 217	-	-
Grants received	-	1 922 234	-	-
	38 794 435	**27 750 755**	**3 065 832**	**1 709 312**

35. OTHER OPERATING GAINS (LOSSES)

GAINS (LOSSES) ON DISPOSALS, SCRAPPINGS AND SETTLEMENTS

		GROUP 2024 R	GROUP 2023 R	COMPANY 2024 R	COMPANY 2023 R
Property, plant and equipment	3	(4 189 274)	211 893	(277 635)	(66 518)
Other asset	1	(2 929 514)	-		-
		(7 118 788)	**211 893**	**(277 635)**	**(66 518)**

FOREIGN EXCHANGE GAINS (LOSSES)

	GROUP 2024 R	GROUP 2023 R	COMPANY 2024 R	COMPANY 2023 R
Net foreign exchange loss	((296 838)	(229 087)	((296 838)	(229 087)

FAIR VALUE GAINS (LOSSES)

		GROUP 2024 R	GROUP 2023 R	COMPANY 2024 R	COMPANY 2023 R
Biological assets	6	(7 125 975)	**-**	(7 125 975)	**-**
Agricultural produce		-	5 450 133	-	-
Financial assets designated as at fair value through profit or (loss)		26 686	-	26 686	-
		(7 099 289)	**5 450 133**	**(7 099 289)**	**(295 605)**
Total other operating gains (losses)		**(14 514 915)**	**5 432 939**	**(7 673 762)**	**(295 605)**

36. OPERATING PROFIT (LOSS)

Operating profit (loss) for the year is stated after charging (crediting) the following, amongst others:

AUDITOR'S REMUNERATION - EXTERNAL

	GROUP 2024 R	GROUP 2023 R	COMPANY 2024 R	COMPANY 2023 R
Audit fees	24 227 632	20 756 310	11 844 414	8 672 504

REMUNERATION, OTHER THAN TO EMPLOYEES

	GROUP 2024 R	GROUP 2023 R	COMPANY 2024 R	COMPANY 2023 R
Administrative and managerial services	63 467 404	64 297 201	-	-
Consulting and professional services	29 698 020	35 771 209	9 265 184	14 458 471
Secretarial services	100	550	-	-
	93 165 524	**100 068 960**	**9 265 184**	**14 458 471**

36. OPERATING PROFIT (LOSS) (CONTINUED)

	GROUP		COMPANY	
	2024 R	2023 R	2024 R	2023 R
EMPLOYEE COSTS				
Salaries, wages, bonuses, and other benefits	461 549 610	442 607 894	214 672 362	174 714 967
Overtime	9 076 056	9 044 020	-	-
Other short-term costs	59 056 843	60 887 205	425 271	313 469
Retirement benefit plans	2 363 260	2 140 185	-	-
Long-term incentive scheme	22 500	32 000	-	-
Restructuring benefits	-	8 461 244	-	-
Total employee costs	**532 068 269**	**523 172 548**	**215 097 633**	**175 028 436**
LEASES				
OPERATING LEASE CHARGES				
Premises	30 745	160 796	-	-
Equipment	1 864	100 717	-	78 349
Leasehold property	-	-	-	-
Operating lease other	5 031 288	6 330 060	-	-
	5 063 897	**6 591 573**	**-**	**78 349**
CONTINGENT RENTALS ON OPERATING LEASES				
Equipment	1 019 751	653 163	1 019 751	653 163
TOTAL OPERATING LEASE CHARGES	6 083 648	7 244 736	1 019 751	731 512
Short term leases	2 316 026	5 366 034	-	-
Leases of low value assets	41 776	18 066	-	-
	2 357 802	**5 384 100**	**-**	**-**
DEPRECIATION AND AMORTISATION				
Depreciation of investment property	7 110 990	8 391 984	7 110 990	8 378 010
Depreciation of property, plant and equipment	54 065 453	69 153 658	9 785 979	6 077 753
Depreciation of right-of-use assets	9 465 933	9 179 001	542 147	537 162
Amortisation of intangible assets	16 260 712	19 096 462	-	33 360
Total depreciation and amortisation	**86 903 088**	**105 821 105**	**17 439 116**	**15 026 285**
Less: Depreciation included in cost of merchandise sold and inventories	-	(3 187 150)	-	-
Total depreciation and amortisation expensed	**86 903 088**	**102 633 955**	**17 439 116**	**15 026 285**
IMPAIRMENT LOSSES				
Investment property	281 340	10 809 944	281 340	10 808 975
Property, plant and equipment	11 919 449	123 694	-	1 018 137
Investments in subsidiaries, joint arrangements and associates	14 591 018	-	14 591 018	-
	26 791 807	**10 933 638**	**14 872 358**	**11 827 112**
Total	**113 694 895**	**113 567 593**	**32 311 474**	**26 853 397**
MOVEMENT IN CREDIT LOSS ALLOWANCES				
Expected credit loss allowance	(182 954 231)	42 626 080	(148 909 856)	131 413 267

The total represents the expected credit loss allowance for the year for investment in associates, other financial assets, investments in subsidiaries and trade and other receivables.

37. EMPLOYEE COSTS

	GROUP		COMPANY	
	2024 R	2023 R	2024 R	2023 R
EMPLOYEE COSTS				
Basic	442 321 919	423 446 036	208 838 143	170 559 138
Bonus	387 210	9 943 096	-	-
UIF	19 711	23 071	-	-
SDL	3 976 846	4 051 223	1 623 930	1 448 961
Other payroll levies	544 442	1 036 341	-	-
Leave pay provision charge	14 299 482	4 108 127	4 210 289	2 706 868
Overtime	9 112 785	9 087 846	-	-
Other short term costs	59 056 843	60 887 205	425 271	313 469
Retirement benefit plans	2 363 260	2 140 185	-	-
Long-term benefits plans	22 500	32 000	-	-
Restructuring benefits	-	8 461 244	-	-
	532 104 998	**523 216 374**	**215 097 633**	**175 028 436**

38. DEPRECIATION, AMORTISATION AND IMPAIRMENT LOSSES

	GROUP 2024 R	GROUP 2023 R	COMPANY 2024 R	COMPANY 2023 R
DEPRECIATION				
Property, plant and equipment	62 981 959	65 780 958	9 785 979	5 185 669
Right-of-use assets	9 343 974	9 179 001	542 147	537 162
Investment property on the cost model	7 110 990	8 391 984	7 110 990	8 378 010
	79 436 923	**83 351 943**	**17 439 116**	**14 100 841**
AMORTISATION				
Intangible assets	16 260 712	19 467 761	-	33 360
IMPAIRMENT LOSSES				
Property, plant and equipment	11 919 449	123 694	-	1 018 137
Investment property	281 340	10 809 944	281 340	10 808 975
Investments in subsidiaries, joint arrangements and associates	14 591 018	-	14 591 018	-
	26 791 807	**10 933 638**	**14 872 358**	**11 827 112**
TOTAL DEPRECIATION, AMORTISATION AND IMPAIRMENT				
Depreciation	80 717 917	83 128 485	17 439 116	14 100 841
Amortisation	16 260 712	19 467 761	-	33 360
Impairment losses	26 791 807	10 933 638	14 872 358	11 827 112
	123 770 436	**113 529 884**	**32 311 474**	**25 961 313**

39. INVESTMENT INCOME

	GROUP		COMPANY	
	2024 R	2023 R	2024 R	2023 R
DIVIDEND INCOME				
GROUP ENTITIES:				
Associates - Local	118 226	-	6 363 720	6 180 850
EQUITY INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME:				
Listed investments – local	-	2 188 240	-	-
Unlisted investments – Foreign	215 523	-	-	-
Total dividend income	**333 749**	**2 188 240**	**6 363 720**	**6 180 850**
INTEREST INCOME				
INVESTMENTS IN FINANCIAL ASSETS:				
Bank and other cash	34 970 566	25 762 783	4 896 100	4 682 858
Other financial assets	5 178 449	(139 921)	-	-
Total interest income	**40 149 015**	**25 622 862**	**4 896 100**	**4 682 858**
Total investment income	**40 482 764**	**27 811 102**	**11 259 820**	**10 863 708**

Investment income on financial instruments which are available for sale or held to maturity are only presented for comparative purposes for financial instruments held in the prior reporting period but which were disposed of prior to the beginning current reporting period, which is the date of adoption of IFRS 9 Financial Instruments. Investment income on all other financial assets has been reclassified in compliance with IFRS 9.

40. FINANCE COSTS

Trade and other payables	642 047	466 843	-	-
Employee benefits and creditors	8 955 036	4 231 364	-	-
Bank overdraft	150 902	10 528	150 903	10 528
Unwinding of discount on provisions and other liabilities	(3 038 386)	140 903	-	-
Lease liabilities	11 091 207	8 354 000	7 719 033	3 459 325
Interest paid	303 971	238 400	-	-
Total finance costs	**18 104 777**	**13 442 038**	**7 869 936**	**3 469 853**

41. DERECOGNITION GAINS (LOSSES) ON FINANCIAL ASSETS AT AMORTISED COST

Gains (losses) on derecognition	(95 332 009)	495 691	(127 507 170)	737 366

42. OTHER NON-OPERATING GAINS (LOSSES)

	GROUP		COMPANY	
	2024 R	2023 R	2024 R	2023 R
GAINS (LOSSES) ON DISPOSALS, SCRAPPINGS OR SETTLEMENTS				
Non-current assets held for sale and disposal groups	288 565	-	-	-
IMPAIRMENT LOSSES ON				
Other financial assets	58 242	(44 346)	-	-
FAIR VALUE GAINS (LOSSES)				
Financial assets designated as at fair value through profit or loss	-	(2 588 527)	-	-
Total other non-operating gains (losses)	**346 807**	**(2 632 873)**	**-**	**-**

43. OTHER COMPREHENSIVE INCOME

COMPONENTS OF OTHER COMPREHENSIVE INCOME - GROUP - 2024

ITEMS THAT WILL NOT BE RECLASSIFIED TO PROFIT (LOSS)	Gross R	Tax R	Net R
Remeasurements on net defined benefit liability/asset	845 000	-	845 000

COMPONENTS OF OTHER COMPREHENSIVE INCOME - GROUP - 2023

ITEMS THAT WILL NOT BE RECLASSIFIED TO PROFIT (LOSS)	Gross R	Tax R	Net R
Remeasurements on net defined benefit liability/asset	5 801 000	-	5 801 000

44. CASH (USED IN)/GENERATED FROM OPERATIONS

	GROUP		COMPANY	
	2024 R	2023 R	2024 R	2023 R
Profit (loss) before taxation	287 773 569	71 794 364	38 314 090	(40 554 501)
Adjustments for:				
Depreciation and amortisation	85 416 033	103 366 243	17 439 116	14 116 920
Losses (gains) on disposals, scrappings and settlements of assets and liabilities	4 189 274	(211 893)	277 619	66 518
Expected losses on Agri loan	-	-	(195 365 493)	-
Associate disposal profit on sale	-	-	-	290 850
Recognition of FTIP and derecog of Agri	-	-	129 834 618	(737 366)
Losses on foreign exchange	296 838	229 087	296 838	229 087
Actuarial loss on net defined benefits	-	5 801 000	(122 000)	-
Investments at fair value	(10 041 015)	4 037 411	-	-
Dividends received (trading)	(196 414)	(2 188 240)	(6 363 720)	(6 180 850)
Interest income	(40 286 350)	(25 622 862)	(4 896 100)	(4 682 858)
Finance costs	18 104 777	13 459 935	7 869 936	3 469 853
Net impairments and movements in credit loss allowances	98 837 819	(124 464 135)	50 860 552	147 666 356
Fair value adjustment	7 099 289	(5 450 133)	7 099 289	-
Associates - Equity accounting	(119 395 971)	(36 344 224)	-	-
Proceeds of disposal of subsidiary (Cash not yet received)	-	-	-	-
Movements in retirement benefit assets and liabilities	(1 419 000)	(5 686 000)	(438 000)	(122 000)
Movements in provisions	(166 118)	(2 179 489)	-	-
Other non-operating gains	(346 807)	(29 132 506)	-	-
Derecognition gains and (losses)	(106 216 881)	4 037 411	-	-
Other financial asset	1 408 349	-	-	-
Transfer of assets	-	184 327	-	-
Changes in working capital:				
Inventories	126 289	(91 776)	-	72 912
Trade and other receivables	128 672 929	(15 117 540)	41 256 622	(55 947 277)
Prepayments	2 948 626	1 144 946	-	-
Prepaid expenses	1 229 485	1 144 946	-	-
Loans receivables	51 522 973	(29 132 506)	7 008 110	(24 554 441)
Trade and other payables	10 178 651	(87 466 546)	16 265 041	(22 723 730)
Deferred income	75 433 621	131 965 242	(105 783 515)	(57 633 949)
Employee benefits	(214 832)	(595 998)	202 029	107 339
Contract Liabilities	-	-	17 397 501	(130 339)
	494 955 134	**(26 518 936)**	**21 152 533**	**(47 247 476)**

45. COMMITMENTS (CONTINUED)

	GROUP		COMPANY	
	2024 R	2023 R	2024 R	2023 R
AUTHORISED CAPITAL EXPENDITURE				
CONTRACTUAL COMMITMENTS				
MINIMUM LEASE PAYMENTS DUE				
- within one year	306 971 247	259 574 689	38 194 002	25 520 417
- in second to fifth year inclusive	73 536 920	31 320 955	46 304 126	7 580 960
	380 508 167	**290 895 644**	**84 498 128**	**33 101 377**

OPERATING LEASES – AS LESSEE (EXPENSE) (IAS 17)

MINIMUM LEASE PAYMENTS DUE				
- first year	244 662 089	285 288 762	2 726 054	3 478 272

COMMITTED PURCHASE ORDERS BEFORE YEAR END

The committed purchases order represent orders issued to a specific suppliers or service providers for which the good or service have not yet been supplied at year end. The outstanding purchase orders are all payable within one year

THE ENTITY HAD ISSUED GUARANTEES TO PROVIDE HOUSING LOAN FINANCING AND OUTSTANDING CONSTRUCTION

MINIMUM LEASE PAYMENTS DUE				
Houses under construction	4 824 606	2 094 351	-	-
Outstanding guarantees	8 506 712	3 555 354	-	-
	13 331 318	**5 649 705**	**-**	**-**

46. CONTINGENCIES

AGENCY: 2024

1. CITY OF POLOKWANE

This is a claim against LEDA for unpaid levies, duties, rates, taxes and municipal services rendered in the amount of R751 481,00. The property is factory 1 in Seshego Industrial area. The tenant is Nampak liquid packaging (consumption of water). Plaintiff is instituting action against the Defendant however the municipal account was opened and contracted with Nampak Liquid. The estimated amount is R1 585 357,36.

2. EDMAX CC

The plaintiff has brought a claim against LEDA on the basis that he has repaid the loan amount, interest and overpaid the Defendant for over R 100 000,00. Leda has advanced the loan in the amount of R 1 500 000 to Edmax CC on or about 11 July 2006. The matter was postponed, and we await a new trial date. Estimated amount: R279 265.

3. LIVHUWANI GLORIA SIMALI N.O.

The claimant is suing LEDA on behalf of the late estate of his father. She seeks an order from Court to compel LEDA to transfer three vacant stands (situated in Thohoyandou-A) which she claims were owned by her late father and were unlawfully acquired and registered into the name of LEDA. The Plaintiff's version is denied, and LEDA has pleaded that it lawfully acquired the properties in question and that it is the true and registered owner of the stands.

We are waiting for an allocation from the court. Estimated amount: R 694 118.18

46. CONTINGENCIES (CONTINUED)

4. MIKE'S CHICKEN

The plaintiff is suing Mashashane Hatchery for payment of R163 641.30 - for 1-day old chicks which were sold and delivered. Mashashane has filed a counterclaim amounting to R563 500.00 against the legal suit for goods sold and delivered (Chicken eggs). The estimated amount is R 301 276.28

5. MOTSE-LMI CC

The plaintiff is suing LEDA for payment of R781 457.62 for architectural, mechanical, electrical, and civil engineering services that were rendered for LEDA's One Stop Shop situated at the Gambling Board's Offices in Polokwane. The estimated is R2 501 508,97

6. MATHOLE KGAUGELO WHITNEY

The plaintiff is suing LEDA for payment of R436 291,16 being damages which were suffered by her because of her car which has fire damage. At the time of the fire, her vehicle was at at the factory for repairs. She contends that the fire was caused by our negligence, as we failed to maintain fire equipment at the Giyani Small Industries.

The matter is at discovery stage. Estimated amount: R 1 014 996,13.

7. LANDANI GEARBOX AND CHUFF REPAIRS

The plaintiff is suing LEDA for payment in the amount of R 1 396 794,02 due to loss of income. , The plaintiff's equipment allegedly suffered damages as a result of a fire at one of the adjacent unit in the industrial area and for loss of income. The plaintiff alleges that the fire was caused by LEDA's negligence in failing to maintain fire equipment at the Giyani Small Industries. Both parties have filed their arguments on exception. Plaintiff filed on the 26th of September 2023. The matter is scheduled for 21 October 2024 when we are to make our application for an exception.

Estimated Amount: R 1 686 310

8. SYSMAN TECHNOLOGIES (PTY) LTD

The plaintiff is suing LEDA for alleged breach in a joint venture agreement entered into between LEDA and Sysman Technologies (PTY) LTD. The alleged breach relates to services rendered by the plaintiff in pursuant of the joint venture agreement. LEDA has raised a special plea which will be set down for argument. The application is being made on case management system. We are still waiting for an allocation to argue the special plea.

Estimated amount: R5 230 562

9. SARS VAT DISPUTE

During the VAT submission of period 7 (2023-11) of 2023/24, we erroneously captured VAT input from other goods and services as VAT input from capital assets, SARS sent correspondence queried the above capture which we missed.

As such this amount was rejected from the calculation resulting in a debt of R3 041 376 and penalties and interest of R304 137.6 and R119 100.80 respectively. This amount is still under dispute with SARS and we have applied for suspension of payment and lodged the dispute in terms of the SARS processes. At the date of reporting SARS had not yet provided response.

Estimated amount: R3 464 613.88

46. CONTINGENCIES (CONTINUED)

AGENCY: 2023

1. CITY OF POLOKWANE

This is a claim against LEDA for unpaid levies, duties, rates, taxes, and municipal services rendered in the amount of R751 481,00. The property is Factory 1 in Seshego Industrial area. The tenant is Nampak Liquid Packaging (consumption of water). Plaintiff is instituting action against the defendant, however the municipal account was opened and contracted with Nampak Liquid. The estimated amount is R1 500 000.

2. LEPHAUPHAU KJ

The claimant seeks a court order, to compel LEDA to transfer a piece of land that it bought from LEDA. LEDA failed to transfer the property despite the purchase price being paid in full. Alternatively, the claimant demands payment of a refund of the purchase price amounting to R121 500,00 and for payment of damages being the difference between the R121 500,00 and the acquisition costs of acquisition of another property of almost the same size. The estimated amount is R 25 000.

3. MADIBA A

The claimant seeks a court order, to compel LEDA to transfer a piece of land that it bought from LEDA. LEDA failed to transfer the property despite the purchase price being secured by a guarantee. Alternatively, the claimant demands payment for damages being the difference between the purchase price of R114 000 and the price of acquiring another property of almost similar to the one that the claimant bought from LEDA. The estimated amount is R 25 000.

4. LAMOLA MG

The claimant seeks a court order, to compel LEDA to transfer a piece of land that it bought from LEDA. LEDA failed to transfer the property despite the purchase price being paid in full. Alternatively, the claimant demands for payment of damages being the difference between the purchase price (R113 314) and the price of acquiring another property of almost the same size. The estimated amount is R 25 000.

5. PATEL YM&H

The claimant seeks a court order, to compel LEDA to transfer a piece of land that it bought from LEDA. LEDA failed to transfer the property despite the purchase price being paid in full. Alternatively, the claimant demands payment of a refund of the purchase price amounting to R121 500,00 and for payment of damages being the difference between the R121 500 and the acquisition costs of acquisition of another property of almost the same size. The estimated amount is R25 000.

6. KHANGALE ME

The claimant seeks a court order, to compel LEDA to do certain repairs to a house that she bought from LEDA. The claim is defended on the grounds that the house was in good condition when it was handed over and that the alleged damaged occurred after the date of handover. The estimated amount is R 300 000.

7. RIBYE CHARLES MOHLABA N.O. & ANOTHER

The traditional Council is suing LEDA, seeking the Court to order to compel LEDA to give them back their land. LEDA derives occupation of the land from a Permission to Occupy that was issued to it. There is a small shopping complex known as the Bindzulani Shopping Centre and LEDA derives income from letting the shopping centre. The estimated amount is R 50 000.

8. HOXANE TRADITIONAL COUNCIL

The Traditional Council is suing LEDA for payment of R300 000 for arrear rental owed by LEDA resulting from LEDA's occupancy of the Mkhuhlu Industrial Area. The estimated amount is R 500 000

46. CONTINGENCIES (CONTINUED)

9. NDOU SHONISANI

The claimant is suing LEDA demanding the court to order LEDA to transfer a house namely Portion 2 of Erf 134 Thohoyandou-A based on an unsigned agreement of sale that that was allegedly concluded between the parties. LEDA disputes liability on the basis that it never entered into a sale agreement with the claimant. The claimant alleges that the sale agreement was entered into with LEDA. There is no signed purchase agreement with the claimant. The attached sale agreement to the claimant's pleadings is unsigned. The estimated amount is R 900 000.

10. HOWELL JACOBUS

The claimant is suing LEDA demanding the court to order LEDA to transfer a house namely Portion 2 of Erf 134 Thohoyandou-A based on an unsigned agreement of sale that that was allegedly concluded between the parties. LEDA disputes liability on the basis that it never entered into a sale agreement with the claimant. The estimated amount is R 900 000.

11. MADILONGA THIVHAFUNI

The claimant is suing LEDA demanding the court to order LEDA to transfer a house namely Portion 2 of Erf 134 Thohoyandou-A based on an unsigned agreement of sale that that was allegedly concluded between the parties. LEDA disputes liability on the basis that it never entered into a sale agreement with the claimant. The estimated amount is R 900 000.

12. MAPHETHO BUSINESS SERVICES

The claimant is suing LEDA for payment of R3 087 101.40 - for shortfall alleged incurred by the claimant as a result of LEDA refusal to adjust the security rates to be in line with the Ministerial Sectoral Determination for the Security Industry. LEDA disputes that it is liable for the difference/shortfall and contend that the Ministerial Sectoral Determination reference to in the court papers is applicable to security services providers and its employees. LEDA is not a security service provider and is not obliged to the pay rates as prescribed by the sectoral determination. The estimated amount is R 4 169 972.

13. LIVHUWANI GLORIA SIMALI N.O.

The claimant is suing LEDA on behalf of the late estate of her father. She seeks an order from Court to compel LEDA to transfer three vacant stands (situated in Thohoyandou-A) which she claims were owned by her late father and were unlawfully acquired and registered into the name of LEDA. The plaintiff's version is denied, and LEDA has pleaded that it lawfully acquired the properties in question and that it is the true and registered owner of the stands. The estimated amount is R 400 000.

14. MIKE'S CHICKEN

The plaintiff is suing Mashashane Hatchery for payment of R163 641.30 - for 1-day old chicks which were sold and delivered. Mashashane has filed a counterclaim amounting to R563 500.00 against the legal suit for goods sold and delivered (Chicken eggs). The estimated amount is R 300 000.

15. MOTSE-LMI CC

The plaintiff is suing LEDA for payment of R781 457.62 for architectural, mechanical, electrical, and civil engineering services that were rendered for LEDA's One Stop Shop situated at the Gambling Board's Offices in Polokwane. The estimated amount is R2 500 000.

16. SYSMAN TECHNOLOGIES (PTY) LTD

The plaintiff is suing LEDA for alleged breach in a joint venture agreement entered into between LEDA and Sysman Technologies (PTY) LTD. The alleged breach relates to services rendered by the plaintiff in pursuant of the joint venture agreement. The estimated amount is R 5 223 390.

46. CONTINGENCIES (CONTINUED)

17. MATHOLE KGAUGELO WHITNEY

The plaintiff is suing LEDA for payment of R436 291,16 being damages which were suffered by her because of her car which has fire damage. At the time of the fire, her vehicle was at at the factory for repairs. She contends that the fire was caused by our negligence, as we failed to maintain fire equipment at the Giyani Small Industries.

The estimated amount is R 1 000 000

18. REUBEN DIPELA

The applicant seeks a court order to compel LEDA to do a job grading exercise on his position. He further wants to be paid the difference from the date of his transfer, should the court rule in his favour and should the outcome of the job grading be positive. The estimated amount is R 600 000.

MMSEZ: 2023/2024

1. DZOMO LA MUPO

The applicant is seeking an order that MMSEZ SOC Ltd's application for an environmental authorisation be remitted to the DFFE, alternatively, be referred to the LEDET for fresh determination. An order for costs, which is to include the costs of three counsellors in the event that the MEC of LEDET and the Chief Director: ETP together with such other respondents as may oppose the application. The cost order will also includes the costs of the application jointly and severally, such costs to include the costs of three counsellors. The estimated cost is unquantifiable by year-end.

2. HERD NATURE RESERVE

The applicant is seeking an order reviewing and settling aside the decision of LEDET to grant environmental authorisation for the MMSEZ on 23 February 2022. The estimated cost is unquantifiable by year-end.

3. VHEMBE MINERAL RESOURCES STAKEHOLDERS FORUM

This application is similar to the two mentioned above in that it also seeks to set aside both the decision to grant the EA and the appeal decision of the MEC. The estimated cost is unquantifiable by year-end.

4. TSHIAMISO TRADING 135

The contractor appointed for the construction of roads and stormwater for the North site has issued a notice to claim cost relating to standing time amounting to R10 414 516,63 (2023: R11 200 000) inclusive of VAT. The matter is currently before the Limpopo High Court.

GREAT NORTH TRANSPORT: 2024

Litigation is in the process against the company relating to the loss of income, suffering / trauma, and medical expenses, after Mr TA Manzini was shot at by another employee on company premises. The amount of the claim is R2.5 million.

Litigation is in process against the company by Kgaphola Investments. The dispute is for bus routes. The amount of the claim is R 29 648 170.

Contingent liability exists in respect of the contractual dispute with the contracted bus operator, Kopano Transport Services, for subsidy claims above the contracted rates. The matter is currently being dealt with by means of arbitration process as per agreement between the two parties.

The Company is sued R900 000 by D Maila for defamation of character.

The Company is being sued by Makoana David Ngoepe for R400 000 for defamation of character.

The Company is being sued R350 000 for damages suffered during the accident where the plaintiff lost his son after he was hit by the GNT bus in June 2004.

46. CONTINGENCIES (CONTINUED)

The Company is being sued R350 000 for damages suffered during the accident where the plaintiff lost his daughter after she was hit by the GNT bus in June 2004.

The Company is being sued R350 000 for damages suffered during the accident where the plaintiff lost his daughter after she was hit by the GNT bus in June 2004.

The company is being sued for R760 000 for breach of contract under purchase order by Herodity Devine.

Litigations is in progress over a contractual dispute with the former security services company claiming R19.1 million over security fees rates paid.

Management is of the opinion that, after consultation with the company's legal advisors, the above claims, which amount to an estimated total R58.5 million against the company will not succeed and has therefore not provided for any losses.

GREAT NORTH TRANSPORT: 2023

Litigation is in the process against the company relating to the loss of income, suffering / trauma and medical expenses, after Mr. TA Manzini was shot at by another employee on company premises. The amount of the claim is R2.5 million.

Litigation is in process against the company by Kgaphola Investments. The dispute is for bus routes. The amount of the claim is R 29 648 170.

Contingent liability exists in respect of the contractual dispute with the contracted bus operator, Kopano Transport Services, for subsidy claims above the contracted rates. The matter is currently being dealt with by means of arbitration process as per agreement between the two parties.

The Company is sued by D Mokwena for R400 000 for defamation of character.

The Company is being sued for R760 000 for breach of contract under purchase order by Herodity Devine.

Management is of the opinion that, after consultation with the company's legal advisors, the above claims, which amount to an estimated total R37,5 million against the company will not succeed and has therefore not provided for any losses.

During the year under review management have assessed the register on pending contingencies and through advisement of legal the claims that are outside the prescription period have been removed from the list of contingencies.

CONTINGENT LIABILITIES

1. Litigation is in the process against the company relating to the loss of income, suffering / trauma and medical expenses, after Mr. TA Manzini was shot at by another employee on company premises. The amount of the claim is R2.5 million.
2. Litigation is in process against the company by Kgaphola Investments. The dispute is for bus routes. The amount of the claim is R 29 648 170.
3. Contingent liability exist in respect of the contractual dispute with the contracted bus operator, Kopano Transport Services, for subsidy claims above the contracted rates. The matter is currently being dealt with by means of arbitration process as per agreement between the two parties.
4. The Company is being sued by D Mokwena for R400 000 for defamation of character.
5. The Company is being sued for R760 000 for breach of contract under purchase order by Herodity Devine.
6. Management is of the opinion that, after consultation with the company's legal advisors, the above claims, which amount to an estimated total R37,5 million against the company will not succeed and has therefore not provided for any losses.
7. During the year under review management have assessed the register on pending contingencies and through advisement of legal the claims that are outside the prescription period have been removed from the list of contingencies.

46. CONTINGENCIES (CONTINUED)

CORRIDOR MINING RESOURCES

Litigation is in the process against the company relating to a dispute with a community (Pulana Maroga) who wants to claim rental payment for use of land for a period that had ceased after the expiration of the mining permits according to the rental agreement. The amount claim is R 1 066 500 and interest at 10.5% from the date of summons issue (19/08/2021). The company is defending the matter. The group's lawyers and management consider the likelihood of the action against the company being successful as unlikely, and the case should be resolved within the next two years. The current estimated cost at year-end 31 March 2024 amounts R1 327 337 (2023:R1 243 509).

Litigation is in process against the company by former employees relating to labour disputes. The following table refers:

Parties	Description	2024	2023
M.N. Gololo	Dismissal	R 3 036 272	R 3 036 272
P Motshana	Dismissal	Cost cannot be estimated reliably	Cost cannot be estimated reliably
NN Hlungwane	Dismissal	R 1 200 000	R 1 200 000
M Maluleka	Dismissal	Cost cannot be estimated reliably	Cost cannot be estimated reliably
TOWU obo 8 Employees	Dismissal	Cost cannot be estimated reliably	Cost cannot be estimated reliably
R Mosibudi and others	Dismissal	Cost cannot be estimated reliably	Cost cannot be estimated reliably

47. RELATED PARTIES

RELATIONSHIPS

Ultimate holding company	Limpopo Department of Economic Development, Environment and Tourism (LEDET)
Holding company	Limpopo Department of Economic Development, Environment and Tourism (LEDET)
Subsidiaries	Refer to note 8
Joint ventures	Refer to note 9
Associates	Refer to note 10
Post employment benefit plan for employees of a related party of a close family member of key management	Multikor Metropolitan Medscheme Southern Life
Compensation to directors and members of key management	Refer to note 51

47. RELATED PARTIES (CONTINUIED)

	GROUP		COMPANY	
	2024 R	2023 R	2024 R	2023 R

RELATED PARTY BALANCES

LOAN ACCOUNTS - OWING (TO) BY RELATED PARTIES

Autumn Star Trading	1 500 000	1 500 000	-	-
Sefateng Chrome Mine	60 078 034	61 028 032	-	-
Rock Island Trading 17 (Pty) Ltd (CMR)	38 405 827	34 180 361	-	-
Vanadium & Magnetite Exploration & Development Co (SA) Pty Ltd (CMR)	12 611 417	11 498 411	-	-

Refer to note 11 for detail on all loans to/(from) group companies for Limpopo Economic Development Agency.

AMOUNTS INCLUDED IN TRADE RECEIVABLE (TRADE PAYABLE) REGARDING RELATED PARTIES

ABC (Proprietary) Limited	-	200 185	-	-

RELATED PARTY TRANSACTIONS

INTEREST PAID TO (RECEIVED FROM) RELATED PARTIES

Rock Island Trading 17 (Pty) Ltd (CMR)	4 209 465	3 124 416	-	-
Vanadium & Magnetite Exploration	1 100 355	810 576	-	-

SUBSIDIES RECEIVED

Department of Road and Transport - Mpumalanga	32 603 096	31 111 587	-	-
Department of Roads and Transport - Limpopo	198 148 837	248 789 142	-	-
	230 751 933	**279 900 729**	**-**	**-**

GRANT RECEIVED - LEDET

LEDET	443 831 812	667 234 000	-	-

Included in the subsidies received from the related parties are subsidies received from the Department of Roads and Transport - Mpumalanga, which are paid over to a sub-contractor, and are consequently not recognised as revenue in GNT's records.

COMPENSATION PAID TO DIRECTORS AND KEY MANAGEMENT.

Refer to note 50 for details on compensation paid to directors and other key management for Limpopo Economic Development Agency and its subsidiaries (the Group).

48. DIRECTORS' AND PRESCRIBED OFFICER'S EMOLUMENTS

EXECUTIVE GROUP: 2024	Emoluments R	S&T R	Total R
Ms. MC Mokoma	2 475 224	-	2 475 224
MS. Nchabeleng	1 432 190	-	1 432 190
Mr. KR Nkadimeng	2 788 882	-	2 788 882
Mr. NB Mokobane	2 687 235	84 986	2 772 221
MN Molefane	818 604	13 150	831 754
Mr. IT Bologo	1 919 670	-	1 919 670
SN Kgopong	2 704 685	115 388	2 820 073
TG Mojapelo	902 186	-	902 186
R Mkhatshwa	1 433 202	788 127	2 221 329
Mr. F Magidi	2 576 900	3 400	2 580 300
Mr. SH Maphutha	2 449 399	-	2 449 399
Ms. MT Raphoalo	2 168 672	5 011	2 173 683
R Zitha	1 906 518	107 139	2 013 657
Mr. Mogano	1 155 049	389 239	1 544 288
Mr. MLA Masoga	2 663 928	70 716	2 734 644
S Ramusi	1 916 453	22 545	1 938 998
MMM Majake	2 663 250	-	2 663 250
N Essa	686 672	284 617	971 289
B Bunjiwe	1 698 944	61 036	1 759 980
Mr. RB Ramasobane	2 737 274	37 083	2 774 357
Mr. ND Maloba	2 007 088	-	2 007 088
Mr. TR Makhuvha (CEO)	4 293 593	62 216	4 355 809
SN Maponya	1 871 534	33 024	1 904 558
Dr. SHM Nokaneng	4 532 765	15 797	4 548 562
Mr. MM Nkosi	2 189 980	-	2 189 980
JM Mokoele	2 386 160	379 069	2 765 229
HI Hlongwane	1 076 179	248 816	1 324 995
T Bakgethi	2 679 492	18 363	2 697 855
T Rantletse	1 547 719	7 950	1 555 669
	62 369 447	**2 747 672**	**65 117 119**

48. DIRECTORS' AND PRESCRIBED OFFICER'S EMOLUMENTS (CONTINUED)

EXECUTIVE GROUP: 2023	Emoluments R	Other benefits* R	Total R
Ms. MC Mokoma	2 098 755	-	2 098 755
Mr. NMC Mhinga	1 825 979	76 756	1 902 735
Mr. KR Nkadimeng	3 273 037	-	3 273 037
Mr. NB Mokobane	2 377 532	21 459	2 398 991
Mr. D Rankwe	1 677 773	71 112	1 748 885
Mr. IT Bologo	1 827 753	-	1 827 753
Dr. JM Mokoele	2 662 050	371 291	3 033 341
Mr. F Magidi	2 492 712	3 754	2 496 466
Mr. SH Maphutha	2 372 693	-	2 372 693
Ms. MT Raphoalo	2 068 667	-	2 068 667
Mr. MLA Masoga	2 537 131	23 435	2 560 566
Mr. Mogano	1 165 770	361 156	1 526 926
Ms. L Mudau	708 702	23 435	732 137
Mr. R Zitha	1 825 979	76 756	1 902 735
Mr. MP Ngwasheng	1 712 670	40 044	1 752 714
Mr. I Hlongwane	1 378 526	242 515	1 621 041
Mr. BR Mkhize	2 881 477	-	2 881 477
Mr. RB Ramasobane	2 647 154	26 049	2 673 203
Mr. ND Maloba	1 815 671	-	1 815 671
Mr. TR Makhuvha	4 147 924	32 655	4 180 579
Dr. SMH Nokaneng	3 646 707	128 649	3 775 356
Mr. MM Nkosi	2 087 597	-	2 087 597
Ms. SN Maponya	2 260 768	33 785	2 294 553
	51 493 027	**1 532 851**	**53 025 878**

48. DIRECTORS' AND PRESCRIBED OFFICER'S EMOLUMENTS (CONTINUED)

NON-EXECUTIVE GROUP: 2024	Directors' fees R	Committees fees R	Total R
M Maphuta	429 207	5 335	434 542
MS Ralebipi	563 652	7 557	571 209
N Magadagela	675 382	50 328	725 710
MO Phasha	271 733	24 955	296 688
TC Nkadimeng	446 993	20 675	467 668
F Malaza	245 503	8 464	253 967
MA Mphahlele	855 723	44 370	900 093
CA Chikane	979 945	175 773	1 155 718
Adv. TM Ncube	638 809	28 307	667 116
NI Masekwaneng	148 819	2 712	151 531
JA Malele	397 862	14 875	412 737
V Mashabane	254 754	3 969	258 723
K Mahuwa	164 839	-	164 839
TM Ncube	258 900	-	258 900
M Kabi	33 422	1 856	35 278
S Sebolai	24 030	-	24 030
SC Nkadimeng	241 503	1 939	243 442
E Mushwana	239 624	18 927	258 551
SV Chepape	184 326	-	184 326
RP Ragimana	156 829	752	157 581
PA Mafologelo	163 598	6 923	170 521
J Motswaledi	8 010	-	8 010
E Thuketani	103 025	10 696	113 721
NT Mathabatha	167 105	-	167 105
SA Sebolai	8 010	-	8 010
A Kale	128 009	20 696	148 705
Prof. RL Howard	362 808	41 036	403 844
Dr. MH Lekota	247 726	-	247 726
BR Shibambu	316 853	33 982	350 835
MJ Morotoba	-	2 519	2 519
SR Zikode	269 723	19 613	289 336
TP Sebola	251 941	64 647	316 588
MM Moatshe	275 667	9 265	284 932
M Maguga	120 651	15 751	136 402
Dr. NF Mphephu	246 442	17 396	263 838
CC Nkadimeng	386 129	8 464	394 593
	10 267 552	**661 782**	**10 929 334**

48. DIRECTORS' AND PRESCRIBED OFFICER'S EMOLUMENTS (CONTINUED)

NON-EXECUTIVE GROUP: 2023	Directors' fees R	Committees fees R	Total R
PM Makwana	5 446	-	5 446
M Maphutha	330 928	90 681	421 609
MS Ralebipi	590 667	36 508	627 175
M Magadagela	600 721	3 833	604 554
MO Phasha	226 180	17 240	243 420
TC Nkadimeng	565 275	22 073	587 348
CA Chikane	508 984	77 166	586 150
Adv. TM Ncube	855 401	154 143	1 009 544
NI Masekwaneng	140 810	2 664	143 474
MA Mphahlele	278 628	17 381	296 009
KM Maroga	12 778	-	12 778
JA Malele	320 410	-	320 410
V Mashabane	251 839	-	251 839
S Sebolai	206 263	-	206 263
SC Nkadimeng	442 576	66 280	508 856
E Mushwana	163 231	76 311	239 542
SV Chepape	273 299	11 489	284 788
RP Ragimana	215 298	13 397	228 695
PA Mafologelo	223 308	15 291	238 599
E Thuketani	150 472	18 541	169 013
NT Mathabatha	168 625	2 375	171 000
SA Sebolai	144 829	3 912	148 741
SE Lediga	117 224	1 638	118 862
A Kale	190 889	18 299	209 188
Prof. RL Howard	492 450	20 881	513 331
Dr. MH Lekota	300 503	4 019	304 522
BR Shibambu	315 854	22 353	338 207
MJ Morotoba	-	5 972	5 972
SR Zikode	243 055	16 239	259 294
TP Sebola	265 966	60 669	326 635
KPL Selane	13 017	-	13 017
Mr. MF Maguga	108 135	12 666	120 801
	8 723 061	**792 021**	**9 515 082**

48. DIRECTORS' AND PRESCRIBED OFFICER'S EMOLUMENTS (CONTINUED)

NON-EXECUTIVE - AGENCY: 2024	Directors fees R	S & T R	Total R
TC Nkadimeng	446 993	20 675	467 668
M Maphutha	235 184	4 105	239 289
CA Chikane	241 073	4 481	245 554
N Magagadela	356 837	42 244	399 081
MS Ralebipi	202 087	-	202 087
Adv. T Ncube	298 575	5 258	303 833
	1 780 749	**76 763**	**1 857 512**

NON-EXECUTIVE - AGENCY: 2023	Emoluments R	Other benefits* R	Total R
M Maphutha	188 737	379	189 116
CA Chikane	152 590	1 572	154 162
MS Ralebipi	180 096	3 994	184 090
M Makwana	5 448	-	5 448
Adv. T Ncube	194 746	4 640	199 386
TC Nkadimeng	462 751	20 986	483 737
N Magagadela	217 537	3 833	221 370
	1 401 905	**35 404**	**1 437 309**

AGENCY EXECUTIVE: 2024	Directors fees R	S & T R	Total R
Ms. MC Mokoma	1 864 824	-	1 864 824
Mr. NB Mokobane	2 687 235	84 986	2 772 221
Mr. MN Molefane	818 604	13 150	831 754
Mr. F Magidi	2 576 900	3 400	2 580 300
Mr. SH Maphutha	2 449 399	-	2 449 399
Ms. MT Raophala	2 168 672	5 011	2 173 683
Mr. TR Makhuvha	4 293 593	62 216	4 355 809
Mrs. SN Maponya	1 871 534	33 024	1 904 558
Mr. MS Nchabeleng	1 432 190	-	1 432 190
	20 162 951	**201 787**	**20 364 738**

AGENCY EXECUTIVE: 2023	Emoluments R	Other benefits* R	Total R
Ms. MC Mokoma	2 098 755	-	2 098 755
Mr. NB Mokobane	2 377 532	21 459	2 398 991
Dr. JM Mokoele	727 548	-	727 548
Mr. F Magidi	2 492 712	3 754	2 496 466
Mr. SH Maphutha	2 372 693	-	2 372 693
Ms. MT Ramphalo	2 068 667	-	2 068 667
Mr. TR Makhuvha	4 147 924	32 655	4 180 579
Mrs. SN Maponya	2 260 768	33 785	2 294 553
	18 546 599	**91 653**	**18 638 252**

49. PRIOR PERIOD ADJUSTMENTS

AGENCY

PRIOR PERIOD ERRORS BREAKDOWN AND EXPLANATIONS

ERROR 1: TRADE CREDITORS - CONTROL (FINANCE - REPORTING)

During the 2023/24 financial year, the audit process (COMAF 75) identified a customer deposit refund of R46 424 which had been incorrectly processed to the opening retained income account as at 01 April 2022.

In the year prior, an adjustment was proposed to credit opening retained earnings and debit trade and other payables in order to correct the error. However, the credit leg of the proposed adjustment was incorrectly posted to the rental deposit control account instead of the retained income account as proposed on Caseware which is now accounted for correctly through an adjusting of journal entries.

This error has now been retrospectively corrected resulting in a decrease in trade and other payables (rental deposits) and an increase in retained income as at 01 April 2022 by 46 424.

ERROR 2: REVENUE (RENTAL INCOME), TRADE AND OTHER RECEIVABLES AND VAT OUTPUT (TRADE CREDITORS - CONTROL).

During the 2023/24 financial year, properties that were not billed were identified through the audit process (COMAF 31), and an audit adjustment was processed in the prior year to correct the understatement on rental income, VAT Output and Trade and other receivables (rental receivables).

During the current year, it was noted that the adjustment processed in the previous year had been overstated by the inclusion of properties that ought not to have been included as these had actually been appropriately billed.

This error has now been retrospectively corrected resulting in a decrease in Retained income R 1 254 420.22, decrease in VAT Output (Trade Creditors - Control) by R 188 163.74 and ultimately a decrease in Trade and Other receivables by 1 442 583.96

ERROR 3: LOANS FROM GROUP COMPANIES & TRADE CREDITORS - CONTROL.

During the 2023/243 financial year, opening retained Income as at 01 April 2022 was erroneously adjusted (debited) on Caseware by R5000 based on an audit finding (COMAF 75) that stated that a loan granted to Mashashane (a subsidiary) had been posted to retained Income incorrectly.

No audit adjustment was done as management disagreed with the audit finding and the finding remained unresolved and the Caseware adjustment should not have been made.

This error has now been retrospectively corrected resulting in both increase of R5000 in Loans to Group companies and Trade and other payables.

ERROR 4: FINANCE LEASE LIABILITY.

During the 2023/24 financial year, an error was identified during the audit process as a result of incorrect calculations of lease liability for Machaka Traditional Council in the year 2022/23.

This error has now been retrospectively corrected resulting in a decrease in Lease liability by R 1 881, and a decrease in Retained Income by R 1 881.

ERROR 5: TRADE AND OTHER RECEIVABLES - ACCRUED INTEREST.

During the 2023/24 financial year, the Agency recognised Trade & other Receivables for accrued income by error.

This error has now been retrospectively corrected resulting in a decrease in Retained Income, and a decrease Trade and Other Receivables by R 5 256.88.

49. PRIOR PERIOD ADJUSTMENTS (CONTINUED)

ERROR 6: INVESTMENT PROPERTY & NON-CURRENT ASSET HELD FOR SALE.

During the 2023/24 financial year, an error was identified as some of the Agency's Investment properties were not included in the Investment property register.

This error has now been retrospectively corrected resulting in an increase in Investment Property and Retained Income by R 6 000 000 as at 01 April 2022.

During the 2023/24 financial year, an error was identified as some of the Agency's Non-current assets held for sale were not accounted for in the 2022/23 financial year.

The error has now been retrospectively corrected resulting in a decrease in Investment property and an increase in Non-current assets held for sale.

ERROR 7: LOAN TO LIMPOPO CONNEXION (SOC) LIMITED

In August 2022 the Agency entered in a contract with Vodacom on behalf of LCX for failover service. The contract was allocated under the Agency's Vodacom account and invoices were sent to the Agency. The Agency made payments for the invoices as and when they become due.

During 2023/24 financial year, it was realised that an error was made as the Agency did not invoice LCX for the costs incurred on their behalf with Vodacom.

This error has now been retrospectively corrected resulting in an increase in Trade and Other Receivables (loan to LCX – group companies) and Increase in Retained Income by R165 704,08.

MUSINA MAKHADO SPECIAL ECONOMIC ZONE (SOC) LIMITED

Right of use of asset and leasehold liabilities on the MCPA South site leased land was erroneously omitted in the prior year records. The lease agreement was concluded on the 14th December 2016 with a suspensive clause for implementation period of the lease. The suspensive condition was met in February 2022 upon EIA approval. The right of use assets and leasehold liabilities were correctly accounted for in the accounting records.

Depreciation on right of use asset which was brought in the accounting records in the prior year was correctly accounted for in the current financial year.

Finance costs on lease liability from lease rental payments at amortised costs were correctly accounted for in the current year. Depreciation and finance costs on lease liability and right of use of asset transaction erroneously omitted in the prior years were accounted for in retained earnings.

The total employee cost was inclusive of directors fees. We have separately disclosed directors' fees from employee cost for fair presentation.

Work in progress invoices for the construction of internal roads and storm water were processed and capitalised net 10% retention with a total amount of R2 969 978,11. Retention and infrastructure assets were corrected in the current year.

Invoices totalling R2 969 978,11 for R2 582 590 retention withheld was not accounted for in the capital work in progress assets in the prior year. This was corrected in the current financial year

Trade and other receivables was corrected of VAT amounting to R387 390 receivable on the retention amount of R2 969 978,11. SARS revised refunds due to the entity total R 5 134 901.44

Contingent liabilities were previously based on an intention of claim at R2 800 000 per month for a period of 4 months with a total amount of R11 200 000. The matter is before the Limpopo High Court and is now accurately quantified at

R10 414 519,63. The future payments balance of the Talas lease was removed from the operational commitments for the purposes of consistency in reporting.

49. PRIOR PERIOD ADJUSTMENTS (CONTINUED)

GREAT NORTH TRANSPORT (SOC) LIMITED

STATEMENT OF FINANCIAL POSITION

DEFERRED INCOME LIABILITY

The difference relates to unutilized grant income for 2023/24 that was incorrectly over written from deferred income liability. The classification has been corrected as a prior period adjustment.

PROPERTY, PLANT AND EQUIPMENT

Management reassessed the useful lives of assets which were fully depreciated. The assessment was previously based over one year instead of two years which is deemed more appropriate by management. The adjusted to reflect reflective of the condition and new estimated remaining useful life has been accounted for as a prior period.

STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

GRANT RECEIVED - LEDET

The difference relates to unutilized grant income for 2023/24 that was incorrectly over written from deferred income liability. The classification has been corrected as a prior period adjustment.

DEPRECIATION EXPENSE

The difference relates to adjustment as a result of the reassessment of useful life of assets previous assessed over one year instead of two years which is deemed to be more appropriate by management. The cost implication of the corrections was effected to correct the misstatements identified during the prior year audit.

RISIMA HOUSING

PROPERTY, PLANT, AND EQUIPMENT

The adjustment of R 63 909 relates to the recalculation of depreciation of items of property, plant, and equipment.

TRADE AND OTHER PAYABLES

The adjustment relate to correction of accruals incorrectly raised and over-provided for amounting to R134 894 and admin fee revenue amount to R202 268.47 from COGHSTA not recognised.

PROVISIONS

Provisions relating to employee related benefits (bonus and long service awards) has been reclassified to the financial statement line item employee benefits.

LIMPOPO CONNEXION (SOC) LIMITED

Adjustments were made to property, plant and equipment, deferred income, trade and other payables, trade and other receivables, right of use assets, lease liability and loan from shareholders.

PROPERTY, PLANT, AND EQUIPMENT

Assets Found on the floor Assets which were identified during the physical verification as belonging to the entity and not included in the fixed asset register were brought in.

Computer equipment, Broadband IT equipment and Furniture and fittings were found on the floor. All these assets were purchased on 31 March 2022. The balance for Property Plant and Equipment has been adjusted by R 445 653 in the 2022/23 financial year, and the resulting depreciation of R 73212 in the 2023/24 financial year.

49. PRIOR PERIOD ADJUSTMENTS (CONTINUED)

DUPLICATES

In the Fixed Asset Register assets were identified which were duplicated.

These assets were removed in the 2022/23 financial year. The balance for Property, Plant, and Equipment has been adjusted by R 561 647 in the 2022/23 financial year, and the resulting depreciation of R 66 672 reversed in the 2023/24 financial year.

AG COMAF

Furniture and fittings that were included in the fixed asset register submitted for the year ended 31 March 2022 were not included in the fixed asset register submitted for the year ended 31 March 2023. These assets were brought in.

DEFERRED INCOME

The effect of the above errors are taken into account in the deferred income to account for the realisation of the grant through use.

TRADE AND OTHER PAYABLES

Included in the trade and other payables adjustments is transactions that did not fully integrate into the trial balance in 2022. Financial year and their resulting VAT effects, which are included in trade and other receivables.

LOAN FROM SHAREHOLDERS

The entity entered into a lease agreement with Vodacom. The lease was included as part of the parent, LEDA's Vodacom account. Invoices and statements were sent to the parent and paid for by the parent.

The entity recorded the outstanding payments as accruals in error in the 2022/23 financial year. This is corrected in the current year and taken to the Loan from shareholder account.

LEASE LIABILITY & RIGHT OF USE ASSET VODACOM LEASE

The abovementioned lease was delayed and services were only rendered from 17 November 2022 as opposed to the agreed date of the 12 August 2022. This resulted in a change in the terms of the initial agreement. This resulted in the adjustment of the lease liability and Right of use.

POLOKWANE MUNICIPALITY LEASE

The net effect of the above mentioned transactions were accounted for in retained earnings where the resulting income statement effect had to be accounted for.

49. PRIOR PERIOD ADJUSTMENTS (CONTINUED)

GROUP *STATEMENT OF FINANCIAL POSITION: 2023*	As previously reported 2023 R	Prior year adjustments R	Reclassification R	Restated 2023 R
Property, plant and equipment	592 438 117	10 325 032	-	602 833 549
Right of use assets	14 448 304	17 738 046	-	32 246 275
Investment property	155 101 510	6 000 000	(6 000 000)	155 101 510
Intangible assets	82 441 897	49 618	-	82 491 518
Trade and other receivables	201 509 939	(5 192 550)	-	196 045 964
Assets held for sale	4 036 320	-	6 000 000	10 036 320
Finance lease liabilities-Non-current liabilities	(8 048 368)	(20 195 173)	-	(28 243 540)
Finance lease liabilities -Current liabilities	(9 115 246)	(128)	-	(9 115 374)
Employee benefits-Current liabilities	(1 007 203)	-	(1 769 297)	(2 797 150)
Deferred income-Current liabilities	(497 033 126)	(53 230 125)	-	(550 263 251)
Provisions	(1 769 297)	-	1 769 297	-
Trade and other payables	(327 899 679)	11 309 932	-	(316 729 320)
Deferred income-non-current liabilities	(398 412 316)	47 980 116	-	(354 304 487)
Retained income	**(193 309 148)**	**14 784 768**	**-**	**(182 697 986)**

GROUP *STATEMENT OF PROFIT OR (LOSS) AND OTHER COMPREHENSIVE INCOME: 2023*	As previously reported 2023 R	Prior year adjustments R	Restated 2023R
Revenue	745 458 800	(1 254 420)	744 204 380
Other operating income	(28 823 466)	202 269	(29 025 735)
Government grants	485 527 577	(3 869 020)	481 665 096
Other operating expenses	(1 158 014 319)	2 672 455	(1 158 663 269)
Investment income	27 816 359	(5 257)	27 811 102
Finance costs	(11 359 995)	(2 082 043)	(13 442 038)
Total comprehensive income (loss) for the year	**60 604 956**	**(4 336 016)**	**52 549 536**

49. PRIOR PERIOD ADJUSTMENTS (CONTINUED)

AGENCY *STATEMENT OF FINANCIAL POSITION: 2023*	As previously reported 2023 R	Prior year adjustments R	Reclassification R	Restated 2023 R
Property, Plant, and Equipment	35 098 145	509 572	-	35 607 717
Right of use asset	1 289 030	-	-	1 289 030
Investments Property	154 879 620	6 000 000	(6 000 000)	154 879 620
Intangible Assets	15 832	-	-	15 832
Investments in subsidiaries	231 730 608	-	-	231 730 608
Investments in associates	3 066 744	-	-	3 066 744
Other financial assets	-	-	-	-
Loans receivable	42 331 345	-	-	42 331 345
Inventory	455 091	-	-	455 091
Loans receivable	9 141 227	-	-	9 141 227
Loan to group companies	943 635	170 704	-	1 114 339
Trade and other receivables	127 756 089	(607 691)	-	127 148 398
Contract liabilities: CL	(162 079)	-	-	(162 079)
Investment at fair value	7 231 891	-	-	7 231 891
Cash and cash equivalent	57 359 749	-	-	57 359 749
Contract liability	(595 921)	-	-	(595 921)
Finance Lease Liabilities-NCL	(966 693)	1 881	-	(964 812)
Deferred income	(2 308 955)	-	-	(2 308 955)
Retirement obligation	(14 110 000)	-	-	(14 110 000)
Provisions	-	-	-	-
Trade and other payables	(157 977 747)	14 190 178	-	(143 787 569)
Non current assets held for sale	-	6 000 000	6 000 000	6 000 000
Retirement obligation	(1 790 000)	-	-	(1 790 000)
Deferred income	(105 655 647)	-	-	(105 655 647)
Finance lease liability	(557 785)	-	-	(557 785)
Retained income	**387 174 179**	**26 264 644**	**-**	**407 438 823**

AGENCY *STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME 2023*	As previously reported 2023 R	Prior year adjustments R	Restated 2023R
Revenue	141 046 864	(1 254 420)	139 792 444
Other operating income	1 709 312	-	1 709 312
Other operating gains	(295 605)	-	(295 605)
Government Grants	283 964 289	-	283 964 289
Impairment and allowance for credit losses	(131 413 267)	-	(131 413 267)
Other operating expenses	(342 605 930)	165 703	(342 440 227)
Investment income	10 868 964	(5 256)	10 863 708
Finance cost	(3 469 853)	-	(3 469 853)
Derecognition gains (losses) on financial assets	737 366	-	737 366
(Loss)/profit for the year	**(39 457 860)**	**(1 093 973)**	**(40 551 833)**

50. COMPARATIVE FIGURES

Certain comparative figures have been reclassified and restated. Refer to Note 51.

51. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

CATEGORIES OF FINANCIAL INSTRUMENTS

CATEGORIES OF FINANCIAL ASSETS

GROUP - 2024	Note(s)	Fair value through profit or loss - Designated R	Amortised cost R	Total R
Investments at fair value	12	60 384 905	-	60 384 905
Loans to shareholders	12	-	1 500 000	1 500 000
Investment in associates	10	-	256 557 277	256 557 277
Loans receivable	16	-	667 192 394	667 192 394
Investments at fair value	19	-	60 078 034	60 078 034
Trade and other receivables	17	-	137 655 561	137 655 561
Cash and cash equivalents	21	-	647 597 583	647 597 583
Prepayments		-	1 719 141	1 719 141
Prepaid expenses		-	1 389 487	1 389 487
		60 384 905	**1 773 689 477**	**1 834 074 382**

GROUP - 2023	Note(s)	Fair value through profit or loss - Designated R	Amortised cost R	Total R
Investments in associates	10	-	143 387 700	143 387 700
Loans to group companies	11	-	21 863 899	21 863 899
Loans to shareholders	12	-	1 500 000	1 500 000
Loans receivable	16	-	677 070 308	677 070 308
Investments at fair value	19	50 343 890	-	50 343 890
Trade and other receivables	17	-	201 041 292	201 041 292
Cash and cash equivalents	21	-	386 922 721	386 922 721
Prepayments	21	-	2 948 626	2 948 626
Prepaid expenses	15	-	1 477 837	1 477 837
		50 343 890	**1 436 212 383**	**1 486 556 273**

COMPANY - 2024	Note(s)	Fair value through profit or loss - Designated R	Amortised cost R	Total R
Investment in associates	12	-	3 066 744	3 066 744
Investment in subsidiaries	8	-	249 926 013	249 926 013
Loans to group companies	11	-	48 676	48 676
Loans receivable	16	-	45 272 543	45 272 543
Investments at fair value	19	13 201 714	-	13 201 714
Trade and other receivables	17	-	95 611 654	95 611 654
Cash and cash equivalents	21	-	66 549 825	66 549 825
		13 201 714	**460 475 455**	**473 677 169**

51. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

COMPANY - 2023	Note(s)	Fair value through profit or loss - Designated R	Amortised cost R	Total R
Investments in associates	10	-	3 066 744	3 066 744
Investments in subsidiaries	8	-	231 730 608	231 730 608
Loans to group companies	11	-	1 114 339	1 114 339
Loans receivable	16	-	51 472 572	51 472 572
Investments at fair value	19	7 231 891	-	7 231 891
Trade and other receivables	17	-	127 148 398	127 148 398
Cash and cash equivalents	21	-	57 359 749	57 359 749
		7 231 891	**471 892 410**	**479 124 301**

CATEGORIES OF FINANCIAL LIABILITIES

GROUP - 2024	Note(s)	Amortised cost R	Total R
Trade and other payables	30	326 907 953	326 907 953
Insurance contracts	25	11 346 505	11 346 505
Employee benefits	4	1 118 857	1 118 857
		339 373 315	**339 373 315**

GROUP - 2023	Note(s)	Fair value through profit or loss - Designated R	Amortised cost R	Total R
Trade and other payables	30	-	316 589 747	316 589 747
Insurance contracts	25	-	12 750 293	12 750 293
Employee benefits		-	4 899 001	4 899 001
Investment contracts	26	6 415 848	-	6 415 848
FLISP Fund	29	-	7 614 039	7 614 039
		6 415 848	**341 853 080**	**348 268 928**

COMPANY - 2024	Note(s)	Amortised cost R	Total R
Trade and other payables	30	191 811 963	191 811 963
Loans from shareholders	23	2 513 764	2 513 764
Employee benefits		920 168	920 168
Contract liabilities	28	17 397 501	17 397 501
		212 643 396	**212 643 396**

COMPANY - 2023	Note(s)		
Trade and other payables	30	143 787 569	143 787 569
Finance lease obligations	4	758 000	758 000
		144 545 569	**144 545 569**

51. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

FINANCIAL RISK MANAGEMENT

OVERVIEW

The group is exposed to the following risks from its use of financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk (currency risk, interest rate risk, cash flow interest rate risk and price risk).

The Group's overall risk management programme focuses on the unpredictability off financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

Risk management is carried out by the Group Chief Risk Officer under policies approved by the LEDA Board. Risk management identifies, evaluates and manages certain financial risks. The Board of Directors provides oversight on risk management activities.

Credit risk are credited against the same line item.

CREDIT RISK

Credit risk is the risk of financial loss to the group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk consists mainly of cash deposits, cash and cash equivalents, derivative financial instruments, and trade and other receivables.

CASH DEPOSITS & CASH AND CASH EQUIVALENTS

The Group only deposits cash with major banks with high quality credit standing and limits exposure to any one counterparty.

TRADE AND OTHER RECEIVABLES

Trade and other receivables comprise a widespread of customer base. Management evaluated credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, considering its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The utilisation of credit limits is regularly monitored. Sales to retail customers are settled in cash or using major credit cards. Credit guarantee insurance is purchased when deemed appropriate.

No credit limits were exceeded during the reporting period, and management does not expect any losses from non-performance by these counterparties.

Where management did expect potential losses from non-performance by the parties listed, sufficient provision has been made for credit loss allowances.

The group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade and other receivables. To measure the expected credit losses, trade and other receivables have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on the payment profiles of sales over a period of 12 months and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The group has identified the GDP (economic growth and the unemployment rate to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

51. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

Trade and other receivables and contract assets are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the group, and a failure to make contractual payments for a period of greater than 120 days past due. Impairment losses on trade receivables and contract assets are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

Financial instrument assets exposed to credit risk at year-end were as follows:

FINANCIAL INSTRUMENT	Group 20224 R	Group 2023 R	Agency 2024 R	Agency 2023 R
Cash and cash equivalents	647 597 583	386 922 721	66 549 825	57 359 749
Trade and other receivables	137 665 561	196 045 964	9 561 165	127 148 398
Investments at fair value	60 384 905	50 343 890	13 201 714	7 231 891
Loans to shareholders	1 500 000	1 500 000	-	-
Prepayments	1 719 141	2 948 626	-	-
Loans to group companies	60 078 034	21 863 899	48 676	1 114 339
Loans receivable	667 192 394	677 070 308	45 272 543	51 472 572
Prepaid expense	1 389 487	1 477 837	-	-
Investment in subsidiaries	-	-	249 926 013	231 730 708
Investment in associates	256 557 277	143 387 700	3 066 744	3 066 744
	1 834 084 382	**1 481 560 945**	**387 626 680**	**479 124 401**

LIQUIDITY RISK

Liquidity risk is the risk encountered by an entity in the event of difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash and other financial assets.

The group's risk to liquidity is a result of the funds available to cover future commitments. The Group manages liquidity risk through an ongoing review of future commitments and credit facilities. The Group's policy to counteract credit exposures uncertainty that only counter parties of a high credit standing are used for the investment of excess cash.

Cash flow forecasts are prepared and adequate utilised borrowing facilities are monitored. Surplus cash is invested in short term investment call accounts. At the reporting date the Group and Agency's held liquid assets.

The Group determines the liquidity risk and cash flow forecasts monthly to meet these commitments.

The table below analyse the Group's non-derivative financial liabilities exposed to liquidity risk into relevant maturity groupings:

GROUP - 2024		Less than 1 year R	1 to 2 years R	Total R	Carrying amount R
Insurance contracts	25	11 346 505	2 020 126	13 366 631	13 366 631
Investment contracts	26	-	6 552 510	6 552 510	6 552 510
Employee benefits-Other liabilities		1 118 857	3 565 312	4 684 169	4 684 169
		326 246 390	-	326 246 390	326 246 390
		338 711 752	**12 137 948**	**350 849 700**	**350 849 700**

51. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

GROUP - 2023		Less than 1 year R	1 to 2 years R	Total R	Carrying amount R
Trade and other payables	30	316 589 747	-	316 589 747	316 589 747
Insurance contracts	25	10 823 315	1 926 978	12 750 293	12 750 293
Investment contracts	26	-	6 415 948	6 415 948	6 415 948
Employee benefits		2 776 500	3 891 798	6 668 298	4 899 001
FLISP Fund	29	7 614 039	-	7 614 039	7 614 039
		337 803 601	**12 234 724**	**350 038 325**	**350 038 325**

COMPANY - 2024		Less than 1 year R	Total R	Carrying amount R
Trade and other payables	30	191 811 961	191 811 961	191 811 961
Loans from shareholders	24	2 523 664	2 523 664	2 523 664
Contract liabilities		17 397 501	17 397 501	17 397 501
Employee benefits		920 168	920 168	920 168
		212 653 294	**212 653 294**	**212 653 294**

COMPANY - 2023				
Non-current liabilities				
Finance lease liabilities		-	-	964 812
Trade and other payables	30	143 787 569	143 787 569	143 787 569
Employee benefits		758 000	758 000	758 000
		144 545 569	**144 545 569**	**145 510 381**

INTEREST RATE RISK

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The group has no significant interest-bearing assets.

The interest rate risk arises from interest rates charged on the loans to group companies. Loans are issued at a variable rate that exposes the Group to a fair value interest rate risk.

The Group's exposure to interest rate risk is managed by the Risk Management and Credit Risk Divisions.

It is a policy of the Group to charge its related parties a rate linked to the prime interest rate as determined by the Reserve Bank. The prime rate increased in the current year from 11.25% to 11.75%. This policy has not changed since the prior year.

51. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

RISIMA HOUSING FINANCE

The company interest rate risk arises from interest rate charged on the housing loans debt. Housing loans are issued at a prime linked interest rate and it exposes the company to fair value interest rate risk.

The company 's exposure to interest rate risk is managed by the Credit Risk Division. It is a policy of the company to charge its clients prime interest rate as determined Reserve bank. This policy has not changed since prior year.

The company has investments in financial assets (home loans) as per note 4 of the financial statements and in 32 days' notice and current bank accounts.

At the end of the reporting period the profile of the company's interest-bearing financial instruments as reported to the management of the company was as follows:

The company monitors the potential impact on interest revenue or potential changes to the 0.75% interest rate.

	Group 2024 R	Group 2023 R	Agency 2024 R	Agency 2023 R
Other financial assets: Home loans	621 919 851	622 684 157	-	-
Cash and cash equivalents	74 496 181	326 339 871	-	-
	696 416 032	**949 024 028**	**-**	**-**

CASH FLOW SENSITIVITY ANALYSIS

The interest rate remained steady at 11.75% after year end.Market risk is the risk that changes in market prices such as interest rates and foreign exchange rates affecting the Group's income or the value of its financial instrument holdings. The objective of market risk management is to manage and control market risk exposure within acceptable parameters, while optimising the return on the risk.

SENSITIVITY ANALYSIS - CHANGES IN INTEREST (PER ANNUM)

INTEREST RATES IMPACT		DATE
11.75%	2024/03/21	11.25%
2023/04/01	11.25%	2023/03/21

INTEREST RATE CHARGE - RENTAL REVENUE	AVERAGE RATES	RENTAL INCREASE
Rental	Decrease	14.61

AVERAGE RATES	EDFU	Interest rate charge - EDFU
Average rates	Increase	11.23

	IFRS 7 disclosure	Increase in rates
540 395 486.19	Decrease in interest rate	535 665 557.97

51. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

MARKET RISK

Market risk is the risk that changes in market prices such as interest rates and foreign exchange rates affecting the Group's income or the value of its financial instrument holdings. The objective of market risk management is to manage and control market risk exposure within acceptable parameters, while optimising the return on the risk.

INTEREST (PER ANNUM) IN %	Date	Change% in interest in %
11,25	2023/03/31	0,50
10,75	2023/01/27	0,25
10,50	2022/11/25	0,75
9,75	2022/09/23	0,75
9,00	2022/07/22	0,75
8,25	2022/05/20	0
Average change in interest rates		**0,50**

			2023 R
INTEREST RATE CHARGE - RENTAL REVENUE - 12.52%	IMPACTS ON INTEREST RATE SENSITIVITY		319 689 084
Decrease	12,52	12,02	38 426 628
Increase	12,52	13,02	41 623 519
INTEREST RATE CHARGE - EDFU- 9.88%	IMPACTS ON INTEREST RATE SENSITIVITY		165 222 933
Decrease	9,88	10,38	17 150 140
Increase	9,88	9,38	15 497 911
			32 648 051

IFRS 7 DISCLOSURE	
Increase in rates	543 688 340
Decrease in interest rate	538 839 220

52. GOING CONCERN

The consolidated financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

To address liquidity and solvency, LEDA has embarked on profit generating activities. LEDA has called for proposals for redevelopment of 12 shopping centres. One of key criteria is to ensure that the shopping centres gives cash of at least what the shopping was generating before redevelopment. This criteria aim at increasing cash flow within the minimum period onwards. The second project is participating in the solar investment project to build and generate renewable power. This project aim at generating monthly cash for the Agency from the operation and sale of power. LEDA has engaged DTIC regarding Black Industrialist Scheme. The aim is to augment and implement the scheme in Limpopo Province. This will allow LEDA to take stake in the industrialist projects and get cash in return. The immediate cash generation is key in all the projects to ensure cash and ensure liquidity on an ongoing basis.

52. GOING CONCERN (CONTINUED)

GOING CONCERN FOR LEDA

LEDA Group has developed a sustainability plan that were approved by the Shareholder. Included is the Provincial Executive Council resolution to the effect that LEDA should focus on playing a much bigger role in facilitating economic growth and development by adding infrastructure delivery to its portfolio. The Provincial Executive Council further resolved that LEDA must build infrastructure delivery capacity to assist Limpopo Provincial Government Departments and their Entities in delivering various infrastructure Projects such as schools, health clinics, hospitals, housing, government administration buildings, etc, in line with LEDA Act, 2016, as shown in figure 1. Immediately following the official communication of the Provincial Executive Committee's resolution as aforesaid, the executive management of LEDA immediately decided to develop a conceptual framework to operationalize the directives of the Executive Council. To this end, LEDA's executive management embarked on benchmark exercise on the establishment of the unit and conducted preliminary analysis of the potential spinoffs that may arise because of LEDA having this strategic business unit.

The preliminary analysis indicates that through PMU, LEDA has the potential to generate an estimated gross revenue of R125 million in the first year and ramp up gradually in subsequent years. The estimation is based conservatively on an infrastructure budget of R5 billion for the provincial departments (the current infrastructure budget per Provincial Treasury allocation is circa R7,3 billion).

The operating expenses are minimal as employee costs are sunk, and the office space and furniture are already available within LEDA.

53. EVENTS AFTER THE REPORTING PERIOD

GNT

SETTLEMENT DISCOUNTS AND OFFERS - CREDITORS

At the financial year-end date, Great North Transport negotiated once-off settlement payment arrangements with regard to the overdue amounts that were owed to the company's major creditors. After the financial year-end date during April and May 2024, confirmation was obtained regarding the success of GNT's request for settlement offer which resulted in the following overdue debts written-off in favour of the company:

- South African Receiver of Revenue (SARS) approved compromised relating to historical PAYE related debt, capitalised late payment interests and penalties amounting to R7 235 250.28 on the 22nd of April 2024.
- Auditor General of South Africa (AGSA) approved debt written-off relating to capitalised interests and penalties amounting to R2 771 888.54 on the 09th May 2024.

As conditions relating to the above accrued liabilities existed at the financial year-end date and were met by the company, the transactions has been accounted for in the annual financial statements ended 31 March 2024

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

LEDA AGENCY

Management identified three events after the reporting period which occurred between the end of the reporting period (31 March 2024) and the date when financial statements are authorised for issue (31 July 2024).

The financial statements are authorised for issue on 31 July 2024 by the Board of directors. The three events are identified as follows:

(a) Factory No. 21 in Lebowakgomo Industrial Park measuring 1 300m² - destructed by fire on 18th June 2024
(b) Factory No. 27 in Seshego Industrial Park measuring 2 003m²B- destructed by fire on 01 July 2024.
(c) Factory No. 186 in Nkowankowa Industrial Park - destructed by fire on 19 July 2024

53. EVENTS AFTER THE REPORTING PERIOD (CONTINUED)

Those three events are indicative of conditions that arose after the reporting period (non-adjusting events after the reporting period).

Two factories (Factory No. 21 in Lebowakgomo Industrial Park & Factory No. 27 in Seshego Industrial Park) were leased out under an official lease agreement and Factory No. 186 in Nkowankowa Industrial Park was vacant as it was previously burnt significantly and fully impaired to R1.

The carrying amount of the factories on 31 March 2024 are as follows:

(a) Factory No. 21 in Lebowakgomo Industrial Park measuring 1 300m² - R404 064

(b) Factory No. 27 in Seshego Industrial Park measuring 2 003m²B - R198 891.

(c) Factory No. 186 in Nkowankowa Industrial Park - R1.

All those properties would need to be rebuilt; the estimated rebuilding costs have not yet been determined.

MMSEZ

MMSEZ received a R46 million discretionary skills development grant from Manufacturing, Engineering and Related Services SETA (MERSETA) for implementation of various skills development programmes. R11,634 000 was received in the transactional bank account of MMSEZ on 02 May 2024. The nature of this transaction is an adjusting event and its effect has been adjusted in trade and other receivables and trade and other payables annual financial statements.

On the 16th of May 2024 Tshiamiso Trading 135 (Pty) Ltd (Contractor) serve MMSEZ with legal summons to terminate its contractual relationship with MMSEZ. Tshiamiso Trading CC is currently contracted to construct internal roads and storm water.

The contractor was appointed with the project value of R200 000 000,00 inclusive of VAT. The total amount paid to the contractor to date is R50 412 070. The contractor is claiming retention of R5 595 454,30 inclusive of VAT and standing time of R10 414 519,63 inclusive of VAT. The nature of this transaction is a non-adjusting event and its effect does not require the annual financial statements to be adjusted.

The Board has commissioned an assessment investigation of the internal roads and storm water construction project regarding the standing time claim and assessment of the invoices paid. The assessment report has made some findings which some of them are subject of litigation in the Polokwane High Court between the service provider and the entity.

The nature of this transaction is a non-adjusting event and its effect does not require the annual financial statements to be adjusted.

54. PUBLIC PRIVATE PARTNERSHIP

KOPANO BUS SERVICE

Great North Transport was required to give 10% of its business on the signing of three negotiated contracts (Mokopane, Seshego and Hoedspruit) to small operators.

Certain routes were given to small operators (Mathole Bus Service, Madodi and Kopano) in the province as part of empowerment. Kopano was further given the Lebowakgomo corridor as a sub-contractor to GNT under the Seshego depot. Permits were transferred to Kopano to operate these routes.

Subsidies relating to these routes are claimed by GNT on behalf of Kopano and is paid over to them. The total amount claimed on behalf of Kopano in the current financial year was R11,1m (2023:R11m). This agreement will expire with the expiry of the negotiated contracts held by the company or by mutual agreement of both parties.

MYBOET GENERAL TRADING

Great North Transport subcontracted it’s bus operation in Bushbuckridge depot to Myboet Trading. Subsidy fees collected for subcontracted routes amounted to R52,3 million (2023:R55,5 million) for the year under review relating to these routes are claimed by Great North Transport and paid over to Myboet less 5% management fee.

55. FRUITLESS, WASTEFUL AND IRREGULAR EXPENDITURE

	GROUP		COMPANY	
	2024 R	2023 R	2024 R	2023 R
Fruitless and wasteful expenditure	17 462 431	12 005 023	-	3 440 472
Irregular expenditure	74 601 158	103 692 365	-	21 609
	92 063 589	**115 697 388**	**-**	**3 462 081**

Fruitless and wasteful expenditure resulted from interest charged on late payments to creditors. Irregular expenditure resulted from non-compliance with SCM prescripts.

56. GOVERNMENT GRANTS

Government grants	529 991 176	481 665 096	253 335 161	283 964 289

57. PREPAID EXPENSES

Sundry deposits	375 213	463 563	-	-
Reinsurance assets	1 014 274	1 014 274	-	-
	1 389 487	**1 477 837**	**-**	**-**

58. INCOME FROM EQUITY ACCOUNTED INVESTMENTS

GROUP: 2024	Revenue R	Profit R	Total comprehensive income R	% held R	Share of profit / (loss) R
AON Limpopo	2 978 808	1 001 390	1 001 390	48,48 %	485 474
Atta Clay	2 942 262	610 766	610 766	30,00 %	183 230
Makapan Mall	18 235 522	14 561 841	14 561 841	50,00 %	7 280 921
OK Bazaar	191 050 000	6 847 000	6 847 000	33,33 %	2 282 105
Sefateng Chrome Mine (Pty) Ltd.	507 366 253	198 515 181	50 492 124	55,00 %	109 183 350
Vanadium & Magnetite Exploration & Development Co.	-	-	-	- %	-
	722 572 845	**221 536 178**	**73 513 121**		**119 415 080**

GROUP: 2023					
AON Limpopo	11 719 253	2 115 351	2 115 351	48,48 %	1 025 522
Atta Clay	26 312 499	3 621 580	3 621 580	30,00 %	1 086 474
Makapan Mall	17 216 624	9 232 616	9 232 616	50,00 %	4 616 308
OK Bazaar	198 896 000	5 140 250	5 140 250	33,33 %	1 713 245
Sefateng Chrome Mine (Pty) Ltd.	260 667 744	50 492 124	50 492 124	55,00 %	27 770 668
INCA Mining	-	-	-	2,00 %	131 999
	514 812 120	**70 601 921**	**70 601 921**		**36 344 216**

59. ASSETS HELD FOR SALE

LEDA AGENCY

The board of directors approved a decision to sell some of the Agency's Investment properties due to lack of return on these properties. The properties on sale were opened to the public to send offers to the Agency.

Sales are expected to be completed within 12 months from reporting date. The details of the assets are set out below.

ASSETS HELD FOR SALE	GROUP 2024 R	GROUP 2023 R	COMPANY 2024 R	COMPANY 2023 R
Property, plant, and equipment	6 247 493	10 036 320	6 247 493	6 000 000

60. OPERATING EXPENSES

	GROUP 2024 R	GROUP 2023 R	COMPANY 2024 R	COMPANY 2023 R
Administration and management fees	(63 467 404)	(64 297 201)	-	-
Advertising	(1 062 091)	(4 238 201)	(278 033)	(730 436)
Amortisation	(16 260 712)	(19 467 761)	-	(33 360)
Auditors remuneration - external auditors	(24 227 632)	(20 756 310)	(11 844 414)	(8 672 504)
Bad debts	(365 322)	-	-	-
Bank charges	(2 238 972)	(2 371 135)	(589 540)	(531 219)
Cleaning	(619 677)	(683 592)	(435 266)	(547 972)
Commission paid	(5 698 667)	(6 603 068)	(22 418)	-
Computer expenses	(5 637 312)	(5 479 578)	(4 314 638)	(5 090 335)
Consulting and professional fees	(21 862 199)	(31 902 349)	(9 265 184)	(14 458 471)
Consulting and professional fees - other	(2 484 788)	(1 725 454)	-	-
Consulting and professional fees - legal fees	(5 351 033)	(2 143 406)	-	-
Consumables	(2 828 287)	(1 823)	-	-
Depreciation	(70 642 376)	(78 861 459)	(17 439 116)	(14 100 841)
Donations	(845 989)	(203 590)	(813 209)	(100 000)
Employee costs	(532 104 998)	(523 216 374)	(215 097 633)	(175 028 436)
Entertainment	(802 377)	(670 153)	(399 193)	(331 401)
Licences and permits	(15 953 060)	(13 090 298)	(20 991)	-
Business training	(3 685 985)	(5 539 461)	(562 240)	(1 993 681)
Seminar - events and conferences	(8 328 264)	(5 941 143)	(5 025 736)	(5 406 126)
Medical expenses	(8 009 717)	(6 429 433)	(182 576)	-
Other Expenses	(3 834 913)	(1 263 629)	(1 307 517)	(1 224 995)
Directors fees	(23 187 501)	(52 294 699)	(2 131 156)	(1 437 307)
Inspection costs	(839 758)	(546 940)	-	-
Ticket costs	(639 441)	(621 688)	-	-
Sanitation project expenses	(1 156 835)	(1 177 231)	(282 552)	(218 509)
Youth entrepreneur project expense	(223 485)	(126 034)	(13 304)	-
Fines and penalties	(1 660 170)	793 704	-	-
Impairment	(26 791 807)	(10 933 638)	(14 872 358)	(11 827 112)
Insurance	(29 905 144)	(22 508 087)	(20 010 267)	(9 443 759)
IT expenses	(116 042)	(31 332)	(116 042)	(31 332)
Leases of low value assets	(41 776)	(18 066)	-	-
Short term leases	(2 316 026)	(5 366 034)	-	-
Lease rentals on operating lease	(6 083 648)	(7 244 736)	(1 019 751)	(731 512)

60. OPERATING EXPENSES (CONTINUED)

	GROUP		COMPANY	
	2024 R	2023 R	2024 R	2023 R
Levies	(949 497)	(1 107 060)	(949 497)	(1 094 715)
Motor vehicle expenses	(89 677 286)	(111 442 064)	(1 773 489)	(1 684 511)
Municipal expenses	(37 631 726)	(49 301 733)	(31 669 078)	(40 316 561)
Other expenses	(2 791 066)	(1 104 147)	-	-
Marketing expense - Marula Festival	(2 302 089)	(4 040 220)	(2 302 089)	(4 040 220)
Rental expenses	(219 788)	(1 286 796)	(219 788)	(1 256 796)
First aid and fire prevention	(59 137)	(3 429)	(59 137)	(1 739)
Pest control	(4 705)	(71 779)	(4 705)	(71 779)
Placement fees	(1 211 080)	(530 916)	(1 211 080)	(530 916)
Postage	(146 710)	(70 113)	(120 276)	(61 609)
Printing and stationery	(1 236 283)	(2 069 755)	(287 794)	(798 705)
Protective clothing	(64 823)	(16 410)	(18 223)	(16 410)
Repairs and maintenance	(19 908 810)	(18 800 318)	(8 852 160)	(2 914 121)
Royalties and license fees	(60 050)	(1 296)	(60 050)	-
Secretarial fees	(100)	(550)	-	-
Security	(43 449 347)	(44 206 755)	(29 070 189)	(26 569 166)
Staff welfare	(841 891)	(756 694)	(652 301)	(683 219)
Subscriptions	(2 662 887)	(3 206 599)	(999 074)	(747 431)
Telephone and fax	(8 961 813)	(11 369 897)	(4 567 634)	(5 890 058)
Training	(1 528 446)	(1 474 022)	(818 262)	(486 798)
Transport and freight	(2 328 896)	(1 736 726)	(3 449)	-
Travel – local	(4 073 533)	(7 772 972)	(2 544 502)	(3 324 268)
Travel - overseas	(2 528 726)	(11 900)	-	(11 900)
	(1 111 912 097)	**(1 155 342 350)**	**(392 225 911)**	**(342 440 230)**

NOTES

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