

SIOC Community Development Trust
(Registration number IT 10454/06)
Audited Consolidated and Separate Annual Financial Statements
for the year ended 31 December 2022

SIOC Community Development Trust

(Registration number IT 10454/06)

Audited Consolidated And Separate Annual Financial Statements for the year ended 31 December 2022

General Information

Country of incorporation and domicile	South Africa
Type of trust	To own all the ordinary shares in SIOC Community Development SPV (Pty) Ltd and to utilise dividends received from those shares as well as investment income derived from Permitted Investments per the Trust Deed, to support and facilitate public benefit activities in the identified beneficiary areas in the Northern Cape and Limpopo provinces.
Trustees	L. Delport N. Andreas S. Botha V.F. Malie L. Milne T. Henry S. Thole K.P. Leserwane T. Kotsedi M. Motsisi P. Ramchander M. Mabilu T. Pilane
Registered office	SIOC-CDT Office Park, Block A, Ground Floor Cnr. Hendrik van Eck and Ian Flemming Street Kathu Northern Cape 8446
Postal address	Postnet Suite 152 Private Bag X1028 Doringkloof 0140
Auditors	PricewaterhouseCoopers Inc. Pretoria 0040
Trust registration number	IT 10454/06
Tax reference number	0334/964/15/2
Level of assurance	These annual financial statements have been audited.
Preparer	The annual financial statements were internally compiled under the supervision of: T. Duvenage Head of Finance
Issued	28 June 2023

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Trustees' Responsibilities and Approval

The Trustees are required to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the Trust 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 auditors are engaged to express an independent opinion on the audited consolidated and separate annual financial statements.

The annual 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 judgments and estimates.

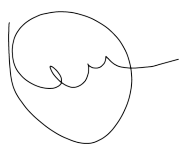
The Trustees acknowledge that they are ultimately responsible for the system of internal financial control established by the Trust and place considerable importance on maintaining a strong control environment. To enable the Trustees to meet these responsibilities, the Trustees sets standards for internal 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 Trust and all employees are required to maintain the highest ethical standards in ensuring the Trust's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the Trust is on identifying, assessing, managing and monitoring all known forms of risk across the Group. While operating risk cannot be fully eliminated, the Trust endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

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

The Trustees have reviewed the Trust's cash flow forecast for the year to 31 December 2023 and, in the light of this review and the current financial position, they are satisfied that the Trust has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the Trust's annual financial statements. The annual financial statements have been examined by the Trust's external auditors and their report is presented on pages 9 to 11.

The annual financial statements set out on pages 12 to 71, which have been prepared on the going concern basis, were approved by the Trustees on 28 June 2023 and were signed on their behalf by:



L. Delport
Chairman



V.F. Malie
Trustee

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Trustees' Report

1. The trust

The Trustees have pleasure in submitting their report on the annual financial statements of SIOC Community Development Trust and the Group for the year ended 31 December 2022.

2. Nature of activities

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

3. Review of financial results and activities

3.1 Financial highlights

Group revenue decreased by 46% from the previous financial year mainly due to a decrease in dividends declared by Sishen Iron Ore Company (Pty) Ltd in 2022, received through SIOC Community Development SPV (Pty) Ltd. Group revenue amounted to R 844,982,641 (2021: R 1,566,368,140). Investment income consisted mainly of interest received on cash investments amounting to R197,456,543 (2021: R 106,886,163), pending deployment to trust activities.

Group cash holdings, after taking into account project and investment commitments, increased by R598,693,218 to R3,262,822,455. This is largely attributable to the dividends received from Sishen Iron Ore Company (Pty) Ltd to the value of R773,006,337.

3.2 Public Benefit Activities

Project expenditure relating to Public Benefit Activities (PBA) in the beneficiary communities (John Taolo Gaetsewe District - Northern Cape and Thabazimbi Local Municipality - Limpopo Province) amounted to R 204,691,205 (2021: R 226,129,439) during the year under review.

The annual spending on PBA decreased by 10% from the prior year and expenditure for the year under review were applied to the following focus areas:

Focus Area

Education	R 85,866,761	(2021: R 97,763,011)
Enterprise Development	R 5,526,428	(2021: R 13,958,792)
Health	R 18,421,836	(2021: R 16,107,903)
Welfare	<u>R 95,146,179</u>	<u>(2021: R 98,299,732)</u>
Totals	<u>R 204,691,205</u>	<u>(2021: R 226,129,439)</u>

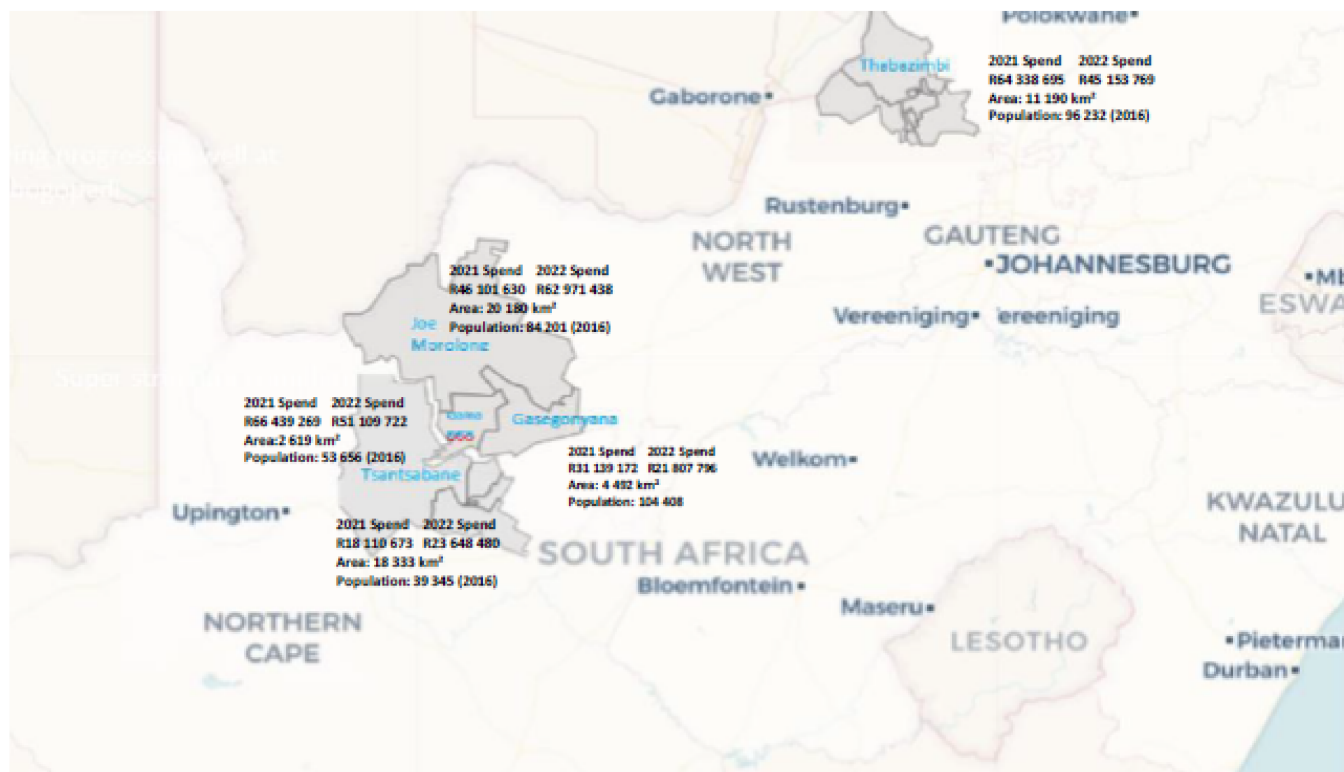
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Trustees' Report

PBA spend by geographical area 2022



3.3 Investment Activities

The SIOC CDT Investment Holdings (RF) (Pty) Ltd group recorded a net profit after tax for the year ended 31 December 2022 of R114,929,911 (2021 net loss after tax of R 171,809,664).

Direct equity investments performance improved during the current year, with share of net losses from equity accounted investments (Airlink (Pty) Ltd) amounting to R 66,696,041 (2021: Share of net losses of R 129,971,751).

The company's investments in the various portfolios (including Futuregrowth Core Bond, Prudential Core Equity, BlackRock Index Selection and OMPE Fund V) realised a total loss of R 2,997,564 by the end of 2022 (2021: total loss of R71,106,727). The main reason for the increased loss, is due to the decrease in value in the BlackRock funds, which is attributed to the Russian invasion of Ukraine, higher global interest rates and weak global economic performance in 2022. This was offset by a weakening Rand as well as the other investment portfolios achieving/outperforming their benchmarks.

Airlink (Pty) Ltd (Airlink")

The equity value of the investment in Airlink (Pty) Ltd has increased by 100% from R Nil in 2021 to R 66,177,480 as at 31 December 2022. The increase in the equity value of the investment in Airlink (Pty) Ltd can be attributed to the increase in passenger numbers as the tourism sector recovered from COVID travel restrictions; the increase in the average ticket yield per passenger, the increase in the number of routes, and a competitor (Comair) gone into business rescue.

Basil Read Holdings Ltd

The investment in Basil Read Holdings Ltd remains fully impaired as at 31 December 2022.

Continental Coal Ltd

Continental Coal Ltd remained technically insolvent and under business rescue as at 31 December 2022, with no reasonable or realistic prospect of recovering economic benefits from the investment. The investment remains fully impaired.

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Trustees' Report

Subrotouch (RF) (Pty) Ltd (Subrotouch")

Subrotouch holds a 12.5% equity interest in Kathu Solar Park (RF) (Pty) Ltd ("KSP"). Subrotouch's income comprises of interest earned on the loan to KSP. The loan outstanding from the DBSA including capitalised interest as at 31 December 2022 amounted to R 381,202,151 (2020: R 383,667,574).

Payments to the value of R 45,625,000 and R 4,375,000 were received from KSP in April 2022 and October 2022 respectively, towards the repayment of the shareholder loan from Subrotouch, which was funded through a loan entered into with the DBSA. The same amounts were in turn paid to the DBSA towards the repayment of said loan in 2022.

Subrotouch realised a fair value gain of R 73,912,233 (2021: loss R110,949,733) as at 31 December 2022 on the investment in KSP. The fair value of the 12.5% shareholding in KSP was valued at R 173,409,000 (2021: R 99,496,767) as at 31 December 2022.

The Urban Hotel Kathu (Pty) Ltd (UHK")

Total income for the year amounted to R 15,066,067 (2021: R 12,381,274), showing a 22% increase from the prior year. Operating expenses showed a 18% increase from R 8,045,014 in 2021 to R 11,238,931 in 2022 as a result of uptake in revenue and impairments losses recognised on properties owned by the Hotel. The company recorded a net loss after tax for the year ended 31 December 2022 of R 1 572,950 (net profit after tax for 2021: R 486,159).

The hotel ended the year with an increased occupancy of 45% (2021: 46%) and an average room rate of R 772 (2021: R 717).

4. Trustees

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

Trustees	Designation	Changes
L. Delport	Non-executive Independent	Chairperson
N. Andreas	Non-executive Independent	Beneficiary Trustee
S. Botha	Non-executive Independent	Beneficiary Trustee
V.F. Malie	Executive	Chief Executive Officer
L. Milne	Non-executive Independent	Trustee
T. Henry	Non-executive Independent	Trustee
S. Thole	Non-executive Independent	Beneficiary Trustee
K.P. Leserwane	Non-executive Independent	Beneficiary Trustee
T. Kotsedi	Non-executive Independent	Trustee
M. Motsisi	Non-executive Independent	Donor Trustee
P. Ramchander	Non-executive Independent	Donor Trustee
M. Mabilu	Non-executive Independent	Beneficiary Trustee
T. Pilane	Non-executive Independent	Beneficiary Trustee

Appointed Tuesday, 30 August 2022

5. Property, plant and equipment

There was no change in the nature of the property, plant and equipment of the Group or in the policy regarding their use.

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Trustees' Report

6. Events after the reporting period

SIOC Community Development SPV (Pty) Ltd

Dividends Received

The company received dividends from Sishen Iron Ore Company (Pty) Ltd of R 212,846,919 on 28 February 2023 as full and final dividend for the 2022 financial year. Dividends to the value of R 212,846,919 were declared and paid over to the sole shareholder, SIOC Community Development Trust, on 28 February 2023.

Other Matters

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

7. Going concern

The audited consolidated and separate annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The Trustees believe that the group has adequate financial resources to continue in operation for the foreseeable future and accordingly the audited consolidated and separate annual financial statements have been prepared on a going concern basis. The Trustees have satisfied himself 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 Trustees are not aware of any new material changes that may adversely impact the group. The Trustees 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.

8. Subordination Agreements by SIOC Community Development Trust

Provided by SIOC Community Development Trust

The loan from SIOC Community Development Trust to SIOC CDT Properties Company (Pty) Ltd, capped at R 36,000,000 (2021: R 36,000,000), has been subordinated in favour of the creditors of SIOC CDT Properties Company (Pty) Ltd, until such time as their total assets, fairly valued, exceed their total liabilities, fairly valued.

The loan from SIOC Community Development Trust to SIOC CDT Operating Company (Pty) Ltd of R 4,005,966 (2021: R 4,005,966), has been subordinated in favour of the creditors of SIOC CDT Operating Company (Pty) Ltd, until such time as their total assets, fairly valued, exceed their total liabilities, fairly valued.

9. Assistance provided to subsidiaries

Provided by SIOC Community Development Trust

A letter of support previously issued by SIOC Community Development Trust to its subsidiary, SIOC Community Development SPV (Pty) Ltd, to the value of R 120,000. This letter of support is still in place until such time as the subsidiary has restored its liquidity.

Provided by SIOC CDT Investment Holdings (RF) (Pty) Ltd

A letter of support previously issued by SIOC CDT Investment Holdings (RF) (Pty) Ltd to its subsidiary, SIOC CDT Properties Company (Pty) Ltd, to the value of R 1,600,000 is still in place until such time as the subsidiary has restored its liquidity.

In addition, a letter of support was issued by SIOC CDT Investment Holdings (RF) (Pty) Ltd in favour of The Urban Hotel Kathu (Pty) Ltd, to the value of R1,250,000, until such time as the entity has restored its liquidity.

10. Auditors

The appointment of PricewaterhouseCoopers Inc. ("PwC") as the registered external auditors of SIOC Community Development Trust and its subsidiaries was approved by the Board of Trustees on 25 November 2021 (Resolution:BOD/21/1125/01), after following a comprehensive Supply Chain process.

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Trustees' Report

They will continue in office for the 2023 financial year.

11. Preparer

The annual financial statements were internally compiled under the supervision of T. Duvenage, the Head of Finance of the SIOC Community Development Trust Group.

12. Approved Projects

"Approved projects" represent the balance of the various approved project budgets which is not yet contracted or spent on the accumulated Public Benefit Projects, as approved by the Board of Trustees.

As at 31 December 2022, the approved projects balance amounted to R 374,030,895 (31 Dec 2021: R 506,297,509).

Independent auditor's report

To the Trustees of SIOC Community Development Trust

Our opinion

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of SIOC Community Development Trust (the Trust) its subsidiaries (together the Group) as at 31 December 2022, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards.

What we have audited

SIOC Community Development Trust's consolidated and separate financial statements set out on pages 12 to 71 comprise:

- the consolidated and separate statement of financial position as at 31 December 2022;
- the consolidated and separate statement of profit or loss and other comprehensive income for the year then ended;
- the consolidated and separate statement of changes in equity for the year then ended;
- the consolidated and separate statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated and separate financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards).

Other information

The trustees are responsible for the other information. The other information comprises the information included in the document titled "SIOC Community Development Trust Audited Consolidated and Separate Annual Financial Statements for the year ended 31 December 2022". The other information does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

PricewaterhouseCoopers Inc., 4 Lisbon Lane, Waterfall City, Jukskei View, 2090
Private Bag X36, Sunninghill, 2157, South Africa
T: +27 (0) 11 797 4000, F: +27 (0) 11 209 5800, www.pwc.co.za

Chief Executive Officer: L S Machaba

The Company's principal place of business is at 4 Lisbon Lane, Waterfall City, Jukskei View, where a list of directors' names is available for inspection.
Reg. no. 1998/012055/21, VAT reg.no. 4950174682.

Responsibilities of the trustees for the consolidated and separate financial statements

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and / or Trust to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



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

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

PricewaterhouseCoopers Inc

PricewaterhouseCoopers Inc.
Director: CS Masondo
Registered Auditor
Johannesburg, South Africa
30 June 2023

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Statement of Financial Position as at 31 December 2022

		Group			Trust	
		2022	Restated	Restated	2022	2021
	Note(s)	R	2021 R	2020 R	R	R
Assets						
Non-Current Assets						
Property, plant and equipment	3	35 255 447	37 624 070	39 341 981	4 171 398	4 918 736
Right-of-use assets	4	-	-	-	277 612	943 879
Investment property	5	22 478 066	14 859 773	14 591 480	-	-
Investments in subsidiaries	6	-	-	-	1 247 440 042	1 147 001 100
Investments in associates	7	66 177 480	1	129 971 752	-	-
Loans to related parties	8	39 468 296	7 963 277	33 726 770	38 315 921	24 448 471
Financial assets at amortised cost	9	420 664 170	422 602 785	431 499 093	-	42 252
Investments at fair value	10	5 254 341 719	4 472 265 845	5 480 162 838	-	-
Deferred tax	11	-	12 898 537	-	-	-
		5 838 385 178	4 968 214 288	6 129 293 915	1 290 204 973	1 177 354 438
Current Assets						
Inventories	13	611 002	406 125	402 441	-	-
Loans to related parties	8	-	-	-	1 613 377	1 476 456
Trade and other receivables	14	5 135 925	6 520 214	4 897 815	5 300 583	4 203 628
Current tax receivable	15	315,825	313 722	-	103 787	101 684
Cash and cash equivalents	12	3 262 822 455	2 664 129 237	1 700 701 198	3 247 478 610	2 660 857 074
		3 268 885 207	2 671 369 298	1 706 001 454	3 254 496 357	2 666 638 842
Total Assets		9 107 270 385	7 639 583 586	7 835 295 369	4 544 701 330	3 843 993 280
Equity and Liabilities						
Equity						
Reserves		3 898 388 656	3 291 331 590	4 613 403 562	-	-
Accumulated surplus		4 747 082 105	3 939 353 405	2 788 056 611	4 517 021 129	3 829 760 377
		8 645 470 762	7 230 684 995	7 401 460 174	4 517 021 129	3 829 760 377
Liabilities						
Non-Current Liabilities						
Borrowings	16	316 414 805	313 809 677	324 839 591	-	-
Lease liabilities	4	-	-	-	-	394 501
Deferred tax	11	40 974 628	-	13 327 312	-	-
		357 389 433	313 809 677	338 166 903	-	394 501
Current Liabilities						
Trade and other payables	17	30 496 623	16 112 606	17 899 072	27 285 700	12 987 645
Borrowings	16	72 021 569	78 800 454	77 705 944	-	-
Lease liabilities	4	-	-	-	394 501	850 757
Current tax payable	15	1 891 998	175 854	63 247	-	-
		104 410 190	95 088 914	95 668 263	27 680 201	13 838 402
Total Liabilities		461 799 623	408 898 591	433 835 166	27 680 201	14 232 903
Total Equity and Liabilities		9 107 270 385	7 639 583 586	7 835 295 340	4 544 701 330	3 843 993 280

* Prior year presentation of other financial assets at amortised costs and Investments at fair value has been corrected by reclassifying amounts to enhance disclosure (refer to note 35).

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Statement of Profit or Loss and Other Comprehensive Income

	Note(s)	Group		Trust	
		2022 R	Restated 2021 R	2022 R	Restated 2021 R
Revenue	18	844 982 641	1 566 368 172	772 947 860	1 498 544 731
Other operating income	19	631 961	410 405	631 961	23 043
Fair value gains /(losses)	20	71 134 124	(39 843 006)	(4 517 745)	-
Movement in credit loss allowances	21	24 733 171	(34 019 477)	(1 155 785)	2 849
Operating expenses	22	(297 025 621)	(301 496 668)	(281 188 867)	(284 317 293)
Operating surplus		644 456 276	1 191 419 426	486 717 424	1 214 253 330
Investment income	23	197 456 543	106 886 163	200 626 460	109 144 009
Finance costs	24	(43 545 996)	(39 326 213)	(83 132)	(227 987)
Income from equity accounted investments	25	66 177 480	(129 971 751)	-	-
Surplus before taxation		864 544 303	1 129 007 625	687 260 752	1 323 169 352
Taxation	26	(56 911 122)	22 289 169	-	-
Surplus for the year		807 633 181	1 151 296 794	687 260 752	1 323 169 352
Other comprehensive income (loss):					
Items that will not be reclassified to profit or loss:					
Share of comprehensive income of equity accounted investments	27	607 057 066	(1 322 071 972)	-	-
Other comprehensive income for the year net of taxation	27	607 057 066	(1 322 071 972)	-	-
Total comprehensive income (loss) for the year		1 414 690 247	(170 775 178)	687 260 752	1 323 169 352

*Prior year presentation has been corrected by reclassifying amounts to enhance disclosure (refer to note 35).

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Statement of Changes in Equity

	Other reserves	At fair value through other compre- hensive income	Accumulated surplus	Total equity
	R	R	R	R
Group				
Balance at 01 January 2021	13 696 099	4 599 707 463	2 788 056 611	7 401 460 173
Surplus for the year	-	-	1 151 296 794	1 151 296 794
Other comprehensive income	-	(1 322 071 972)	-	(1 322 071 972)
Total comprehensive income for the year	-	(1 322 071 972)	1 151 296 794	(170 775 178)
Balance at 01 January 2022	13 696 099	3 277 635 491	3 939 448 924	7 230 780 514
Surplus for the year	-	-	807 633 181	807 633 181
Other comprehensive income	-	607 057 066	-	607 057 066
Total comprehensive income for the year	-	607 057 066	807 633 181	1 414 690 247
Balance at 31 December 2022	13 696 099	3 884 692 557	4 747 082 105	8 645 470 762
Trust				
Balance at 01 January 2021	-	-	2 506 591 032	2 506 591 032
Surplus for the year	-	-	1 323 169 352	1 323 169 352
Total comprehensive income for the year	-	-	1 323 169 352	1 323 169 352
Balance at 01 January 2022	-	-	3 829 760 377	3 829 760 377
Surplus for the year	-	-	687 260 752	687 260 752
Total comprehensive income for the year	-	-	687 260 752	687 260 752
Balance at 31 December 2022	-	-	4 517 021 129	4 517 021 129

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Statement of Cash Flows

		Group		Trust	
	Note(s)	2022 R	2021 R	2022 R	2021 R
Cash flows from operating activities					
Cash generated from operations	29	(142 204 473)	(283 250 715)	(263 066 338)	(278 633 053)
Interest income	23	226 212 667	109 533 728	200 626 460	109 144 009
Dividends received	18	773 006 337	1 498 544 731	772 947 860	1 498 544 731
Finance costs	24	(44 711 680)	(1 049 857)	(83 132)	(227 987)
Dividends paid		-	-	-	-
Tax paid	28	(3 509 528)	(4 138 165)	(2 103)	(1 662)
Net cash from operating activities		808 793 323	1 319 639 722	710 422 747	1 328 826 038
Cash flows from investing activities					
Purchase of property, plant and equipment	3	(3 528 528)	(1 003 223)	(615 266)	(323 427)
Proceeds from sale of property, plant and equipment	3	396 730	21 741	396 730	21 742
Additional investment in subsidiary		-	-	-	(360 000 000)
Purchases of investments in subsidiaries	7	(100 438 942)	-	(100 438 942)	-
Cash receipts on repayments of loans to group companies	8	-	-	(16 661 697)	4 886 922
Cash receipts on repayments of loans receivable (at amortised cost)	9	-	-	49 999	(1 650 128)
Purchases of investments at fair value	10	(104 247 214)	(353 588 300)	-	-
Repayment received in Subrotouch (Pty) Ltd on loan advanced to Kathu Solar Park (RF) (Pty) Ltd		49 375 000	46 875 000	-	-
Net cash from investing activities		(158 442 954)	(307 694 782)	(117 269 176)	(357 064 891)
Cash flows from financing activities					
Repayments of loans from group companies	8	-	-	(5 681 278)	-
Repayments on loan - Development Bank of South Africa Ltd	16	(49 343 988)	(46 875 000)	-	-
Repayments on loan - Nedbank Ltd		(2 313 163)	(1 641 901)	-	-
Cash repayments on lease liabilities	4	-	-	(850 757)	(694 567)
Net cash from financing activities		(51 657 151)	(48 516 901)	(6 532 035)	(694 567)
Total cash movement for the year		598 693 218	963 428 039	586 621 536	971 066 580
Cash and cash equivalents at the beginning of the year		2 664 129 237	1 700 701 198	2 660 857 074	1 689 790 495
Cash and cash equivalents at the end of the year	12	3 262 822 455	2 664 129 237	3 247 478 610	2 660 857 075

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Accounting Policies

1. Significant accounting policies

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

1.1 Basis of preparation

The annual 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 Standards Interpretations Committee ("IFRS IC") interpretations issued and effective at the time of preparing these annual financial statements.

These annual 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 annual financial statements have been prepared on the historic cost convention, unless otherwise stated in the accounting policies which follow and incorporate the principal accounting policies set out below. They are presented in Rands, which is the Group and Trust's functional currency.

These accounting policies are consistent with the previous period. In the current year, the statement of profit or loss and other comprehensive income has been reclassified and disclosed by nature rather than function to provide more reliable and relevant information. This is to align to the nature of the entity.

1.2 Consolidation

Basis of consolidation

The consolidated annual financial statements incorporate the separate annual financial statements of the Trust and all subsidiaries. Subsidiaries are entities (including structured entities) which are controlled by the Group.

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

The results of subsidiaries are included in the consolidated annual financial statements from the effective date of acquisition to the effective date of disposal.

Adjustments are made when necessary to the annual 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 in full on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

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 surplus or deficit 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 surplus or deficit.

Investments in subsidiaries in the separate financial statements

In the Trust's separate financial statements, investments in subsidiaries are carried at cost less any accumulated impairment losses.

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Accounting Policies

1.3 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 surplus or deficit, 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 surplus or deficit.

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 surplus or deficit 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 surplus or deficit as part of the gain or loss on disposal.

Investments in associates in the separate financial statements

In the Trust's separate financial statements, investments in associates are carried at cost less any accumulated impairment losses. .

1.4 Significant judgements and sources of estimation uncertainty

The preparation of annual 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.

Critical judgements in applying accounting policies

Management did not make critical judgements in the application of accounting policies, apart from those involving estimations, which would significantly affect the financial statements.

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Accounting Policies

1.4 Significant judgements and sources of estimation uncertainty (continued)

Key sources of estimation uncertainty

Fair value estimation

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

External valuations are done on an annual basis in order to determine the appropriate valuation techniques and inputs for each valuation.

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

Information about the specific techniques and inputs of the various assets is disclosed in notes 7, 10 and 11.

Impairment testing

The Trust 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.

Purchase of investments

Payments to acquire equity or debt investments are included in investing activities, unless, the investment is considered to be cash equivalents or the investment is held for dealing or trading purposes.

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 taxation determination is uncertain during the ordinary course of business. The Trust recognises liabilities for anticipated taxation audit issues based on estimates of whether additional taxes will be due. Where the final taxation outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income taxation and deferred taxation provisions in the period in which such determination is made.

The Trust recognises the net future taxation benefit related to deferred income taxation 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 taxation assets requires the Trust 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 taxation laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Trust to realise the net deferred taxation assets recorded at the end of the reporting period could be impacted.

1.5 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.

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Accounting Policies

1.5 Investment property (continued)

Cost model

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

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

Item	Depreciation method	Average useful life
Property - land	Straight line	Indefinite

1.6 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		Average useful life
Land	Not depreciated	Not depreciated
Hotel buildings	Straight line	50 years
Computer software	Straight line	2 years
Office equipment	Straight line	5 years
Computer equipment	Straight line	3 years
Furniture and fittings	Straight line	5 years
Motor vehicles	Straight line	5 years
Hotel equipment	Straight line	3 to 10 years
Hotel furniture and fittings	Straight line	3 to 25 years
Hotel office furniture and IT equipment	Straight line	5 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 surplus or deficit unless it is included in the carrying amount of another asset.

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Accounting Policies

1.6 Property, plant and equipment (continued)

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 surplus or deficit 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 surplus or deficit when the item is derecognised.

1.7 Financial instruments

Financial instruments held by the group are classified in accordance with the provisions of IFRS 9 Financial Instruments.

Broadly, the classification possibilities, which are adopted by the group, as applicable, are as follows:

Financial assets which are equity instruments:

- Mandatorily at fair value through surplus or deficit; or
- Designated as at fair value through other comprehensive income. (This designation is not available to equity instruments which are held for trading or which are contingent consideration in a business combination).

Financial assets which are debt instruments:

- Amortised cost. (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is met by holding the instrument to collect contractual cash flows); or
- Fair value through other comprehensive income. (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is achieved by both collecting contractual cash flows and selling the instruments); or
- Mandatorily at fair value through surplus or deficit. (This classification automatically applies to all debt instruments which do not qualify as at amortised cost or at fair value through other comprehensive income); or
- Designated at fair value through surplus or deficit. (This classification option can only be applied when it eliminates or significantly reduces an accounting mismatch).

Financial liabilities:

- Amortised cost; or
- Mandatorily at fair value through surplus or deficit. (This applies to contingent consideration in a business combination or to liabilities which are held for trading); or
- Designated at fair value through surplus or deficit. (This classification option can be applied when it eliminates or significantly reduces an accounting mismatch; the liability forms part of a group of financial instruments managed on a fair value basis; or it forms part of a contract containing an embedded derivative and the entire contract is designated as at fair value through surplus or deficit).

Note 31 Financial instruments and risk management presents the financial instruments held by the group based on their specific classifications.

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

The specific accounting policies for the classification, recognition and measurement of each type of financial instrument held by the group are presented below:

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Accounting Policies

1.7 Financial instruments (continued)

Loans receivable at amortised cost

Classification

Loans receivable 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 group's business model is to collect the contractual cash flows on these loans.

Recognition and measurement

Loans receivable are recognised when the group 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.

Application of the effective interest method

Interest income is calculated using the effective interest method, and is included in surplus or deficit 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.

Impairment

The group recognises a loss allowance for expected credit losses on all loans receivable measured at amortised cost. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective loans.

The group measures the loss allowance at an amount equal to lifetime expected credit losses (lifetime ECL) when there has been a significant increase in credit risk since initial recognition. If the credit risk on a loan has not increased significantly since initial recognition, then the loss allowance for that loan is measured at 12 month expected credit losses (12 month ECL).

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a loan. In contrast, 12 month ECL represents the portion of lifetime ECL that is expected to result from default events on a loan that are possible within 12 months after the reporting date.

In order to assess whether to apply lifetime ECL or 12 month ECL, in other words, whether or not there has been a significant increase in credit risk since initial recognition, the group considers whether there has been a significant increase in the risk of a default occurring since initial recognition rather than at evidence of a loan being credit impaired at the reporting date or of an actual default occurring.

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Accounting Policies

1.7 Financial instruments (continued)

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 counterparty etc.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

If the group 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 group 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 surplus or deficit with a corresponding adjustment to their carrying amount through a loss allowance account. The impairment loss is included in operating expenses in surplus or deficit as a movement in credit loss allowance (note 22).

Derecognition

Refer to the "derecognition" section of the accounting policy for the policies and processes related to derecognition.

Any gains or losses arising on the derecognition of a loan receivable is included in surplus or deficit in derecognition gains (losses) on financial assets at amortised cost.

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Accounting Policies

1.7 Financial instruments (continued)

Trade and other receivables

Classification

Trade and other receivables, excluding, when applicable, VAT and prepayments, are classified as financial assets subsequently measured at amortised cost.

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

Recognition and measurement

Trade and other receivables are recognised when the group becomes a party to the contractual provisions of the receivables. They 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 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.

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 surplus or deficit in investment income (note 23).

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.

Impairment

The group recognises a loss allowance for expected credit losses on trade and other receivables, excluding VAT and prepayments. The amount of expected credit losses is updated at each reporting date.

The group measures the loss allowance for trade and other receivables at an amount equal to lifetime expected credit losses (lifetime ECL), which represents the expected credit losses that will result from all possible default events over the expected life of the receivable.

Measurement and recognition of expected credit losses

The group makes use of a provision matrix as a practical expedient to the determination of expected credit losses on trade and other receivables. The provision matrix is based on historic credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current and forecast direction of conditions at the reporting date, including the time value of money, where appropriate.

The customer base is widespread and does not show significantly different loss patterns for different customer segments. The loss allowance is calculated on a collective basis for all trade and other receivables in totality. Details of the provision matrix is presented in note 14.

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Accounting Policies

1.7 Financial instruments (continued)

An impairment gain or loss is recognised in surplus or deficit with a corresponding adjustment to the carrying amount of trade and other receivables, through use of a loss allowance account. The impairment loss is included in operating expenses in surplus or deficit as a movement in credit loss allowance (note 22).

Derecognition

Refer to the derecognition section of the accounting policy for the policies and processes related to derecognition.

Any gains or losses arising on the derecognition of trade and other receivables is included in surplus or deficit in the derecognition gains (losses) on financial assets at amortised cost line item.

Investments in equity instruments

Classification

Investments in equity instruments are presented in note 10. They are classified as mandatorily at fair value through surplus or deficit. As an exception to this classification, the group may make an irrevocable election, on an instrument by instrument basis, and on initial recognition, to designate certain investments in equity instruments as at fair value through other comprehensive income.

The designation as at fair value through other comprehensive income is never made on investments which are either held for trading or contingent consideration in a business combination.

Recognition and measurement

Investments in equity instruments are recognised when the group becomes a party to the contractual provisions of the instrument. The investments are measured, at initial recognition, at fair value. Transaction costs are added to the initial carrying amount for those investments which have been designated as at fair value through other comprehensive income. All other transaction costs are recognised in surplus or deficit.

Investments in equity instruments are subsequently measured at fair value with changes in fair value recognised either in surplus or deficit or in other comprehensive income (and accumulated in equity in the reserve for valuation of investments) , depending on their classification. Details of the valuation policies and processes are presented in note 32.

Fair value gains or losses recognised on investments at fair value through surplus or deficit are included in other operating gains (losses) (note 20).

Dividends received on equity investments are recognised in surplus or deficit when the group's right to received the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in investment income (note 23).

Impairment

Investments in equity instruments are not subject to impairment provisions.

Derecognition

Refer to the derecognition section of the accounting policy for the policies and processes related to derecognition.

The gains or losses which accumulated in equity in the reserve for valuation of investments for equity investments at fair value through other comprehensive income are not reclassified to surplus or deficit on derecognition. Instead, the cumulative amount is transferred directly to retained earnings.

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Accounting Policies

1.7 Financial instruments (continued)

Borrowings and loans from related parties and group companies

Classification

Borrowings and loans from related parties and group companies are classified as financial liabilities subsequently measured at amortised cost.

Recognition and measurement

Loans from related parties are recognised when the group 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 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.

Interest expense, calculated on the effective interest method, is included in surplus or deficit in finance costs.

Borrowings expose the group to liquidity risk and interest rate risk. Refer to note 31 for details of risk exposure and management thereof.

Derecognition

Refer to the derecognition section of the accounting policy for the policies and processes related to derecognition.

Trade and other payables

Classification

Trade and other payables (note 17), excluding VAT and amounts received in advance, are classified as financial liabilities subsequently measured at amortised cost.

Recognition and measurement

They are recognised when the group 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 surplus or deficit in finance costs.

Trade and other payables expose the group to liquidity risk and possibly to interest rate risk. Refer to note 31 for details of risk exposure and management thereof.

Derecognition

Refer to the "derecognition" section of the accounting policy for the policies and processes related to derecognition.

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Accounting Policies

1.7 Financial instruments (continued)

Cash and cash equivalents

Cash and cash equivalents are stated at carrying amount which is deemed to be fair value.

Short term deposits are deposits with maturities of less than 3 months.

Derecognition

Financial assets

The group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the group retains substantially all the risks and rewards of ownership of a transferred financial asset, the group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities

The group derecognises financial liabilities when, and only when, the group obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

1.8 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 surplus 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 surplus 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 which at the time of the transaction, affects neither accounting surplus nor taxable profit (tax loss).

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

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Accounting Policies

1.8 Tax (continued)

Tax expenses

Current and deferred taxes are recognised as income or an expense and included in surplus or deficit 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.

1.9 Inventories

Inventories are measured at the lower of cost and net realisable value.

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.

Inventories comprise of food and beverage consumables, guest amenities, and linen.

When food and beverage consumables and guest amenities are sold or used, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. Linen inventories are recognised as an expense from date of usage. Unused linen items remain in inventory and is measured at the lower of cost and net realisable value. 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.

1.10 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.

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. That reduction is an impairment loss.

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

An entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset other than goodwill attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

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Accounting Policies

1.10 Impairment of assets (continued)

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation other than goodwill is recognised immediately in surplus or deficit. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

1.11 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 surplus 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.

1.12 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.

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Accounting Policies

1.12 Leases (continued)

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 22) 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).

Lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the group uses its incremental borrowing rate.

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 24).

The group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) when:

- there has been a change to the lease term, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- there has been a change in the assessment of whether the group will exercise a purchase, termination or extension option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- there has been a change to the lease payments due to a change in an index or a rate, in which case the lease liability is remeasured by 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);
- there has been a change in expected payment under a residual value guarantee, in which case the lease liability is remeasured by discounting the revised lease payments using the initial discount rate;
- a lease contract has been modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by 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 surplus or deficit if the carrying amount of the right-of-use asset has been reduced to zero.

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Accounting Policies

1.12 Leases (continued)

Right-of-use assets

Right-of-use assets are presented as a separate line item on the Statement of Financial Position.

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

- the initial amount of the corresponding lease liability;
- any lease payments made at or before the commencement date;
- any initial direct costs incurred;
- any estimated costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, when the group incurs an obligation to do so, unless these costs are incurred to produce inventories; and
- less any lease incentives received.

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

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 surplus or deficit unless it is included in the carrying amount of another asset.

1.13 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.

1.14 Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

1.15 Revenue

The group recognises revenue from the following major sources:

- Sales of food and beverage items;
- Provision of room accommodation.
- Rental of properties to tenants.

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The group recognises revenue when it transfers control of a product or service to a customer.

Dividend income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably).

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Accounting Policies

1.15 Revenue (continued)

Interest income

Interest income is recognised on a proportion time basis, taking into account the effective interest rate applicable by reference to the principal outstanding.

Sale of food and beverage items

The Urban Hotel Kathu (Pty) Ltd sells food and beverage items to their guests.

Revenue is recognised at a point in time for sales of goods.

For sales of food and beverage items to guests, revenue is recognised when control of the goods has transferred, being at the point of sale of the food and beverage items to the guests. The food and beverage items are charged at this point, and the payment of the transaction price is due at the point that the guest checks out.

For room occupancy by guests, revenue is recognised when the rooms are occupied. The occupancy is charged at check out, and the payment of the transaction price is due at the point that the guest checks out.

A receivable is recognised for account holding customers. No financing element is recognised as the payment terms are within 6 months.

1.16 Provisions and contingencies

Provisions are recognised when:

- the group has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement shall be treated as a separate asset. The amount recognised for the reimbursement shall not exceed the amount of the provision.

Provisions are not recognised for future operating deficits.

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.

After their initial recognition contingent liabilities recognised in business combinations that are recognised separately are subsequently measured at the higher of:

- the amount that would be recognised as a provision; and
- the amount initially recognised less cumulative amortisation.

Contingent assets and contingent liabilities are not recognised.

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2. New Standards and Interpretations

2.1 Standards and Interpretations not early adopted

The group has chosen not to early adopt the following standards and interpretations:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
<ul style="list-style-type: none">Initial application of IFRS 17 and IFRS 9 - Comparative information	01 January 2023	Unlikely there will be a material impact
<ul style="list-style-type: none">Deferred tax related to assets and liabilities arising from a single transaction - Amendments to IAS 12	01 January 2023	Unlikely there will be a material impact
<ul style="list-style-type: none">Definition of accounting estimates: Amendments to IAS 8	01 January 2023	Unlikely there will be a material impact
<ul style="list-style-type: none">Classification of Liabilities as Current or Non-Current - Amendment to IAS 1	01 January 2023	Unlikely there will be a material impact

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 January 2023 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
<ul style="list-style-type: none">Lease liability in a sale and leaseback	01 January 2024	Unlikely there will be a material impact

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3. Property, plant and equipment

Summary of property, plant and equipment - Group

Group	2022			2021		
	Cost	Accumulated depreciation and impairments	Carrying value	Cost	Accumulated depreciation and impairments	Carrying value
Hotel Land	10 173 744	(988 704)	9 185 040	10 173 744	-	10 173 744
Hotel Buildings	25 688 054	(6 030 920)	19 657 134	24 596 075	(4 849 182)	19 746 893
Trust land and buildings	3 118 805	(609 255)	2 509 550	3 118 805	(453 315)	2 665 490
Furniture and fixtures	1 178 828	(1 070 748)	108 080	1 078 399	(1 040 660)	37 739
Motor vehicles	2 917 655	(1 825 258)	1 092 397	3 232 211	(1 593 616)	1 638 595
Office equipment	1 036 509	(606 300)	430 209	947 242	(467 580)	479 662
IT equipment	2 645 724	(2 199 576)	446 148	2 462 112	(1 895 555)	566 557
Computer software	1 315 476	(1 315 472)	4	1 315 476	(1 315 472)	4
Hotel equipment	1 490 626	(1 296 528)	194 098	981 190	(883 917)	97 273
Hotel furniture and fittings	5 611 942	(4 049 604)	1 562 338	5 565 642	(3 451 067)	2 114 575
Hotel office furniture and IT equipment	218 349	(147 900)	70 449	218 349	(114 811)	103 538
Total	55 395 712	(20 140 265)	35 255 447	53 689 245	(16 065 175)	37 624 070

Summary of property, plant and equipment - Trust

Trust	2022			2021		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Trust land and buildings	3 118 805	(609 255)	2 509 550	3 118 805	(453 315)	2 665 490
Furniture and fixtures	1 067 718	(959 691)	108 027	967 289	(929 603)	37 686
Motor vehicles	2 917 655	(1 825 258)	1 092 397	3 232 211	(1 593 616)	1 638 595
Office equipment	317 349	(302 073)	15 276	300 680	(290 272)	10 408
IT equipment	2 582 220	(2 136 076)	446 144	2 398 608	(1 832 055)	566 553
Computer software	1 315 476	(1 315 472)	4	1 315 476	(1 315 472)	4
Total	11 319 223	(7 147 825)	4 171 398	11 333 069	(6 414 333)	4 918 736

Reconciliation of property, plant and equipment - Group - 2022

	Opening balance	Additions	Disposals	Depreciation	Impairment loss	Total
Hotel Land	10 173 744	-	-	-	(988 704)	9 185 040
Hotel Buildings	19 746 893	1 091 979	-	(850 857)	(330 881)	19 657 134
Trust land and buildings	2 665 490	-	-	(155 940)	-	2 509 550
Furniture and fixtures	37 739	100 429	-	(30 088)	-	108 080
Motor vehicles	1 638 595	-	(314 556)	(231 642)	-	1 092 397
Office equipment	479 662	89 268	-	(138 721)	-	430 209
IT equipment	566 557	183 612	-	(304 021)	-	446 148
Computer software	4	-	-	-	-	4
Hotel equipment	97 273	147 600	-	(50 775)	-	194 098
Hotel furniture and fittings	2 114 575	46 300	-	(598 537)	-	1 562 338
Hotel office furniture and IT equipment	103 538	-	-	(33 089)	-	70 449
Total	37 624 070	1 659 188	(314 556)	(2 393 670)	(1 319 585)	35 255 447

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3. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - Group - 2021

	Opening balance	Additions	Disposals	Depreciation	Total
Hotel Land	10 173 744	-	-	-	10 173 744
Hotel Buildings	20 568 800	17 000	-	(838 907)	19 746 893
Trust land and buildings	2 821 431	-	-	(155 941)	2 665 490
Furniture and fixtures	64 448	-	-	(26 709)	37 739
Motor vehicles	2 184 793	-	-	(546 198)	1 638 595
Office equipment	28 533	566 768	-	(115 639)	479 662
IT equipment	504 746	323 427	(14 970)	(246 646)	566 557
Computer software	126 549	-	-	(126 545)	4
Hotel equipment	133 916	7 000	-	(43 643)	97 273
Hotel furniture and fittings	2 704 857	-	-	(590 282)	2 114 575
Hotel office furniture and IT equipment	30 164	89 028	-	(15 654)	103 538
	39 341 981	1 003 223	(14 970)	(2 706 164)	37 624 070

Reconciliation of property, plant and equipment - Trust- 2022

	Opening balance	Additions	Disposals	Depreciation	Total
Trust land and buildings	2 665 490	-	-	(155 940)	2 509 550
Furniture and fixtures	37 686	100 429	-	(30 088)	108 027
Motor vehicles	1 638 595	-	(314 556)	(231 642)	1 092 397
Office equipment	10 408	16 669	-	(11 801)	15 276
IT equipment	566 553	183 612	-	(304 021)	446 144
Computer software	4	-	-	-	4
	4 918 736	300 710	(314 556)	(733 492)	4 171 398

Reconciliation of property, plant and equipment - Trust- 2021

	Opening balance	Additions	Disposals	Depreciation	Total
Trust land and buildings	2 821 431	-	-	(155 941)	2 665 490
Furniture and fixtures	64 395	-	-	(26 709)	37 686
Motor vehicles	2 184 793	-	-	(546 198)	1 638 595
Office equipment	28 532	-	-	(18 124)	10 408
IT equipment	504 742	323 427	(14 970)	(246 646)	566 553
Computer software	126 549	-	-	(126 545)	4
	5 730 442	323 427	(14 970)	(1 120 163)	4 918 736

Property, plant and equipment encumbered as security

The following assets have been encumbered as security for the secured long-term borrowings :

Land and buildings	27 434 153	28 090 462	-	-
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	Group		Trust	
	2022 R	2021 R	2022 R	2021 R
3. Property, plant and equipment (continued)				
Details of properties				
Erf 6288, 22 Setpark Street, Kathu (held in SIOC Community Development Trust)				
- Purchase price: 14 February 2019	2 850 000	2 850 000	2 850 000	2 850 000
- Capitalised expenditure	268 805	268 805	268 805	268 805
- Accumulated depreciation on property	(609 255)	(453 315)	(609 255)	(453 315)
	2 509 550	2 665 490	2 509 550	2 665 490
House, Kathu (held in The Urban Hotel Kathu (Pty) Ltd)				
Erf 1470, Kathu				
- Purchase price	2 033 652	2 033 652	-	-
- Accumulated depreciation on house	(244 150)	(203 477)	-	-
- Impairment	(330 881)	-	-	-
- Capitalised expenditure	1 041 379	-	-	-
	2 500 000	1 830 175	-	-
Hotel building, Kathu (held in The Urban Hotel Kathu (Pty) Ltd)				
Erf 4331 and 4332, Kathu				
- Purchase price	5 793 744	5 793 744	-	-
- Capitalised expenditure	23 692 417	22 549 838	-	-
- Accumulated depreciation on building	(5 452 008)	(4 643 083)	-	-
	24 034 153	23 700 499	-	-
Land in front of hotel, Kathu (held in The Urban Hotel Kathu (Pty) Ltd)				
Erf 4330, Kathu				
- Purchase price	4 380 000	4 380 000	-	-
- Capitalised expenditure	12 585	12 585	-	-
- Impairment	(988 704)	-	-	-
- Accumulated depreciation on capitalised expenditure	(3 881)	(2 622)	-	-
	3 400 000	4 389 963	-	-

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	Group		Trust	
	2022 R	2021 R	2022 R	2021 R

4. Right-of-use assets

SIOC Community Development Trust leases office space at the SIOC Community Development Trust Office Park in Kathu, from it's wholly owned subsidiary, namely SIOC CDT Properties Company (Pty) Ltd.

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:

Right-of-use asset - Initial amount recognised	-	-	2 276 414	2 942 681
Right-of-use asset - Accumulated depreciation	-	-	(1 998 802)	(1 332 535)
	<u>-</u>	<u>-</u>	<u>277 612</u>	<u>1 610 146</u>

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

SIOC Community Development Trust Office Park	-	-	660 867	666 267
	<u>-</u>	<u>-</u>	<u>660 867</u>	<u>666 267</u>

Lease liabilities

The maturity analysis of lease liabilities is as follows:

Within one year	-	-	476 087	932 343
Two to five years	-	-	-	403 771
	<u>-</u>	<u>-</u>	<u>476 087</u>	<u>1 336 114</u>
Less finance charges component	-	-	(81 586)	(90 856)
	<u>-</u>	<u>-</u>	<u>394 501</u>	<u>1 245 258</u>
Current liabilities	-	-	394 501	1 245 258

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	Group		Trust	
	2022 R	2021 R	2022 R	2021 R

5. Investment property

Group	2022			2021		
	Cost	Accumulated depreciation and impairment	Carrying value	Cost	Accumulated depreciation and impairment	Carrying value
Investment property	31 075 645	(8 597 579)	22 478 066	31 075 645	(16 215 872)	14 859 773

Reconciliation of investment property - Group - 2022

	Opening balance	Depreciation	Impairment reversal	Total
Investment property	14 859 773	(681 707)	8 300 000	22 478 066

Reconciliation of investment property - Group - 2021

	Opening balance	Depreciation	Impairments	Total
Investment property	14 591 480	(681 707)	950 000	14 859 773

Fair value of investment properties - Office	21 900 000	20 600 000	-	-
Fair value of investment properties - Vacant land	12 300 000	4 000 000	-	-

The fair value of the Office Park is based on a valuation obtained from an independent external valuer. In determining the value of the property, the Net Income Capitalization method of valuation was used by the valuer.

The fair value of the vacant land is based on a valuation obtained from an independent external valuer. In determining the value of the property, the Sales Approach method of valuation was used by the valuer.

Details of property

Erf 4106, Gamagara Municipality, Division Kuruman, Northern Cape

- Purchase price: 23 May 2018	15 000 000	15 000 000	-	-
- Capitalised expenditure: 2018	49 140	49 140	-	-
- Accumulated depreciation	(3 139 532)	(2 457 825)	-	-
	11 909 608	12 591 315	-	-

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	Group		Trust	
	2022 R	2021 R	2022 R	2021 R
Vacant land - A portion of portion 11 (portion of portion 6) of the farm Pensfontein Number 447				
- Cost transferred from property, plant and equipment	16 026 505	16 026 505	-	-
- Accumulated impairment losses transferred from property, plant and equipment	(13 076 505)	(13 076 505)	-	-
- Impairment loss reversal: 2019	100 000	100 000	-	-
- Impairment loss reversal: 2021	950 000	950 000	-	-
- Impairment loss reversal: 2022	8 300 000	-	-	-
	12 300 000	4 000 000	-	-

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6. Investments in subsidiaries

The following table lists the entities which are controlled by the group, either directly or indirectly through subsidiaries.

Group

Name of company	Held by	% holding 2022	% holding 2021
SIOC CDT Investment Holdings (RF) (Pty) Ltd	SIOC Community Development Trust	100,00 %	100,00 %
SIOC Community Development SPV (Pty) Ltd	SIOC Community Development Trust	100,00 %	100,00 %
SIOC CDT Operating Company (Pty) Ltd	SIOC Community Development Trust	100,00 %	100,00 %
SIOC CDT Properties Company (Pty) Ltd	SIOC CDT Investment Holdings (RF) (Pty) Ltd	100,00 %	100,00 %
SIOC-CDT Strategic Ventures (Pty) Ltd	SIOC CDT Investment Holdings (RF) (Pty) Ltd	100,00 %	100,00 %
SIOC-CDT Resource Holdings (Pty) Ltd	SIOC CDT Investment Holdings (RF) (Pty) Ltd	100,00 %	100,00 %
Subrotouch (RF) (Pty) Ltd	SIOC CDT Investment Holdings (RF) (Pty) Ltd	100,00 %	100,00 %
SIOC CDT Solar Energy Company (Pty) Ltd (Deregistered 6 October 2022)	SIOC CDT Investment Holdings (RF) (Pty) Ltd	- %	100,00 %
The Urban Hotel Kathu (Pty) Ltd	SIOC CDT Investment Holdings (RF) (Pty) Ltd	100,00 %	100,00 %

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7. Investments in associates (continued)

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

Trust

Name of company	Held by	% holding 2022	% holding 2021	Carrying amount 2022	Carrying amount 2021
SIOC CDT Investment Holdings (RF) (Pty) Ltd	SIOC Community Development Trust	100,00 %	100,00 %	1 247 439 042	1 147 000 100
SIOC Community Development SPV (Pty) Ltd	SIOC Community Development Trust	100,00 %	100,00 %	1 000	1 000
SIOC CDT Operating Company (Pty) Ltd	SIOC Community Development Trust	100,00 %	100,00 %	100	100
Impairment of investment in subsidiary - SIOC CDT Operating Company (Pty) Ltd				1 247 440 142 (100)	1 147 001 200 (100)
				1 247 440 042	1 147 001 100

During the year an additional 64 (2021: 177) shares were issued to SIOC Community Development Trust in SIOC CDT Investment Holdings (RF) (Pty) Ltd at a value of R 100,438,942 (2021: R360,000,000).

As at 31 December 2022, the investment in SIOC CDT Operating Company (Pty) Ltd remains fully impaired at R 0 as the subsidiary had a negative net asset value at year end.

Reporting period

All of the above subsidiaries share the same year end as that of SIOC Community Development Trust.

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7. Investments in associates

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

Group

Name of company	Held by	% ownership interest 2022	% ownership interest 2021	Carrying amount 2022	Carrying amount 2021
Airlink (Pty) Ltd (unlisted)	SIOC-CDT Strategic Ventures (Pty) Ltd	33,50 %	33,50 %	66 177 479	-
Continental Coal Ltd (unlisted)	SIOC-CDT Resource Holdings (Pty) Ltd	26,00 %	26,00 %	1	1
				66 177 480	1

Material associates

The following associate is material to the group:

	Country of incorporation	Method	% Ownership interest 2022	% Ownership interest 2021
Airlink (Pty) Ltd (unlisted)	South Africa	Equity	33,50 %	33,50 %

SIOC-CDT Strategic Ventures (Pty) Ltd holds 33.5% (2021: 33.5%) of the ownership and voting power in Airlink (Pty) Ltd, a company which has its place of business in South Africa, and its principal activity is that of a regional airline.

SIOC-CDT Strategic Ventures (Pty) Ltd has significant influence in Airlink (Pty) Ltd.

The investment was valued at R779,295,400 as at 31 December 2022 (2021: R0).

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7. Investments in associates (continued)

Summarised financial information of material associates

Summarised Statement of Profit or Loss and Other Comprehensive Income

	Airlink (Pty) Ltd	
	2022	2021
Revenue	8 362 577 000	3 525 899 000
(Loss) / profit from continuing operations	576 741 000	(764 435 000)
Total comprehensive loss	576 741 000	(764 435 000)

Summarised Statement of Financial Position

Assets

Non-current	1 780 198 000	1 620 587 000
Current	3 201 712 000	1 937 950 000
Total assets	4 981 910 000	3 558 537 000

Liabilities

Non-current	1 615 654 000	1 925 278 000
Current	3 182 617 000	1 981 847 000
Total liabilities	4 798 271 000	3 907 125 000

Total net assets (liabilities)	183 639 000	(348 588 000)
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Reconciliation of movement in investments in associates

	Airlink (Pty) Ltd	
	2022	2021
Investment at beginning of year	-	129 971 752
Amortisation net of related deferred taxation movement	(518 562)	(916 782)
Share of profit (loss)	-	(129 054 970)
Impairment loss reversal on investment in associate	66 696 042	-
Carrying value of investment in associate at the end of the year	66 177 480	-

Reversal of impairment of investment in associate - Airlink (Pty) Ltd

The fair value of the investment in Airlink (Pty) Ltd has been determined as R779,295,400 at 31 December 2022 (2021: Rnil). In the prior year the net debt exceeded the enterprise value. Determining the fair value of the investment in Airlink (Pty) Ltd, remained that of utilising a Discounted Cash Flow (DCF), consistent with the prior year.

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	Group		Trust	
	2022 R	2021 R	2022 R	2021 R
8. Loans to related parties				
Subsidiaries				
SIOC CDT Investment Holdings (RF) (Pty) Ltd	-	-	19 192 831	1 381 241
SIOC CDT Operating Company (Pty) Ltd	-	-	4 005 964	4 005 964
	-	-	23 198 795	5 387 205
SIOC CDT Operating Company (Pty) Ltd - Impairment allowance	-	-	(4 005 964)	(4 005 964)
	-	-	19 192 831	1 381 241

* Prior year presentation has been corrected by reclassifying amounts to enhance disclosure (refer to note 35).

The loan to SIOC CDT Investment Holdings (RF) (Pty) Ltd is unsecured, bears no interest and is not repayable before 31 December 2023.

The loan to SIOC CDT Operating Company (Pty) Ltd is unsecured, bears no interest and has no fixed terms of repayment. The loan to the value of R 4,005,964 (2021: R 4,005,964) has been subordinated in favour of the creditors of SIOC CDT Operating Company (Pty) Ltd until such time as their total assets, fairly valued, exceed their total liabilities, fairly valued.

Fair value of loans to subsidiaries

The fair value of group loans receivable listed above are considered by management to approximate the carrying value of the loans.

The significant unobservable inputs used in the fair value measurement as at 31 December 2022 were a discount rate of 0% and a discount period of 0 years.

The fair values of the loans are considered to represent level 3 fair values, as defined by IFRS 13 Fair Value Measurements.

There were no transfers between levels 1, 2 and 3 during the year under review.

Group companies

SIOC CDT Properties Company (Pty) Ltd	-	-	53 517 745	51 643 686
SIOC CDT Properties Company (Pty) Ltd - Credit loss allowance	-	-	(32 781 278)	(27 100 000)
Airlink (Pty) Ltd	39 468 296	7 963 277	-	-
	39 468 296	7 963 277	20 736 467	24 543 686

Split between non-current and current portions

Non-current assets	39 468 296	7 963 277	19 123 090	42 628 779
Current assets	-	-	1 613 377	1 476 456
	39 468 296	7 963 277	20 736 467	44 105 235

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8. Loans to related parties (continued)

SIOC CDT Properties Company (Pty) Ltd

The loan is unsecured, bears interest at the South African prime interest rate less 2.5% nominal annual compounded monthly in arrears. The loan is not repayable before 31 December 2023, other than a portion of the loan which equates to the yearly rental payable to SIOC CDT Properties Company (Pty) Ltd.

The loan, capped to the value of R 36,000,000 (2021: R 36,000,000), has been subordinated in favour of the creditors of SIOC CDT Properties Company (Pty) Ltd until such time as their total assets, fairly valued, exceed their total liabilities, fairly valued.

The loan to SIOC CDT Properties Company (Pty) Ltd has been impaired by R 32,781,278 (2021: R 27,100,000) to the value of R 20,736,467 (2021: R 24,543,686). Based on the net liability position of SIOC CDT Properties Company (Pty) Ltd, as well as its financial performance, it was considered prudent to provide for the non-recovery of this loan.

Airlink (Pty) Ltd

The loan by SIOC-CDT Strategic Ventures (Pty) Ltd to Airlink (Pty) Ltd consists of 2 separate loans, namely "Proportionate Loans" and "Disproportionate Loans".

The Proportionate Loan contributed by SIOC-CDT Strategic Ventures (Pty) Ltd amounts to R 38,189,365 (2021: R 35,105,083) and bears interest at the Prime Rate. This Loan is subordinated to the Nedbank Limited loan of R 200 million and the existing revolving credit facility of R 60 million with Investec Bank Limited.

The Disproportionate Loan amounted to R 1,278,931 (2021: R 1,092,167), and bears interest at the Prime Rate plus 2% margin. This loan is similarly subordinated to the two senior facilities and repayable in preference to the repayment of the Proportionate Loans. Interest in the amount of R3,271,046 (2021: R 2,469,943) has been recognised to date.

To the extent that the loans have not been repaid by 1 September 2022, SIOC CDT Strategic Ventures (Pty) Ltd had the right but not the obligation to elect to have the loans settled by way of the issue of additional shares in Airlink (Pty) Ltd. The loans were not repaid by 1 September 2022 and the directors of SIOC CDT Strategic Ventures (Pty) Ltd elected not to exercise the right.

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 terms of IFRS 9, Financial Instruments, an expected credit loss of R Nil (2020: R 28,233,436) was recognised in the current financial year on the loan to Airlink (Pty) Ltd. The loss allowance is based on assumptions of a loss given on default of 0% (2021: 100%) and a probability of default of 3.68% (2021: 78%).

Fair value of loans to related parties

The fair value of loans to related parties listed above are considered by management to approximate the carrying value of the loans.

The fair values of the loans are considered to represent level 3 fair values, as defined by IFRS 13 Fair Value Measurements.

There were no transfers between levels 1, 2 and 3 during the year under review.

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	2022 R	2021 R	2022 R	2021 R
9. Financial assets at amortised cost				
Loan to Kathu Solar Park (RF) (Pty) Ltd - Interest bearing	429 757 987	428 616 712	-	-
Loan to Kathu Solar Park (RF) (Pty) Ltd - Estimated credit loss	(9 093 817)	(6 056 179)	-	-
	420 664 170	422 560 533	-	-
S. Chisha	250 000	300 000	250 000	300 000
The claim against the debtor is valid for 30 years. An estimated credit loss of R 254,693 (2021: R 257,748) has been recognised on this claim.				
S. Chisha - Estimated credit loss	(250 000)	(257 748)	(250 000)	(257 748)
Terms and conditions				
At fair value through profit or loss - designated				
	420 664 170	422 602 785	-	42 252

* Prior year presentation has been corrected by reclassifying amounts to enhance disclosure (refer to note 35).

Loan to Kathu Solar Park (RF) (Pty) Ltd

The loan bears interest at 12.25% per annum and is repayable at the option of Kathu Solar Park (RF) (Pty) Ltd, but only from amounts then standing to the credit of the Distribution Accounts and available for such purposes in accordance with the provisions of clause 10 (Subordination) of the Equity Subordination, Subscription and Retention Agreement. This loan has been subordinated in favour of the lenders of Kathu Solar Park (RF) (Pty) Ltd.

Subrotouch (RF) (Pty) Ltd's debt is junior ranking debt to Kathu Solar Park (RF) (Pty) Ltd. Therefore, for KSP to settle this loan on demand they would first need to settle senior debt, and only if there is money left thereafter, can Subrotouch (RF) (Pty) Ltd demand immediate repayment. Based on this and the fact that there is not enough in the debt service account to achieve this in 12 months, this debt is deemed to be non-current. It is expected that the loan will be repaid around 2028 to 2030.

A separate loan agreement was entered into between Subrotouch (RF) (Pty) Ltd and the Development Bank of Southern Africa Ltd ("DBSA") to finance the loan granted to Kathu Solar Park (RF) (Pty) Ltd.

In terms of IFRS 9, Financial Instruments, an expected credit loss of R 9,093,817 (2021: R 6,056,179) was recognised in the current financial year. The loss allowance is based on assumptions of a loss given on default of 55% (2021: 57%) and a probability of default of 3.68% (2021: 2.56%).

It is not possible as at year end to calculate the amount of the distributions to be received in the next 12 months, and therefore it is not possible to allocate a certain portion of the loan to current assets.

Subrotouch (RF) (Pty) Ltd issued a Pledge and Cession of its rights and claims in relation to the shares it owns in Kathu Solar Park (RF) (Pty) Ltd in favour of the Senior Lenders. As a Borrower in the BEE Funding Facility Agreement, Subrotouch (RF) (Pty) Ltd also issued a reversionary Pledge and Cession of its rights and claims in relation to the shares it owns in Kathu Solar Park (RF) (Pty) Ltd in favour of the DBSA.

SIOC CDT Investment Holdings (RF) (Pty) Ltd, as the sole shareholder of Subrotouch (RF) (Pty) Ltd, issued a Limited Recourse Guarantee and a Pledge and Cession of its rights and claims in relation to the shares it owns in Subrotouch (RF) (Pty) Ltd in favour of the DBSA. This ensures that in the event of default by Subrotouch (RF) (Pty) Ltd, SIOC CDT Investment Holdings (RF) (Pty) Ltd would assume the indebtedness and repayment obligations of the BEE facility, which indebtedness is limited to the realisation proceeds of the value of the shares.

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	Group		Trust	
	2022 R	2021 R	2022 R	2021 R

9. Financial assets at amortised cost (continued)

The DBSA has sole access to 99% of the distributions received from the investment in Kathu Solar Park (RF) (Pty) Ltd until such time that the loan with the DBSA has been fully redeemed.

Sensitivity analysis

The value of the investment is highly sensitive to the discount rate applied, with an inverse relationship. The value would increase by approximately 5.9% with a 1% decrease in the cost of equity and decrease by approximately 5.3% with a 1% increase in the cost of equity.

10. 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:

Listed shares - Basil Read Holdings Ltd (5.99% of the shares in Basil Read Holdings Ltd)	22 265 268	22 265 268	-	-
Less: Fair value adjustment to listed shares - Basil Read Holdings Ltd	(22 265 268)	(22 265 268)	-	-

Prudential Core Equity Investment

The Prudential Core Equity Investment is a unit trust investment in local listed equities in South Africa with Prudential Investment Managers. Its fair value is marked-to-market on a monthly basis. The fair value movement year on year is accounted for in profit and loss.

179 195 179	164 695 611	-	-
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Futuregrowth Core Bond Investment

The Futuregrowth Core Bond Investment is an investment via a segregated mandate with Futuregrowth Asset Management (Pty) Ltd in their Core Bond fund. The fund invests in a wide range of RSA government, state owned enterprise and corporate bonds. Its fair value is marked-to-market on a monthly basis. The fair value movement year on year is accounted for in profit and loss.

101 411 583	97 561 835	-	-
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	Group		Trust	
	2022 R	2021 R	2022 R	2021 R
10. Investments at fair value (continued)				
Mandatorily at fair value through profit or loss:				
Taquanta Asset Managers - BlackRock Index Selection Fund	235 303 951	271 945 704	-	-
SIOC CDT Investment Holdings (Pty) Ltd, through an Investment Management Agreement, has entered into an offshore investment, namely the BlackRock Index Selection Fund. The investment will be an accumulated class vehicle, wherein returns will be reinvested and accumulated until such time that the investment is closed. The investment is a USD denominated unit trust, wherein the underlying investments are equities. The Fund invests in equity securities listed and traded on regulated markets in the United States, reflecting the equity market's return in the United States. The fair value movement year on year is accounted for in profit and loss.				
OMPE Fund V Partnership	222 250 273	102 923 985	-	-
SIOC CDT Investment Holdings (Pty) Ltd, through a Deed of Adherence, entered into between InvestCo and the OMPE Fund V Partnership, has committed capital for investment in various long-term equity, quasi-equity, and equity related investments in companies within Africa and principally in South Africa. The fair value movement year on year is accounted for in profit and loss.				
There is no intention to withdraw these investments within the next 12 months, as they are kept with a long-term view and are not utilised as short-term investment accounts.				
Equity investments at fair value through other comprehensive income:				
Unlisted shares	173 409 000	99 496 767	-	-
50 shares (12.5%) in Kathu Solar Park (RF) (Pty) Ltd				
Unlisted shares	4 342 692 557	3 735 635 491	-	-
36,000,000 shares (3.09%) in Sishen Iron Ore Company (Pty) Ltd				
	5 254 341 719	4 472 265 845	-	-

Fair value information

There is no intention to withdraw these investments within the next 12 months, as they are kept with a long-term view and are not utilised as short-term investment accounts.

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10. Investments at fair value (continued)

Sishen Iron Ore Company (Pty) Ltd shares

On 26 May 2022, the board of directors of SIOC (Pty) Ltd ("SIOC") approved an employee share trust transaction known as the SIOC Employee Share Ownership Plan ("SIOC ESOP" or "ESOP"), in which its employees were granted 1.2% of SIOC's shares for free and entitle them to annual dividends throughout the SIOC life. This transaction resulted in a slight dilution in the shareholding of SIOC Community Development Trust SPV (Pty) Ltd in SIOC (Pty) Ltd. The shareholding diluted to 3.06% from 3.09% previously held.

For the year ended 31 December 2022, the fair value of the 3.06% minority shareholding in Sishen Iron Ore Company (Pty) Ltd was derived by using the Kumba Iron Ore Ltd share price as at 31 December 2022, with reference to the 3.06% minority shareholding in Sishen Iron Company (Pty) Ltd. This value was discounted for the limitation in the transfer of the shares in Sishen Iron Ore Company (Pty) Ltd.

In terms of the fair value hierarchy it is classified as a level 2 valuation technique.

In deriving at the fair value of the 3.06% (2021: 3.09%) shareholding in Sishen Iron Ore Company (Pty) Ltd, the following inputs and assumptions were used during the valuation:

Valuation date:	31 December 2022;
Shares in issue:	322,085,974;
Closing share price:	R492 per share;
Discount applied to take into account limitation of trading:	33.2%.

2021

For the year ended 31 December 2021, the fair value of the 3.09% minority shareholding in Sishen Iron Ore Company (Pty) Ltd was derived by using the Kumba Iron Ore Ltd share price as at 31 December 2021, with reference to the 3.09% minority shareholding in Sishen Iron Company (Pty) Ltd. This value was discounted for the limitation in the transfer of the shares in Sishen Iron Ore Company (Pty) Ltd.

In terms of the fair value hierarchy it is classified as a level 2 valuation technique.

In deriving at the fair value of the 3.09% shareholding in Sishen Iron Ore Company (Pty) Ltd, the following inputs and assumptions were used during the valuation:

Valuation date:	31 December 2021;
Shares in issue:	322,085,974;
Closing share price:	R460 per share;
Discount applied to take into account limitation of trading:	33.2%.

Risk exposure

The company is indirectly exposed to foreign exchange risk and commodity risk due to the fact that its main source of income arises from the 3.06% shareholding in Sishen Iron Ore Company (Pty) Ltd, which is a mining company in iron ore. Therefore, movements in foreign currency rates and the price of iron ore respectively may affect its operational results and in turn affect future dividends received by the company.

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	Group		Trust	
	2022 R	2021 R	2022 R	2021 R

10. Investments at fair value (continued)

Summary of movement on investments

	Futuregrowth Core Bond Investment	Prudential Core Equity Investment	BlackRock Index Selection Fund	OMPE Fund V Partnership
Opening balance 1 January 2021	89 572 424	122 403 175	-	-
Contributions - 2021	-	-	260 000 000	93 526 509
Fair value adjustments based on market values of portfolios - 2021	7 989 411	42 292 436	11 427 404	9 397 476
Foreign exchange gains relating to investment - 2021	-	-	456 507	-
Interest relating to investment - 2021	-	-	117 553	-
Cost relating to investment - 2021	-	-	(55 760)	-
Closing balance 31 December 2021	97 561 835	164 695 611	271 945 704	102 923 985
Fair value adjustments based on market values of portfolios - 2022	3 849 748	14 499 568	(36 206 498)	119 326 288
Interest relating to investment - 2022	-	-	9 509	-
Foreign exchange gains relating to investment - 2022	-	-	(219 455)	-
Costs relating to investment - 2022	-	-	(225 309)	-
Closing balance at 31 December 2022	101 411 583	179 195 179	235 303 951	222 250 273

11. Deferred tax

Deferred tax liability

Originating and reversing temporary differences	(43 209 391)	-	-	-
Other deferred tax liability - 3	2 109 765	-	-	-
Total deferred tax liability	(41 099 626)	-	-	-

Deferred tax asset

Estimated credit losses on trade receivables	124 998	51 722	-	-
Originating and reversing temporary differences	-	12 846 815	-	-
Deferred tax balance from temporary differences other than unused tax losses	124 998	12 898 537	-	-
Total deferred tax asset	124 998	12 898 537	-	-
Deferred tax liability	(41 099 626)	-	-	-
Deferred tax asset	124 998	12 898 537	-	-
Total net deferred tax (liability) asset	(40 974 628)	12 898 537	-	-

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	2022 R	2021 R	2022 R	2021 R
11. Deferred tax (continued)				
Reconciliation of deferred tax asset / (liability)				
At beginning of year	12 898 537	(13 327 312)	-	-
Taxable temporary differences on estimated credit loss and unlisted shares	3 037 638	26 188 530	-	-
Deductible temporary differences movement on property, plant and equipment	-	(1 060 799)	-	-
Losses recognised to extent of future taxable gains	-	63 828	-	-
Taxable / (deductible) temporary difference movement on estimated credit losses on trade receivables	73 275	(26 509)	-	-
Derecognition of deferred tax asset	(17 112 047)	-	-	-
Tax losses available for set off against future taxable income	(39 872 031)	1 060 799	-	-
	(40 974 628)	12 898 537	-	-

Recognition of deferred tax asset

An entity shall disclose the amount of a deferred tax asset and the nature of the evidence supporting its recognition, when:

- the utilisation of the deferred tax asset is dependent on future taxable surpluses in excess of the surpluses arising from the reversal of existing taxable temporary differences; and
- the entity has suffered a deficit in either the current or preceding period in the tax jurisdiction to which the deferred tax asset relates.

Unrecognised deferred tax asset

Deductible temporary differences not recognised as deferred tax assets	127 181	270 278	-	-
Unused tax losses not recognised as deferred tax assets, with expiry date [date]	1 227 822	828 113	-	-
	1 355 003	1 098 391	-	-

12. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	500	500	-	-
Bank balances	23 760 700	19 853 838	20 997 567	18 157 383
Short-term deposits	3 239 061 255	2 644 274 899	3 226 481 043	2 642 699 691
	3 262 822 455	2 664 129 237	3 247 478 610	2 660 857 074

Cash and cash equivalents held by the entity that are not available for use by the group.	374 030 895	506 297 509	374 030 895	506 297 509
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Short-term deposits with maturities of less than 3 months are treated as cash and cash equivalents as they are readily convertible to cash and subject to insignificant risk of changes in value.

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	Group		Trust	
	2022 R	2021 R	2022 R	2021 R
13. Inventories				
Food and beverage consumables	511 842	314 507	-	-
Guest amenities	61 386	38 149	-	-
Cleaning supplies	37 774	53 469	-	-
	611 002	406 125	-	-
14. Trade and other receivables				
Financial instruments:				
Trade receivables	1 766 864	2 416 318	1 499 215	144 208
Loss allowance	(744 496)	(274 121)	-	-
Trade receivables at amortised cost	1 022 368	2 142 197	1 499 215	144 208
Deposits	508 636	344 559	508 636	344 559
Other receivables	8 775	3 775	3 775	3 775
Funds receivable - Managing Agent	212 768	169 621	-	-
Non-financial instruments:				
VAT	2 636 476	3 148 479	2 636 476	3 075 726
Prepayments	746 902	711 583	652 481	635 360
Total trade and other receivables	5 135 925	6 520 214	5 300 583	4 203 628
Split between non-current and current portions				
Current assets	5 135 925	6 520 214	5 300 583	4 203 628
Financial instrument and non-financial instrument components of trade and other receivables				
At amortised cost	1 752 547	2 660 152	2 041 098	492 542
Non-financial instruments	3 383 378	3 860 062	3 288 957	3 711 086
	5 135 925	6 520 214	5 330 055	4 203 628

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	2022 R	2021 R	2022 R	2021 R

14. Trade and other receivables (continued)

Trade and other receivables past due but not impaired

Group:

Trade and other receivables which are less than 3 months past due but not impaired are not considered impaired. At 31 December 2022, R466,969 (2021: R 619,253) were past due but not impaired.

Trust:

The company has no trade and other receivables which are less than 3 months past due but not impaired.

Group:

The ageing of amounts past due but not impaired is as follows:

	2022	2021
1 month past due	360 483	524 462
2 months past due	106 486	94 791
Total	466 969	619 253

Reconciliation of loss allowances

As at 31 December 2022, trade and other receivables of R 744,496 (2021: R 274,121) were impaired and provided for.

Opening balance at beginning of the year	(274 121)	(448 579)	-	-
Decrease /(Increase) in credit loss allowance	(470 375)	174 458	-	-
Closing balance	(744 496)	(274 121)	-	-

Fair value of trade and other receivables

15. Current tax payable

Normal tax	(1 576 173)	137 868	103 787	101 684
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Net current tax receivable (payable)

Current assets	315 825	313 722	103 787	101 684
Current liabilities	(1 891 998)	(175 854)	-	-
	(1 576 173)	137 868	103 787	101 684

16. Borrowings

Held at amortised cost

Secured

Nedbank Ltd	7 234 223	8 942 558	-	-
Development Bank of Southern Africa Ltd ("DBSA")	381 202 151	383 667 574	-	-
	388 436 374	392 610 132	-	-

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	Group		Trust	
	2022 R	2021 R	2022 R	2021 R
16. Borrowings (continued)				
Split between non-current and current portions				
Non-current liabilities	316 414 805	313 809 677	-	-
Current liabilities	72 021 569	78 800 454	-	-
	388 436 374	392 610 131	-	-

Nedbank Ltd

The total of the 2 loan facilities from Nedbank to The Urban Hotel Kathu (Pty) Ltd amounts to R 11,790,000.

The loans are repayable over 84 monthly instalments (currently R 187,989 per month) ending on 1 April 2026.

The loans bear interest at prime related interest rates less 0.9% per annum.

The loans are secured by a first mortgage bond to the value of:

- R 1,920,000 registered over Erf 4331 and Erf 4332, Kathu;
- R 1,500,000 registered over Erf 4330, Kathu; and
- Limited suretyship by SIOC CDT Investment Holdings (RF) (Pty) Ltd, incorporating cession of claims in the amount of R11,790,000.

The current portion of this loan amounts to R 1,772,278.

Development Bank of Southern Africa ("DBSA")

The loan bears interest which is linked to the 3-month Johannesburg Interbank Agreed Rate (JIBAR) plus a 6% margin, calculated daily and compounded 3-monthly, and repayable by distributions received from Kathu Solar Park (RF) (Pty) Ltd. KSP makes distributions to senior lenders each year. Any remaining funds are applied towards distributions to subordinated lenders.

In terms of the BEE funding Facility Agreement between the DBSA and Subrotouch (RF) (Pty) Ltd, the loan facility in an amount of R 372,050,000 is made available by the DBSA to Subrotouch (RF) (Pty) Ltd for the BEE Facility Purposes for the sole purpose as defined below:

1. Subscription by Subrotouch (RF) (Pty) Ltd for Equity in Kathu Solar Park (Pty) Ltd in accordance with the provisions of the Equity Subscription Agreement;
2. Subrotouch (RF) (Pty) Ltd to advance a portion of the loan amount to Kathu Solar Park (RF) (Pty) Ltd as its Shareholder Loan in accordance with the provisions of the Equity Subscription Agreement;
3. Payment of the Appraisal Fee and the Commitment Fee;
4. Payment of the Transactions Costs.

Subrotouch (RF) (Pty) Ltd issued a Pledge and Cession of its rights and claims in relation to the shares it owns in Kathu Solar Park (RF) (Pty) Ltd in favour of the Senior Lenders. As a Borrower in the BEE Funding Facility Agreement, Subrotouch (RF) (Pty) Ltd also issued a reversionary Pledge and Cession of its rights and claims in relation to the shares it owns in Kathu Solar Park (RF) (Pty) Ltd in favour of the DBSA.

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16. Borrowings (continued)

SIOC CDT Investment Holdings (RF) (Pty) Ltd, as the sole shareholder of Subrotouch (RF) (Pty) Ltd, issued a Limited Recourse Guarantee and a Pledge and Cession of its rights and claims in relation to the shares it owns in Subrotouch (RF) (Pty) Ltd in favour of the DBSA. This ensures that in the event of default by Subrotouch (RF) (Pty) Ltd, SIOC CDT Investment Holdings (RF) (Pty) Ltd would assume the indebtedness and repayment obligations of the BEE facility, which indebtedness is limited to the realisation proceeds of the value of the shares.

The fair value of the financial liability approximates its carrying value.

The current portion of this loan amounts to R 68,635,914.

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The loan is unsecured, bears interest at the South African prime interest rate less 2.5% nominal annual compounded monthly in arrears. The loan is not repayable before 31 December 2023, other than a portion of the loan which equates to the yearly rental payable to SIOC CDT Property Holdings (Pty) Ltd.

The loan, capped to the value of R 36,000,000 (2021: R 36,000,000), has been subordinated in favour of the creditors of SIOC CDT Properties Company (Pty) Ltd until such time as their total assets, fairly valued, exceed their total liabilities, fairly valued.

The current portion of this loan amounts to R 1,613,377.

Exposure to liquidity risk

The company's risk to liquidity is a result of the funds available to cover future commitments. The company manages liquidity risk through an ongoing review of future commitments and credit facilities.

Exposure to capital risk

The group limits its exposure to financial risks, whether market, credit or liquidity by limiting its borrowings from third parties.

The capital structure of the company consists of debt, which includes borrowings.

Exposure to interest rate risk

The company's interest rate risk arises from its interest bearing borrowings from third parties.

17. Trade and other payables

Financial instruments:

Trade payables	21 913 618	8 467 262	20 712 252	7 587 363
Refunds due	178 404	119 096	-	-
Other payables	66 395	145 480	23 977	115 814
Deposits received	297 000	261 074	-	-
Accrued liabilities	7 864 104	6 887 721	6 549 471	5 284 461

Non-financial instruments:

Amounts received in advance	106 893	-	-	-
VAT	70 209	231 973	-	-
	30 496 623	16 112 606	27 285 700	12 987 638

*To enhance disclosure, the other payables as well as accrual and provision balances have been condensed.

Fair value of trade and other payables

The fair value of trade and other payables is considered to approximate the carrying value due to the relatively short maturation date of these financial instruments.

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	Group		Trust	
	2022 R	2021 R	2022 R	2021 R
18. Revenue				
Revenue recognised at a point in time				
Hotel revenue - Food and beverages	3 426 786	2 745 390	-	-
Revenue recognised overtime				
Hotel revenue - Rooms	11 639 281	9 635 884	-	-
Rental revenue	4 553 540	2 303 057	-	-
Revenue not from contracts with customers				
Dividends received	773 006 337	1 498 694 637	772 947 860	1 498 544 731
Interest using the effective rate method from investment portfolio	54 140 968	52 989 204	-	-
	846 766 912	1 566 368 172	772 947 860	1 498 544 731
19. Other operating income				
Refund received	-	272 050	-	-
Business interruption claim received	-	115 312	-	-
Sundry income	631 961	23 043	631 961	23 043
	631 961	410 405	631 961	23 043
20. Fair value gains /(losses)				
Loans from group companies	-	-	(4 517 745)	-
Financial assets mandatorily at fair value through profit or loss - Prudential, Futuregrowth, Taquanta and OMPE	(2 778 109)	71 106 727	-	-
Financial assets designated as at fair value through profit or loss - Kathu Solar Park (RF) (Pty) Ltd	73 912 233	(110 949 733)	-	-
	71 134 124	(39 843 006)	(4 517 745)	-
21. Movement on credit loss allowances				
Trade and other receivables	(470 375)	174 458	-	-
Other financial assets at amortised cost	(9 086 069)	(5 960 499)	7 748	2 849
Loan to related party	34 289 615	(28 233 436)	(1 163 533)	-
	24 733 171	(34 019 477)	(1 155 785)	2 849

* Prior year presentation has been corrected by reclassifying amounts to enhance disclosure (refer to note 35).

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	Group		Trust	
	2022 R	2021 R	2022 R	2021 R
22. Operating expenses				
Expenses by nature				
Impairment / (Reversal) of impairments	(8 300 000)	(950 000)	-	-
Foreign exchange (gains) /losses	219 455	(456 507)	-	-
Municipal costs	2 002 563	1 960 950	-	-
Repairs and maintenance	1 902 472	1 306 641	-	-
Project expenditure and feasibility studies	204 935 687	226 525 841	204 935 687	226 525 841
Employee costs	50 019 032	40 552 127	44 226 391	35 402 391
Hotel - Rooms, food and beverage expenses	4 701 713	3 637 256	811 704	519 521
Depreciation, amortisation and impairment	3 384 534	3 387 870	1 708 915	1 786 430
Other expenses	27 804 373	18 911 568	23 044 583	15 078 114
Auditor's remuneration	1 733 907	1 971 445	692 802	989 400
Consulting and professional services	7 302 300	4 649 477	5 768 785	4 015 596
Impairment of property, plant and equipment	1 319 585	-	-	-
	297 025 621	301 496 668	281 188 867	284 317 293

* Prior year presentation has been corrected by reclassifying amounts to enhance disclosure (refer to note 35). Previously disclosed as Operating profit (loss) and restated to disclose as Operating expenses in the current year.

23. Investment income

Interest income

Investments in financial assets:

Bank and other cash	197 456 398	106 886 048	197 420 449	106 844 584
Other financial assets	145	115	-	-

Loans to group companies:

Subsidiaries	-	-	3 206 011	2 299 425
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Total interest income	197 456 543	106 886 163	200 626 460	109 144 009
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* Prior year presentation has been corrected by reclassifying amounts to enhance disclosure (refer to note 35).

24. Finance costs

Borrowings - Development Bank of South Africa	42 938 009	38 581 496	-	-
Borrowings - Nedbank Ltd	604 815	664 904	-	-
Trade and other payables	1 626	524	-	-
Lease liabilities	-	-	81 586	153 018
South African Revenue Services	1 546	74 969	1 546	74 969
Bank	-	4 320	-	-
Total finance costs	43 545 996	39 326 213	83 132	227 987

25. Share of net profits / (losses) from equity accounted investments

Share of profit/(loss) in associates	66 696 041	(129 054 969)	-	-
Amortisation of intangible assets in associates	(518 561)	(916 782)	-	-
	66 177 480	(129 971 751)	-	-

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	Group		Trust	
	2022 R	2021 R	2022 R	2021 R
26. Taxation				
Major components of the tax expense (income)				
Current				
Local income tax - current period	3 037 957	3 936 679	-	-
Deferred				
Originating and reversing temporary differences	26 089 065	(26 225 848)	-	-
Derecognition of deferred tax asset	27 784 100	-	-	-
	53 873 165	(26 225 848)	-	-
	56 911 122	(22 289 169)	-	-
Reconciliation of the tax expense				
Accounting surplus	864 544 303	1 129 007 625	687 260 752	1 323 169 352
Tax at the applicable tax rate of 45% (2021: 45%)	389 044 936	508 053 431	309 267 338	595 426 208
Tax effect of adjustments on taxable income				
Section 10(1)(cN) exemption	(389 044 936)	(508 053 431)	(309 267 338)	(595 426 208)
	-	-	-	-

The Trust is an approved Public Benefit Organisation in terms of section 30 of the Income Taxation Act (the Act), and the receipts and accruals are exempt from income taxation in terms of section 10(1)(cN) of the Act.

27. Other comprehensive income

Components of other comprehensive income - Group - 2022

	Gross	Tax	Net
Items that will not be reclassified to profit (loss)			
Fair value through other comprehensive income - Other financial assets adjustments			
Gains arising from fair value adjustment of 3.06% (2021: 3.09%) shareholding in Sishen Iron Ore Company (Pty) Ltd	607 057 066	-	607 057 066

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	Group		Trust	
	2022 R	2021 R	2022 R	2021 R

27. Other comprehensive income (continued)

Components of other comprehensive income - Group - 2021

	Gross	Tax	Total
Items that will not be reclassified to profit (loss)			
Fair value through other comprehensive income - Other financial assets adjustments			
Gains arising from fair value adjustment of 3.09% shareholding in Sishen Iron Ore Company (Pty) Ltd	(1 322 071 972)	-	(1 322 071 972)

28. Tax paid

Balance at beginning of the year	(137 868)	(63 247)	101 684	100 022
Current tax recognised in profit or loss	(3 037 957)	(3 937 050)	-	-
Balance at end of the year	(333 703)	(137 868)	(103 787)	(101 684)
	(3 509 528)	(4 138 165)	(2 103)	(1 662)

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	Group		Trust	
	2022 R	2021 R	2022 R	2021 R
29. Cash used in operations				
Surplus before taxation	864 544 303	1 129 007 625	687 260 752	1 323 169 352
Adjustments for:				
Depreciation	3 384 533	3 387 870	1 708 915	1 786 430
Gains on disposals, scrappings and settlements of assets and liabilities	-	-	-	(6 771)
Estimated credit loss - Loan to Airlink (Pty) Ltd	-	28 233 436	-	-
Estimated credit loss - Loan to KSP	-	6 836 735	-	-
Gains on foreign exchange	-	(456 507)	-	-
Share of net losses from equity accounted investments	(66 177 480)	129 971 751	-	-
Dividends received	(773 006 337)	(1 498 544 731)	(772 947 860)	(1 498 544 731)
Interest income	(146 960 869)	(125 338 339)	(200 626 460)	(109 144 009)
Finance costs	308 441	(1 573 749)	83 132	227 987
Reversal of impairment loss on investment property	(8 300 000)	(950 000)	(7 748)	-
Profit on disposal of property, plant and equipment	-	(6 769)	(82 174)	-
Estimated credit losses - Other loans	-	(2 849)	1 163 533	(2 849)
Accrued interest - Bank balances	-	6 231 899	-	6 231 899
Fair value adjustment of investment in KSP	(73 912 233)	110 949 733	-	-
Fair value gains on investments at fair value	-	(71 106 727)	4 517 745	-
Profit on disposal of property, plant and equipment	-	(174 458)	-	-
Interest paid - Loan from DBSA	43 542 837	38 581 496	-	-
Changes in working capital:				
Inventories	(204 877)	(3 684)	-	-
Trade and other receivables	355 209	(35 644 725)	1 384 289	(225 128)
Accrued interest	-	(3)	-	-
Trade and other payables	14 222 000	(2 675 514)	14 479 538	(2 125 229)
Provisions	-	26 827	-	-
	(142 204 473)	(283 250 683)	(263 066 338)	(278 633 049)

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30. Related parties

Relationships

Trustees	Refer to Trustees' Report for further details
Subsidiaries	SIOC CDT Investment Holdings (RF) (Pty) Ltd SIOC CDT Operating Company (Pty) Ltd SIOC Community Development SPV (Pty) Ltd
Other entities held by the subsidiaries	SIOC CDT Properties Company (Pty) Ltd SIOC-CDT Resource Holdings (Pty) Ltd SIOC-CDT Strategic Ventures (Pty) Ltd SIOC CDT Solar Energy Company (Pty) Ltd (Dregistered 6 October 2022) Subrotouch (RF) (Pty) Ltd The Urban Hotel Kathu (Pty) Ltd
Associates of other entities held by the subsidiaries	Continental Coal Ltd Airlink (Pty) Ltd
Members of key management	K. Hanisi - Group Head of Human Resources K.N. Dick - Group Head of Investments (Resigned 11 April 2023) R. Sebogodi - Group Head of Stakeholder Relations and Communications T. Duvenage - Group Head of Finance V.F. Malie - Group Executive Officer Z.C. Mathebula - Group Company Secretary

Related party balances

Loan accounts - Owing (to) by related parties

SIOC CDT Investment Holdings (RF) (Pty) Ltd	-	-	19 192 831	1 381 241
SIOC CDT Operating Company (Pty) Ltd	-	-	4 005 964	4 005 964
SIOC CDT Operating Company (Pty) Ltd - Impairment allowance	-	-	(4 005 964)	(4 005 964)
SIOC CDT Properties Company (Pty) Ltd	-	-	53 517 745	51 643 686
SIOC CDT Properties Company (Pty) Ltd - Impairment allowance	-	-	(32 781 278)	(27 100 000)

Amounts included in Trade receivable (Trade Payable) regarding related parties

The Urban Hotel Kathu (Pty) Ltd	-	-	(76 375)	(129 750)
SIOC CDT Properties Company (Pty) Ltd	-	-	156 225	90 247

Shareholding

Sishen Iron Ore Company (Pty) Ltd - 3.09% at fair value	4 342 692 557	3 735 636 491	-	-
Kathu Solar Park (RF) (Pty) Ltd - 12.5% at fair value	173 409 000	99 496 767	-	-

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	Group		Trust	
	2022 R	2021 R	2022 R	2021 R
30. Related parties (continued)				
Related party transactions				
Interest paid to (received from) related parties				
Airlink (Pty) Ltd	(3 271 583)	(2 469 943)	-	-
SIOC CDT Properties Company (Pty) Ltd	-	-	(3 206 011)	(2 299 425)
Dividends paid to (received from) related parties				
SIOC Community Development Trust	-	-	(772 947 860)	(1 498 544 731)
Sishen Iron Ore Company (Pty) Ltd	(773 006 337)	(1 498 694 637)	-	-
Rent paid to (received from) related parties				
SIOC CDT Properties Company (Pty) Ltd	-	-	993 549	993 549
Compensation				
To non-executive Trustees	4 585 739	3 206 953	4 585 739	3 206 953

31. Financial instruments and risk management

Categories of financial instruments

Categories of financial assets

Group - 2022

	Note(s)	Fair value through other comprehensive income - equity instruments	Fair value through profit or loss - Mandatory	Fair value through profit or loss - Designated	Amortised cost	Leases	Total
Loans to group companies	8	-	-	-	(14 103 926)	-	(14 103 926)
Loans receivable	9	-	-	-	420 664 170	-	420 664 170
Investments at fair value	10	4 342 692 557	457 554 224	454 094 938	-	-	5 254 341 719
Trade and other receivables	14	-	-	-	1 378 757	746 902	2 125 659
Cash and cash equivalents	12	-	-	-	3 262 822 455	-	3 262 822 455
		4 342 692 557	457 554 224	454 094 938	3 670 761 456	746 902	8 925 850 077

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31. Financial instruments and risk management (continued)

Group - 2021

	Note(s)	Fair value through other comprehen- sive income - equity instruments	Fair value through profit or loss - Mandatory	Fair value through profit or loss - Designated	Amortised cost	Leases	Total
Loans to group companies	8	-	-	-	7 963 277	-	7 963 277
Loans receivable	9	-	-	-	422 602 785	-	422 602 785
Investments at fair value	10	3 735 635 491	374 869 689	361 760 665	-	-	4 472 265 845
Trade and other receivables	14	-	-	-	2 660 152	711 583	3 371 735
Cash and cash equivalents	12	-	-	-	2 664 129 237	-	2 664 129 237
		3 735 635 491	374 869 689	361 760 665	3 097 355 451	711 583	7 570 332 879

Trust- 2022

	Note(s)	Amortised cost	Leases	Total
Loans to group companies	8	39 929 298	-	39 929 298
Trade and other receivables	14	2 041 098	652 481	2 693 579
Cash and cash equivalents	12	3 247 478 610	-	3 247 478 610
		3 289 449 006	652 481	3 290 101 487

Trust- 2021

	Note(s)	Amortised cost	Leases	Total
Loans to group companies	8	25 924 927	-	25 924 927
Loans receivable	9	42 252	-	42 252
Trade and other receivables	14	492 542	635 360	1 127 902
Cash and cash equivalents	12	2 660 857 074	-	2 660 857 074
		2 687 316 795	635 360	2 687 952 155

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31. Financial instruments and risk management (continued)

Categories of financial liabilities

Group - 2022

	Note(s)	Amortised cost	Total
Trade and other payables	17	30 052 611	30 052 611
Borrowings	16	388 436 374	388 436 374
		418 488 985	418 488 985

Group - 2021

	Note(s)	Amortised cost	Total
Trade and other payables	17	15 880 630	15 880 630
Borrowings	16	392 610 131	392 610 131
		408 490 761	408 490 761

Company - 2022

	Note(s)	Amortised cost	Leases	Total
Trade and other payables	17	27 315 166	-	27 315 166
Finance lease obligations	4	-	394 501	394 501
		27 315 166	394 501	27 709 667

Company - 2021

	Note(s)	Amortised cost	Leases	Total
Trade and other payables	17	12 987 638	-	12 987 638
Finance lease obligations	4	-	1 245 258	1 245 258
		12 987 638	1 245 258	14 232 896

32. Fair value information

Fair value hierarchy

The table below analyses assets and liabilities carried at fair value. The different levels are defined as follows:

Level 1: Quoted unadjusted prices in active markets for identical assets or liabilities that the group can access at measurement date.

Level 2: Inputs other than quoted prices included in level 1 that are observable for the asset or liability either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

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32. Fair value information (continued)

Level 1

The fair value of financial instruments traded in active markets is based on quoted market prices at the statement of financial position date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the group is the current bid price. These instruments are included in level 1. Instruments included in level 1 comprise primarily JSE-listed equity instruments.

Level 2

The fair value of financial instruments that are not traded in active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments;
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

Levels of fair value measurements

Level 2

Recurring fair value measurements

Assets	Note(s)				
Equity investments at fair value through other comprehensive income					
Unlisted shares - 3.09% shareholding in Sishen Iron Ore Company (Pty) Ltd		4 342 692 557	3 735 635 491	-	-
Financial assets mandatorily at fair value through profit or loss	10				
BlackRock Index Selection Fund		235 303 951	271 945 704	235 303 951	271 945 704
Financial assets designated at fair value through profit (loss)	10				
Futuregrowth Core Bond Investment		179 195 179	97 561 835	179 195 179	97 561 835
Prudential Core Equity Investment		101 411 583	164 695 611	101 411 583	164 695 611
Total financial assets designated at fair value through profit (loss)		280 606 762	262 257 446	280 606 762	262 257 446
Total		4 858 603 270	5 080 853 543	515 910 713	-

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	Group		Trust	
	2022 R	2021 R	2022 R	2021 R
32. Fair value information (continued)				
Level 3				
Recurring fair value measurements				
Assets	Note(s)			
Financial assets at amortised cost				
Loans and receivables - Kathu Solar Park (RF) (Pty) Ltd	420 664 170	410 808 379	-	-
Financial assets at fair value through profit (loss)				
Unlisted shares - Kathu Solar Park (RF) (Pty) Ltd	173 409 000	99 496 767	-	-
Financial assets mandatorily at fair value through profit or loss	10			
OMPE Fund Partnership	222 250 273	102 923 985	222 250 273	102 923 985
Total	816 323 443	626 541 174	222 250 273	-

33. Going concern

The audited consolidated and separate annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The trustees believe that the group has adequate financial resources to continue in operation for the foreseeable future and accordingly the audited consolidated and separate annual financial statements have been prepared on a going concern basis. The trustees is satisfied is 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 trustees is not aware of any new material changes that may adversely impact the group. The trustees is 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.

34. Events after the reporting period

Dividends Received

The company received dividends from Sishen Iron Ore Company (Pty) Ltd of R 212,846,919 on 28 February 2023 as full and final dividend for the 2022 financial year. Dividends to the value of R 212,846,919 were declared and paid over to the sole shareholder, SIOC Community Development Trust, on 28 February 2023.

Other Matters

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

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35. Prior period restatement

Statement of Financial Position - Group

1. Prior period errors

The following errors were noted on the prior period statement of financial position:

a. Accrued Interest

Interest is accrued on an annual basis on the Loan to Kathu Solar Park (RF) (Pty) Ltd at amortised cost. The accrued interest is not expected to be settled within 12 months from balance sheet date and was previously incorrectly classified as current assets. The error has been corrected by reclassifying the accrued interest to non-current assets, and has been included within the financial assets at amortised cost balance. The impact of this prior period error is shown below.

b. Other Financial Assets

In the prior period "Other Financial Assets" was disclosed on the Statement of Financial Position. This line item included Loans at Amortised Cost (Loan to Kathu Solar Park (RF) (Pty) Ltd, as well as an equity Investment in Kathu Solar Park (RF) (Pty) which is carried at fair value. The equity investment in Kathu Solar Park (RF) (Pty) Ltd was incorrectly included in the Other Financial Assets and should have been included in Investments at fair value to align with the basis of measurement of these assets. This error has been corrected by reclassifying this financial asset to Investments at fair value. The impact of this prior period error is shown below.

	As previously Reported		Adjustments		Restated	
	2021	2020	2021	2020	2021	2020
Non Current assets						
Investments at fair value	4 372 762 626	211 975 599	99 503 219	5 268 187 239	4 472 265 845	5 480 162 838
Other financial assets	510 347 398	5 680 681 970	(510 347 398)	5 680 681 970)	-	-
Financial assets at amortised cost	-	-	422 602 785	431 499 093	422 602 785	431 499 093
Current assets						
Accrued Interest	11 758 606	19 004 333	(11 758 606)	(19 004 333)	-	-

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35. Prior period restatement (continued)

Statement of Profit or Loss and Other Comprehensive Income - Group

Comparatives have been restated due to the change in presentation of the statement of profit or loss and other comprehensive income as well as the correction of prior period errors. These were as follows:

1. Presentation of statement of comprehensive income

The statement of profit or loss and other comprehensive income was previously presented by function. This has been represented in the current year to disclose line items by nature in order to provide more reliable and relevant information. This is to align to the nature of the entity being an investment holding company.

2. Prior Period Errors

The following errors were noted on the prior period Statement of Profit or Loss and Other Comprehensive Income:

a. Revenue

Interest using the effective interest method from the entity's investment portfolio was previously disclosed as interest income. The prior period disclosure has been corrected to include this income in revenue as this arises from ordinary activities of the Group.

b. Movement in credit loss allowance

Movement in credit loss allowances on Loans to related parties was previously disclosed in other operating gains (losses). This has now been corrected and separately disclosed on the face of the Statement of Profit or Loss and Other Comprehensive Income in line with IFRS requirement.

Impact on Statement of Profit or Loss and Other Comprehensive Income

		As previously reported	Restatements: Function to Nature	Group Restated	Prior period errors	Restated
		2021		2021		2021
Revenue	2	1 513 378 968	-	1 513 378 968	52 989 204	1 566 368 172
Cost of sales	3	(3 631 465)	3 631 465	-	-	-
Fair value gain/(loss) on inve	4	-	(39 843 006)	(39 843 006)	-	(39 843 006)
Gross Profit		1 509 747 503	(36 211 541)	-	-	-
Total Operating Income		-	(36 211 541)	1 473 535 962	52 989 204	1 526 525 166
Other operating income		410 405	-	410 405	-	410 405
Other operating gains/ (losse	5	(66 669 935)	38 436 499	(28 233 436)	28 233 436	-
Movement in credit loss allow	6	177 307	-	177 307	(34 196 784)	(34 019 477)
Operating expenses	7	(299 278 481)	(2 224 958)	(301 496 668)	-	(301 496 668)
Operating (loss) profit		1 144 386 799	-	1 144 393 570	47 025 856	1 191 419 426
Finance income	8	159 875 367	-	159 875 367	(52 989 204)	106 886 163
Finance costs		(39 326 213)	-	(39 326 213)	-	(39 326 213)
Estimated credit loss - Loan	9	(5 963 348)	-	(5 963 348)	5 963 348	-
Share of net losses from equ		(129 971 751)	-	(129 971 751)	-	(129 971 751)
(Loss) profit before taxatio		1 129 000 854	-	1 129 007 625	-	1 129 007 625
Taxation		22 289 169	-	22 289 169	-	22 289 169
(Loss) profit for the year		1 151 290 023	-	1 151 296 794	-	1 151 296 794
Total comprehensive (loss)		1 151 290 023	-	1 151 296 794	-	1 151 296 794

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35. Prior period restatement (continued)

2. Revenue

	As previously reported 2021	Adjustments	Restated 2021
Revenue	1 513 378 968	(1 513 378 968)	-
Revenue	-	1 566 368 172	1 566 368 172
Hotel revenue - Food and beverages*	-	2 745 390	2 745 390
Hotel revenue - Rooms*	-	9 635 884	9 635 884
Rental revenue*	-	2 303 057	2 303 057
Dividends received	-	1 498 694 637	1 498 694 637
Interest using the effective interest method from investment portfolio**	-	52 989 204	52 989 204

* Prior period wording has been renamed to align to the nature of the revenue recognised

** Interest using the effective interest method from the investment from investment portfolio was previously disclosed as interest income and now correctly disclosed as revenue. The prior period disclosure has been corrected to include items based on the operating activities of the group being an investment holding entity.

3. Cost of Sales

Nature to Function Restatement

Cost of Sales as previously disclosed on the Statement of Profit or Loss was eliminated due to the restatement of the Statement of Profit or Loss and Other Comprehensive Income to nature rather than function.

4. Fair value gain/(loss) on investments

Fair value gains/(loss) on investments carried at fair value have been reclassified from Other operating gains/(losses) to Fair value gains/(losses) on investments to align to disclosure by nature rather than function.

5. Other Operating gains (losses)

Nature to Function Restatement

Reversal of impairment losses reclassified as operating expenses (refer to Note 7)	(950 000)
Foreign exchange gains reclassified as operating expenses (refer to Note 7)	(456 507)
Financial assets as at fair value through profit or loss - Prudential, Futuregrowth, Taquanta and OMPE reclassified to Fair value gains/ (losses) (refer to Note 4)	(71 106 727)
Financial assets as at fair value through profit or loss - Kathu Solar Park (RF) (Pty) Ltd reclassified to Fair value gains/ (losses) (refer to Note 4)	110 949 733
	38 436 499

Other operating gains/(losses) previously disclosed on the Statement of Profit or Loss was reclassified the relevant financial statement items to align to their nature rather than function.

Prior Period Error

Loan to related party - Airlink (Pty) Ltd reclassified to Movement in credit loss allowance	28 233 436
	28 233 436

Credit loss allowance recognised for loans to related parties was incorrectly classified in operating expenses and reclassified to Movement in credit loss allowances (refer to Note 6).

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35. Prior period restatement (continued)

6. Movement in credit loss allowances

Prior Period Error

Renamed from Movement in credit loss allowances - Trade and other receivables to Movement in credit loss allowances	177 307
Reclassified from Estimated credit loss - Loan to Kathu Solar Park (RF) (Pty) Ltd to Movement in credit loss allowance	(5 963 348)
Loan to related party - SIOC-CDT Strategic Ventures (Pty) Ltd from other operating gains (losses) to Movement in credit loss allowance	<u>(28 233 436)</u>
	(34 019 477)

Credit loss allowance recognised for loans to related parties was incorrectly classified in operating expenses and reclassified to Movement in credit loss allowances.

Estimated credit loss - Loan to Kathu Solar Park (RF) (Pty) Ltd as previously was incorrectly classified on the face of Statement of Profit or Loss and Other Comprehensive Income and reclassified to Movement in credit loss allowances due to disclosure by nature rather than function.

7. Operating expenses

Nature of restatement

Renamed from other operating expenses to operating expenses due to the restatement of statement of profit or loss from function to nature.

The following items have been reclassified to Operating expenses:

Reversal of impairment losses reclassified from other operating gains (loss) to operating expenses*	950 000,00
Foreign exchange gains reclassified from other operating gains (loss) to operating expenses	456 507,00
Cost of sales reclassified to Operating expenses	<u>(3 631 465,00)</u>
	(2 224 958,00)

* Reversal of impairment losses is immaterial therefore was disclosed in the operating expense note instead of the face of Statement of Profit or Loss and Other Comprehensive Income.

Foreign exchange gains previously classified Other operating gains (losses) has been reclassified as operating expenses due to restatement in disclosure by nature rather than function.

Cost of Sales as previously disclosed on the Statement of Profit or Loss and Other Comprehensive Income was eliminated due to the restatement of disclosure to nature rather than function and reclassified to operating expenses.

8. Finance income

Prior Period Error

Interest income has been renamed to finance income to clarify the nature of the income due to the restatement of statement of profit or loss from function to nature

Interest income reclassified to revenue: Interest using the effective interest method from investment portfolio (refer to Note 1)

9. Estimated credit loss - Loan to Kathu Solar Park (RF) (Pty) Ltd

Prior Period Error

Estimated credit loss - Loan to Kathu Solar Park (RF) (Pty) Ltd has been reclassified to Movement in credit loss allowance (refer to Note 3)

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35. Prior period restatement (continued)

Statement of Profit or Loss and Other Comprehensive Income - Company

Comparatives have been restated due to the change in presentation of the statement of profit or loss and other comprehensive income as well as the correction of prior period errors. These were as follows:

a. Presentation of statement of comprehensive income

The statement of profit or loss and other comprehensive income was previously presented by function. This has been represented in the current year to disclose line items by nature in order to provide more reliable and relevant information. This is to align to the nature of the entity being an investment holding company.

b. Prior Period Errors

The following errors were noted on the prior period Statement of Profit or Loss and Other Comprehensive Income:

i. Revenue

Interest using the effective interest method from the entity's investment portfolio was previously disclosed as interest income. The prior period disclosure has been corrected to include this income in revenue as this arises from ordinary activities of the Group.

ii. Movement in credit loss allowance

Movement in credit loss allowances on Loans to related parties was previously disclosed in other operating gains (losses). This has now been corrected and separately disclosed on the face of the Statement of Profit or Loss and Other Comprehensive Income in line with IFRS requirement.

Impact on Statement of Profit or Loss and Other Comprehensive Income

	As previously reported	Restatements: Function to Nature	Company Restated	Prior period errors	Restated
	2021		2021		2021
Revenue	1 498 544 731	-	1 498 544 731	-	1 498 544 731
Fair value gain/(loss)	-	-	-	-	-
Gross Profit	1 498 544 731	(1 498 544 731)	-	-	-
Total Operating Income	23 043	1 498 544 731	1 498 544 731	-	1 498 544 731
Other operating gains	6 771	(6 771)	-	-	-
Movement in credit loss allowance	2 849	-	2 849	-	2 849
Operating expenses	(284 324 071)	6 771	(284 317 300)	-	(284 317 300)
Operating (loss) / profit	1 214 253 323	-	1 214 230 280	-	1 214 230 280
Finance income	109 144 009	-	109 144 009	-	109 144 009
Finance costs	(227 987)	-	(227 987)	-	(227 987)
(Loss) profit before taxation	1 323 169 345	-	1 323 146 302	-	1 323 146 302
Taxation	-	-	-	-	-
(Loss) profit for the period	1 323 169 345	-	1 323 146 302	-	1 323 146 302
Total comprehensive income	1 323 169 345	-	1 323 146 302	-	1 323 146 302

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35. Prior period restatement (continued)

1. Other operating gains (losses)

Nature to Function Restatement

Gain on disposal of property, plant and equipment reclassified as operating expenses	(6 771)
	<u>(6 771)</u>

Other operating gains/(losses) previously disclosed on the Statement of Profit or Loss was reclassified the relevant financial statement items to align to their nature rather than function.

2. Operating expenses

Nature to Function Restatement

Renamed from other operating expenses to operating expenses due to the restatement of statement of profit or loss from function to nature.

The following items have been reclassified to Operating expenses

Gain on disposal of property, plant and equipment reclassified as operating expenses	6 771
	<u>6 771</u>

* Gain on disposal of property, plant and equipment is immaterial therefore was disclosed in the operating expense note instead of the face of Statement of Profit or Loss and Other Comprehensive Income.