SIOC
COMMUNITY
DEVELOPMENT
TRUST

Defining ourselves through **our actions,**
not our words

SIOC Community Development Trust
(Registration number IT 10454/06)
Audited Consolidated and Separate Annual Financial Statements
for the year ended 31 December 2023

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 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. Chartered Accountants (SA) Registered Auditors
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 prepared under the supervision of: T. Duvenage Head of Finance
Issued	26 June 2024

Index

The reports and statements set out below comprise the audited consolidated and separate annual financial statements presented to the trustees:

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 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 IFRS® Accounting 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 IFRS® Accounting 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 financialstatements. 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 group's annual financial statements. The annual financial statements have been examined by the group's external auditors and their report is presented on pages 9 to 11.

The annual financial statements set out on pages 12 to 66, which have been prepared on the going concern basis, were approved by the Trustees on 26 June 2024 and were signed on its behalf by:

L. Delport **Chairman**	**V.F. Malie** **Trustee**

Trustees' Report

1. The Trust

The trustees have pleasure in submitting their report on the audited consolidated and separate annual financial statements of SIOC Community Development Trust and the Group for the year ended 31 December 2023.

2. Nature of business

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 higlights

Group revenue decreased by 29% 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 610,432,591 (2022: R 844,982,641). Investment income consisted mainly of interest received on cash investments amounting to R 347,747,418 (2022: R 197,456,543), pending deployment to trust activities.

Group cash holdings, after taking into account project and investment commitments, decreased by R411,140,506 to R2,851,681,949. This is largely attributable to the dividends received from Sishen Iron Ore Company (Pty) Ltd to the value of R507,947,311 (2022: R733,066,337).

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 199,030,176 (2022:R 204,691,205) during the year under review.

The annual spending on PBA decreased by 2.9% from the prior year and expenditure for the year under review were applied to the following focus areas:

Focus Area	2023 R	2022 R
Education	99 830 611	85 866 761
Enterprise Development	15 553 100	5 526 428
Health & Wellness	23 960 775	18 421 836
Emergent Needs	59 685 690	-
Total	**199 030 176**	**204 961 205**

Trustees' Report

4. Investment Activities

The SIOC CDT Investment Holdings (RF) (Pty) Ltd group recorded a net profit after tax for the year ended 31 December 2023 of R316,136,520 (2022 net loss after tax of R 114,929,911).

Direct equity investments performance improved during the current year, with share of net profits from equity accounted investments (Airlink (Pty) Ltd) amounting to R 85,490,325 (2022: Share of net profits of R 66,696,041).

The company's investments in the various portfolios (including Futuregrowth Core Bond, Prudential Core Equity, BlackRock Index Selection, OMPE Fund V, All Weather, Vunani and AEON) realised a total profit of R 274,888,198 by the end of 2023 (2022: loss of R 2,997,564). An additional investment of R1,048,270,270 was made into the investment portfolio, which increased the total balance of the portfolio from R738,240,162 in 2022 to R2,042,100,531 at 31 December 2023.

Airlink (Pty) Ltd ("Airlink")

The equity value of the investment in Airlink (Pty) Ltd has increased from R66,177,480 in 2022 to R151,667,805 as at 31 December 2023.

The increase in the 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 2023.

Continental Coal Ltd

Business rescue proceedings of Continental Coal Limited had formally come to an end with effect from 25 March 2022. There does not appear as if there is a realistic or reasonable prospect of recovering economic benefits from the investment. The investment remains fully impaired.

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 2023 amounted to R 421,792,682 (2022: R 381,202,151).

A payments to the value of R 16,250,000 was received from KSP in April 2023 towards the repayment of the shareholder loan from Subrotouch, which was funded through a loan entered into with the DBSA. The same amount was in turn paid to the DBSA towards the repayment of said loan in 2023.

Subrotouch realised a fair value loss of R 9,760,000 (2022: fair value profit of R 73,912,233) as at 31 December 2023. The fair value of the 12.5% shareholding in KSP was valued at R 163,649,000 (2022: R 173,409,000) as at 31 December 2023.

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

Total income for the year amounted to R 16,752,766 (2022: R 15,066,067), showing a 11% increase from the prior year. Operating expenses showed a 12,9% increase from R 9,919,346 in 2022 to R 11,200,093 as a result of uptake in revenue. The company recorded a net profit after tax for the year ended 31 December 2023 of R 18,822 (net loss after tax for 2022: R 1,784,988).

The hotel ended the year with an increased occupancy of 47.4% (2022: 45%) and an average room rate of R 947 (2022: R 772).

Trustees' Report

5. Trustees

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

Trustees	Office	Designation	Changes
L. Delport	Chairperson	Non-executive Independent	
N. Andreas	Beneficiary Trustee	Non-executive Independent	
S. Botha	Beneficiary Trustee	Non-executive Independent	
V.F. Malie	Chief Executive Officer	Executive	
L. Milne	Trustee	Non-executive Independent	
T. Henry	Trustee	Non-executive Independent	
S. Thole	Beneficiary Trustee	Non-executive Independent	
K.P. Leserwane	Beneficiary Trustee	Non-executive Independent	Removed Wednesday, 28 June 2023
T. Kotsedi	Trustee	Non-executive Independent	
M. Motsisi	Donor Trustee	Non-executive Independent	
P. Ramchander	Donor Trustee	Non-executive Independent	
M. Mabilu	Beneficiary Trustee	Non-executive Independent	
T. Pilane	Beneficiary Trustee	Non-executive Independent	

6. 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.

7. 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 315 992 455.57 on 29 February 2024 as full and final dividend for the 2023 financial year. Dividends to the value of R 315 888 057.95 were declared and paid over to the sole shareholder, SIOC Community Development Trust on 01 March 2024.

SIOC Community Development Trust

Ms. Anita Loots has been appointed as Chief Executive Officer, effective 2 May 2024. The appointment was approved by the Board on 2 March 2024. Mr. V.F Malie will be exiting as Chief Executive Officer, effective 31 August 2024. The period between 2 May 2024 and 31 August 2024 will serve as a hand-over period to allow for a smooth transition. By virtue of the appointment of Ms. A. Loots as Chief Executive Officer of SIOC Community Development Trust, she will also be appointed as Trustee of the SIOC Community Development Trust in terms of the Trust Deed. Mr. V.F Malie will be removed as Trustee on the same date. The appointment of Ms A. Loots as Trustee, and removal of Mr V.F Malie as Trustee, will only be effective on date of approval from the Mater of the High Court which was pending at the date of signature of this report.

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.

8. 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 themselves that the group is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The 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.

Trustees' Report

9. Subordination Agreements

Provided by SIOC Community Development Trust

The loan from SIOC Community Development Trust to SIOC CDT Properties Company (Pty) Ltd, capped at R 57,200,000 (2022: 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 (2022: 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.

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

The loan from SIOC CDT Investement Holdings (RF) (Pty) Ltd to SIOC-CDT Strategic Ventures (Pty) Ltd capped at R 61,326,000 (2022: R 0), has been subordinated in favour of the creditors of SIOC-CDT Strategic Ventures (Pty) Ltd, until such time as their total assets, fairly valued, exceed their total liabilities, fairly valued.

The loan from SIOC CDT Investement Holdings (RF) (Pty) Ltd to Subrotouch (RF) (Pty) Ltd capped at R 139,450,000 (2022: R 0), has been subordinated in favour of the creditors of Subrotouch (RF) (Pty) Ltd, until such time as their total assets, fairly valued, exceed their total liabilities, fairly valued.

The loan from SIOC CDT Investement Holdings (RF) (Pty) Ltd to The Urban Hotel Kathu (Pty) Ltd capped at R 17,700,000 (2022: R 0), has been subordinated in favour of the creditors of The Urban Hotel Kathu (Pty) Ltd , until such time as their total assets, fairly valued, exceed their total liabilities, fairly valued

10. Assistance provided to subsidiaries

Provided by SIOC Community Development Trust

A letter of support has been issued by SIOC Community Development Trust to its subsidiary, SIOC Community Development SPV (Pty) Ltd, to the value of R 150,000. This letter of support will be 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 was 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. This letter of support 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, SIOC CDT Strategic Ventures (Pty) Ltd and Subrotouch (RF) (Pty) Ltd, to the value of R2,500,000, R10,000 and R 80,000 respectively, until such time as the entities have restored its liquidity.

11. Auditors

PricewaterhouseCoopers Inc. continued in office as auditors for the SIOC Development Community Development Trust and its subsidiaries for 2023.

They will continue in office for the 2024 financial year.

12. 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.

Trustees' Report

13. 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 2023, the approved projects balance amounted to R 969,886,419 (31 Dec 2022: R 374,030,895).

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) and its subsidiaries (together the Group) as at 31 December 2023, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with IFRS Accounting Standards.

What we have audited

SIOC Community Development Trust's consolidated and separate financial statements set out on pages 12 to 66 comprise:

- the consolidated and separate statements of financial position as at 31 December 2023;
- the consolidated and separate statements of profit or loss and other comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the financial statements, including material accounting policy information.

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 2023". The other information does not include the consolidated or the separate financial statements and our auditor's report thereon.

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

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

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

Responsibilities of the 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 IFRS Accounting 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's 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 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 consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and / or 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: B Laher
Registered Auditor
Johannesburg, South Africa

30 June 2024

Statement of Financial Position as at 31 December 2023

		Group		Trust	
Figures in Rand	Note(s)	2023	2022	2023	2022
Assets					
Non-Current Assets					
Property, plant and equipment	3	33 613 404	35 255 447	3 145 581	4 171 398
Right-of-use assets	4	-	-	4 469 044	277 612
Investment property	5	13 496 352	22 478 066	-	-
Investments in subsidiaries	6	-	-	2 250 578 843	1 247 440 042
Investments in associates	7	151 667 805	66 177 480	-	-
Loans to related parties	8	-	39 468 296	23 972 744	38 315 921
Financial Assets at amortised cost	9	455 748 058	420 664 170	-	-
Investments at fair value	10	7 764 618 531	5 254 341 719	-	-
		8 419 144 150	**5 838 385 178**	**2 282 166 212**	**1 290 204 973**
Current Assets					
Inventories	11	698 681	611 002	-	-
Loans to related parties	8	-	-	1 756 330	1 613 377
Trade and other receivables	12	13 597 706	5 135 925	14 770 759	5 300 583
Current tax receivable	14	371 726	315 825	107 646	103 787
Cash and cash equivalents	15	2 851 681 949	3 262 822 455	2 828 176 380	3 247 478 610
		2 866 350 062	**3 268 885 207**	**2 844 811 115**	**3 254 496 357**
Total Assets		**11 285 494 212**	**9 107 270 385**	**5 126 977 327**	**4 544 701 330**
Equity and Liabilities					
Equity					
Reserves		5 114 565 099	3 898 388 656	-	-
Accumulated surplus		5 637 490 372	4 747 082 105	5 092 563 688	4 517 021 129
		10 752 055 471	**8 645 470 762**	**5 092 563 688**	**4 517 021 129**
Liabilities					
Non-Current Liabilities					
Loans to related parties	8	-	-	4 001 808	-
Borrowings	16	288 817 990	316 414 805	-	-
Lease liabilities	4	-	-	4 046 561	-
Deferred tax	13	76 688 436	40 974 628	-	-
		365 506 426	**357 389 433**	**8 048 369**	**-**
Current Liabilities					
Trade and other payables	17	29 382 006	30 496 623	25 682 677	27 285 700
Borrowings	16	138 452 328	72 021 569	-	-
Lease liabilities	4	-	-	682 593	394 501
Current tax payable	14	97 981	1 891 998	-	-
		167 932 316	**104 410 190**	**26 365 270**	**27 680 201**
Total Liabilities		**533 438 742**	**461 799 623**	**34 413 639**	**27 680 201**
Total Equity and Liabilities		**11 285 494 212**	**9 107 270 385**	**5 126 977 327**	**4 544 701 330**

Statement of Profit or Loss and Other Comprehensive Income

		Group		Trust	
Figures in Rand	Note(s)	2023	2022	2023	2022
Revenue	18	610 432 591	844 982 641	507 857 091	772 947 860
Other operating income	19	9 757 554	631 961	9 263 737	631 961
Fair value gains /(losses)	20	261 736 285	71 134 124	-	(4 517 745)
Movement in credit loss allowances	21	(1 395 013)	24 733 171	1 228 533	(1 155 785)
Operating expenses	22	(329 184 034)	(297 025 621)	(294 805 994)	(281 188 867)
Operating surplus		**551 347 383**	**644 456 276**	**223 543 367**	**486 717 424**
Finance income	23	347 747 418	197 456 543	352 491 120	200 626 460
Finance costs	24	(57 779 526)	(43 545 996)	(491 932)	(83 132)
Income from equity accounted investments	25	85 490 325	66 177 480	-	-
Surplus before taxation		**926 805 600**	**864 544 303**	**575 542 555**	**687 260 752**
Taxation	26	(36 397 333)	(56 911 122)	-	-
Surplus for the year		**890 408 267**	**807 633 181**	**575 542 555**	**687 260 752**
Other comprehensive income:					
Items that will not be reclassified to profit or loss:					
Share of comprehensive income of equity accounted investments		1 216 176 443	607 057 066	-	-
Other comprehensive income for the year net of taxation	27	**1 216 176 443**	**607 057 066**	**-**	**-**
Total comprehensive income for the year		**2 106 584 710**	**1 414 690 247**	**575 542 555**	**687 260 752**

Statement of Changes in Equity

Figures in Rand	Cash flow hedging reserve	At fair value through other comprehensive income	Accumulated surplus	Total equity
Group				
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 01 January 2023	**13 696 099**	**3 884 692 557**	**4 747 082 105**	**8 645 470 761**
Surplus for the year	-	-	890 408 267	890 408 267
Other comprehensive income	-	1 216 176 443	-	1 216 176 443
Total comprehensive income for the year	**-**	**1 216 176 443**	**890 408 267**	**2 106 584 710**
Balance at 31 December 2023	**13 696 099**	**5 100 869 000**	**5 637 490 372**	**10 752 055 471**
Note(s)	27		27	
Trust				
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 01 January 2023			**4 517 021 129**	**4 517 021 129**
Surplus for the year	-	-	575 542 555	575 542 555
Total comprehensive income for the year	**-**	**-**	**5 092 563 684**	**5 092 563 688**
Balance at 31 December 2023	**-**	**-**	**5 092 563 684**	**5 092 563 688**
Note(s)	27		27	

Statement of Cash Flows

		Group		Trust	
Figures in Rand	Note(s)	2023	2022	2023	2022
Cash flows from operating activities					
Cash generated from operations	28	(293 324 823)	(142 204 473)	(303 515 155)	(263 066 338)
Interest income	23	350 278 988	226 212 667	352 491 120	200 626 460
Dividends received	18	507 947 312	773 006 337	507 857 091	772 947 860
Finance costs	24	(939 000)	(44 711 680)	(491 932)	(83 132)
Tax paid	29	(2 745 480)	(3 509 528)	(3 859)	(2 103)
Net cash from operating activities		**561 216 997**	**808 793 323**	**556 337 265**	**710 422 747**
Cash flows from investing activities					
Purchase of property, plant and equipment	3	(730 199)	(3 528 528)	(29 986)	(615 266)
Proceeds from sale of property, plant and equipment	3	-	396 730	-	396 730
Purchases of investments in subsidiaries, associates or joint arrangements	6	-	(100 438 942)	(1 003 138 801)	(100 438 942)
Cash receipts on repayments of loans to group companies	8	39 468 296	-	19 192 832	(16 661 697)
Cash receipts on repayments of loans to beneficiaries		-	-	-	49 999
Purchases of investments at fair value	10	(1 009 339 013)	(104 247 214)	-	-
Repayment received in Subrotouch (Pty) Ltd on loan advanced to Kathu Solar Park (RF) (Pty) Ltd		16 250 000	49 375 000	-	-
Net cash from investing activities		**(954 350 916)**	**(158 442 954)**	**(983 975 955)**	**(117 269 176)**
Cash flows from financing activities					
Repayments of loans from group companies		-	-	4 001 808	(5 681 278)
Repayments on loan - Development Bank of South Africa Ltd	16	(16 250 000)	(49 343 988)	-	-
Repayments on loan - Nedbank		(1 756 587)	(2 313 163)	-	-
Cash repayments on lease liabilities	4	-	-	4 334 653	(850 757)
Net cash from financing activities		**(18 006 587)**	**(51 657 151)**	**8 336 461**	**(6 532 035)**
Total cash movement for the year		**(411 140 506)**	**598 693 218**	**(419 302 232)**	**586 621 536**
Cash and cash equivalents at the beginning of the year		3 262 822 455	2 664 129 237	3 247 478 609	2 660 857 074
Cash and cash equivalents at the end of the year	15	**2 851 681 949**	**3 262 822 455**	**2 828 176 380**	**3 247 478 610**

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 audited consolidated and separate annual financial statements have been prepared on a going concern basis in accordance with, and in compliance with, IFRS Accounting Standards and Interntional 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.

1.2 Consolidation

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Trust and all of its 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.

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 Accounting Standards 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.

Key sources of estimation uncertainty

Fair value estimation

Several assets and liabilities of the group are measured at fair value

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.

Accounting Policies

1.4 Significant judgements and sources of estimation uncertainty (continued)

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.

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

Accounting Policies

1.6 Property, plant and equipment

Property, plant and equipment is initially measured at cost.

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 surplus or deficit in the period in which they are incurred. Property, plant and equipment is subsequently stated at cost less accumulated depreciation and any accumulated impairment losses, except for land which is stated at cost less any accumulated impairment losses.

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

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

Item	Depreciation method	Average useful life
Land	Straight line	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.

The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset.

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

Accounting Policies

1.7 Financial instruments

Financial instruments held by the group are classified in accordance with the provisions of IFRS Accounting Standards 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:

Accounting Policies

1.7 Financial instruments (continued)

Loans receivable at amortised cost

Management have assessed and classified loans to/(from) related parties, loans to shareholders, loans to directors, managers and employees, and financial assets at amortised cost as financial assets at amortised cost.

The amortised cost, calculated using the effective interest method, is the amount recognised initially, minus principal repayments, plus cumulative amortisation of interest, adjusted for any loss allowance.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of the loan in the application of the effective interest method. The gross carrying amount is the amortised cost before adjusting for a loss allowance.

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.

Accounting Policies

1.7 Financial instruments (continued)

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.

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 21).

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.

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.

1.7 Financial instruments (continued)

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 12.

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 21).

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.

Accounting Policies

1.7 Financial instruments (continued)

Investments in equity instruments

Classification

Investments in equity instruments are presented in Note 7. 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 18).

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.

Accounting Policies

1.7 Financial instruments (continued)

Borrowings and loans from related parties

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

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

Accounting Policies

1.7 Financial instruments (continued)

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.

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).

Deferred tax asset is recognised for the carry forward of unused tax losses to the extent that it is probable that future taxable surplus will be available against which the unused tax losses can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Tax expenses

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

Accounting Policies

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.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation other than goodwill is recognised

1.11 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.

1.11 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 rightofuse asset, or is recognised in surplus or deficit if the carrying amount of the right-of-use asset has been reduced to zero.

Right-of-use assets

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

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

- the initial amount of the corresponding lease liability.

Accounting Policies

1.11 Leases (continued)

- 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.

1.12 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.Grants that do not impose specified future performance conditions are recognised in income when the grant proceeds are receivable.t

Government grants are recognised as income over the periods necessary to match them with the related costs that they are intended to compensate.

1.13 Borrowing costs

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

1.14 Revenue

The group recognises revenue from the following major sources:

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

Accounting Policies

1.14 Revenue (continued)

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).

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.

Provision of room accommodation

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.

Rental of properties to tenants

Rental income from investment property is recognised as revenue on a straight-line basis over the term of the lease.

1.15 Provisions and contingencies

Provisions are recognised when:

- the group has a present obligation because of a past event.
- a reliable estimate can be made of the obligation
- a reliable estimate can be made of the obligation.
  Provisions are recognised when the group has an obligation at the reporting date as a result of a past event; it is probable that the group will be required to transfer economic benefits in settlement; and the amount of the obligation can be estimated reliably.

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:

Accounting Policies

1.15 Provisions and contingencies (continued)

- has a detailed formal plan for the restructuring, identifying at least:
  - he 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.

2. New Standards and Interpretations

2.1 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 2024 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• Supplier finance arrangements - amendments to IAS 7 and IFRS Accounting Standards 7	01 January 2024	Unlikely there will be a material impact
• Non-current liabilities with covenants - amendments to IAS 1	01 January 2024	Unlikely there will be a material impact
• Lease liability in a sale and leaseback	01 January 2024	Unlikely there will be a material impact

	Group		Trust	
Figures in Rand	2023	2022	2023	2022

3. Property, plant and equipment

Group

	2023			2022		
	Cost	**Accumulated depreciation and impairment**	**Carrying value**	**Cost**	**Accumulated depreciation and impairment**	**Carrying value**
Hotel Land	8 893 743	-	8 893 743	10 173 744	(988 704)	9 185 040
Hotel Buildings	26 986 255	(7 852 597)	19 133 658	25 688 054	(6 030 920)	19 657 134
Trust land and buildings	3 118 805	(765 195)	2 353 610	3 118 805	(609 255)	2 509 550
Furniture and fixtures	1 208 814	(1 109 993)	98 821	1 178 828	(1 070 748)	108 080
Motor vehicles	2 917 655	(2 371 457)	546 198	2 917 655	(1 825 258)	1 092 397
Office equipment	1 477 196	(781 938)	695 258	1 036 509	(606 300)	430 209
Computer equipment	3 961 200	(3 826 133)	135 067	3 961 200	(3 515 048)	446 152
Hotel equipment	1 440 161	(1 380 756)	59 405	1 490 626	(1 296 528)	194 098
Hotel office furniture and fittings	6 149 834	(4 620 120)	1 529 714	5 611 942	(4 049 604)	1 562 338
Hotel office furniture and IT equipment	351 221	(183 291)	167 930	218 349	(147 900)	70 449
Total	**56 504 884**	**(22 891 480)**	**33 613 404**	**55 395 712**	**(20 140 265)**	**35 255 447**

Company

	2023			2022		
	Cost	**Accumulated depreciation**	**Carrying value**	**Cost**	**Accumulated depreciation**	**Carrying value**
Trust land and buildings	3 118 805	(765 195)	2 353 610	3 118 805	(609 255)	2 509 550
Furniture and fixtures	1 097 704	(998 936)	98 768	1 067 718	(959 691)	108 027
Motor vehicles	2 917 655	(2 371 457)	546 198	2 917 655	(1 825 258)	1 092 397
Office equipment	317 349	(305 407)	11 942	317 349	(302 073)	15 276
Computer equipment	3 897 696	(3 762 633)	135 063	3 897 696	(3 451 548)	446 148
Total	**11 349 209**	**(8 203 628)**	**3 145 581**	**11 319 223**	**(7 147 825)**	**4 171 398**

Reconciliation of property, plant and equipment - Group - 2023

	Opening balance	**Additions**	**Depreciation**	**Impairment loss**	**Total**
Hotel Land	9 185 040	-	-	(291 297)	8 893 743
Hotel Buildings	19 657 134	18 200	(872 557)	330 881	19 133 658
Trust land and buildings	2 509 550	-	(155 940)	-	2 353 610
Furniture and fixtures	108 080	29 986	(39 245)	-	98 821
Motor vehicles	1 092 397	-	(546 199)	-	546 198
Office equipment	430 209	440 687	(175 638)	-	695 258
Computer equipment	446 152	-	(311 085)	-	135 067
Hotel equipment	194 098	11 249	(145 942)	-	59 405
Hotel furniture and fittings	1 562 338	537 892	(570 516)	-	1 529 714
Hotel furniture and IT equipment	70 449	132 873	(35 392)	-	167 930
	35 255 447	**1 170 887**	**(2 852 514)**	**39 584**	**33 613 404**

Notes to the Audited Consolidated And Separate Annual Financial Statements

	Group		Trust	
Figures in Rand	2023	2022	2023	2022

3. Property, plant and equipment (continued)

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
Computer equipment	566 561	183 612	-	(304 021)	-	446 152
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
	37 624 070	**1 659 188**	**(314 556)**	**(2 393 670)**	**(1 319 585)**	**35 255 447**

Reconciliation of property, plant and equipment - Trust - 2023

	Opening balance	Additions	Depreciation	Total
Trust land and buildings	2 509 550	-	(155 940)	2 353 610
Furniture and fixtures	108 027	29 986	(39 245)	98 768
Motor vehicles	1 092 397	-	(546 199)	546 198
Office equipment	15 276	-	(3 334)	11 942
Computer equipment	446 148	-	(311 085)	135 063
	4 171 398	**29 986**	**(1 055 803)**	**3 145 581**

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	566 557	183 612	-	(304 021)	446 148
	4 918 736	**300 710**	**(314 556)**	**(733 492)**	**4 171 398**

Property, plant and equipment encumbered as security

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

Land and buildings	28 027 401	27 434 153	-	-

	Group		Trust	
Figures in Rand	2023	2022	2023	2022

3. Property, plant and equipment (continued)

Details of properties

22 Setpark Street, Kathu (held in SIOC Community Development Trust)				
Erf 6288 Kathu				
- Purchase price: 14 February 2019	2 850 000	2 850 000	2 850 000	2 850 000
- Capitalised expenditure	265 805	268 805	265 805	268 805
- Accumulated depreciation on property	(765 195)	(609 255)	(765 195)	(609 255)
	2 350 610	**2 509 550**	**2 350 610**	**2 509 550**
House, Kathu (held in The Urban Hotel Kathu (Pty) Ltd)				
Erf 1470, Kathu				
- Purchase price	2 033 652	2 033 652	-	-
- Capitalised expenditure	1 041 379	1 041 379	-	-
- Accumulated depreciation on house	(305 651)	(244 150)	-	-
- Impairment (loss) / reversal	330 881	(330 881)	-	-
	3 100 261	**2 500 000**	**-**	**-**
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	23 692 417	-	-
- Accumulated depreciation on building	(6 259 896)	(5 452 008)	-	-
	23 226 265	**24 034 153**	**-**	**-**
Land infront 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	-	-
- Accumulated depreciation on building	(5 140)	(3 881)	-	-
- Impairment (loss) / reversal	(1 280 000)	(988 704)	-	-
	3 107 445	**3 400 000**	**-**	**-**

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:

Notes to the Audited Consolidated And Separate Annual Financial Statements

	Group		Trust	
Figures in Rand	2023	2022	2023	2022

4. Right-of-use assets (continued)

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	-	-	5 059 295	2 276 414
Right-of-use asset - Accumulated depreciation	-	-	(590 251)	(1 998 802)
	-	**-**	**4 469 044**	**277 612**

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	-	-	867 862	660 867

Lease liabilities

Non-current liabilities	-	-	4 046 561	-
Current liabilities	-	-	682 593	394 501
	-	**-**	**4 729 154**	**394 501**

Lease liabilities

The maturity analyisis of lease liabilities is as follows:

Within one year	1 163 871	476 087
Two to five years	4 908 531	-
Subtotal	6 072 402	476 087
Less finance charges component	(1 343 248)	(81 586)
	4 729 154	**394 501**

5. Investment property

Group	2023			2022		
	Cost	**Accumulated depreciation and impairment**	**Carrying value**	**Cost**	**Accumulated depreciation and impairment**	**Carrying value**
Investment property	29 344 103	(15 847 751)	13 496 352	31 075 645	(8 597 579)	22 478 066

Notes to the Audited Consolidated And Separate Annual Financial Statements

	Group		Trust	
Figures in Rand	2023	2022	2023	2022

5. Investment property (continued)

Reconciliation of investment property - Group - 2023

	Opening balance	Depreciation	Impairments	Total
Investment property	22 478 066	(681 714)	(8 300 000)	13 496 352

Reconciliation of investment property - Group - 2022

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

Fair value of investment properties- Office	23 900 000	21 900 000	-	-
Fair value of investment properties - Vacant land	4 000 000	12 300 000	-	-

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	(3 821 246)	(3 139 532)	-	-
	11 227 894	**11 909 608**	**-**	**-**

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 transfered 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: 2012	8 300 000	8 300 000	-	-
- Impairment loss : 2013	(8 300 000)	-	-	-
	4 000 000	**12 300 000**	**-**	**-**

Notes to the Audited Consolidated And Separate Annual Financial Statements

	Group		Trust	
Figures in Rand	2023	2022	2023	2022

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 2023	% holding 2022
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 %
The Urban Hotel Kathu (Pty) Ltd	SIOC CDT Investment Holdings (RF) (Pty) Ltd	100,00 %	100,00 %

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

Notes to the Audited Consolidated And Separate Annual Financial Statements

	Group		Trust	
Figures in Rand	2023	2022	2023	2022

6. Investments in subsidiaries (continued)

Name of company	Held by	% holding 2023	% holding 2022	Carrying amount 2023	Carrying amount 2022
SIOC CDT Investment Holdings (RF) (Pty) Ltd	SIOC Community Development Trust	100,00 %	100,00 %	2 250 577 843	1 247 439 042
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
				2 250 578 943	1 247 440 142
Impairment of investment in subsidiary - SIOC- CDT Operating Company (Pty) Ltd				(100)	(100)
				2 250 578 843	1 247 440 042

During the year, an additional 297 shares (2022: 64 shares) were issued to SIOC Community Development Trust at a value of R 1,003,138,655 (2022: R 100,438,942).

As at 31 December 2023, 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.

7. Investments in associates

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

Group

Name of company	Held by	Carrying amount 2023	Carrying amount 2022
Airlink (Pty) Ltd (unlisted)	SIOC-CDT Strategic Ventures (Pty) Ltd	151 667 805	66 177 479
Continental Coal Ltd (unlisted)	SIOC-CDT Resource Holdings (Pty) Ltd	-	1
		151 667 805	66 177 480

7. Investments in associates (continued)

Material associates

The following associates are material to the group:

	Country of incorporation	Method	% Ownership interest 2023	% Ownership interest 2022
Airlink (Pty) Ltd	South Africa	Equity	33,50 %	33,50 %

SIOC-CDT Strategic Ventures (Pty) Ltd holds 33.5% (2022: 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 R856,637,000 as at 31 December 2023 (2022: R 779,295,400)

Summarised financial information of material associates

Summarised Statement of Profit or Loss and Other Comprehensive Income	**Airlink (Pty) Ltd**	
	2023 R'000	**2022 R'000**
Revenue	10 558 507	8 362 577
Profit (loss) from continuing operations	255 195	576 741
Total comprehensive income	255 195	576 741

Summarised Statement of Financial Position	**Airlink (Pty) Ltd**	
	2023	**2022**
Assets		
Non-current	2 958 506	1 780 198
Current	4 831 666	3 201 712
Total assets	**7 790 172**	**4 981 910**
Liabilities		
Non-current	2 430 278	1 615 654
Current	4 968 789	3 182 617
Total liabilities	**7 399 067**	**4 798 271**
Total net assets	**391 105**	**183 639**

Notes to the Audited Consolidated And Separate Annual Financial Statements

	Group		Trust	
Figures in Rand	2023	2022	2023	2022

7. Investments in associates (continued)

Reconciliation of net assets to equity accounted investments in associates	Airlink (Pty) Ltd	
	2023	**2022**
Investment at beginning of period	66 177 480	-
Amortisation of net related deferred taxation movement	-	(518 562)
Share of profits in associates	85 490 325	66 696 042
Carrying value of investment in associate	**151 667 805**	**66 177 480**

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.

8. Loans to/(from) related parties

Subsidiaries

SIOC CDT Investment Holdings (RF) (Pty)	-	-	(4 001 808)	19 192 831
SIOC CDT Operating Company (Pty) Ltd	-	-	4 005 964	4 005 964
	-	-	4 156	23 198 795
SIOC CDT Operating Company (Pty) Ltd - Impairment	-	-	(4 005 964)	(4 005 964)
	-	**-**	**(4 001 808)**	**19 192 831**

The loan from SIOC CDT Investment Holdings (RF) (Pty) Ltd is unsecured and bears no interest.

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 (2022: 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 Accounting Standards 13 Fair Value Measurements.

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

Notes to the Audited Consolidated And Separate Annual Financial Statements

	Group		Trust	
Figures in Rand	2023	2022	2023	2022

8. Loans to/(from) related parties (continued)

Group companies

SIOC CDT Properties Company (Pty) Ltd	-	-	57 346 819	53 517 745
SIOC CDT Properties Company (Pty) Ltd - Credit loss allowance	-	-	(33 374 075)	(32 781 278)
Airlink (Pty) Ltd	-	39 468 296	-	-
	-	**39 468 296**	**23 972 744**	**20 736 467**

Split between non-current and current portions

Non-current assets	-	39 468 296	23 972 744	38 315 921
Current assets	-	-	1 756 330	1 613 377
	-	**39 468 296**	**25 729 074**	**39 929 298**

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 45,000,000 (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 33,374,075 (2022: R 32,781,278) to the value of R 23,972,744 (2022: R 38,315,921). 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 (2022: 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 (2022: 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 (2022: R 2,469,943) has been recognised to date.

To the extend 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 wat 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.

Notes to the Audited Consolidated And Separate Annual Financial Statements

	Group		Trust	
Figures in Rand	2023	2022	2023	2022

8. Loans to/(from) related parties (continued)

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 Accounting Standards 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.

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 Accounting Standards 13 Fair Value Measurements.

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

9. Financial Assets at amortised cost

Loan to Kathu Solar Park (RF) (Pty) Ltd -	466 735 613	429 757 987	-	-
Loan to Kathu Solar Park (RF) (Pty) Ltd -	(10 987 555)	(9 093 817)	-	-
Total	455 748 058	420 664 170	-	-
S. Chisha The claim against the debtor is valid for 30 years. An estimated credit loss of R 254,693 (2022: R 254,693) has been recognised on this claim	185 000	250 000	185 000	250 000
S. Chisha - Estimated credit loss	(185 000)	(250 000)	(185 000)	(250 000)
	455 748 058	**420 664 170**	**-**	**-**

Notes to the Audited Consolidated And Separate Annual Financial Statements

	Group		Trust	
Figures in Rand	2023	2022	2023	2022

9. Financial Assets at amortised cost (continued)

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

Financial Assets at amortised cost inherently exposes the group to credit risk, being the risk that the group will incur financial loss if counterparties fail to make payments as they fall due.

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 Accounting Standards 9, Financial Instruments, an expected credit loss of R 10,987,555 (2022:R 9,093,817) was recognised in the current financial year. The loss allowance is based on assumptions of a loss given on default of 62% (2022: 55%) and a probability of default of 3.93% (2022: 3.68%).

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.

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.

Notes to the Audited Consolidated And Separate Annual Financial Statements

10. Investments at fair value

Investments held by the group which are measured at fair value, are as follows:

	Group		Trust	
Figures in Rand	2023	2022	2023	2022
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)	-	-
All Weather BCI Equity Fund All Weather BCI Equity Fund is a unit trust investment in local listed equities in South Africa with Boutique Collective Investments. 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.	86 296 118	-	-	-
Vunani Investments Vunani Investments is a unit trust investment in local listed equities in South Africa with Vunani Fund 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.	144 079 890	-	-	-
Aeon Active Equity Prescient Fund Aeon Active Equity Prescient Fund is a unit trust investment in local listed equities in South Africa with Aeon Investments Management. 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.	88 485 661	-	-	-
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.	192 651 899	179 274 355	-	-

Notes to the Audited Consolidated And Separate Annual Financial Statements

	Group		Trust	
Figures in Rand	2023	2022	2023	2022
10. Investments at fair value (continued)				
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.	348 585 131	101 411 583	-	-
Mandatorily at fair value through profit or loss:				
Taquanta Asset Managers - BlackRock 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.	824 978 034	235 303 951	-	-
OMPE Fund V Partnership 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.	357 023 798	222 250 273	-	-

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.

	Group		Trust	
Figures in Rand	2023	2022	2023	2022

10. Investments at fair value (continued)

Equity investments at fair value through other comprehensive income:				
Unlisted shares 50 shares (12.5%) in Kathu Solar Park (RF) (Pty) Ltd.	163 649 000	173 409 000	-	-
Unlisted shares 36,000,000 shares (3.09%) in Sishen Iron Ore Company (Pty) Ltd.	5 558 869 000	4 342 692 557	-	-
	7 764 618 531	**5 254 341 719**	**-**	**-**

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.

Sishen Iron Ore Company (Pty) Ltd shares

2023

For the year ended 31 December 2023, 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 2023, 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% (2022: 3.06%) shareholding in Sishen Iron Ore Company (Pty) Ltd, the following inputs and assumptions were used during the valuation

Valuation date:	31 December 2023;
Shares in issue:	322,085,974;
Closing share price:	R615 per share;
Discount applied to take into account limitation of trading:	30%.

2022

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 sharesholding 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.

Notes to the Audited Consolidated And Separate Annual Financial Statements

	Group		Trust	
Figures in Rand	2023	2022	2023	2022

10. Investments at fair value (continued)

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%.

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

Equity instruments at fair value through other comprehensive income

The specific investments which are measured at fair value through other comprehensive income are as follows:

	Futuregrowth Core Bond Investment	**Prudential Core Equity Investment**	**BlackRock Index Selection Fund**	**OMPE Fund V Partnership**
Opening balance 1 January 2022	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)	-
Subtotal	**101 411 583**	**179 195 179**	**235 303 951**	**222 250 273**
Capital movements - 2023	233 000 000	-	499 270 000	(30 446 379)
Fair value adjustments based on market values of portfolios - 2023	1 615 168	6 770 678	90 497 642	165 815 753
Interest relating to investment - 2023	12 932 535	5 135 576	555 075	330 195
Costs relating to investment - 2023	(374 155)	(420 336)	(648 634)	(3 124 575)
Dividends- 2023	-	1 953 712	-	2 198 531
REIT income	-	17 090	-	-
	348 585 131	**192 651 899**	**824 978 034**	**357 023 798**

	Vunani Investments	**Aeon Active Equity Prescient Fund**	**All Weather BCI Equity Fund**
Purchase of investment- 2023	144 000 000	86 000 000	86 000 000
Fair value adjustments based on market values of portfolios - 2023	-	2 434 414	296 118
Interest relating to investment - 2023	79 890	51 247	45 370
Dividends- 2023	-	-	1 315 053
REIT income	-	-	193 954
Income earned - Not yet capitalised	-	-	(1 554 377)
	144 079 890	**88 485 661**	**86 296 118**

Notes to the Audited Consolidated And Separate Annual Financial Statements

	Group		Trust	
Figures in Rand	2023	2022	2023	2022

11. Inventories

Food and beverage consumables	613 113	511 842	-	-
Guest amenities	52 562	61 386	-	-
Cleaning supplies	33 006	37 774	-	-
	698 681	**611 002**	**-**	**-**

12. Trade and other receivables

Financial instruments:				
Trade receivables	11 540 911	1 766 864	11 489 035	1 499 215
Loss allowance	(1 474 306)	(744 496)	-	-
Trade receivables at amortised cost	10 066 605	1 022 368	11 489 035	1 499 215
Deposits	681 752	508 636	681 752	508 636
Fund receivable- Managing Agent	142 593	212 768	-	-
Other receivables	8 775	8 775	3 775	3 775
Non-financial instruments:				
VAT	2 610 887	2 636 476	2 592 372	2 636 476
Prepayments	87 094	746 902	3 825	652 481
Total trade and other receivables	**13 597 706**	**5 135 925**	**14 770 759**	**5 300 583**

Split between non-current and current portions

Current assets	13 597 706	5 135 925	14 770 759	5 300 583

Financial instrument and non-financial instrument components of trade and other receivables

At amortised cost	10 899 725	1 752 547	12 174 562	2 011 626
Non-financial instruments	2 697 981	3 383 378	2 596 197	3 288 957
	13 597 706	**5 135 925**	**14 770 759**	**5 300 583**

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 2023, R552,762 (2022: R 466,969) were past due but not impaired.

Trust:

The trust 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 impairment is as follows:

Notes to the Audited Consolidated And Separate Annual Financial Statements

	Group		Trust	
Figures in Rand	2023	2022	2023	2022

12. Trade and other receivables (continued)

	2023	2022
1 month past due 3	459 378	360 483
2 months past due	93 384	106 489
Total	**552 762**	**466 972**

Reconciliation of loss allowances

Opening balance at beginning of the year	(744 496)	(274 121)	-	-
Increase in credit loss allowance	(729 810)	(70 375)	-	-
Closing balance	**(1 474 306)**	**(344 496)**	**-**	**-**

13. Deferred tax

Deferred tax liability

Originating and reversing temporary	(76 713 426)	(43 209 391)	-	-
Other deferred tax liability	(399 071)	2 109 765	-	-
Total deferred tax liability	**(77 112 497)**	**(41 099 626)**	**-**	**-**

Deferred tax asset

Estimated credit losses on trade receivables	424 061	124 998	-	-

The deferred tax assets and the deferred tax liability relate to income tax in the same jurisdiction, and the law allows net settlement. Therefore, they have been offset in the statement of financial position as follows:

Deferred tax liability	(77 112 497)	(41 099 626)	-	-
Deferred tax asset	424 061	124 998	-	-
Total net deferred tax (liability) asset	**(76 688 436)**	**(40 974 628)**	**-**	**-**

Reconciliation of deferred tax asset / (liability)

At beginning of year	(40 974 628)	12 898 537	-	-
Taxable temporary differences on estimated credit loss and unlisted shares	-	3 037 638	-	-
Taxable / (deductible) temporary difference movement on estimated credit losses on trade receivables	122 672	73 275	-	-
Derecognition of deferred tax asset	176 391	(17 112 047)	-	-
Tax losses available for set off against future taxable income	(36 012 871)	(39 872 031)	-	-
	(76 688 436)	**(40 974 628)**	**-**	**-**

Notes to the Audited Consolidated And Separate Annual Financial Statements

	Group		Trust	
Figures in Rand	2023	2022	2023	2022

13. Deferred tax (continued)

Recognition of deferred tax asset (liability)

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

	Group 2023	Group 2022	Trust 2023	Trust 2022
Deductible temporary differences not recognised as deferred tax assets	-	127 181	-	-
Unused tax losses not recognised as deferred tax assets, with expiry date	-	1 227 822	-	-
	-	**1 355 003**	**-**	**-**

14. Current tax payable (receivable)

	Group 2023	Group 2022	Trust 2023	Trust 2022
Normal tax	273 745	(1 576 173)	107 646	103 787

Net current tax receivable (payable)

	Group 2023	Group 2022	Trust 2023	Trust 2022
Current assets	371 726	315 825	107 646	103 787
Current liabilities	(97 981)	(1 891 998)	-	-
	273 745	**(1 576 173)**	**107 646**	**103 787**

15. Cash and cash equivalents

Cash and cash equivalents consist of:

	Group 2023	Group 2022	Trust 2023	Trust 2022
Cash on hand	500	500	-	-
Bank balances	7 773 722	23 760 700	4 459 955	20 997 567
Short-term deposits	2 843 907 727	3 239 061 255	2 823 716 425	3 226 481 043
	2 851 681 949	**3 262 822 455**	**2 828 176 380**	**3 247 478 610**
Cash and cash equivalents held by the entity that are not available for use by the group.	969 886 419	374 030 895	969 886 419	374 030 895

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.

Notes to the Audited Consolidated And Separate Annual Financial Statements

	Group		Trust	
Figures in Rand	2023	2022	2023	2022

16. Borrowings

Held at amortised cost				
Development Bank of Southern Africa Ltd	421 792 682	381 202 151	-	-
Nedbank Ltd	5 477 636	7 234 223	-	-
	427 270 318	**388 436 374**	**-**	**-**
Split between non-current and current portions				
Non-current liabilities	288 817 990	316 414 805	-	-
Current liabilities	138 452 328	72 021 569	-	-
	427 270 318	**388 436 374**	**-**	**-**

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 2,082,570.

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 in April and October of 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 provisionsof 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.

	Group		Trust	
Figures in Rand	2023	2022	2023	2022

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 136,369,757

SIOC Community Development Trust

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 2024, 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 45,000,000 (2022: 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 1,756,330.

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

	Group 2023	Group 2022	Trust 2023	Trust 2022
Financial instruments:				
Trade payables	18 201 194	21 913 622	16 947 320	20 712 252
Refunds due	401 159	178 404	-	-
Other payables	(165 027)	66 395	(165 027)	23 977
Accrued liabilities	10 523 647	7 864 104	8 900 387	6 549 471
Deposits received	428 845	297 000	-	-
Non-financial instruments:				
Amounts received in advance	(77 171)	106 893	-	-
VAT	69 360	70 209	-	-
	29 382 007	**30 496 627**	**25 682 680**	**27 285 700**

Notes to the Audited Consolidated And Separate Annual Financial Statements

	Group		Trust	
Figures in Rand	2023	2022	2023	2022

17. Trade and other payables (continued)

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.

18. Revenue

Revenue recognised as at point in time				
Hotel revenue- Food and beverages	3 449 854	3 426 786	-	-
Hotel revenue- Rooms	13 302 912	11 013 229	-	-
Rental revenue	3 538 796	3 395 321	-	-
	20 291 562	**17 835 336**	**-**	**-**
Revenue other than from contracts with customers				
Interest using the effective rate method from investment portfolio	73 401 039	54 140 968	-	-
Dividends received	516 739 990	773 006 337	507 857 091	772 947 860
	590 141 029	**827 147 305**	**507 857 091**	**772 947 860**
	610 432 591	**844 982 641**	**507 857 091**	**772 947 860**

19. Other operating income

Other income	493 817	-	-	-
Sundry income	9 263 737	631 961	9 263 737	631 961
	9 757 554	**631 961**	**9 263 737**	**631 961**

20. Fair value gains /(losses)

Fair value gains (losses)				
Loans from group companies	-	-	-	(4 517 745)
Financial assets mandatorily at fair value through profit or loss	271 496 285	(2 778 109)	-	-
Financial assets designated as at fair value through profit or loss- Kathu Solar Park (RF) (Pty) Ltd	(9 760 000)	73 912 233	-	-
	261 736 285	**71 134 124**	**-**	**(4 517 745)**

21. Movement in credit loss allowance

Trade and other receivables	(729 809)	(470 375)	-	-
Other financial assets at amortised cost	(1 828 737)	(9 086 069)	65 000	7 748
Loan to related party	1 163 533	34 289 615	1 163 533	(1 163 533)
	(1 395 013)	**24 733 171**	**1 228 533**	**(1 155 785)**

Notes to the Audited Consolidated And Separate Annual Financial Statements

22. Operating expenses

Expenses by nature

Figures in Rand	Group 2023	Group 2022	Trust 2023	Trust 2022
Employee costs	55 310 248	50 019 032	48 322 815	44 226 391
Lease expenses	-	-	954 822	811 704
Depreciation, amortisation and impairment	3 534 228	3 384 534	1 923 665	1 708 915
Other expenses	40 473 477	27 804 373	33 824 817	23 044 583
Foreign exchange (gains) /losses	-	219 455	-	-
Municipal costs	2 482 670	2 002 563	-	-
Repairs and maintenance	2 461 690	1 902 472	-	-
Project expenditure and feasibility studies	199 030 168	204 935 687	199 030 168	204 935 687
Hotel - Rooms, food and beverage expenses	4 774 719	4 701 713	-	-
Impairment / (Reversal) of impairments	8 300 000	(8 300 000)	-	-
Auditor's remuneration	2 273 630	1 733 907	1 964 915	692 802
Consulting and professional services	10 503 619	7 302 300	8 784 792	5 768 785
Impairment of property, plant and equipment	39 585	1 319 585	-	-
	329 184 034	**297 025 621**	**294 805 994**	**281 188 867**

23. Finance income

Figures in Rand	Group 2023	Group 2022	Trust 2023	Trust 2022
Investments in financial assets:				
Bank and other cash	347 747 418	197 456 398	347 567 776	197 420 449
Other financial assets	-	145	-	-
Loans to group companies:				
Subsidiaries	-	-	4 923 344	3 206 011
Total interest income	**347 747 418**	**197 456 543**	**352 491 120**	**200 626 460**

24. Finance costs

Figures in Rand	Group 2023	Group 2022	Trust 2023	Trust 2022
Borrowings - Development Bank of South Africa	56 887 574	42 938 009	-	-
Borrowings - Nedbank Ltd	717 935	604 815	-	-
Trade and other payables	657	1 626	-	-
Lease liabilities	-	-	320 633	81 586
Bank overdraft	170 700	-	168 639	-
South African Revenue Services	2 660	1 546	2 660	1 546
Total finance costs	**57 779 526**	**43 545 996**	**491 932**	**83 132**

25. Income from equity accounted investments

Figures in Rand	Group 2023	Group 2022	Trust 2023	Trust 2022
Share of profit /(loss) in associates	85 490 325	66 696 041	-	-
Amortisation of intagible assets in associates	-	(518 561)	-	-
	85 490 325	**66 177 480**	**-**	**-**

Notes to the Audited Consolidated And Separate Annual Financial Statements

	Group		Trust	
Figures in Rand	2023	2022	2023	2022

26. Taxation

Major components of the tax expense (income)

Current				
Local income tax - current period	683 524	3 037 957	-	-
Deferred				
Originating and reversing temporary differences	38 261 316	26 089 065	-	-
Derecognition of deferred tax asset	(2 547 507)	27 784 100	-	-
	35 713 809	**53 873 165**	**-**	**-**
	36 397 333	**56 911 122**	**-**	**-**

Reconciliation of the tax expense

Reconciliation between accounting surplus and tax expense.

Accounting surplus	926 805 600	864 544 303	575 542 555	687 260 752
Tax at the applicable tax rate of 45% (2022: 45%)	418 018 231	389 044 936	155 396 490	309 267 338
Tax effect of adjustments on taxable income				
Deferred tax	36 397 333	56 911 122	-	-
Section 10(1)(cN) exemption	(418 018 231)	(389 044 936)	(155 396 490)	(309 267 338)
	36 397 333	**56 911 122**	**-**	**-**

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 - 2023

	Gross	Tax	Net
Items that will not be reclassified to profit (loss)			
Fair value through other comprehensive income - Other financial			
Gains arising from fair value adjustment of 3.06% (2022: 3.06%)	1 216 176 443	-	1 216 176 443

Notes to the Audited Consolidated And Separate Annual Financial Statements

	Group		Trust	
Figures in Rand	2023	2022	2023	2022

27. Other comprehensive income (continued)

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% (2022: 3.06%)	607 057 066	-	607 057 066

28. Cash used in operations

	Group 2023	Group 2022	Trust 2023	Trust 2022
Surplus before taxation	926 805 600	864 544 303	575 542 555	687 260 752
Adjustments for :				
Depreciation	3 827 505	3 384 533	1 923 668	1 708 915
Fair value (gains) losses on investment at fair value	(277 492 309)	-	-	4 517 745
Share of profit or loss of equity accounted investments	(85 490 325)	(66 177 480)	-	-
Non-cash additions to Property Plant and equipment	(440 687)	-	-	-
Finance cost -SIOC - CDT Properties Company (Pty) Ltd	-	-	(4 923 344)	-
Non cash loan movement- SIOC- CDT Properties Company (Pty) Ltd	-	-	1 094 270	-
Reversal of impairment loss on investment	8 300 000	(8 300 000)	-	(7 748)
Profit on sale of property plant ad equipment	-	-	-	(82 174)
Estimated credit losses - other loans	-	-	(1 163 533)	1 163 533
Estimated credit losses- Kathu Solar Park	1 893 738	-	-	-
Movement in credit losses	605 788	-	-	-
Non cash movement- Right of use - asset	-	-	(5 059 294)	-
Fair value adjustment of investment in Kathu Solar Park	9 760 000	(73 912 233)	-	-
Interest Paid- Loan from DBSA	56 840 526	43 542 837	-	-
Non cash- Interest income - Loan to Kathu Solar Park	(53 227 626)	-	-	-
Non cash- Interest from Investments	(14 907 536)	-	-	-
Non cash dividends received - investments	(8 792 678)	-	-	-
Interest on investments- Non cash	6 671 166	-	-	-
Adjust for items which are presented separately:				
Interest income	(350 278 988)	(146 960 869)	(352 491 120)	(200 626 460)
Dividends received	(507 947 312)	(773 006 337)	(507 857 091)	(772 947 860)
Finance costs	939 000	308 441	491 932	83 132
Changes in working capital:				
(Increase) decrease in inventories	(87 678)	(204 877)	-	-
(Increase) decrease in trade and other receivables	(10 100 042)	355 209	(9 470 176)	1 384 289
Increase (decrease) in trade and other payables	(202 965)	14 222 000	(1 603 022)	14 479 538
	(293 324 823)	**(142 204 473)**	**(303 515 155)**	**(263 066 338)**

Notes to the Audited Consolidated And Separate Annual Financial Statements

	Group		Trust	
Figures in Rand	2023	2022	2023	2022

29. Tax paid

Balance at beginning of the year	(1 576 173)	(137 868)	103 787	101 684
Current tax recognised in profit or loss	(683 524)	(3 037 957)	-	-
Current tax for the year recognised directly in other comprehensive income	(212 038)	-	-	-
Balance at end of the year	(273 745)	(333 703)	(107 646)	(103 787)
	(2 745 480)	**(3 509 528)**	**(3 859)**	**(2 103)**

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.N. Dick - Group Head of Investments (Resigned 11 April 2023) M. Macomo - Group Head of Stakeholder Relations and Communications (Appointed 1 September 2023) R. Sebogodi - Group Head of Stakeholder Relations and Communications Z.C. Mathebula - Group Company Secretary T. Mutsago - Group Head of Projects

Notes to the Audited Consolidated And Separate Annual Financial Statements

	Group		Trust	
Figures in Rand	2023	2022	2023	2022

30. Related parties (continued)

Related party balances

Loan accounts - Owing (to) by related parties				
SIOC CDT Investment Holdings (RF) (Pty) Ltd	-	-	(4 001 808)	19 192 831
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	-	-	57 346 819	53 517 745
SIOC CDT Properties Company (Pty) Ltd - Impairment allowance	-	-	(32 781 278)	(32 781 278)
Amounts included in Trade receivable (Trade Payable) regarding related parties				
The Urban Hotel Kathu (Pty) Ltd	-	-	-	(76 375)
SIOC CDT Properties Company (Pty) Ltd	-	-	-	156 225
Shareholding				
Sishen Iron Ore Company (Pty) Ltd - 3.09% at fair value	4 428 252 000	4 342 692 557	-	-
Kathu Solar Park (RF) (Pty) Ltd - 12.5% at fair value	163 649 000	173 409 000	-	-

Related party transactions

Interest paid to (received from) related parties				
Airlink (Pty) Ltd	(2 531 570)	(3 271 583)	-	-
SIOC CDT Properties Company (Pty) Ltd	-	-	(4 923 344)	(3 206 011)
Dividends paid to (received from) related parties				
SIOC Community Development Trust	-	-	(507 857 091)	(772 947 860)
Sishen Iron Ore Company (Pty) Ltd	(507 947 311)	(773 006 337)	-	-
Rent paid to (received from) related parties				
SIOC CDT Properties Company (Pty) Ltd	-	-	-	993 549
Compensation				
To non-executive Trustees	4 847 559	4 585 739	4 847 559	4 585 739

Notes to the Audited Consolidated And Separate Annual Financial Statements

	Group		Trust	
Figures in Rand	2023	2022	2023	2022

31. Financial instruments and risk management

Categories of financial instruments

Categories of financial assets

Group - 2023

	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 receivable	9	-	-	-	455 748 058	-	455 748 058
Investments at fair value	10	5 722 518 000	1 182 001 832	860 098 699	-	-	7 764 618 531
Trade and other receivables	12	-	-	-	10 899 725	87 094	10 986 819
Cash and cash equivalents	15	-	-	-	2 851 681 949	-	2 851 681 949
		5 722 518 000	**1 182 001 832**	**860 098 699**	**3 318 329 732**	**87 094**	**1 083 035 357**

Group - 2022

	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	-	-	-	(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	12	-	-	-	1 378 757	746 902	2 125 659
Cash and cash equivalents	15	-	-	-	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**

Trust - 2023

	Note(s)	Amortised cost	Leases	Total
Loans to group companies	8	25 729 074	-	25 729 074
Trade and other receivables	12	12 174 562	3 825	12 178 387
Cash and cash equivalents	15	2 828 176 380	-	2 828 176 380
		2 866 080 016	**3 825**	**2 866 083 841**

Notes to the Audited Consolidated And Separate Annual Financial Statements

	Group		Trust	
Figures in Rand	2023	2022	2023	2022

31. Financial instruments and risk management (continued)

Trust - 2022

	Note(s)	Amortised cost	Leases	Total
Loans to group companies	8	39 929 298	-	39 929 298
Trade and other receivables	12	2 041 098	652 481	2 693 579
Cash and cash equivalents	15	3 247 478 609	-	3 247 478 609
		3 289 449 005	**652 481**	**3 290 101 486**

Categories of financial liabilities

Group - 2023

	Note(s)	Amortised cost	Total
Trade and other payables	17	29 389 818	29 389 818
Borrowings	16	427 270 318	427 270 318
		456 660 136	**456 660 136**

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**

Trust - 2023

	Note(s)	Amortised cost	Leases	Total
Trade and other payables	17	25 682 678	-	25 682 678
Loans from group companies		4 001 808	-	4 001 808
Finance lease obligations	4	-	4 729 154	4 729 154
		29 684 486	**4 729 154**	**34 413 640**

Trust - 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**

Notes to the Audited Consolidated And Separate Annual Financial Statements

	Group		Trust	
Figures in Rand	2023	2022	2023	2022

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.

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	10				
Unlisted shares - 3.09% shareholding in Sishen Iron Ore Company (Pty) Ltd		4 428 252 000	4 342 692 557	-	-
Debt instruments at fair value through other comprehensive income					
BlackRock Index Selection Fund		824 978 034	235 303 951	-	-

Notes to the Audited Consolidated And Separate Annual Financial Statements

		Group		Trust	
Figures in Rand		2023	2022	2023	2022

32. Fair value information (continued)

	Note(s)	Group 2023	Group 2022	Trust 2023	Trust 2022
Financial assets designated at fair value through profit (loss)	10				
Futuregrowth Core Bond Investment		192 651 899	179 195 179	-	-
Prudential Core Equity Investment		348 585 131	101 411 583	-	-
All Weather BCI Equity Fund		86 296 118	-	-	-
Vunani Investments		144 079 890	-	-	-
Aeon Active Equity Prescient Fund		88 485 661	-	-	-
Total financial assets designated at fair value through profit (loss)		**860 098 699**	**280 606 762**	**-**	**-**
Total		**6 113 328 733**	**4 858 603 270**	**-**	**-**

Level 3

Recurring fair value measurements

Assets	Note(s)	Group 2023	Group 2022	Trust 2023	Trust 2022
Financial assets at amortised cost	10				
Loans and receivables - Kathu Solar Park (RF) (Pty) Ltd		455 748 058	420 664 170	-	-
Financial assets at fair value through					
Unlisted shares - Kathu Solar Park (RF) (Pty) Ltd		163 649 000	173 409 000	-	-
Financial assets mandatorily at fair value through profit or loss	10				
OMPE Fund Partnership		357 023 798	222 250 273	-	-
Total		**976 420 856**	**816 323 443**	**-**	**-**

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.

Notes to the Audited Consolidated And Separate Annual Financial Statements

	Group		Trust	
Figures in Rand	2023	2022	2023	2022

34. Events after the reporting period

Dividends Received

The company received dividends from Sishen Iron Ore Company (Pty) Ltd of R 315,992,455 on 29 February 2024 as full and final dividend for the 2023 financial year. Dividends to the value of R 315,888,057 were declared and paid over to the sole shareholder, SIOC Community Development Trust, on 01 March 2024.

SIOC Community Development Trust

Ms. Anita Loots has been appointed as Chief Executive Officer, effective 2 May 2024. The appointment was approved by the Board on 2 March 2024. Mr. V.F Malie will be exiting as Chief Executive Officer, effective 31 August 2024. The period between 2 May 2024 and 31 August 2024 will serve as a hand-over period to allow for a smooth transition. By virtue of the appointment of Ms. A. Loots as Chief Executive Officer of SIOC Community Development Trust, she will also be appointed as Trustee of the SIOC Community Development Trust in terms of the Trust Deed. Mr. V.F Malie will be removed as Trustee on the same date. The appointment of Ms A. Loots as Trustee, and removal of Mr V.F Malie as Trustee, will only be effective on date of approval from the Mater of the High Court which was pending at the date of signature of this report.

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.