



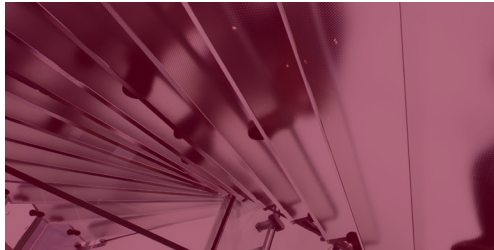
**Unaudited interim results  
for the six months ended  
31 August 2021**



adcorp

Connecting Human Potential

# Contents



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Connecting Human Potential



Commentary

2 – 4

Consolidated statement of financial position

5

Consolidated statement of profit or loss

6

Consolidated statement of other comprehensive income

7

Consolidated statement of changes in equity

8 – 9

Consolidated statement of cash flows

10 – 11

Segment report

12 – 15

Notes to the unaudited interim financial statements

16 – 26

Corporate information

IBC

## Salient features

**Gross profit from continuing operations** increased by **6,7%** to **R599,4 million**

(2020: R561,6 million)

**Revenue** from continuing operations decreased by **5,4%** to **R5,8 billion**

(2020: R6,1 billion)

**Operating profit from continuing operations** increased by **10,3%** to **R71,6 million**

(2020\*: R65,0 million)

**Profit after tax from continuing operations** increased by **123,2%** to **R27,4 million**

(2020\*: R12,3 million profit after tax)

**Cash generated by operations of** **R68,9 million**

(2020: R860,9 million)

**Net unrestricted cash position** improved to **R97,6 million**

(2020: Net unrestricted cash of R52,0 million before deferred payables of R437,1 million)

**Earnings per share from continuing operations** increased to **25,2 cents** per share

(2020\*: 11,4 cents earnings per share)

**Headline earnings per share from continuing operations** increased to **27,2 cents** per share

(2020\*: 12,5 cents headline earnings per share)

\* Restated.

## Performance overview

In the six months ended 31 August 2021, Adcorp has continued to focus on improving the quality of its earnings, stringent management of its operating costs, and optimising its working capital. Recovery to pre-pandemic levels of economic activity in both South Africa and Australia remained slow and has weighed on some parts of the business. Despite these conditions, we are pleased to report results that show an improvement over the prior period on a continuing operations basis.

## Financial overview

Gross profit from continuing operations increased by 6,7% despite a decline in revenue of 5,4%. Temporary disruptions brought on by lockdown regulations in both territories and the civil unrest in South Africa, experienced in the latter part of the period under review, adversely affected operations. South Africa's 0,6% revenue decline is attributable to the shortfalls in the industrial and professional portfolios of 0,7% and 4,0%, respectively and were offset with a 40,8% uptick in performance by the training portfolio. Revenue from continuing operations in Australia decreased 11,3% compared to the comparable period, primarily due to ZAR appreciation.

Operating profit from continuing operations improved from the comparative period by 10,3%. This is largely attributable to the increased gross profit, further containment of operating expenses and lower amortisation costs. In the first half of the 2021 financial year there were several once-off income and cost items that affected the operating performance. Earnings per share from continuing operations is up significantly to 25,2 cents (2020: 11,4 cents).

Net unrestricted cash was R97,6 million at 31 August 2021, reflecting gearing of negative 7,3% (excluding restricted cash and finance leases). The proceeds from the sale of Adcorp Support Services Proprietary Limited, received in March 2021, were used to strengthen our financial position and further improve the balance sheet.

## South Africa

### Industrial

This portfolio, comprising both industrial contingent staffing and functional outsourcing brands, retained prior year revenues. Prior period cost efficiencies have been maintained and stringent cash management controls have delivered positive sustainable outcomes in the current period. The functional outsourcing brands continued to deliver higher gross profit margins on rising demand.

## **Professional**

The professional portfolio contracted by 4,0% in revenue when compared to the prior period. The brands within this portfolio each delivered contrasting results. The contingent nursing brand, Charisma, has returned to pre-COVID-19 revenue levels while the higher-end contingent IT and permanent placement brands, Paracon and talentCRU, are still impacted by slow client return to pre-pandemic levels of IT projects and permanent recruitment.

## **Training**

Training has had a strong performance with revenue growth of 40,8% compared to the prior period. Successful online training delivery models have generated greater gross profit margins and enabled product expansion. Management changes and a change in product mix have contributed to revenue and margin growth.

## **Australia**

The business posted a solid first half with constant currency revenues largely comparable to the prior period where operating profit had the assistance of the Australian government JobKeeper funding. Margins have increased in the professional skills market where demand is high and supply constrained. Margin increases were also attained in LSA however the supply of labour to meet demand is currently constrained due to border restrictions.

## **Changes to the board of Adcorp**

The following changes to the directorate took place during the period under review:

- ▶ Resignation of SN Mabaso-Koyana effective 1 March 2021;
- ▶ Resignation of P Roux as Chief Executive Officer effective 31 March 2021; and
- ▶ Appointment of Dr JP Wentzel as Chief Executive Officer effective 1 April 2021.

## **Dividends**

Adcorp's short-term focus remains on prudent working capital management, and consequently the board has decided that an interim dividend will not be declared.

## Outlook

Adcorp has made significant progress in improving both the sustainability and quality of its earnings. At a normalised operating profit level we expect that the performance we have delivered in H1 will be sustained into H2 with more upside potential than downside risk. Whilst the risk of further lockdowns in South Africa and Australia remains, we are satisfied that the progress we made in the 2021 financial year, and enhanced over the past six months, will ensure a stable platform for profitable growth going forward.

By order of the board

**GT Serobe**  
*Chairman*

**Dr JP Wentzel**  
*Chief Executive Officer*

**N Prendergast**  
*Chief Financial Officer*

28 October 2021

# Consolidated statement of financial position

as at 31 August 2021

	Notes	Unaudited six months to 31 August 2021 R'000	Unaudited <sup>1,2</sup> six months to 31 August 2020 R'000	Audited year to 28 February 2021 R'000
<b>ASSETS</b>				
<b>Non-current assets</b>		<b>1 282 305</b>	1 524 411	1 357 418
Property and equipment		43 922	67 796	48 286
Right-of-use assets		333 072	385 020	364 572
Intangible assets		129 817	157 176	144 346
Goodwill		500 219	635 609	527 216
Other financial assets – investment at fair value		19 348	18 444	18 971
Deferred taxation		196 404	208 317	198 832
Prepayments		59 523	52 049	55 195
<b>Current assets</b>		<b>1 904 244</b>	2 471 409	1 962 906
Trade receivables		1 344 079	1 547 621	1 377 823
Other receivables		130 457	151 982	101 297
Other financial assets – investment at amortised cost		–	39 601	–
Taxation prepaid		9 572	16 458	9 854
Cash and cash equivalents		420 136	715 747	473 932
Non-current assets held for sale		–	103 631	196 553
<b>Total assets</b>		<b>3 186 549</b>	4 099 451	3 516 877
<b>EQUITY AND LIABILITIES</b>				
<b>Capital and reserves</b>		<b>1 340 430</b>	1 373 317	1 352 254
Share capital and share premium		1 740 858	1 740 858	1 740 858
Treasury shares		(68 083)	(68 083)	(68 083)
Reserves		(332 345)	(299 458)	(320 521)
<b>Non-current liabilities</b>		<b>443 854</b>	517 414	870 459
Interest-bearing borrowings	8	–	–	400 000
Lease liabilities		356 173	381 066	369 658
Deferred taxation		87 681	136 348	100 801
<b>Current liabilities</b>		<b>1 402 265</b>	2 162 968	1 273 020
Interest-bearing borrowings	8	250 000	629 238	55 823
Lease liabilities		68 998	66 742	75 281
Bank overdraft		–	193	87
Trade and other payables		832 188	1 252 711	908 922
Provisions		205 265	191 794	183 738
Taxation		45 814	22 290	49 169
Liabilities held for sale		–	45 752	21 144
<b>Total equity and liabilities</b>		<b>3 186 549</b>	4 099 451	3 516 877

<sup>1</sup> The comparatives have been restated to reverse an allowance for expected credit losses previously raised against cash and cash equivalents and other financial assets – investment at amortised cost, relating to cash and bonds held in Angola.

<sup>2</sup> The comparatives for intangible assets have been restated with R68 million reclassified to non-current and current prepayments.

# Consolidated statement of profit or loss

for the six months ended 31 August 2021

	Notes	Unaudited six months to 31 August 2021 R'000	Restated <sup>1,2</sup> unaudited six months to 31 August 2020 R'000	Audited year to 28 February 2021 R'000
<b>CONTINUING OPERATIONS</b>				
<b>Revenue</b>	6	<b>5 780 831</b>	6 110 733	11 716 956
Cost of sales		<b>(5 181 408)</b>	(5 549 124)	(10 575 140)
<b>Gross profit</b>		<b>599 423</b>	561 609	1 141 816
Other income		<b>6 236</b>	56 663	99 399
Loss allowance for expected credit losses – trade receivables <sup>1</sup>		<b>1 150</b>	23 265	33 396
Operating expenses <sup>2</sup>		<b>(535 172)</b>	(576 584)	(1 156 200)
<b>Operating profit</b>		<b>71 637</b>	64 953	118 411
Interest income		<b>2 852</b>	9 692	16 204
Interest expense		<b>(35 153)</b>	(59 222)	(106 854)
<b>Profit before taxation</b>		<b>39 336</b>	15 423	27 761
Taxation expense		<b>(11 952)</b>	(3 156)	(22 338)
<b>Profit for the period from continuing operations</b>		<b>27 384</b>	12 267	5 423
<b>DISCONTINUED OPERATIONS</b>				
Profit for the period from discontinued operations	4	<b>4 942</b>	26 608	35 906
<b>Profit for the period</b>		<b>32 326</b>	38 875	41 329
<b>Profit attributable to:</b>				
Owners of the parent – continuing operations		<b>27 079</b>	12 267	2 322
Owners of the parent – discontinued operations		<b>4 942</b>	26 608	35 906
Non-controlling interest		<b>305</b>	–	3 101
<b>Continuing operations basic and diluted earnings per share:</b>				
Basic earnings per share – cents	7	<b>25,2</b>	11,4	2,2
Diluted earnings per share – cents	7	<b>23,6</b>	11,4	2,1
<b>Discontinued operations basic and diluted earnings per share:</b>				
Basic earnings per share – cents	7	<b>4,6</b>	24,8	33,4
Diluted earnings per share – cents	7	<b>4,3</b>	24,6	32,5
<b>Total basic and diluted earnings per share:</b>				
Basic earnings per share – cents	7	<b>29,8</b>	36,2	35,6
Diluted earnings per share – cents	7	<b>27,9</b>	36,0	34,6

<sup>1</sup> The comparatives have been restated to reflect the loss allowances for expected credit losses on the face of the consolidated statement of profit or loss. As a result, operating expenses increased in the comparative financial year by R23 million.

<sup>2</sup> The comparatives are restated to reverse the allowance for expected credit losses previously raised for cash and cash equivalents and other financial assets – investment at amortised cost, relating to cash and bonds held in Angola and to account for release of prepayment related to the enterprise technology transformation project included in prepayments. Refer to note 1 in the notes to the unaudited interim financial statements.



# Consolidated statement of other comprehensive income

for the six months ended 31 August 2021

	Unaudited six months to 31 August 2021 R'000	Restated <sup>2</sup> unaudited six months to 31 August 2020 R'000	Audited year to 28 February 2021 R'000
<b>Profit for the period</b>	<b>32 326</b>	38 875	41 329
<b>Other comprehensive (loss)/income<sup>1</sup></b>			
<b>CONTINUING OPERATIONS</b>			
Exchange differences on translating foreign operations <sup>2</sup>	(16 344)	(11 568)	16 539
Exchange differences reclassified to profit or loss on disposal of foreign business	–	–	(3 770)
Exchange differences arising on the net investment of a foreign operation	(30 330)	81 544	47 515
<b>DISCONTINUED OPERATIONS</b>			
Exchange differences on translating foreign operations	–	16 553	–
<b>Other comprehensive (loss)/income for the period, net of tax</b>	<b>(46 674)</b>	86 529	60 284
Non-controlling interest	74	158	–
<b>Total comprehensive (loss)/income for the period</b>	<b>(14 274)</b>	125 562	101 613
<b>Total comprehensive (loss)/income attributable to:</b>			
Owners of the parent continuing operations	(19 595)	82 243	62 927
Owners of the parent discontinued operations	4 942	43 161	35 906
Non-controlling interest	379	158	2 780

<sup>1</sup> All items included in other comprehensive income/(loss) will be reclassified to profit or loss upon derecognition.

<sup>2</sup> The comparatives are restated to account for the foreign exchange effect on the allowance for expected credit losses previously raised for cash and cash equivalents and other financial assets – investment at amortised cost, relating to cash and bonds held in Angola and to account for release of prepayment related to the enterprise technology transformation project included in prepayments.

# Consolidated statement of changes in equity

for the six months ended 31 August 2021

	Share capital R'000	Share premium R'000	Treasury shares R'000	Share-based payment reserve R'000
<b>Balance as at 29 February 2020 (audited) – restated</b>	2 749	1 738 109	(68 083)	166 794
Restatement *	–	–	–	–
<b>Balance as at 29 February 2020 (audited) – restated</b>	2 749	1 738 109	(68 083)	166 794
Recognition of BBBEE and staff share-based payments	–	–	–	1 908
Profit for the period	–	–	–	–
Other comprehensive income	–	–	–	–
<b>Balance as at 31 August 2020 (unaudited)</b>	2 749	1 738 109	(68 083)	168 702
<b>Balance as at 28 February 2021 (audited)</b>	2 749	1 738 109	(68 083)	179 717
Recognition of BBBEE and staff share-based payments	–	–	–	8 484
Profit for the period	–	–	–	–
Other comprehensive income	–	–	–	–
Equity due to change in control	–	–	–	–
<b>Balance as at 31 August 2021 (unaudited)</b>	<b>2 749</b>	<b>1 738 109</b>	<b>(68 083)</b>	<b>188 201</b>

\* The foreign currency translation reserve and accumulated retained earnings as at 29 February 2020 have been restated by a R13 million debit and an R83 million credit, respectively to give effect to the restatement to reverse the allowances for expected credit losses previously raised against cash and cash equivalents and other financial assets – investment at amortised cost, relating to cash and bonds held in Angola. The loss for the period and foreign currency translation reserve movement in other comprehensive income/(loss) has been restated by R0,1 million and R1,3 million, respectively as a result of the restatement effected at 31 August 2020.

Foreign currency trans- lation reserve R'000	Accumulated loss R'000	Attribu- table to equity holders of the parent R'000	Non- controlling interest R'000	Employee's share option scheme reserve R'000	Total R'000
(18 441)	(650 956)	1 170 172	4 899	676	1 175 747
(13 382)	83 482	70 100	—	—	70 100
(31 823)	(567 474)	1 240 272	4 899	676	1 245 847
—	—	1 908	—	—	1 908
	38 875	38 875	—	—	38 875
4 985	81 544	86 529	158	—	86 687
(26 838)	(447 055)	1 367 584	5 057	676	1 373 317
28 782	(529 095)	1 352 179	(93)	168	1 352 254
—	—	8 484	—	—	8 484
—	32 021	32 021	305	—	32 326
(46 674)	—	(46 674)	74	—	(46 600)
—	—	—	(6 034)	—	(6 034)
(17 892)	(497 074)	1 346 010	(5 748)	168	1 340 430

# Consolidated statement of cash flows

for the six months ended 31 August 2021

	Unaudited six months to 31 August 2021 R'000	Restated <sup>1</sup> unaudited six months to 31 August 2020 R'000	Audited year to 28 February 2021 R'000
<b>Operating activities</b>			
<b>Profit before taxation</b>	<b>45 520</b>	51 802	95 317
From continuing operations	<b>39 336</b>	15 423	27 761
From discontinued operations	<b>6 184</b>	36 379	67 556
<b>Adjusted for:</b>			
Depreciation of property and equipment	<b>9 611</b>	15 266	27 960
Depreciation of right-of-use assets	<b>26 671</b>	35 505	63 907
Impairment of financial asset	<b>–</b>	7 960	–
Amortisation of intangibles	<b>8 513</b>	17 656	42 148
Prepayment released – enterprise technology transformation project	<b>9 706</b>	4 225	14 373
Impairment of right-of-use assets	<b>2 769</b>	–	5 889
Lease liabilities derecognised net of settlement costs	<b>–</b>	(11 526)	(17 740)
Right-of-use assets derecognised	<b>–</b>	–	12 895
Loss/(profit) on the sale of property and equipment	<b>164</b>	1 601	(7 881)
Share-based payments	<b>8 484</b>	2 024	12 923
Unrealised foreign exchange gain	<b>–</b>	(7 132)	–
Profit on the disposal of businesses	<b>(1 526)</b>	–	(2 592)
Fair value adjustment	<b>(377)</b>	(825)	(1 351)
Value added tax accrual	<b>–</b>	–	(21 479)
Decrease in loss allowances for expected credit losses – trade receivables	<b>(1 150)</b>	(24 111)	(33 396)
Interest income	<b>(2 852)</b>	(9 793)	(16 416)
Interest expense	<b>35 153</b>	59 703	107 312
<b>Cash generated from operations before working capital changes</b>	<b>140 686</b>	142 355	281 869
(Increase)/decrease in trade and other receivables	<b>(57 992)</b>	513 190	745 667
(Decrease)/increase in trade and other payables	<b>(30 102)</b>	179 738	(136 457)
Increase in provisions	<b>16 292</b>	25 573	22 651
<b>Cash generated by operations</b>	<b>68 884</b>	860 856	913 730
Interest income	<b>2 852</b>	9 793	16 416
Interest expense	<b>(12 326)</b>	(35 954)	(59 201)
Interest expense on finance lease liabilities	<b>(22 522)</b>	(23 749)	(48 111)
Taxation paid	<b>(17 878)</b>	(30 597)	(52 229)
<b>Net cash generated by operating activities</b>	<b>19 010</b>	780 349	770 605

	Note	Unaudited six months to 31 August 2021 R'000	Restated <sup>1</sup> Unaudited six months to 31 August 2020 R'000	Audited year to 28 February 2021 R'000
<b>Investing activities</b>				
Additions to property, equipment and intangible assets <sup>1</sup>		(4 545)	(2 227)	(16 730)
Proceeds from sale of property and equipment		–	4 124	16 930
Prepayment – enterprise technology transformation project <sup>1</sup>		(4 983)	(35 178)	(57 456)
Proceeds from investment – amortised cost		–	–	37 067
Net proceeds on disposal of businesses	4	150 773	–	29 852
<b>Net cash generated/(utilised) by investing activities</b>		<b>141 245</b>	<b>(33 281)</b>	<b>9 663</b>
<b>Financing activities</b>				
Share repurchases		–	–	(357)
Repayment of borrowings		(205 509)	(571 668)	(965 524)
Proceeds from borrowings		–	157 274	386 667
Repayment of lease liabilities		(17 327)	(46 669)	(69 966)
Acquisition of non-controlling interest shareholding		(3 857)	–	–
Distributions to non-controlling interest		(1 971)	–	–
<b>Net cash utilised by financing activities</b>		<b>(228 664)</b>	<b>(461 063)</b>	<b>(649 180)</b>
Net (decrease)/increase in cash and cash equivalents		<b>(68 409)</b>	286 005	131 088
Cash and cash equivalents at the beginning of the period		<b>498 356</b>	360 500	360 500
Cash and cash equivalents on disposal of businesses		–	–	(19)
Non cash item: Foreign currency exchange arising on cash and cash equivalents		<b>(9 811)</b>	88 696	6 787
<b>Cash and cash equivalents at the end of the period<sup>2</sup></b>		<b>420 136</b>	<b>735 201</b>	<b>498 356</b>

<sup>1</sup> The comparatives have furthermore been restated to give effect to the restatement to reverse the allowance for expected credit losses previously raised against cash and cash equivalents and other financial assets – investment at amortised cost, relating to cash and bonds held in Angola. In addition, R35 million cash outflow previously presented as an outflow for additions to intangible assets has been reclassified to prepayment – enterprise technology transformation project.

<sup>2</sup> For the period ended 31 August 2020 R19,5 million (28 Feb 2021 : R24,4 million) is included in non-current assets held for sale.

# Segment report

for the six months ended 31 August 2021

	Industrial <sup>1</sup> South Africa R'000	Professional South Africa R'000	Training <sup>2</sup> South Africa R'000	Australia International R'000
<b>Revenue</b>				
<b>– August 2021</b>	<b>2 235 649</b>	<b>997 650</b>	<b>124 206</b>	<b>2 423 326</b>
– August 2020	2 251 648	1 038 705	88 221	2 732 297
– February 2021	4 590 767	2 030 402	184 609	4 911 178
<b>Internal revenue</b>				
<b>– August 2021</b>	<b>110 277</b>	<b>1 419</b>	<b>2 205</b>	<b>–</b>
– August 2020	75 133	3 565	780	–
– February 2021	141 523	11 455	12 844	–
<b>Loss allowances for expected credit losses and bad debts on trade receivables – income/(expense)</b>				
<b>– August 2021</b>	<b>1 353</b>	<b>–</b>	<b>(750)</b>	<b>547</b>
– August 2020 <sup>9</sup>	7 929	16 481	671	(1 816)
– February 2021	4 427	20 763	2 738	5 466
<b>Depreciation and amortisation</b>				
<b>– August 2021</b>	<b>1 039</b>	<b>9 080</b>	<b>3 550</b>	<b>12 268</b>
– August 2020	4 363	4 484	5 951	28 269
– February 2021	5 593	22 203	11 645	50 333
<b>Operating profit/(loss) before finance income and finance costs<sup>5,7</sup></b>				
<b>– August 2021</b>	<b>44 797</b>	<b>10 310</b>	<b>(21 734)</b>	<b>39 245</b>
– August 2020 <sup>9,10</sup>	59 636	20 154	(32 052)	26 818
– February 2021	123 452	3 180	(21 654)	62 730
<b>Finance income</b>				
<b>– August 2021</b>	<b>–</b>	<b>11</b>	<b>17</b>	<b>(46)</b>
– August 2020 <sup>5</sup>	1 347	3	75	37
– February 2021	1 623	100	138	37
<b>Finance costs</b>				
<b>– August 2021</b>	<b>(148)</b>	<b>(56)</b>	<b>(274)</b>	<b>(2 830)</b>
– August 2020 <sup>6</sup>	(4 002)	(220)	(374)	(6 103)
– February 2021	(4 775)	(152)	(1 074)	(8 970)
<b>Impairment expenses</b>				
<b>– August 2021</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
– August 2020	–	–	–	–
– February 2021	–	–	–	–

Central South Africa R'000	Group continued operations R'000	Discontinued operations <sup>3</sup> South Africa R'000	Discontinued operations <sup>4</sup> International R'000	Total Group Total R'000	Geographical segments South Africa R'000	International R'000
–	5 780 831	11 024	–	5 791 855	3 368 529	2 423 326
(138)	6 110 733	64 055	260 852	6 435 640	3 442 491	2 993 149
–	11 716 956	128 624	291 538	12 137 118	6 934 402	5 202 716
–	113 901	–	–	113 901	113 901	–
260	79 738	–	–	79 738	79 738	–
5 262	171 084	–	–	171 084	171 084	–
–	1 150	–	–	1 150	603	547
–	23 265	–	–	23 265	25 081	(1 816)
2	33 396	–	–	33 396	27 930	5 466
18 712	44 649	146	–	44 795	32 381	12 268
21 226	64 293	1 773	2 360	68 426	37 797	30 629
40 587	130 361	3 654	–	134 015	83 682	50 333
(758)	71 860	4 627	–	76 487	37 242	39 245
(7 088)	67 468	25 537	8 706	101 711	66 187	35 524
(35 508)	132 200	44 623	9 389	186 212	114 093	72 119
2 870	2 852	31	–	2 883	2 929	(46)
8 149	9 611	100	–	9 711	9 674	37
14 306	16 204	212	1	16 417	16 379	38
(31 845)	(35 153)	–	–	(35 153)	(32 323)	(2 830)
(48 573)	(59 272)	(253)	(228)	(59 753)	(53 422)	(6 331)
(91 883)	(106 854)	(458)	–	(107 312)	(98 342)	(8 970)
(2 769)	(2 769)	–	–	(2 769)	(2 769)	–
–	–	–	–	–	–	–
(5 889)	(5 889)	–	–	(5 889)	(5 889)	–

# Segment report continued

for the six months ended 31 August 2021

	Industrial <sup>1</sup> South Africa R'000	Professional South Africa R'000	Training <sup>2</sup> South Africa R'000	Australia International R'000
<b>Taxation (expense)/income</b>				
– August 2021	(7 893)	5 465	1 167	(10 940)
– August 2020 <sup>10</sup>	(11 539)	5 286	11 085	(7 246)
– February 2021	5 286	(20 093)	(20 575)	(11 598)
<b>Total assets</b>	11 085			
– August 2021	(7 246)	479 489	88 290	1 034 706
– August 2020 <sup>8,9,10</sup>	1 156 289	617 094	97 386	1 172 489
– February 2021	883 745	478 299	78 362	1 169 413
<b>Total liabilities</b>				
– August 2021	411 332	203 753	133 444	393 920
– August 2020 <sup>10</sup>	616 700	315 778	146 552	532 418
– February 2021	392 915	172 397	133 242	489 475
<b>Additions to property and equipment</b>				
– August 2021	333	–	–	4 959
– August 2020	–	–	–	3 293
– February 2021	246	572	119	10 808
<b>Additions to right-of-use assets</b>				
– August 2021 <sup>7</sup>	1 289	–	1 417	–
– August 2020	–	–	–	–
– February 2021	2 699	2 271	8 117	7 152

<sup>1</sup> Includes Zest, which was previously included in the professional segment in the 2021 financial year which is now managed in the industrial segment. The comparatives have been restated to include Zest in the industrial segment.

<sup>2</sup> Includes Torque IT, which was previously included in the professional segment in the 2020 financial year which is now managed in the training segment. The comparatives have been restated to include Torque IT in the training segment.

<sup>3</sup> Relates to the trading performance and financial position of Adcorp Support Services Proprietary Limited classified as a discontinued operation in the 2021 financial year and its related assets and liabilities classified as held for sale. The comparatives had been restated.

<sup>4</sup> Relates to the trading performance and financial position of Dare Holdings Proprietary Limited and Adcorp Singapore Pte Limited classified as a discontinued operation in the 2020 financial year and their related assets and liabilities classified as held for sale. The results in the 2021 financial year, includes the trading performance of Dare Holdings Proprietary Limited and Adcorp Singapore Pte Limited up until the disposal date being 30 September 2020.



Central South Africa R'000	Group continued operations R'000	Discontinued operations <sup>3</sup> South Africa R'000	Discontinued operations <sup>4</sup> International R'000	Total Group Total R'000	Geographical segments South Africa R'000	International R'000
<b>249</b>	<b>(11 952)</b>	<b>(1 242)</b>	<b>–</b>	<b>(13 194)</b>	<b>(2 254)</b>	<b>(10 940)</b>
(742)	(3 156)	(7 812)	(1 959)	(12 927)	(3 722)	(9 205)
71 865	(22 338)	(17 098)	(14 551)	(53 987)	(27 838)	(26 149)
<b>709 215</b>	<b>3 198 477</b>	<b>–</b>	<b>–</b>	<b>3 198 477</b>	<b>2 163 771</b>	<b>1 034 706</b>
952 062	3 995 420	29 569	74 062	4 098 951	2 852 400	1 246 551
710 505	3 320 324	196 553	–	3 516 877	2 347 464	1 169 413
<b>715 600</b>	<b>1 858 049</b>	<b>–</b>	<b>–</b>	<b>1 858 049</b>	<b>1 464 129</b>	<b>393 920</b>
1 068 584	2 680 032	13 129	32 623	2 725 784	2 160 743	565 041
955 450	2 143 479	21 144	–	2 164 623	1 675 148	489 475
<b>21</b>	<b>5 313</b>	<b>–</b>	<b>–</b>	<b>5 313</b>	<b>354</b>	<b>4 959</b>
6 183	9 476	–	–	9 476	6 183	3 293
627	12 372	3 364	–	15 736	4 928	10 808
<b>–</b>	<b>2 706</b>	<b>–</b>	<b>–</b>	<b>2 706</b>	<b>2 706</b>	<b>–</b>
–	–	–	–	–	–	–
7 338	27 577	–	–	27 577	20 425	7 152

<sup>5</sup> Includes internal charges between segments within continued and discontinued operations. As a result, the amounts presented in the segmental report from continuing operations will not agree to the amounts presented in the consolidated statement of profit or loss for continuing operations.

<sup>6</sup> Includes internal charges between segments within continued and discontinued operations. As a result, the amounts presented in the segmental report from continuing operations will not agree to the amounts presented in the consolidated statement of profit or loss for continuing operations. In the current financial year, the central segment did not charge the remaining segments financing costs.

<sup>7</sup> Includes impairment on right-of-use assets.

<sup>8</sup> Restated to adjust for R35 million reclassified as a prepayment from intangible assets.

<sup>9</sup> Restated to reverse an allowance for expected credit losses previously raised against cash and cash equivalents and other financial assets – investment at amortised cost, relating to cash and bonds held in Angola.

<sup>10</sup> Restated for the effects described in footnote 1, 2, 8 and 9 above as applicable to effect the restatements.

# Notes to the unaudited interim financial statements

for the six months ended 31 August 2021

## 1. BASIS OF PREPARATION

The unaudited and unreviewed consolidated interim financial statements are prepared in accordance with the JSE Listings Requirements for preliminary reports, the requirements of IAS 34 Interim Financial Reporting, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by Financial Reporting Standards Council and the requirements of the Companies Act, No 71 of 2008 of South Africa applicable to summary financial statements.

These interim financial statements do not include all the notes typically included in the annual financial statements and should therefore be read in conjunction with the Group audited consolidated financial statements for the year ended 28 February 2021.

The interim financial statements comprise the consolidated statement of financial position at 31 August 2021, consolidated income statement, consolidated statement of profit or loss, consolidated statement of other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the six months ended 31 August 2021 and selected explanatory notes.

The accounting policies and method of computation applied in the preparation of these interim financial statements are in terms of International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and are consistent with those applied in the preparation of the Group's 2021 consolidated financial statements.

These unaudited and unreviewed consolidated interim financial statements for the six months ended 31 August 2021 were prepared under the supervision of Mr Noel Prendergast CA(SA), in his capacity as Chief Financial Officer.

### 1.1 Restatements

#### *Consolidated statement of profit or loss restatement*

The consolidated statement of profit or loss presented for the period ending 31 August 2020 erroneously presented items of income and expense as a hybrid of by function and by nature. The consolidated statement of profit or loss has been restated to present items of income and expense by their function, as IAS 1 Presentation of Financial Statements requires that these items be presented by either their function or by their nature. The comparatives have accordingly been restated as well as the operating profit or loss before taxation as presented in the segmental report. In addition, IAS 1 Presentation of Financial Statements requires expected loss allowances to be presented on the face of the statement of profit or loss.

The comparatives have been restated to reflect such disclosure.

The above restatement has had no impact on the consolidated statement of profit or loss in the comparative year and the resulting earnings measures.

#### *Segmental reporting*

The Australian segmental results in the 31 August 2020 consolidated results, separately disclosed the Australian operations into industrial, professional and central from Australia. The Australian operations had been combined into one segment for Australia for the consolidated annual financial statements at 28 February 2021 as decisions taken by the Chief Operating Decision Maker relate to the Australian operating business as a whole. The comparative segmental results have accordingly been restated.

## 1. **BASIS OF PREPARATION** continued

### 1.1 **Restatements** continued

#### **Other restatements**

##### *Restatement of cash and cash equivalents and other financial assets – investment at amortised cost*

The consolidated interim financial results for the period ended 31 August 2020, included an allowance for expected credit losses on the consolidated statement of financial position for cash and cash equivalents of R34 million relating to cash held in Angola and R34 million against investments held at amortised cost relating to an investment in Angolan bonds. The Group raised expected credit losses on these financial assets as at 29 February 2020 as the cash and any resulting cash on the maturity of the Angolan bonds was considered to be restricted due to the inability of the Group to access and repatriate the cash from Angola historically.

IFRS 9 Financial Instruments, requires that an expected credit loss impairment model is based on the fundamental principle of exposure to credit risk and losses and requires that when determining a loss allowance for lifetime credit losses, this must be assessed against the underlying credit risk of the counterparty. Based on the assessment of the underlying credit risk of the counterparty, with whom the financial instrument is held, this may result in exposure of credit losses that may originate over the life of the financial instrument.

The Group reassessed its expected credit loss judgment applied during the current financial year and concluded that the expected credit losses raised against cash and the investment at amortised cost were not in accordance with the principles of IFRS 9 Financial Instruments as cash by definition is cash on hand or on demand in terms of IAS 7 Statement of Cash Flows and, when assessing lifetime exposure to credit losses, the expected credit loss methodology must be applied against the credit risk of the counterparty, which is Standard Bank and the Angolan government, respectively in each case, rather than the repatriation risk that is attributed to the Group.

As a result, the comparatives have been restated to reverse the cumulative allowances that were raised for expected credit losses against the cash and investment at amortised cost in Angola. The consolidated statement of financial position as at 31 August 2020, increased cash and cash equivalents by R34 million and other financial assets – investments at amortised cost increased by R34 million. The foreign currency translation reserve was debited with R13 million and accumulated retained earnings was credited with R83 million being the cumulative restatement as a result of the reversal of the allowances for expected credit losses at the beginning of the preceding period.

The comparatives for the consolidated statement of comprehensive income have been restated to give effect to the restatements and the segmental report has been restated to give effect to the restatement of the amounts described in the operating profit before finance income and finance charges and total assets.

# Notes to the unaudited interim financial statements continued

for the six months ended 31 August 2021

## 1. BASIS OF PREPARATION continued

### 1.1 Restatements continued

#### *Reclassification of intangible asset to prepayments*

During the 2020 financial period the Group had undertaken to implement a new cloud-based enterprise technology transformation project (ERP solution). A number of costs were incurred and continue to be incurred by the Group in obtaining and implementing the ERP solution. Examples included research costs, licence fees, data conversion and configuration and customisation costs

The Group had, in applying its judgement on how to account for each of the above costs, applied the requirements of IAS 38 Intangible Assets. The Group had noted that, in applying its judgement, there was no clear guidance provided in IAS 38 on how to account for costs incurred on cloud-based software solutions. However, the IFRS Interpretations Committee (IFRIC), had considered the appropriate accounting treatment that should apply for costs incurred in obtaining a cloud-based software solution. Thus, applying the IFRIC agenda decision published during the 2020 financial period, the Group had accounted for the licencing fees paid as a prepayment rather than an intangible asset. There was no further discussion by the IFRIC or the IASB on how to account for other costs of implementation incurred for a cloud-based software solution. Therefore, the Group had applied the requirements of IAS 38 related to internally generated intangible assets in determining the appropriate recognition and measurement principles to be applied to these costs of implementation due to the significant customisation required by the Group prior to use of the ERP solution. As a result, the restated consolidated financial results for the period ending 31 August 2020 included R68 million in intangible assets as capitalised development costs.

During the latter period of 2021 financial year the Group noted that the IFRIC had published an agenda decision which subsequently addressed the accounting treatments of costs to implement a cloud-based software solution, specifically related to configuration and/or customisation costs incurred by an entity. In applying the requirements of the IFRIC agenda decision, the Group noted that its judgement applied on the capitalised development costs did not reflect the assessment and conclusions reached by the IFRIC. The Group does note that an IFRIC agenda decision is not part of IFRS and thus accordingly, a change in accounting policy that is motivated by an agenda decision is not a change that is mandated by the IASB. As agenda decisions are non-authoritative, there is no transition guidance available for implementing them.

Therefore, while the IFRIC agenda decision does not add or change existing IFRS requirements, they often explain how to apply them to a specific fact pattern. The Group has applied the requirements of the IFRIC agenda decision as a voluntary change in accounting policy, as the Group believes that this will provide more relevant and reliable information to users and will be in line with the accounting treatment applied on the licence fees. These changes have been applied retrospectively, with comparative information adjusted accordingly. There is no impact on opening equity as the restatement had been applied for the consolidated financial statements ended 28 February 2021.

The comparatives on the consolidated statement of financial position have been restated to reclassify R68 million from intangible assets to a non-current prepayment and the consolidated statement of cash flows has been restated to reclassify R35 million from the additions to intangible assets to prepayment – enterprise technology transformation project.

## 2. AUDITOR'S RESPONSIBILITY

These unaudited interim financial results have neither been audited nor reviewed by the Group's auditor.

## 3. GOING CONCERN

The directors believe that the Group has adequate resources to continue in operational existence for the foreseeable future. For this reason, accounting policies supported by judgements, estimates and assumptions in compliance with IFRS are applied on the basis that the Group shall continue as a going concern.

#### 4. DISCONTINUED OPERATIONS

During October 2020, the board resolved to dispose of the Group's investment in its Financial Services Business, housed in Adcorp Support Services Proprietary Limited. An Acquisition Agreement for the sale of Adcorp Support Services Proprietary Limited was concluded and signed on 30 November 2020, subject to regulatory approval and certain conditions precedent which were settled by disposal date. The consolidated statement of profit or loss, consolidated statement of comprehensive income and the consolidated statement of cash flows for the period ended 31 August 2020 have been restated on the classification of Adcorp Support Services Proprietary Limited as a discontinued operation in the 2021 financial year.

On 30 March 2021, the Group disposed of its 100% shareholding in Adcorp Support Services Proprietary Limited and received net proceeds of R178 million before the deduction of certain closing liabilities on 31 March 2021.

The current year financial performance presented below relates to Adcorp Support Services Proprietary Limited.

	<b>Adcorp Support Services Proprietary Limited</b>	Dare Holdings Proprietary Limited	Adcorp Support Services Proprietary Limited	Total	
	<b>Unaudited six months to 31 August 2021 R'000</b>	Unaudited six months to 31 August 2020 R'000	Unaudited six months to 31 August 2020 R'000	Unaudited six months to 31 August 2020 R'000	Audited year to 28 February 2021 R'000
<b>Profit or loss</b>					
<b>Revenue</b>	<b>11 024</b>	260 852	64 055	324 907	420 162
Cost of sales	<b>(4 199)</b>	(239 769)	(21 266)	(261 035)	(304 934)
<b>Gross profit</b>	<b>6 825</b>	21 083	42 789	63 872	115 228
Other income	<b>158</b>	5 076	632	5 708	1 536
Operating expenses	<b>(2 356)</b>	(17 453)	(15 368)	(32 821)	(48 963)
<b>Operating profit</b>	<b>4 627</b>	8 706	28 053	36 759	67 801
Interest income	<b>31</b>	1	100	101	213
Interest expense	<b>–</b>	(228)	(253)	(481)	(458)
<b>Profit before taxation</b>	<b>4 658</b>	8 479	27 900	36 379	67 556
Taxation expense	<b>(1 242)</b>	(1 959)	(7 812)	(9 771)	(31 650)
<b>Profit for the period from discontinued operations</b>	<b>3 416</b>	6 520	20 088	26 608	35 096
<b>Profit on disposal after income tax</b>	<b>1 526</b>				
<b>Profit from discontinued operation</b>	<b>4 942</b>				

# Notes to the unaudited interim financial statements continued

for the six months ended 31 August 2021

## 4. DISCONTINUED OPERATIONS continued

Detail of the concluded sale of Adcorp Support Services Proprietary Limited is represented below:

	31 August 2021 R'000
<b>Total consideration received</b>	<b>182 276</b>
Cash (after closing liabilities)	173 932
Contingent consideration	8 344
<b>Carrying value of net assets sold</b>	<b>(28 571)</b>
<b>Goodwill derecognised</b>	<b>(148 656)</b>
<b>Profit on disposal before transaction costs</b>	<b>5 049</b>
Transaction costs	(3 523)
<b>Profit on disposal</b>	<b>1 526</b>
Net cash inflow on disposal	
Cash consideration received	178 266
Less: cash and cash equivalents disposed of	(27 493)
<b>Net cash flow</b>	<b>150 773</b>

## 5. CHANGE IN NON-CONTROLLING INTEREST

On 13 May 2021, 25% of the minority interest in AllaboutXpert Technologies Proprietary Limited in Australia was acquired by AllAboutXpert Australia Proprietary Limited for a consideration of AUD351 218.

## 6. REVENUE

The Group is in the business of providing services to clients. Permanent placement and outsourced based solutions services are provided at a point in time. Temporary placement and training services are provided over a period of time. Revenue is therefore recognised at the point of delivery for permanent placement and outsourced based solutions, and over a period of time for temporary placement and training services. In certain cases the Group makes use of output-based methods to determine when the revenue for performance obligations is recognised over time.

Revenue is measured based on the consideration to which the Group expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when the performance obligations are met.

<b>Performance obligation</b>	<b>Unaudited six months to 31 August 2021 R'000</b>	<b>Unaudited six months to 31 August 2020 R'000</b>	<b>Audited year to 28 February 2021 R'000</b>
Permanent placement	37 541	33 464	59 142
Temporary placement	4 664 255	4 957 661	9 513 735
Training	124 197	88 083	184 586
Outsourced-based solutions	954 838	1 031 525	1 959 493
<b>Total</b>	<b>5 780 831</b>	<b>6 110 733</b>	<b>11 716 956</b>

# Notes to the unaudited interim financial statements continued

for the six months ended 31 August 2021

## 7. EARNINGS PER SHARE

The calculation of earnings per share on continuing operations attributable to the ordinary equity holders of the parent is based on profits of R27,1 million (2020: R12,3 million), discontinued profit of R4,9 million (2020: discontinued profit of R26,6 million), and ordinary shares of 114 657 092 (2020: 107 985 700), being the weighted number of shares relative to the above earnings.

	Unaudited six months to 31 August 2021 R'000	Restated <sup>2</sup> unaudited six months to 31 August 2020 R'000	Audited year to 28 February 2021 R'000
<b>Continuing operations</b>			
Basic earnings per share – cents	25,2	11,4	2,2
Diluted earnings per share – cents	23,6	11,4	2,1
<b>Discontinuing operations</b>			
Basic earnings per share – cents	4,6	24,8	33,4
Diluted earnings per share – cents	4,3	24,6	32,5
<b>Total basic earnings per share</b>			
Basic earnings per share – cents	29,8	36,2	35,6
Diluted earnings per share – cents	27,9	36,0	34,6
<b>Weighted average number of ordinary shares outstanding during the period:</b>	107 364 109	107 400 053	107 400 053
<i>Reconciliation of weighted average number of ordinary shares outstanding to the weighted average diluted number of shares outstanding during the period:</i>			
Ordinary shares	107 364 109	107 400 053	107 400 053
Adcorp employee share schemes – potential dilution <sup>1</sup>	7 292 983	585 647	3 177 130
<b>Diluted weighted number of ordinary shares outstanding during the period</b>	114 657 092	107 985 700	110 577 183
<b>Reconciliation of headline earnings from continuing operations</b>			
Profit for the period	27 079	12 267	2 322
Loss/(profit) on sale of property and equipment	164	1 601	(7 881)
Taxation recovered on the sale of property and equipment	(46)	(448)	2 207
Impairment of right-of-use assets	2 769	–	5 889
Taxation on impairment of right-of-use assets	(775)	–	(1 649)
Profit from the sale of entities	–	–	(36)
<b>Headline earnings from continuing operations</b>	29 191	13 420	852
Headline earnings per share – cents	27,2	12,5	0,8
Diluted headline earnings per share – cents	25,5	12,4	0,8



## 7. EARNINGS PER SHARE continued

	Unaudited six months to 31 August 2021 R'000	Restated <sup>2</sup> unaudited six months to 31 August 2020 R'000	Audited year to 28 February 2021 R'000
<b>Reconciliation of headline earnings from discontinued operations</b>			
Profit for the period	4 942	26 608	35 906
<b>Headline earnings from discontinued operations</b>	4 942	26 608	35 906
Headline earnings per share – cents	4,6	24,8	33,4
Diluted headline earnings per share – cents	4,3	24,6	32,5
<b>Reconciliation of headline earnings from total operations</b>			
Profit for the period	32 021	38 875	38 228
Loss/(profit) on sale of property and equipment	164	1 601	(7 881)
Taxation recovered on the sale of property and equipment	(46)	(448)	2 207
Impairment of right-of-use assets	2 769	–	5 889
Taxation on impairment of right-of-use assets	(775)	–	(1 649)
Profits from the sale of businesses	(1 526)	–	(36)
<b>Headline earnings from total operations</b>	32 607	40 028	36 578
Headline earnings per share – cents	31,8	37,3	34,2
Diluted headline earnings per share – cents	29,8	37,1	33,2

<sup>1</sup> The dilution of shares results from the potential exercise of options in the employee share scheme.

<sup>2</sup> The comparatives are restated to reverse the allowance for expected credit losses previously raised for cash and cash equivalents and other financial assets – investment at amortised cost, relating to cash and bonds held in Angola and to account for release of prepayment related to the enterprise technology transformation project included in prepayments.

# Notes to the unaudited interim financial statements continued

for the six months ended 31 August 2021

## 8. INTEREST-BEARING LIABILITIES

	Interest rate	Maturity	Unaudited six months to 31 August 2021 R'000	Unaudited six months to 31 August 2020 R'000	Audited year to 28 February 2021 R'000
<b>8.1 Non-current interest-bearing liabilities</b>			<b>356 173</b>	381 066	769 658
ZAR New revolving credit facility	Johannesburg Interbank Agreed Rate (JIBAR) + agreed margin <sup>1</sup>		–	–	400 000
Lease liability	Incremental Borrowing Rate (IBR)		<b>356 173</b>	381 066	369 658
<b>8.2 Current interest-bearing liabilities</b>			<b>318 998</b>	695 980	131 104
Amortising term loan	JIBAR +340	30 November 2020	–	133 333	–
ZAR revolving credit facility	JIBAR +340	30 November 2020	–	353 334	–
ZAR new revolving credit facility	JIBAR + agreed margin <sup>1</sup>	31 August 2022	<b>250 000</b>	–	50 000
Amortising revolving loan (AUD)	Base rate <sup>2</sup> + margin	30 June 2022	–	142 571	5 823
Lease liability	IBR		<b>68 998</b>	66 742	75 281
<b>Total</b>			<b>675 171</b>	1 077 046	900 762

<sup>1</sup> The margin is determined on each measurement date being the last day of each financial quarter with reference to the agreed leverage ratio. The rate ranges between 3,4% and 5,2% on the ZAR new revolving credit facility.

<sup>2</sup> The base rate is determined with reference to the Australian Reserve Bank rates at the time of drawdown. The rate ranges between 1,0% and 1,5% on the Australian borrowing base facility.

Trade receivables are used as security to secure funding relating to the Group loan facilities inclusive of South Africa and Australia.

As security for the South Africa loan facility granted to the Group, a shared security agreement was entered into that holds a cession over the trade receivables between specified operating subsidiaries of the Adcorp Group.

As security for the Australia loan facility, a shared security agreement was entered that holds a cession over the trade receivables between specified operating subsidiaries of the Adcorp Group.

## 9. FINANCIAL INSTRUMENTS

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the Group consists of debt, which includes the interest-bearing borrowings disclosed in note 8, cash and cash equivalents, and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings.

The Group's Investment Committee has considered the cost of capital and the risks associated with each class of capital. The current gearing ratio is negative 7,3% (2020: 45%). The gearing ratio is determined as net debt (being interest-bearing borrowings less unrestricted cash and cash equivalents) excluding finance leases as a percentage of total equity. The committee believes that the appropriate leverage ratio for the nature of the business is the Debt-to-EBITDA ratio and has a target of 1.5x. This is reviewed on an ongoing basis as the strategic transformation of the Group progresses.

### 9.1 Categories for financial instruments

	Unaudited six months to 31 August 2021 R'000	Restated unaudited six months to 31 August 2020 R'000	Audited year to 28 February 2021 R'000
<b>Financial assets</b>			
Investments – fair value through profit and loss	19 348	18 444	18 971
Trade receivables – amortised cost	1 344 079	1 547 621	1 377 823
Cash and cash equivalents*	420 136	715 747	473 932
Investment – amortised cost*	–	39 601	–
<b>Financial liabilities</b>			
Interest-bearing borrowings	250 000	629 238	455 823
Lease liabilities	425 171	447 808	444 939
Trade and other payables	257 762	255 436	361 487
Bank overdraft	–	193	87
<b>The following table details the Group's remaining contractual maturity for its financial liabilities:</b>			
Within one year	663 630	1 436 657	500 637
More than one year and not later than five years	649 911	701 854	1 087 766

\* The comparatives have been restated to reverse an allowance for expected credit losses previously raised against cash and cash equivalents and other financial assets – investment at amortised cost, relating to cash and bonds held in Angola.

# Notes to the unaudited interim financial statements continued

for the six months ended 31 August 2021

## 9. FINANCIAL INSTRUMENTS continued

### 9.2 Financial assets/financial liabilities

Some of the Group's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used):

	Unaudited six months to 31 August 2021 R'000	Unaudited six months to 31 August 2020 R'000	Audited year to 28 February 2021 R'000
Investment	19 348	18 444	18 971

**Valuation technique(s) and key inputs:** Fair value – market valuation

**Fair value hierarchy:** Level 3

**Significant observable input(s):** Aggregated publicly traded unit trusts at fair market value

**Relationships of unobservable inputs to fair value:** The fair value is determined based on the net asset value of the insurance cell captive at the reporting date. The net asset value is determined from financial information received from the insurer.

## 10. CONTINGENT LIABILITIES

The bank has guaranteed R26,0 million (August 2020: R28,3 million) on behalf of the Group to creditors.

## 11. EVENTS AFTER THE REPORTING PERIOD

There are no events noted subsequent to the six-month period ended 31 August 2021.

## 12. DIVIDENDS PAID

No dividend was declared during the six-month period ended 31 August 2021 (2021: Nil).

## 13. RELATED PARTIES

The Group entered into various related party transactions in the ordinary course of business. There have been no significant changes in related party transactions and balances since the previous reporting period.

# Corporate information

## Adcorp Holdings Limited

Registration number 1974/001804/06  
Listed: 1987  
Share code: ADR  
ISIN: ZAE000000139  
Website: [www.adcorpgroup.com](http://www.adcorpgroup.com)

## Registered office

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Johannesburg, South Africa, 2021  
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## Directors

### Executive

Dr John Wentzel (Chief Executive Officer)  
Noel Prendergast (Chief Financial Officer)

### Non-executive

Gloria Serobe\* (Chairman)  
Cecil Maswanganyi\*  
Monde Nkosi\*  
Sam Sithole\*  
Clive Smith\*

### Independent non-executive

Melvyn Lubega\*\*  
Dr Phumla Mnganga\*\*  
Tshidi Mokgabudi\*\*  
Prof Herman Singh\*\*  
Michael Spice\*\*  
Ronel van Dijk\*\*

\*Non-executive \*\*Independent non-executive

## Company Secretary

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## Investor relations

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