

**RH BOPHELO LIMITED**  
Incorporated in the Republic of South Africa  
(Registration number 2016/533398/06)  
(JSE and RSE Share Code: RHB, ISIN: ZAE000244737)

**Audited Annual Financial statements**

**For the year ended 29 February 2024**

**RH BOPHELO LIMITED**  
**ANNUAL FINANCIAL STATEMENTS**  
**for the year ended 29 February 2024**

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**Preparer**

The audited annual financial statements for the year ended 29 February 2024, as set out on pages 19 to 66 were prepared under the supervision of Ms Yondie Metu CA(SA) in terms of section 29 and 30 of the Companies Act. The annual financial statements have been audited by Mazars in compliance with the applicable requirements of the Companies Act and JSE Listings Requirements.

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**General Information**

<b>Company name</b>	RH Bophelo Limited
<b>Company registration number</b>	2016/533398/06
<b>Registered business address</b>	Unit 12, 1 Melrose Boulevard Melrose Arch Johannesburg 2076
<b>Investment manager</b>	RH Bophelo Management Company Proprietary Limited Unit 12, 1 Melrose Boulevard Melrose Arch 2076
<b>Auditors</b>	Mazars 54 Glenhove Road Melrose Estate Johannesburg Gauteng 2196
<b>Sponsor (South Africa)</b>	Deloitte & Touche Sponsor Services Proprietary Limited 5 Magwa Crescent Waterfall City Johannesburg Gauteng 2090
<b>Sponsor (Rwanda)</b>	Faida Securities Rwanda Centenary House 4th Floor 124 Kigali Rwanda

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**Statement of Directors' Responsibilities**

The Directors are responsible for the preparation, integrity and fair presentation of the Annual Financial Statements ("AFS") of RH Bophelo Limited ("the Company"). The annual financial statements are prepared in accordance with IFRS<sup>®</sup> Accounting Standards, including IFRIC<sup>®</sup> Interpretations of such standards as issued by the IFRS Interpretations Committee ("Committee"), the Financial Reporting Pronouncements as issued by Financial Reporting Standards Council, the requirements of the Companies Act, 71 of 2008, the Company's Memorandum of Incorporation ("MOI"), the King IV Report on Corporate Governance<sup>™</sup> ("King IV") for South Africa 2016, Copyright and trade marks are owned by the Institute of Directors in Southern Africa Non-Profit Company and all of its rights are reserved, Johannesburg Stock Exchange ("JSE") Listings Requirements, the Rwanda Stock Exchange ("RSE") Listings Requirements and compliance with applicable laws.

The Directors confirm that in preparing the annual financial statements they have used the most appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, and that all IFRS Accounting Standards that they consider to be applicable have been followed. The Directors are satisfied that the information contained in the annual financial statements fairly presents the results of operations for the year and the financial position of the Company at the end of the financial year.

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

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

The annual financial statements were prepared on the going concern basis. The assets of the Company, fairly valued, exceed its liabilities, fairly valued. Having considered the collective effects of the operating environment and the projected cash flows, the Directors are of the opinion that the Company will continue as a going concern in the foreseeable future.

The annual financial statements were audited by the independent auditors to whom unrestricted access was given to all financial records and related information, including minutes of all meetings of shareholders, the Board of Directors and committees of the Board. The unmodified audit opinion is set out on pages 10 to 14. Any reference to future financial performance included in the annual financial statements has not been audited or reported on by the external auditors.



**Chairman**  
**Samson Moraba**  
**27 May 2024**



**CEO**  
**Quinton Zunga**  
**27 May 2024**

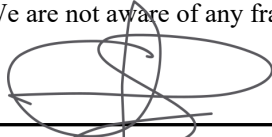
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**Statement of Directors' Responsibilities**

Chief Executive Officer and Chief Financial Officer responsibility statement

Each of the directors, whose names are stated below, hereby confirm that:

- a) The annual financial statements set out on pages 19 to 66, fairly present in all material respects the financial position, financial performance, and cash flows of the Company in terms of IFRS Accounting Standards;
- b) To the best of our knowledge and belief, no facts have been omitted or untrue statements made that would make the annual financial statements false or misleading;
- c) Internal financial controls have been put in place to ensure that all material information relating to the Company has been provided to effectively prepare the annual financial statements of the issuer;
- d) The internal financial controls are adequate and effective and can be relied upon in compiling the annual financial statements, having fulfilled our role and function as executive directors with the primary responsibility for implementation and execution of controls;
- e) Where we are not satisfied, we have disclosed to the Audit and Risk Committee and the auditors the deficiencies in design and operational effectiveness of the internal financial controls and have taken steps to remedy the deficiencies; and
- f) We are not aware of any fraud involving directors.



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**Chief Executive Officer**  
**Quinton Zunga**  
**27 May 2024**



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**Chief Financial Officer**  
**Yondie Metu**  
**27 May 2024**

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**Company Secretary's Certification**

**Declaration by the Company secretary in respect of Section 88(2)(e) of the Companies Act of South Africa**

In my capacity as the Company Secretary, I hereby confirm, in terms of the South African Companies Act, No. 71 of 2008, as amended, that for the year ended 29 February 2024, RH Bophelo Limited has lodged with the Companies and Intellectual Property Commission (CIPC) all such returns as are required of a public company in terms of the Act, and that all such returns are, to the best of my knowledge and belief, true, correct and up to date.



**Shantel Dartnall**  
**Company Secretary**  
**Statucor Proprietary Limited**

**Date: 27 May 2024**

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**Audit and Risk Committee Report**

**Introduction**

The Audit and Risk Committee ("ARC" or "the Committee") of RH Bophelo Limited ("the Company") presents its report for the financial year ended 29 February 2024. The Committee reports that it has adopted formal terms of reference as its Audit and Risk Committee Charter ("the Charter"), and that it has discharged all of its responsibilities for the current financial year, in compliance with the Charter.

The ARC is a statutory committee constituted in terms of Section 94(7) of the Companies Act. It is a committee made up of independent non-executive directors that is accountable to both the Board of Directors and the shareholders of the Company. The primary objectives of the Committee are to assist the Board in its oversight responsibilities, in particular, the Committee is responsible for the following:

- Evaluating the adequacy and efficiency of accounting policies
- Internal controls
- The audit process
- Financial reporting processes
- The independence and effectiveness of the external auditors
- Recommendation of the appointment and remuneration of external auditors

**Responsibilities of the ARC**

The ARC's responsibilities have been delegated to the Committee by the Board of Directors and are governed by the Charter. During the year under review, the Committee discharged its responsibilities across the following key focus areas:

- Financial Reporting
- Governance and internal controls
- External audit

**Composition of the Committee**

The shareholders of the Company are required to approve the appointment of the members of the ARC at the annual general meeting in accordance with the provisions of the Companies Act. In line with the recommendations section 94 of the Companies Act and the King IV Code of Corporate Governance™, all the members of ARC are independent non-executive directors who meet the requirements to serve on the Committee by virtue of their individual and collective expertise and experience. During the year under review, the committee held 4 meetings where the required quorum which is the majority of members was met.

During the year the members of the Committee were as follows:

<b>Member</b>	<b>Qualifications</b>	<b>Appointments/Resignations</b>	<b>Most recent appointment to the Committee</b>	<b>Attendance</b>
Ms Bojane Segooa - Chairperson	CA(SA)		Reappointed - 11 August 2023	4/4
Mr Samson Moraba	BCom; PMD		Reappointed - 11 August 2023	4/4
Mr Romeo Makhubela	BCom; MFin	Appointed - 11 August 2023		3/3
Mr Lyndsay Maseko	CA(SA); MCom	Resigned - 11 August 2023		1/1
Dr Kgaogelo Ntshwana	MBChB	Resigned - 11 August 2023		1/1

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**Audit and Risk Committee Report**

The external auditors and senior executives of the Company - the CEO; the CFO; the CIO and the Transaction Executive - are permanent invitees to meetings of the ARC. During the financial year, Mr Quinton Zunga (CEO), Mr Colin Clark (CIO) attended all ARC meetings as invitees. Miss Vuyokazi Nomvalo attended all ARC meetings as the Transaction Executive until her resignation from the Company on 11 August 2023. Mr Dion Mhlaba attended all ARC meetings as CFO until his resignation on 1 December 2023. Since 1 December 2023, Miss Yondie Metu has attended all ARC meetings in her capacity as the CFO.

**Financial reporting**

The ARC reviewed the integrity of the interim results for the period ended 31 August 2023 and the annual financial statements for the year ended 29 February 2024 and recommended annual financial results to the board for approval.

During the course of its work, the Committee:

- Evaluated and approved the material disclosures made by the Company in relation to significant events and transactions including short-form and long-form announcements issued during the period under review.
- Considered the appropriateness of the accounting policies adopted by the Company in the preparation of interim and annual financial statements.
- Considered the appropriateness of key estimates, assumptions and disclosures made, particularly in relation to the valuation of unlisted investments.
- Examined and reviewed the interim and annual financial statements to ensure balanced and faithful presentation consistent with the application of appropriate accounting policies and standards.
- Considered the 2023 Proactive Monitoring Report issued by the JSE and established that the most material disclosure omissions identified by the JSE in the sample of companies surveyed that are relevant to the Company, related to disclosures of fair value measurement in terms of IFRS 13. The ARC is satisfied that the Company's fair value disclosures in the interim and annual financial statements, are fully compliant with the disclosure requirements of IFRS 13 *Fair Value Measurement*.
- Considered the 2023 Combined Findings Report issued by the JSE in November 2023 and assessed its disclosures relating to cash flow information, liquidity and going concern. The ARC is satisfied that the Company's disclosures relating to cash flow information, liquidity and going concern in both the interim and annual financial statements, are compliant with the requirements of IFRS Accounting Standards.
- Undertook a detailed review of the going concern status of the Company and concluded that the Company is a going concern and that the preparation of the interim and annual financial statements on the going concern basis was appropriate. More details about the going concern assessment can be found in Note 25.
- Reviewed the solvency and liquidity of the Company and recommended the dividend declared for the current financial year for approval by the Board.
- Assessed the treatment of events after the reporting period, including the classification of events and additional disclosures provided in Note 23. The Committee is satisfied that events after the reporting period have been adequately assessed and where necessary, appropriately disclosed.
- Considered the appropriateness of the key audit matter reported in the external audit opinion.

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**Audit and Risk Committee Report**

In assessing the appropriateness of the key audit matter reported in the external audit opinion, the Committee undertook the following:

Key audit matter	How the matter was addressed
Valuation of financial assets held at fair value through profit or loss	<p>The Audit and Risk Committee (ARC) received presentations on the valuation of material investments across the Company including an analysis of the key judgements and assumptions applied and approved the valuation adjustments proposed by management for the year ended 29 February 2024 and the appropriateness of the IFRS 13 and IFRS 7 disclosures on fair value. The properties included in the valuation of different investee companies have been independently valued.</p> <p>The judgements and assumptions used in the process of valuation of investments in unlisted equities were consistent to those applied in the prior years. The ARC, alongside the Investment Committee, challenged and debated the significant subjective inputs and assumptions, and the valuation principles applied in the valuation of unlisted investments and properties. The ARC was satisfied that the process applied in the valuation process was sufficiently robust to give a fair indication of the fair value of all investments.</p>

**Governance and internal control environment**

In discharging its responsibilities, the Committee, among other functions:

- Assessed the systems of internal controls to establish whether the controls in place are sufficient to address the risks inherent in the Company’s operations and that the controls provide assurance against the risk of material losses or misstatements. The Committee is of the opinion that the systems of internal financial controls are designed effectively.
- Assessed the evolving risk profile of the Company including the strategic risk register reported on by internal audit, and the strategies adopted or to be adopted to reduce these risks.
- Considered all internal audit reports, including significant audit findings and recommendations to management and the Committee.
- Reviewed the charter of the internal audit function, and its proposed workplan to ensure that the workplan covers material risk areas and business processes.
- Evaluated the competence, qualifications and expertise of the Company Secretary.
- Reviewed the process of the appointment of the new Chief Financial Officer and evaluated their competence, qualifications and expertise to meet the scope of the responsibilities.
- The Committee performed an evaluation of the effectiveness of the Company’s finance function and the adequacy of resources within the finance function and concluded that the finance function remains adequately staffed and capacitated to fulfil its role.
- The Committee is satisfied that the Chief Financial Officer – Ms Yondie Metu – has the appropriate expertise and experience to meet the scope of responsibilities of the Chief Financial Officer role.

**External audit**

The Committee is responsible for the recommendation to the shareholders of the appointment of the external auditors on an annual basis and for exercising oversight over the work of the external auditors.

During the year under review, the committee performed the following responsibilities in relation to external audit:

- Approval of the external audit plan, proposed scope of work and the proposed audit fees.

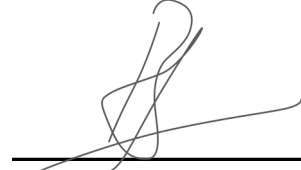
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**Audit and Risk Committee Report**

- Continuously monitored the Company's policy on audit and non-audit services to ensure safeguards remain in place in instances where the external auditors were engaged to provide non-audit services for the Company. During the period under review, there were no non-audit services provided by the external auditors.
- Continuous monitoring of the audit performance, independence and objectivity of the external auditors.
- Reviewed the effectiveness of the external auditors with reference to the quality of the audit team, technical skills and experience; the allocation of resources during the audit; and the execution of the approved audit plan.
- Reviewed the findings and recommendations of the external auditors and confirmed that there are no material unresolved matters.
- Confirmed that no Reportable Irregularities were identified and reported by the auditors in terms of the Auditing Profession Act, 26 of 2005.
- Evaluation of all relevant information – as required by the JSE Listings Requirements – provided by Mazars in order to assess the suitability of the reappointment of Mazars as external auditors and the appointment of Stephan Adlam CA(SA) as the designated engagement partner.
- Confirmation of Stephan Adlam's suitability to serve as engagement partner through the evaluation of his skills, experience and expertise and the confirmation that he is independent and does not appear on the list of disqualified auditors.
- The ARC chair held regular closed meetings with the external auditors for updates on external audit matters.

**Recommendation for approval**

The ARC is satisfied that it has fulfilled its responsibilities in accordance with the ARC charter and has reviewed the annual financial statements and recommended them for approval by the Board.



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**Ms Bojane Segooa**  
**Audit and Risk Committee Chairperson**  
**27 May 2024**

## Independent Auditor's Report

29 February 2024

To the Shareholders of RH Bophelo Limited

# Report on the Audit of the Financial Statements

## Opinion

We have audited the financial statements of RH Bophelo Limited (the company) set out on pages 19 to 66, which comprise the statement of financial position as at 29 February 2024, and the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the financial statements present fairly, in all material respects, the financial position of RH Bophelo Limited as at 29 February 2024, and its financial performance and cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act of South Africa.

## Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the company in accordance with the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors* (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Registered Auditor – A firm of Chartered Accountants (SA) • IRBA Registration Number 900222

Partners: MV Nlan (Country Managing Partner), C Abrahamse, SJ Adlam, JPMPatwood, JM Barnard, AK Batt, T Beukes, WI Blake, HL Burger, MJ Cassan, JC Combrink, JR Comley, TVDL De Vries, G Deva, Y Dockrat, DS Dollman, S Doolabh, A Driscoll, M Edelberg, JJ Eloff, T Erasmus, F Esterhulzen, Y Ferrelra, MH Fisher, T Gangen, M Groenewald, K Hoosaln, MY Ismail, B Jansen, J Kasan, D Keeve, J Marals, N Mayat, B Mbunge, G Molyneux, A Moruck, R Murugan, S Naldoo, MG Odendaal, W Olivier, MV Patel, M Pleterse, E Pretorius, W Rabe, N Ravele, D Resnick, L Roeloffze, M Saayman, E Sibanda, MR Snow, W Sterley, EM Steyn, HH Swanepoel, AL Swartz, DM Tekle, MJA Teuchert, N Thelander, S Truter, PC van der Merwe, R van Molendorff, JC Van Tubbergh, N Volschenk, S Vorster, J Watkins-Baker

Our offices: Bloemfontein, Cape Town, Durban, Gqeberha, Johannesburg, Paarl, Pretoria

## Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed the key audit matter
<p><b><u>Valuation of financial assets at fair value through profit and loss Note 6</u></b></p> <p>The financial assets as disclosed in note 6 to the financial statements of RH Bophelo Limited include unlisted Investments at fair value to the amount of R1,093,024,399 which represents 90% of Total Assets.</p> <p>The company has applied the discounted cash flow method for valuing these investments on the Sum of the Parts methodology.</p> <p>There are a number of unobservable inputs used in determining the fair value of the investments which include:</p> <ul style="list-style-type: none"> <li>• future revenue, operating margins and other items impacting projected cash flows</li> <li>• assumptions applied in the budgeting process;</li> <li>• market interest rates;</li> <li>• terminal growth rates;</li> <li>• capitalisation rates;</li> <li>• assumptions applied in the weighted average cost of capital; and discount rates applied to projected future cash flows</li> </ul> <p>These assumptions have a material impact on the valuation of the investments.</p> <p>Due to the level of judgement and significance of the financial assets to RH Bophelo Limited's financial position, this is identified to be a key audit matter.</p>	<p>Our audit procedures performed on the valuations obtained from management included the following:</p> <ul style="list-style-type: none"> <li>• We assessed the competence, capabilities, and objectivity of management, their experts and our internal valuation experts.</li> <li>• We obtained an understanding of the budgeting and forecast model used by management.</li> <li>• We assessed management's ability to forecast accurately by comparing 2024 actual results to the prior year budgets.</li> <li>• We assessed the reasonability of the inputs applied in the cash flow forecast.</li> <li>• We compared the growth rates used in strategic plans with historical performance.</li> <li>• Using our internal valuation experts: <ul style="list-style-type: none"> <li>○ We evaluated the reasonableness of the company's fair value calculations and the principles and methodology of the discounted cash flow models.</li> <li>○ We tested the assumptions applied to calculate the weighted average cost of capital, discount rates, terminal growth rates, capitalisation rates, and other items impacting the projected cash flows and recalculated those rates for accuracy.</li> </ul> </li> </ul>

	<ul style="list-style-type: none"> <li>○ We evaluated the reasons for any differences on inputs applied and evaluated the impact on management's fair value calculation, and proposed adjustments where required.</li> <li>○ We recalculated the mathematical accuracy of the valuations.</li> <li>○ We tested the reasonability of assumptions used and sensitivity analysis with reference to industry related published data.</li> </ul> <ul style="list-style-type: none"> <li>● We assessed the adequacy of the disclosures in the notes to the annual financial statements in accordance with the requirements of International Financial Reporting Standards in relation to IFRS 7 Financial Instrument: Disclosures and IFRS 13 Fair Value Measurement.</li> </ul>
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## Other Information

The directors are responsible for the other information. The other information comprises the information included in the document titled "RH Bophelo Limited Financial Statements for the year ended 29 February 2024", which includes the Directors' Report, the Audit and Risk Committee's Report and the Company Secretary's Certificate as required by the Companies Act of South Africa, which we obtained prior to the date of this report, and the Integrated Report, which is expected to be made available to us after that date. The other information does not include the financial statements and our auditor's reports thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of the Directors for the Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act of South Africa, and for such internal control as the

directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

## Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

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

### Report on Other Legal and Regulatory Requirements

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that Mazars has been the auditor of RH Bophelo Limited for four years.

The image shows a handwritten signature in black ink that reads "MAZARS". The letters are stylized and connected, with a large, sweeping 'M' at the beginning.

Mazars

Partner: Stephan Adlam

Registered Auditor

Date: 27 May 2024

Johannesburg

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**Directors' Report**

**1. THE COMPANY**

RH Bophelo Limited ("the Company") is an investment entity listed on the Johannesburg Stock Exchange ("JSE") and the Rwanda Stock Exchange ("RSE"). The Company's annual financial statements have been prepared for the year ended 29 February 2024.

**2. PRINCIPAL ACTIVITIES**

The Company seeks to generate returns for its shareholders through various investments in the healthcare and financial services industries. The Company is involved in making equity, quasi-equity, and equity-related investments in healthcare and financial sectors, specifically in operational infrastructure, health insurance, private hospital infrastructure, pharmaceuticals, retail and distribution and healthcare technology. The Company executes on its investment mandate primarily through two wholly-owned subsidiaries, RH Bophelo Operating Company Proprietary Limited ("RHBO") and RH Financial Services Proprietary Limited ("RHFS"). These subsidiaries are utilised to acquire and dispose various investments on behalf of the Company.

**3. FINANCIAL RESULTS**

The Directors are responsible for ensuring that the Company produces a set of annual financial statements which fairly present the state of affairs of the Company at the end of each financial year and the profit or loss for the year, in accordance with IFRS Accounting Standards, the Companies Act, and the interpretations adopted by the International Accounting Standards Board ("IASB"), the Financial Reporting Pronouncements (as issued by the Financial Reporting Standards Council), the JSE Listings Requirements and the RSE Listings Requirements.

For the financial year ended 29 February 2024, the Company recorded total comprehensive income of R182,644,053 (2023: comprehensive loss of R32,212,840). Full details of the financial position and financial performance of the Company are contained in the detailed annual financial statements as set out on pages 19 - 66.

The impact of loadshedding continues to be an operational risk for the Company. In this financial year the country experienced persistently high stages of no electricity. To address this risk, the Directors approved a plan to provide alternative energy solutions to our various operating facilities. Part of the plan has been rolled out during the current financial year and this is expected to continue into the upcoming year.

The local economy has continued to stagnate during the current financial year, with high interest rates and fuel prices putting strain on consumers. The outlook for the upcoming financial year shows minimal economic growth with consumers expected to remain constrained which affects spending patterns particularly in relation to elective procedures. As RH Bophelo, our service offering is diverse enough across the spectrum of healthcare needs and hence we remain confident of our ability to offer value to our patients even in light of the poor economic fundamentals.

The Directors have considered the ongoing impacts of these macro-economic fundamentals and are satisfied that their impact has been adequately incorporated in the Company's valuation methodology.

**4. DIVIDENDS**

The Company declared and paid a dividend on "A" ordinary shares of ZAR 31 cents per "A" share on record date 14 December 2023 (2023: Rnil). The total dividend amounted to R20 054 302. The dividend was paid on 18 December 2023.

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**Directors' Report**

**5. DIRECTORS' FEES AND REMUNERATION**

The Directors' emoluments and earnings have been disclosed under note 20.

**6. DIRECTORATE**

The Directors in office during the year were as follows:

<b>Directors</b>	<b>Classification of director</b>	<b>Changes during the current year</b>
Bojane Segooa	Independent, Non-executive	
Dr Kgaogelo Ntshwana	Independent, Non-Executive	Resigned - 11 August 2023
Romeo Makhubela	Independent, Non-executive	Appointed - 11 August 2023
Samson Moraba*	Independent Non-executive, Chairman	
Fulufhelo Makwetla	Non-executive	Appointed - 11 August 2023
Lyndsay Maseko	Independent, Non-executive	Resigned - 11 August 2023
John Oliphant	Non-executive Chairman	Resigned - 11 August 2023
Dr David Sekete	Non-executive	
Vuyokazi Nomvalo	Transaction Executive	Resigned - 11 August 2023
Quinton Zunga	Chief Executive Officer	
Yondie Metu	Chief Financial Officer	Appointed - 1 December 2023
Dion Mhlaba	Chief Financial Officer	Resigned - 1 December 2023
Colin Clarke	Chief Investment Officer	

*\*Samson Moraba was appointed as Chairman of the Board on 11 August 2023.*

**7. GOING CONCERN**

In accordance with the solvency and liquidity test set out in section 4 of the Companies Act, the Board is of the opinion that, after assessing the information provided by management and making relevant enquiries regarding integrity of projections and cash flow provided, it has a reasonable expectation that the Company has sufficient resources to maintain its operational existence for the foreseeable future. Furthermore, the directors have confirmed that:

- The Company's assets fairly valued exceed its liabilities fairly valued.
- The Company maintains a strong net asset value position of R1 034 333 455 (2023: R871 743 704) and a net current asset position of R59 848 922 (2023: R63 536 804).
- The Company will be able to pay its debts as they become due in the ordinary course of business for the 12 months up to 28 February 2025.

In addition to this assessment, the Directors have undertaken these additional steps and considered the following key factors in the assessment of the Company's status as a going concern:

- The Board - through the Audit and Risk Committee - has undertaken a detailed review of the going concern capability of the Company with reference to certain assumptions and plans underlying various internal cash flow forecasts. This review involved the interrogation of key estimations and projects underpinning the valuation of the Company's unlisted investments. The Committee has indicated to the Board that the processes and methodologies applied in the valuation process are adequate to be used as the basis for the Company's going concern assessment.

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**Directors' Report**

**7. GOING CONCERN (continued)**

- During the period under review, the National Assembly and the National Council of Provinces approved the National Health Insurance Bill ("the Bill"). The President signed the Bill into law on 15 May 2024 and its effective date remains to be communicated. As the Company, we reiterate our support for the Bill and regard its impending implementation as a critical evolution of the healthcare sector. Given the multiple contingencies still pending, we do not foresee an immediate and direct impact on our business and hence our going concern assessment remains anchored on the current fundamentals of the national healthcare system.

Having assessed the variables and scenarios relating to external factors in addition to internal projections and cash flow forecasts, the Directors have concluded that the going concern assumption remains the appropriate basis for preparing the financial statements of the Company.

**8. STATED CAPITAL**

The Company's authorised stated capital is 10 000 000 000 "A" no par value ordinary shares with voting rights (2023: 10 000 000 000 "A" no par value ordinary shares with voting rights). The Company also has 1 "B" restrictive no par value class of shares (2023: 1 "B" restrictive no par value class of shares).

The total number of ordinary shares in issue as at 29 February 2024 is 64 691 298 (2023: 64 691 298). There were no issues nor repurchases of ordinary shares during the year.

**9. MATERIAL EVENTS**

**Investments**

During the year, the Company strategically expanded its investment portfolio by investing in new ventures to enhance hospital returns. This strategy is aimed at capitalising on opportunities to participate in the wider value chain of the healthcare sector and growing the business through strategic partnerships. During the current year, the Company deployed R27 million (2023: R14.8 million) through its wholly-owned subsidiaries.

The amounts were allocated as follows:

- Investment in RH Bophelo Operating Company Proprietary Limited ("RHBO") – R25.9 million; and
- Investment in RH Bophelo Financial Services Proprietary Limited ("RHFS") – R1.1 million.

The acquisitions made by RHBO are in line with the Company's investment policy and focuses on other services provided within the healthcare industry including, but not limited to, pharmacy distribution, pathology, radiology and dialysis.

Of the R25.9 million deployed to RHBO, the following investments were made:

- On 1 March 2023, entered into a purchase agreement to acquire a 29% interest in Ambit Health Proprietary Limited ("Pelo") for R1.075 million. Pelo operates as a pathology services company.
- On 3 March 2023, advanced a R6 million loan to Rondebosch Medical Centre Proprietary Limited ("RMC") for working capital purposes. R1 million of this loan had been repaid by the end of the current financial year.
- On 31 May 2023, acquired 100% of MMed Distribution Services Proprietary Limited ("MMed") for a purchase price of R1. The Company subsequently advanced a bridging loan of R4.8 million to MMed during the year to assist operations. MMed is a pharmaceutical distributor with distribution licenses across South Africa.

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**Directors' Report**

**7. MATERIAL EVENTS (continued)**

- On 31 July 2023, founded RazoHealth Radiology Proprietary Limited ("Razohealth") in conjunction with a Radiologist. RHBO owns 60% of the joint venture and in terms of the joint venture agreement, RHBO and its partner are responsible for equitable contributions to capital requests made by Razohealth. During the current period, RHBO's contribution to the capitalisation of Razohealth amounted to R125 448. Razohealth is a management company for radiology practices.
- On 23 September 2023, advanced a R1 million loan to Vryburg Holding Company Proprietary Limited ("Vryburg") for working capital purposes.

An amount of R8.9 million was retained within RHBO for business expansion and the advancement of business objectives.

**Investments made through RHFS:**

- Shareholder loans of R1.1 million were advanced to Wesmart Financial and Administration Solution Proprietary Limited ("Wesmart") to fund various operational requirements.

**10. EVENTS AFTER THE REPORTING PERIOD**

- The Company deployed capital to the value of R3.5 million to RazoHealth Proprietary Limited ("Razohealth") on 4 March 2024 through RHBO for the opening of its first practice. This represents the Company's equitable share of the capitalisation costs of the Razohealth joint venture.
- The Company advanced a loan of R8 million to MMed Distribution Services Proprietary Limited ("MMed") through RHBO on 18 March 2024. The loan is to fund its expansion.

**11. COMPANY SECRETARY**

The Board of RH Bophelo Limited hereby confirms that the relationship with the Company Secretary - Statucor Proprietary Limited is at arm's length and the Board has satisfied itself of the competence, qualifications and experience of the Company Secretary and its delegated representatives.

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**Statement of Financial Position as at 29 February 2024**

	Note(s)	2024 R	2023 R
<b>Assets</b>			
<b>Non-Current Assets</b>			
Financial asset at fair value through profit or loss	6	1,093,024,399	816,444,756
Loans to related parties	7	36,801,641	47,305,206
Property, plant and equipment	8	1,487,401	2,315,903
		<b>1,131,313,441</b>	<b>866,065,865</b>
<b>Current Assets</b>			
Loans to related parties	7	8,029,086	911,380
Other receivables	10	22,288,061	575,766
Cash and cash equivalents	12	54,729,651	151,930,126
Financial asset held for sale	6	-	14,000,000
		<b>85,046,798</b>	<b>167,417,272</b>
<b>Total Assets</b>		<b>1,216,360,239</b>	<b>1,033,483,137</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Share capital	13	633,589,672	633,589,672
Retained income		400,743,783	238,154,032
		<b>1,034,333,455</b>	<b>871,743,704</b>
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
Lease liabilities	9	510,569	1,458,708
Borrowings	15	50,349,948	-
Deferred tax	14	105,968,391	56,400,257
		<b>156,828,908</b>	<b>57,858,965</b>
<b>Current Liabilities</b>			
Lease liabilities	9	936,854	811,329
Borrowings	15	21,641,543	102,508,533
Trade and other payables	16	2,619,479	560,606
		<b>25,197,876</b>	<b>103,880,468</b>
<b>Total Liabilities</b>		<b>182,026,784</b>	<b>161,739,433</b>
<b>Total Equity and Liabilities</b>		<b>1,216,360,239</b>	<b>1,033,483,137</b>

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**Statement of Profit or Loss and Other Comprehensive Income**

	Note(s)	<b>2024</b> R	Restated* <b>2023</b> R
Interest income	17	14,678,053	7,427,288
Dividend income	17	22,144,498	28,126,826
Fair value gains/(Losses) from financial assets at fair value through profit or loss	17	243,593,458	(55,623,405)
<b>Total investment income/(loss)</b>		<b>280,416,009</b>	<b>(20,069,291)</b>
<b>Other income</b>	18	<b>4,440,429</b>	<b>4,242,350</b>
Finance costs	15	(19,980,044)	(7,032,925)
Employee costs	19	(11,654,610)	(4,791,453)
Management fees	19	(7,423,601)	(4,068,122)
Depreciation	19	(908,707)	(889,298)
Other operating expenses	19	(12,677,288)	(12,000,699)
		<u>(52,644,250)</u>	<u>(28,782,497)</u>
<b>Total income/(loss) before taxation</b>		<b>232,212,188</b>	<b>(44,609,438)</b>
Income tax	11	(49,568,135)	12,396,598
<b>Total income/(loss) after tax</b>		<b>182,644,053</b>	<b>(32,212,840)</b>
Other comprehensive income		-	-
<b>Total comprehensive income/(loss) for the year</b>		<b>182,644,053</b>	<b>(32,212,840)</b>
Basic and diluted earnings/(loss) per ordinary share (cents)		282.3	(49.8)

*\*The 2023 Other operating expenses have been reclassified to separate Employee costs and Depreciation to reflect expenses by nature as required by IAS 1:102.*

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**Statement of Changes in Equity**

	Share capital	Retained income	Total equity
	R	R	R
<b>Balance at 01 March 2022</b>	<b>633,589,672</b>	<b>270,366,872</b>	<b>903,956,544</b>
Total comprehensive Loss for the year	-	(32,212,840)	(32,212,840)
<b>Balance at 01 March 2023</b>	<b>633,589,672</b>	<b>238,154,032</b>	<b>871,743,704</b>
Total comprehensive income for the year	-	182,644,053	182,644,053
"A" Class ordinary dividend	-	(20,054,302)	(20,054,302)
<b>Balance at 29 February 2024</b>	<b>633,589,672</b>	<b>400,743,783</b>	<b>1,034,333,455</b>
Note	13		
Dividends per share (cents)	31		

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**Statement of Cash Flows**

	Note(s)	2024 R	Restated* 2023 R
<b>Cash flows from operating activities</b>			
Cash used in operations	29	(33,243,839)	(16,845,017)
Finance costs paid	15	(20,497,086)	(4,524,392)
Dividends received		8,144,498	28,126,826
Interest received		11,765,371	3,525,108
<b>Net cash from operating activities</b>		<b>(33,831,056)</b>	<b>10,282,525</b>
<b>Cash flows from investing activities</b>			
Proceeds on disposal of financial assets at fair value through profit or loss	6	7,000,000	61,500,000
Additions of financial assets at fair value through profit or loss	6	(20,361,539)	(13,359,640)
Loans to group companies repaid	7	2,000,000	773,080
Loans advanced to group companies	7	(916,404)	(14,083,596)
Purchase of property, plant and equipment	8	(80,204)	(45,584)
<b>Net cash from investing activities</b>		<b>(12,358,147)</b>	<b>34,784,260</b>
<b>Cash flows from financing activities</b>			
Repayments on borrowings	15	(30,000,000)	-
Receipts from borrowings	15	-	100,000,000
Payment on lease liabilities	9	(956,970)	(900,375)
"A" Class shares - Dividend paid		(20,054,302)	-
<b>Net cash from financing activities</b>		<b>(51,011,272)</b>	<b>99,099,625</b>
<b>Total cash movement for the year</b>		<b>(97,200,475)</b>	<b>144,166,410</b>
Cash and cash equivalents at the beginning of the year		151,930,126	7,763,716
<b>Cash and cash equivalents at the end of the year</b>	12	<b>54,729,651</b>	<b>151,930,126</b>

*\*The 2023 cash used in operations has been reclassified to disclose Dividends Received and Interest Received separately as required by IAS 7:31.*

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**Notes to the Annual Financial Statements**

**1 General information**

RH Bophelo Limited (“the Company”) is a legal entity registered in the Republic of South Africa. The Company is an investment entity that engages in making equity, quasi-equity and equity-related investments in healthcare and financial services, specifically in operational infrastructure, including health insurance, private hospital-related infrastructure, pharmaceuticals, retails and distributions and healthcare technology. The Company was incorporated on 13 December 2016.

RH Bophelo Operating Company Proprietary Limited ("RHBO") and RH Financial Services Proprietary Limited ("RHFS") are wholly-owned subsidiaries of the Company, which are utilised to acquire investments on behalf of the Company.

The Company has appointed RH Bophelo Management Company Proprietary Limited ("RHBM") as its investment manager, to manage its investment portfolio which includes advice on the Company’s investment decisions, in line with section 15 of the JSE Listings Requirements. The relationship between the Company and RHBM, including the duration and remuneration, is governed by a shareholder-approved management agreement. RHBM has extensive experience in the healthcare industry.

**2 New and revised International Financial Reporting Standards in issue**

**2.1 Standards and amendments effective and adopted in the current year**

In the current year, the Company adopted the following standards and amendments that are effective for the current financial year and that are relevant to its operations:

<b>Standard/Amendment</b>	<b>Effective date</b>	<b>Key requirements</b>
IAS 1 <i>Presentation of Financial Statements</i>	1 January 2023	<ul style="list-style-type: none"> <li>Disclosure of Accounting Policies: The amendments require companies to disclose their material accounting policy information rather than their significant accounting policies, with additional guidance added to the Standard to explain how an entity can identify material accounting policy information with examples of when accounting policy information is likely to be material.</li> <li>The adoption of the amendment had no material impact on the Company as the Company made no amendments to accounting policies disclosed.</li> </ul>
IAS 1 <i>Presentation of Financial Statements</i>	1 January 2023	<ul style="list-style-type: none"> <li>Classification of Liabilities as Current and Non-current: Narrow-scope amendments to IAS 1 to clarify how to classify debt and other liabilities as current and non-current.</li> <li>The adoption of the amendment had no material impact on the amounts recognised or disclosed in the annual financial statements as the Company's loan agreements do not contain uncertain settlement dates.</li> </ul>
IAS 8 <i>Accounting Policies, Changes in Accounting Estimates and Errors</i>	1 January 2023	<ul style="list-style-type: none"> <li>Definition of Accounting Estimates: The amendments clarify how companies should distinguish changes in accounting policies from changes in accounting estimates, by replacing the definition of a change in accounting estimates with a new definition of accounting estimates.</li> <li>Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”.</li> <li>The requirements for recognising the effect of change in accounting prospectively remain unchanged.</li> <li>The adoption of the amendment had no significant impact on the amounts recognised in the annual financial statements as the accounting requirements remained unchanged.</li> </ul>

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**Notes to the Annual Financial Statements (continued)**

IAS 12 <i>Income Taxes</i>	1 January 2023	<ul style="list-style-type: none"> <li>• Deferred Tax related to Assets and Liabilities arising from a Single Transaction: The amendment clarifies how a company accounts for income tax, including deferred tax, which represents tax payable or recoverable in the future.</li> <li>• In specified circumstances, companies are exempt from recognising deferred tax when they recognise assets or liabilities for the first time.</li> <li>• The aim of the amendments is to reduce diversity in the reporting of deferred tax on leases and decommissioning obligations, by clarifying when the exemption from recognising deferred tax would apply to the initial recognition of such items.</li> <li>• The adoption of the amendment had no significant impact on the amounts disclosed in the annual financial statements as the leases make up a less than significant amount in the financial statements.</li> </ul>
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2.2 Standards and amendments not yet effective

The following accounting standards, interpretations and amendments have been issued but are not yet effective as at 29 February 2024:

Standard/Amendment	Effective date (Financial Reporting Periods commencing on or after)	Summary	Impact on RH Bophelo Limited
IFRS 7 <i>Financial Instruments: Disclosures</i>  IAS 7 <i>Statement of Cash flows</i>	1 January 2024	Amendments to Supplier Finance Arrangements: The amendments clarify the disclosures required for supplier finance arrangements. The disclosures include: <ul style="list-style-type: none"> <li>• How the supplier finance arrangements affect an entity's liabilities and cash flow.</li> <li>• Whether the supplier finance agreements have been accessed providing extended payment terms or early payment terms for suppliers.</li> <li>• The effects of exposure to liquidity risk including the impact if the supplier finance arrangements are no longer available.</li> </ul>	The application is not expected to have a significant impact on the amounts recognised or disclosed in the annual financial statements as the Company does not engage in supplier finance arrangements.
IFRS 16 <i>Leases</i>	1 January 2024	Lease liability in a Sale and Leaseback: Narrow-scope amendment. The amendments deal with the subsequent measurement for sale and leaseback transactions meeting the requirements of IFRS 15 for sale only. The Seller-lessee is to measure the lease liability in such a manner so that any gain or loss recognised relates only to rights transferred to buyer-lessor. No gains or loss must be recognised on the right of use retained.	The application is not expected to have a significant impact on the amounts disclosed or recognised in the annual financial statements as the Company does not have sale-leaseback transactions.

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**Notes to the Annual Financial Statements (continued)**

IFRS 18 <i>Presentation and Disclosure in Financial Statements</i>	1 January 2027	Introduction of three defined categories for income and expenses: operating, investing and finance. This is to improve the structure of the income statement and requires all companies to provide new defined subtotals, including operating profit. Improved categories will give investors a consistent starting point for analysing companies' performance and make it easier to compare companies.	The impact of the amendment is currently being assessed.
IAS 1 <i>Presentation of Financial Statements</i>	1 January 2024	Classification of Long-term Debt Affected by Covenants: The amendment clarifies the classification of debt as non-current only if the company can void settling the debt within 12 months after the reporting date. It specifies that covenants to be complied with after the reporting date do not affect the classification of debt as current or non-current at the reporting date. The amendment requires the company to disclose information about these covenants in the notes to the financial statements.	The impact of the amendment is currently being assessed.
IFRS S1 <i>General Requirements of Sustainability-related Financial Information</i>	1 January 2024	The standard has the following key requirements: <ul style="list-style-type: none"> <li>• It requires entities to disclose information about sustainability-related risks and opportunities that are reasonably expected to affect their prospects.</li> <li>• It prescribes how the entity prepares and reports its sustainability-related disclosures, including general requirements.</li> <li>• It requires the entity to provide an understanding of the entity's governance processes and controls, identification processes and controls and strategies to manage sustainability-related risks.</li> </ul>	The impact of the amendment is currently being assessed.
IFRS S2 <i>Climate-related Disclosures</i>	1 January 2024	The standard has the following key requirements: <ul style="list-style-type: none"> <li>• It requires entities to disclose information about the climate-related risks (physical and transition) that an entity is exposed to and the opportunities available that may be useful to investors and capital providers.</li> <li>• It requires entities to disclose information about climate-related risks and opportunities that are reasonably expected to affect their cash flows, access to finance or cost of capital over the short, medium or long-term.</li> </ul>	The impact of the amendment is currently being assessed.

The standards will be adopted by the Company on the respective effective dates.

**3. Basis of preparation**

**3.1 Statement of compliance and basis of preparation**

These annual financial statements ("AFS") have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB), the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council and in the manner required by the Companies Act of South Africa, the JSE Listings Requirements and the RSE Listings Requirements. These have been prepared on the historical cost basis, except for unlisted investments and loans to related parties which are measured at fair value through profit or loss.

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**Notes to the Annual Financial Statements (continued)**

**3.2 Functional and presentation currency**

The annual financial statements are presented in South African Rand, which is also the Company's functional currency.

**4 Critical accounting judgements and key sources of estimation uncertainty**

The preparation of the annual financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. 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.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the annual financial statements includes the determination of fair value for assets that are carried at fair value through profit or loss.

**4.1 Investment entities**

The Company and its subsidiaries – RH Bophelo Operating Company Proprietary Limited ("RHBO") and RH Financial Services Proprietary Limited ("RHFS") are classified as investment entities in line with IFRS 10 *Consolidated Financial Statements*.

According to IFRS 10, RH Bophelo Limited as an investment entity measures its investments in subsidiaries and its indirectly held associates at fair value through profit or loss in accordance with IFRS 9 *Financial instruments*.

After conducting an assessment of the Company's activities and business purpose, the Board of Directors have concluded that the Company meets the definition of an investment entity as per IFRS 10 based on the following factors:

- The Company and its subsidiaries obtained funds from more than one investor with the purpose of providing those investors with investment management services;
- The Company and its subsidiaries also committed to its investors that its business purpose is to invest in commercially viable healthcare and financial services assets that are cashflow positive or will be cashflow positive within 12 months; and
- The Company and its subsidiaries measure and evaluate the performance of all its investments on a fair value basis.

Furthermore, the Company, its subsidiaries and its indirectly held associates have more than one investment. The Company also has more than one investor and its investors are not related parties, additionally its interest is mainly in equity form in all its investments. The Company has an approved investment policy and has documented its exit strategy which outlines its approach to managing its investments.

The Company has set up RHBO and RHFS as separate legal entities in line with the business model for managing healthcare and financial services as discrete business segments. RHBO and RHFS also committed to investors that the business purpose is to invest in commercially viable healthcare and financial assets that are cashflow positive or will be cashflow positive within 12 months. The two subsidiaries measure and evaluate the performance of all investments on a fair value basis.

Based on the above assessment it was concluded that the Company and its subsidiaries (RHBO and RHFS) are investment entities and are therefore exempt from consolidation in line with paragraph 31 of IFRS 10. The underlying investments in subsidiaries held by the Company are accounted for as financial assets measured at fair value through profit or loss in accordance with IFRS 9. Additionally, as RHBO and RHFS are investment entities in their own capacity that have been structured separately in order to distinguish between the healthcare and the financial services portfolio, they are accounted for at fair value through profit or loss.

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**Notes to the Annual Financial Statements (continued)**

**4. Critical accounting judgements and key sources of estimation uncertainty (continued)**

The Company received its investment management services from RH Bophelo Management Company Proprietary Limited ("RHBM"), an entity that is not controlled by the Company. The investment management company is an autonomous entity, that is not influenced or controlled by RH Bophelo Limited, as RH Bophelo Limited has no shareholding or managerial involvement in RHBM. It has experience in the healthcare investment and portfolio management industry of over 10 years. RHBM is able to provide investment management services and to raise capital for parties other than RH Bophelo. As a result, even though RHBM provides management services to the Company, it is not a service subsidiary in terms of IFRS 10 and is therefore not consolidated.

**4.2 Unlisted investments**

In valuing unlisted investments which form part of the financial assets of the Company, key assumptions and judgements are applied in determining the weighted average cost of capital ("WACC"), terminal growth rate ("TGR"), capital structure, market interest rates, earnings before interest, taxation, depreciation and amortisation ("EBITDA") and capitalisation rates to be used in the Sum of the Parts Valuation ("SOTP").

The basis for valuing unlisted investments is fair value. At the reporting date, an assessment is made of the value of each investment to determine any changes required in the fair value of the investments. Judgement is applied in identifying the most appropriate valuation method to determine the fair value of each investment. The Company considers the different valuation methods ranging from the earnings multiple method, the earnings yield method and the discounted cash flow method. The Company has applied the discounted cash flow methods for all its equity investments. This ensures consistency and comparability across different investments across the two segments.

The Company uses a sum of the parts ("SOTP") valuation method, where all the different investee company businesses, properties and loans to related parties held are valued separately and then added together, less any net debt in order to calculate the total value of the investee company. The cash flows of the different businesses are valued using a discounted cash flow ("DCF") method, whilst the properties are valued on the capitalisation rate method and the loans to related parties are discounted using fair market rates. This valuation approach is applied on an investment-by-investment basis across all portfolio assets.

The discounted cash flow method is used to derive the enterprise value of each investment using reasonable assumptions that are supported by external, third party inputs where applicable. Such inputs include market yields on corporate bonds, economic growth estimates provided by the SA Reserve Bank and estimations of inflation rates over the investment horizon. In deriving the enterprise value, judgement is applied in estimating future post-taxation cash flows and the terminal value (free cash flows available to the Company), and then discounting to the present value by applying an appropriate risk-adjusted rate that captures the risk inherent to the Company's projected WACC.

To provide an illustration of the sensitivity of the recognised fair values to changes in inputs, the Company has identified key inputs used in computing the DCF valuations and provided a sensitivity analysis based on changes – both favourable and unfavourable – to the inputs. The details of significant inputs are included in note 6.

Fair values of unlisted financial instruments are disclosed as level 3 in the fair value hierarchy since they have unobservable inputs and the valuation requires greater judgement and estimation in determining appropriate valuation assumptions and obtaining relevant and reliable inputs. The unobservable inputs applied do however reflect the assumptions that a market participant would apply when determining the pricing for the same assets.

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**Notes to the Annual Financial Statements (continued)**

**4. Critical accounting judgements and key sources of estimation uncertainty (continued)**

**4.3 Loans to related parties**

When advancing and valuing loans to related parties, the Company considers the following factors:

- The purpose of the loan including the growth and expansion opportunities identified by the investee companies;
- The capacity of the investee companies to service the loans;
- Term of the loan;
- Market interest rate for purposes of valuing the loans; and
- The current portion of loans to related parties, which is based on the loan model, is equal to the sum of anticipated repayments for the next 12 months.

**4.4 Deferred tax asset on assessed losses**

Deferred tax assets are measured to the extent it is probable that taxable income will be available in the future against which the assets can be utilised. The forecast profit and cash flows are utilised in the assessment of the recoverability of deferred tax assets. Management also exercises judgement in assessing the likelihood that the business plans will be achieved and that the deferred tax assets are recoverable.

**5 Accounting policies**

**5.1 Financial instruments**

**5.1.1 Recognition and classification**

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

**Non-derivative financial instruments**

Non-derivative financial instruments comprise investments in equity securities, trade and other receivables, cash and cash equivalents, loans to related parties and other payables.

**Financial assets**

The Company classifies its financial assets on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

As an investment entity, the Company's financial assets relate to investments in subsidiaries and its associates. The

Company classifies financial assets as held at amortised cost only if both of the following criteria are met:

- The asset is held within a business model whose objective is to collect the contractual cash flows; and
- The contractual terms give rise to cash flows that are solely payments of principal and interest.

Financial assets which do not meet the requirements to be classified as financial assets held at amortised cost are carried at fair value through profit or loss. Due to the Company's business model of managing its loans to related parties – which is not to collect contractual cash flows made up of principal and interest – the loans to related parties are classified at fair value through profit or loss in order to eliminate the accounting mismatch that would materialise if they were classified at amortised cost.

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**Notes to the Annual Financial Statements (continued)**

**5 Accounting policies (continued)**

Financial assets that are classified as held for sale are presented under current assets in the statement of financial position.

At 29 February 2024, the Company's financial assets comprised of the following:

- Investments in subsidiaries and associates - classified at fair value through profit or loss;
- Loans to related parties - designated at fair value through profit or loss;
- Other receivables - classified at amortised cost; and
- Cash and cash equivalents - classified at amortised cost.

**Financial liabilities**

The Company classifies financial liabilities as financial liabilities measured at amortised cost.

**5.1.2 Initial measurement**

Financial instruments are initially measured at fair value. Transaction costs for financial instruments that are not at fair value through profit or loss, are included in the initial measurement of the instrument.

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

Transaction costs associated with the issue of the Company's own equity instruments are set off against the proceeds from the issue of equity instruments.

The transaction price of the consideration received or given in exchange for a financial instrument, is generally regarded as the fair value of the financial instrument. However, the Company occasionally provides financial support to investee companies on terms that are different from market-related terms. When the fair value of the financial instrument differs from the transaction price at initial recognition, the Company accounts for the Day 1 gain or loss as a deferred gain or loss in line with IFRS 9. For transactions involving investee companies, the deferred gains are presented as an adjustment to the carrying amount of the investment.

**5.1.3 Subsequent measurement**

Financial assets and financial liabilities are subsequently measured in accordance with the initial classification category.

- Designated at fair value through profit or loss - Interest income, Dividend income and Fair value gains and losses on financial assets are recognised in the statement of profit or loss as part of investment income.
- Financial assets classified at amortised cost are subsequently measured using the effective interest method with interest recognised in interest income, less any expected credit impairment losses which are recognised as part of credit impairment charges.
- Financial assets that have been earmarked for disposal are classified as held for sale and measured at fair value in line with IFRS 9 and IFRS 5.
- Financial liabilities are subsequently measured at amortised cost, using the effective interest method.
- Day 1 gains and losses will be derecognised once loans are fully repaid.

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**Notes to the Annual Financial Statements (continued)**

**5. Accounting policies (continued)**

**Impairment of financial assets**

The impairment model is applied only on financial assets measured at amortised cost. The Company measures its financial assets at fair value through profit or loss with the exception of other receivables and cash and cash equivalents which are both measured at amortised cost.

The Company recognises a loss allowance for expected credit losses (ECLs) on other receivables. The Company measures loss allowances at an amount equal to the 12-month ECLs. To measure the expected credit losses, other receivables have been grouped based on shared credit risk characteristics and the number of days past due. When determining whether the credit risk of other receivables has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. There has been no significant increase in credit risk since initial recognition.

Expected credit losses on other receivables are presented as credit losses within operating expenses when they arise.

**Measurement and recognition of expected credit losses**

The measurement of expected credit loss 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. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. The exposure at default is the gross carrying amount of the loan at the reporting date.

An impairment gain or loss is recognised for all loans in profit or loss with a corresponding adjustment to their carrying amount through a loss allowance account.

Due to the short-term nature of the cash and cash equivalents, and the fact that all counter parties are well established financial institutions with a good credit rating, no credit losses are estimated for the cash balances. Refer to note 27.2.

**5.1.4 Derecognition of financial instruments**

**Derecognition of financial assets**

The Company derecognises a financial asset when:

- The contractual rights to the cash flows from the financial asset expires; or
- the financial asset is transferred resulting in the transfer of substantially all the risk and rewards of ownership and the Company no longer retains control of the asset.

**Derecognition of financial liabilities**

The Company derecognises a financial liability when the obligation per the contract has been fulfilled, cancelled or expired.

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**Notes to the Annual Financial Statements (continued)**

**5. Accounting policies (continued)**

**5.2 Cash and cash equivalents**

Cash and cash equivalents comprise cash and short-term bank deposits with an original maturity of three months or less.

Cash and cash equivalents are classified as subsequently measured at amortised cost. It is the policy the Company not to discount cash and cash equivalents as it regards carrying amount to approximate fair value.

**5.3 Other receivables**

Other receivables are initially measured at fair value which approximates the transaction price.

Other receivables are subsequently measured at amortised cost, and derecognised upon settlement by the counterparty.

**5.4 Loans to related parties**

The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of both the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

The Company provides loans to investee companies based on the needs to fund critical projects at the investee companies. In providing the loans, the Company regards the financial assistance as a necessary intervention in ensuring that the investee companies can maximise returns, which in turn, improves the generation of investment income and capital appreciation for the Company. The intention of the Company is not primarily the recovery of the contractual cashflows (capital and interest), but mainly to facilitate growth capital to investee companies for expansion purposes. In line with its strategy of monitoring the performance of the investee companies on a fair value basis, the Company measures the loans advanced to investee companies as financial assets at fair value through profit or loss.

This is primarily due to the fact that the measurement of the loans at fair value is more reflective of the way the Company measures and monitors its investments in its indirectly held associates and subsidiaries. Additionally, the focus on the evaluation and management of the performance of its associates and subsidiaries, rather than the nature of the loans advanced to the investee companies, results in more relevant information for the Company and its shareholders.

**5.5 Unlisted investments**

The Company's unlisted investments are investments in subsidiaries and its associates. As the Company is an investment entity the subsidiaries are not consolidated and the associates are not equity accounted.

Beyond initial measurement, the Company determines the fair value of each investment on a continuous basis. The valuation techniques applied to the valuation of each investment incorporate level 3 inputs. IFRS 13 identifies a hierarchy of fair value inputs depending on the nature and source of the inputs used to determine the fair value of a recognised financial asset or liability. The Company applies this criteria in its fair value disclosures for unlisted investments. The allocation of a valuation input into the fair value hierarchy is determined on the level of the lowest level input that is significant to the fair value measurement in its entirety. Fair value changes are accounted for in profit or loss for the year as gains or losses on financial assets at fair value through profit or loss. A summary of the unlisted investments is contained in note 6.

**5.6 Equity instruments**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

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**Notes to the Annual Financial Statements (continued)**

**5. Accounting policies (continued)**

**5.7 Income tax**

Income tax represents current and deferred tax. Current and deferred taxes are recognised in profit or loss except to the extent that the taxes related to a business combination, or items recognised directly in equity or in other comprehensive income.

**5.7.1 Current tax**

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

**5.7.2 Deferred tax**

Deferred tax is recognised on the temporary differences between the carrying amounts of assets and liabilities in the annual financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Such deferred tax liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. A deferred tax asset is recognised for unused tax losses and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

**5.8 Investment income**

The Company's investment income is made up of dividends, interest and fair value gains or losses on financial assets:

- Interest income (interest income from loans to related parties and interest income from bank balances) is recognised in the statement of profit or loss;
- Fair value movements through profit or loss consist of fair value gains or losses from financial assets measured at fair value through profit or loss, these are recognised on a bi-annual basis, using a suitable valuation methodology; and
- Dividend income (dividend income from investments in financial instruments) is recognised in the statement of profit or loss. Dividends are recognised when a dividend declaration has been appropriately authorised and no longer at the discretion of the entity.

**5.9 Other income**

Other income is mainly made up of board fees and administrative costs recovered which are recognised on the accrual basis.

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**Notes to the Annual Financial Statements (continued)**

**5. Accounting policies (continued)**

**5.10 Segment reporting**

The Company's Executive Committee – made up of the Chief Executive Officer ("CEO"), the Chief Financial Officer ("CFO"), the Chief Investment Officer ("CIO"), and all operational executives – fulfils the role of the chief operating decision maker ("CODM"). The Executive Committee has been allocated the responsibility to continuously monitor the various components of the business and allocate capital and strategic resources based on the performance of each component. The Committee achieves this through reporting internally on each component on a quarterly basis.

The Executive Committee – as the CODM – has identified the following components as operating segments both for management and external reporting purposes:

- Healthcare segment – focusing on investments in healthcare infrastructure, healthcare technology, and property companies; and
- Financial services segment – focusing on investments in insurance and financial services relating to healthcare.

The reporting segments have been identified after applying the quantitative thresholds and after aggregating operating segments with similar characteristics. The related nature and complementarity of the services and focus areas are considered in aggregating operating segments into a reportable segment. Furthermore, discrete financial information is prepared and evaluated by the CODM in relation to the two segments identified.

The CODM regularly reviews the operating results of the healthcare and financial services segments and allocates resources based on the results of the reviews. In line with the exemption from consolidation and applying equity accounting, the Company does not account for associates in each segment using the equity method. Such investments are accounted for at fair value.

The financial performance and financial position of each segment have been disclosed in note 28.

**5.11 Lease liabilities**

The Company is a party to a lease contract relating to its office buildings.

Leases are accounted for by recognising a right-of-use asset and a lease liability unless they are regarded as short-term leases (less than 12 months) or leases of low-value assets.

At the inception of each new contract where the Company is a party to the contract, an assessment is undertaken to assess whether the contract contains a lease. In assessing the contract, the Company considers whether the contract conveys the right to control the use of an identified asset. This assessment includes the following factors:

- Whether the contract involves the use of an asset explicitly identified in the contract. The asset must be physically distinct or represent substantially all the capacity of the asset;
- Whether the Company has the right to obtain substantially all the economic benefits from the use of the asset throughout the period of use; and
- Whether the Company has the right to direct the use of the asset.

Once a lease is identified, the Company recognises and measures the lease by recognising a right-of-use asset and a lease liability as follows:

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**ANNUAL FINANCIAL STATEMENTS**  
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**Notes to the Annual Financial Statements (continued)**

**5. Accounting policies (continued)**

	Right-of-use Asset	Lease liability
Initial measurement	The right-of-use asset is initially measured at an amount equal to the lease liability plus initial direct costs incurred by the Company.	The lease liability is initially measured at the present value of contractual payments due over the lease term. The discount rate used to discount the gross contractual payments to the present value is the incremental borrowing rate at the date of commencing the lease agreement
Subsequent measurement	The Company applies the cost model for the right-of-use asset recognised under the lease.  The right-of-use asset is depreciated on a straight-line basis over the lease term.  Depreciation is recognised in profit or loss.	After initial recognition, the lease liability increases as a result of finance costs - computed with reference to the interest rate per the lease agreement - and the lease liability is reduced by the value of any lease payments made.  The finance costs are recognised as an interest expense over the time of the lease.
Termination of lease	When the lease is terminated, the remaining balance on the right-of-use asset and lease liability are immediately derecognised. Any differences between the right-of-use asset and lease liability is recognised as a derecognition gain or loss in the determination of profit or loss for the year.	

Details on leases entered into by the Company are disclosed in notes 8 and 9.

**5.12 Property, plant and equipment**

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

Property, plant and equipment is initially measured at cost and subsequently carried on the cost model. Cost includes all of the expenditure which is directly attributable to the acquisition or construction of the asset.

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

Item	Depreciation method	Useful life
Furniture and fixtures	Straight line	5 years (lease-term)
Right-of-use asset - (buildings)	Straight line	5 years (lease-term)
Computer equipment	Straight line	3 years

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

The depreciation charge for each period is recognised in profit or loss.

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

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

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	2024 R	2023 R
<b>6. Financial assets at fair value through profit or loss</b>		
Opening balance	830,444,756	921,999,472
Advances: non-cash	6,640,843	1,500,000
Advances: in cash	20,361,539	13,359,640
Disposals*	(14,000,000)	(61,500,000)
Fair value gains/(losses)	249,577,261	(44,914,356)
	<b><u>1,093,024,399</u></b>	<b><u>830,444,756</u></b>
<b>Classification</b>		
Financial assets held for sale	-	14,000,000
Non-current assets	1,093,024,399	816,444,756
	<b><u>1,093,024,399</u></b>	<b><u>830,444,756</u></b>

The Company's investments are primarily unlisted entities that are operating in South Africa. The investments are measured at fair value through profit or loss. The investments under RHBO have been designated into healthcare investments portfolio and investments under RHFS have been designated into financial services investments portfolio.

*\*During the year ended 28 February 2023, the investment in Phelang Bonolo Healthcare Procurement and Management Proprietary Limited ("PBHPM") was classified as held for sale and sold for R14 million. The sale took place during the current financial period. R7 million of the selling price was received during the year, with the remaining due to be received during the 2024 calendar year. This has been classified as other receivables in the current period. Refer to note 10.*

Investments in unlisted equity instruments – summary

**2024**

R	Opening balance	Advances/ (disposals)	Fair value changes*	Closing balance
RHFS	9,288,060	1,070,288	(3,375,024)	6,983,324
RHBO*	821,156,696	11,932,094	252,952,285	1,086,041,075
	<b>830,444,756</b>	<b>13,002,382</b>	<b>249,577,261</b>	<b>1,093,024,399</b>

**2023**

R	Opening balance	Advances/ (disposals)	Fair value changes*	Closing balance
RHFS	86,331,368	(59,828,509)	(17,214,799)	9,288,060
RHBO*	835,668,104	13,188,149	(27,699,557)	821,156,696
	<b>921,999,472</b>	<b>(46,640,360)</b>	<b>(44,914,356)</b>	<b>830,444,756</b>

*\*RHBO includes a day 1 deferred gain of R5.8 million recognised on loans provided in note 7. Loans provided to related parties are regarded as transactions between equity participants and the resultant Day 1 gains and losses are presented as an adjustment to the carrying amount of the investments.*

The valuation of the investments in unlisted investments relies on various unobservable inputs that are sensitive to changes that would affect the recognised value of the investments in the annual financial statements. To aid stakeholders to understand the significant unobservable inputs that influence the valuation process, the company has identified the key inputs used in the valuations. A sensitivity analysis on these inputs has been prepared and disclosed in order to illustrate the potential impact of the changes to these inputs on the amounts recognised in the financial statements. Refer to note 6.2.

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**6. Financial assets at fair value through profit or loss (continued)**

6.1 Summary of significant investments

**2024**

<b>Entity</b>	<b>Description</b>	<b>Economic interest</b>	<b>Fair value at year end (R)</b>	<b>Cost (R)</b>	<b>Proportion of net assets (R)***</b>	<b>WACC (Post-Tax)</b>	<b>Proportion of total investments</b>	<b>Income earned from investment (R)*****</b>
<b>Investments held through the unlisted equity instruments*</b>								
Africa Healthcare	Operates and owns hospitals	100%	374,851,120	122,500,000	49,270,372	18.93%	34%	8,076,000
Rondebosch Medical Centre	Hospital services	100%	233,194,113	143,700,000	(84,743,545)	18.79%	21%	1,145,000
Medicare Hospital**	Hospital services and investment property	54%	202,316,560	123,500,000	98,304,328	18.93%	19%	12,920,498
MMed Distribution Services****	Pharmaceutical	100%	158,148,356	1	2,429,691	19.65%	14%	4,000,000

All entities are incorporated in South Africa.

\*Each of the investments listed here represents at least 5% of the total value of the investments at fair value through profit or loss.

\*\*The Company holds 54% in BMC Gilliewie Proprietary Limited which is the operating company of Medicare Hospital and 50,1% in Magnacorp Proprietary Limited which is the property company. \*\*\*The proportion of net assets relates to the Company's share of the net asset value of the investee company as determined using the investee company's management accounts. The net asset values of investee companies are unaudited.

\*\*\*\* MMed was acquired in the current year and distributes pharmacy and related products to external and RH pharmacies.

\*\*\*\*\*The income is made up of dividends and interest received by the Company through its investee companies.

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**6. Financial assets at fair value through profit or loss (continued)**

**2023**

<b>Entity</b>	<b>Description</b>	<b>Economic interest</b>	<b>Fair value at year end (R)</b>	<b>Cost (R)</b>	<b>Proportion of net assets (R)***</b>	<b>WACC (Post-Tax)</b>	<b>Proportion of total investments</b>	<b>Income earned from investment (R)</b>
<b>Investments held through the unlisted equity instruments*</b>								
Africa Healthcare	Operates and owns hospitals	100 %	292,538,665	122,500,000	52,465,414	18.10%	35%	-
Rondebosch Medical Centre****	Hospital services	100 %	224,325,090	143,700,000	(44,801,292)	19.80%	27%	4,276,000
Medicare Hospital**	Hospital services and investment property	54 %	221,316,462	123,500,000	71,585,584	17.10%	27%	3,650,000

\*Each of the investments listed here represents at least 5% of the total value of the investments at fair value through profit or loss.

\*\*The Company holds 54% in BMC Gilliewie Proprietary Limited which is the operating company of Medicare Hospital and 50,1% in Magnacorp Proprietary Limited which is the property company.

\*\*\*The net asset values of investee companies are unaudited.

\*\*\*\* The negative net asset value is due to the effect of IFRS 16 - Leases.

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**Notes to the annual financial statements**

**6. Financial assets at fair value through profit or loss (continued)**

6.2 Sensitivity analysis

The ranges (and absolute values) used for the key unobservable inputs are as follows:

<b>Input</b>	<b>Range used (2024)</b>	<b>Range used (2023)</b>
Capitalisation rate	10% to 12%	10% to 12%
TGR (Terminal Growth rate)	4.50%	4.50% to 5%
WACC (Weighted Average Cost of Capital)*	16.9% to 20.2%	17.10% to 21.50%
EBITDA (Earnings before interest, taxation, depreciation and amortisation)**	8% to 31%	14% to 19%
Market interest rate	11.75% to 13.25%	10.25% to 13.25%

\*A risk adjustment factor is incorporated in the calculation of WACC for each investment, which factors the planned growth projections and any market uncertainty.

\*\*The disclosures relating to EBITDA are based on a five-year compounded annual growth rate and have been provided as part of the enhanced reporting on the sensitivity analysis for investments.

Explanation of key valuation inputs and possible impact of changes in inputs:

<b>Significant unobservable input</b>	<b>Current unit of measurement</b>	<b>Favourable changes</b>	<b>Unfavourable changes</b>
Capitalisation rate #	10% to 12%	Decrease by 50 basis points, will result in an increase in the value of investments at year-end.	Increase by 50 basis points, will result in a decrease in the value of investments at year-end.
Terminal Growth rate	4.50%	Increase by 50 basis points, will result in an increase in the value of investments at year-end.	Decrease by 50 basis points, will result in a decrease in the value of investments at year-end.
WACC (range)	16.9% to 20.2%	Decrease by 50 basis points, will result in an increase in the value of investment at year-end.	Increase by 50 basis points, will result in a decrease in the value of investments at year-end.
EBITDA (Using the five-year compounded annual growth rate on EBITDA)	8% to 31%	Increase by 250 basis points, will result in an increase in the value of investments at year-end.	Decrease by 250 basis points, will result in a decrease in the value of investment at year-end.
Market interest rate (Prime rate 11.75%) (for loans to group companies)	11.75% to 13.25%	Decrease by 50 basis points, will result in an increase in the loan balance at year-end.	Increase by 50 basis points, will result in a decrease in the loan balance at year-end.

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**6. Financial assets at fair value through profit or loss (continued)**

The sensitivity analysis relating to the terminal growth rate was applied on the combined terminal value for significant investments as presented in Note 6.1 of R618 325 452 (2023: R618 115 281). The terminal value range used in 2024 was between R96 million and R214 million and a range of between R9 million and R253 million used in 2023. The terminal value range is only presented for significant assets as presented in note 6.1.

The Company does not expect the unobservable inputs to fluctuate by more than 50 basis points on the capitalisation rate, terminal growth rate, weighted average cost of capital and market interest rates and 250 basis points on earnings before interest, tax, depreciation and amortisation. These ranges were deemed acceptable for the purposes of computing the sensitivity analysis.

Significant unobservable input	2024		2023	
	Favourable changes (+)	Unfavourable changes (-)	Favourable changes (+)	Unfavourable changes (-)
Capitalisation rate*	16,915,667	(15,452,531)	12,528,873	(11,429,783)
Terminal growth rate	20,929,591	(19,539,219)	17,707,696	(16,542,788)
WACC	32,782,552	(30,590,331)	24,119,151	(22,530,655)
EBITDA	23,858,945	(23,858,945)	25,382,825	(25,633,307)
Total	94,486,755	(89,441,026)	79,738,545	(76,136,533)
<b>Current fair value as at year end</b>	<b>1,093,024,399</b>	<b>1,093,024,399</b>	<b>830,444,756</b>	<b>830,444,756</b>
Fair value after accounting for cumulative effect of possible changes in key inputs	1,187,511,154	1,003,583,373	910,183,301	754,308,223

\*The capitalisation rate is used in the valuation of properties.

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**Notes to the Annual Financial Statements**

**6. Financial assets at fair value through profit or loss (continued)**

6.3 Sensitivity analysis: Properties

Included in some of the investment balances are amounts relating to properties that were acquired as part of the investee companies. The capitalisation rate used to value each property is a significant unobservable input. An increase in the capitalisation rate results in a decrease in the fair value of the property and – by extension – the fair value of the investment. A decrease in the capitalisation rate results in an increase in the fair value of the property and – by extension – the fair value of the investment.

The sensitivity analysis relating to the property component of each investment with a fair value that has a property element is as follows:

Investments with a property component	Total fair value at year-end (R)	Property value included in valuation (R)	Residual	Capitalisation rate	Changes in capitalisation rate (R)	
					Favourable (-50 bps)	Unfavourable (+50 bps)
<b>2024</b>						
Africa Healthcare*	374,851,120	69,000,000	305,851,120	12%	2,960,278	(2,723,456)
Vryburg Private Hospital	41,669,639	24,300,000	17,369,639	11%	1,146,589	(1,046,886)
Medicare Private Hospital	202,316,560	112,224,000	90,092,560	11%	5,040,527	(4,602,220)
RH Bell Clinic	15,347,494	35,000,000	(19,652,506)	10%	1,829,772	(1,655,508)
Fauchard Clinic	13,999,385	14,000,000	(615)	11.5%	649,143	(595,048)

\*Africa Healthcare consists of two properties, St Helena Property (R58 million) and Fochville Property (R11 million) both with a capitalisation rate of 12%.

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**6. Financial assets at fair value through profit or loss (continued)**

<b>Investments with a property component</b>	<b>Total fair value at year-end</b>	<b>Property value included in valuation</b>	<b>Residual</b>	<b>Capitalisation rate</b>	<b>Changes in capitalisation rate</b>	
	<b>(R)</b>	<b>(R)</b>			<b>(R)</b>	
2023					Favourable (-50 bps)	Unfavourable (+50 bps)
Africa Healthcare*	292,538,665	80,000,000	212,538,665	11% - 12%	3,763,975	(3,440,000)
Vryburg Private Hospital	35,630,586	24,300,000	11,330,586	11%	1,157,143	(1,056,522)
Medicare Private Hospital	221,316,462	107,715,000	113,601,462	11%	5,129,286	(4,683,261)
RH Bell Clinic	17,645,988	35,000,000	(17,354,012)	10%	1,842,105	(1,666,667)
Fauchard Clinic	13,209,454	14,000,000	(790,546)	11,50%	636,364	(583,333)

*\*Africa Healthcare consists of two properties. St Helena Property (R69 million with a capitalisation rate of 11%) and Fochville (R11 000 000 with a capitalisation rate of 12%).*

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**6. Financial assets at fair value through profit or loss (continued)**

6.4 Sensitivity analysis – significant investments in unlisted equities

The table below reflects the potential effect of changes in significant unobservable inputs that affect the valuation of the company's most significant financial assets (each making up at least 5% of the total investments). As the investments are held at fair value through profit or loss; the changes – if they materialised – would be reflected in the statement of profit or loss.

**2024**

Significant unobservable input	Total fair value at year-end	WACC		EBITDA		TGR	
		Favourable -50 bps	Unfavourable +50 bps	Favourable +250 bps	Unfavourable -250 bps	Favourable +50 bps	Unfavourable -50 bps
Investments in unlisted shares held through subsidiaries							
Africa Healthcare	374,851,120	13,307,406	(12,411,857)	9,664,320	(9,664,318)	8,523,066	(7,952,816)
Medicare Private Hospital	202,316,560	5,710,384	(5,326,073)	4,445,511	(4,445,510)	3,659,359	(3,414,523)
Rondebosch Medical Centre	233,194,113	6,810,728	(6,348,659)	5,415,668	(5,415,668)	4,366,057	(4,070,779)
MMed Distribution Services	158,148,356	6,954,034	(6,504,018)	4,333,446	(4,333,448)	4,381,109	(4,101,101)

**2023**

Significant unobservable input	Total fair value at year-end	WACC		EBITDA		TGR	
		Favourable -50 bps	Unfavourable +50 bps	Favourable +250 bps	Unfavourable -250 bps	Favourable +50 bps	Unfavourable -50 bps
Investment in unlisted shares held through subsidiaries							
Africa Healthcare	292,538,665	8,956,954	(8,385,793)	10,877,439	(10,877,439)	5,593,722	(5,239,067)
Medicare private Hospital	221,316,462	4,892,610	(4,544,391)	8,021,938	(8,021,938)	5,525,212	(5,131,969)
Rondebosch Medical Centre	224,325,090	10,269,588	(9,600,472)	6,483,448	(6,733,929)	6,588,763	(6,171,753)

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**6. Financial assets at fair value through profit or loss (continued)**

6.5 Investment portfolio - reconciliation of movements during the year

The table below has been provided as part of section 15 of the JSE Listings Requirements.

**2024 RHBO portfolio**

<b>Subsidiaries</b>	<b>Opening balance R</b>	<b>Advances</b>	<b>Disposals</b>	<b>Fair value changes</b>	<b>Closing balance R</b>
Africa Healthcare	292,538,665	-	-	82,312,455	374,851,120
Vryburg Private Hospital	35,630,586	1,000,000	-	5,039,053	41,669,639
Medicare Private Hospital	221,316,462	-	-	(18,999,902)	202,316,560
RH Bell Clinic	17,645,988	-	-	(2,298,494)	15,347,494
Fauchard Clinic	13,209,454	1,120,000	-	(330,069)	13,999,385
Rondebosch Medical Centre	224,325,090	6,000,000	-	2,869,023	233,194,113
Dorama Investments	1	2,007,000	-	(2,007,000)	1
Mmed Distribution	-	4,776,903	-	153,371,453	158,148,356
Razohealth	-	125,448	-	22,635,416	22,760,864
Ambit Health	-	1,075,000	-	11,190,704	12,265,704
<b>Indirect Associates</b>					
PBHPM*	14,000,000	-	(14,000,000)	-	-
Locumbase	757,333	-	-	(757,333)	-
	819,423,579	16,104,351	(14,000,000)	253,025,306	1,074,553,236
<b>RHBO</b>	<b>1,733,117</b>	<b>9,827,743</b>	<b>-</b>	<b>(73,021)</b>	<b>11,487,839</b>
	<b>821,156,696</b>	<b>25,932,094</b>	<b>(14,000,000)</b>	<b>252,952,285</b>	<b>1,086,041,075</b>

**2024 RHFS portfolio**

<b>Subsidiaries</b>					
Wesmart	9,291,812	1,056,537	-	(3,365,025)	6,983,324
Other	(3,752)	13,752	-	(10,000)	-
	<b>9,288,060</b>	<b>1,070,288</b>	<b>-</b>	<b>(3,375,025)</b>	<b>6,983,324</b>

\*Phelang Bonolo Healthcare Procurement and Management Proprietary Limited (PBHPM) has been disposed of during the year.

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6. Financial assets at fair value through profit or loss (continued)

**2023 RHBO portfolio**

<b>Subsidiaries</b>	<b>Opening balance R</b>	<b>Advances R</b>	<b>Disposals R</b>	<b>Fair value changes R</b>	<b>Closing balance R</b>
Africa Healthcare	346,329,018	-	-	(53,790,353)	292,538,665
Vryburg Private Hospital	32,721,975	3,500,000	-	(591,389)	35,630,586
Medicare Private Hospital	200,925,000	-	-	20,391,462	221,316,462
RH Bell Clinic	13,194,804	-	-	4,451,184	17,645,988
Fauchard Clinic	17,410,218	300,000	-	(4,500,764)	13,209,454
Rondebosch Medical Centre	209,659,959	-	-	14,665,131	224,325,090
Dorama Investments	-	2,500,000	-	(2,499,999)	1
PBHPM*	10,283,000	-	-	3,717,000	14,000,000
Locumbase	4,000,000	-	-	(3,242,667)	757,333
	<b>834,523,974</b>	<b>6,300,000</b>	<b>-</b>	<b>(21,400,395)</b>	<b>819,423,579</b>
Other	1,144,130	6,888,149	-	(6,299,162)	1,733,117
	<b>835,668,104</b>	<b>13,188,149</b>	<b>-</b>	<b>(27,699,557)</b>	<b>821,156,696</b>

**2023 RHFS portfolio**

<b>Subsidiaries</b>					
Wesmart	7,030,349	1,750,000	-	511,463	9,291,812
Generic Insurance	79,399,999	-	(61,500,000)	(17,899,999)	-
Other	(98,980)	-	(78,509)	173,737	(3,752)
	<b>86,331,368</b>	<b>1,750,000</b>	<b>(61,578,509)</b>	<b>(17,214,799)</b>	<b>9,288,060</b>

\*Phelang Bonolo Healthcare Procurement and Management Proprietary Limited (PBHPM) has been classified as held for sale.

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	<b>2024</b>	<b>2023</b>
	R	R
<b>7. Loans to related parties</b>		
Opening balance	48,216,586	42,980,319
Advances	916,404	14,083,596
Repayments - received in cash*	(2,000,000)	(1,000,000)
Repayments - non cash**	(2,007,000)	(1,500,000)
Interest accrued	5,688,539	4,361,720
Fair value adjustments	(5,983,802)	(10,709,049)
<b>Closing balance***</b>	<b><u>44,830,727</u></b>	<b><u>48,216,586</u></b>
<b>Classification</b>		
Current assets	8,029,086	911,380
Non-current assets	36,801,641	47,305,206
	<b><u>44,830,727</u></b>	<b><u>48,216,586</u></b>

\*Loan repayments are first applied to accrued interest, repayments in excess of interest is then applied to the outstanding loan balance as a capital repayment. In the current year R626 834 (2023: R773 080) was recognised as a capital cash repayment. This is allocated on a loan by loan basis.

\*\*A portion of the loan was converted to an equity investment.

\*\*\*Includes a day 1 deferred gain of R5.8 million recognised on loans provided to these entities. Loans provided to the investee companies are regarded as transactions between equity participants and the resultant day 1 gains and losses are presented as an adjustment to the carrying amount of the investments.

The classification between current and non-current assets is based on the expected date of settlement. Any amounts due within 12 months which are made up of any capital and interest are classified as current. The remainder is classified as non-current.

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	<b>2024</b>	<b>2023</b>
	R	R
<b>7. Loans to related parties (continued)</b>		
7.1 Reconciliation of loans to related parties held at fair value through profit or loss		
<b>Africa Healthcare Proprietary Limited:</b>		
Opening balance	6,378,640	8,817,711
Repayment	(4,007,000)	(2,500,000)
Interest accrued	879,852	959,854
Fair value adjustment	(287,785)	(898,925)
	<u><b>2,963,707</b></u>	<u><b>6,378,640</b></u>

The Company issued the loan to Africa Healthcare Proprietary Limited in June 2019 at 15% which is repayable over 5 years to enable Africa Healthcare Proprietary Limited to finance expansions. The loan is unsecured.

<b>Notamed Proprietary Limited (RH Bell Property Company)</b>		
Opening balance	41,837,946	34,162,608
Advances	916,404	14,083,596
Interest accrued	4,808,687	3,401,866
Fair value adjustment	(5,696,017)	(9,810,124)
	<u><b>41,867,020</b></u>	<u><b>41,837,946</b></u>

The Company issued the loan to Notamed Proprietary Limited in December 2019, and the loan has an effective interest rate of 10%. The loan is unsecured. The loan is repayable by March 2028. Capital repayments are expected to commence during the upcoming financial year.

**7.2 Sensitivity analysis**

Explanation of key valuation inputs and possible impact of changes in inputs.

The Company has a financial assistance policy that governs the provision of financial assistance to related parties. A key input – the interest charged on the financial assistance – is dependent on the profile of each entity and is regarded as an unobservable input. This input is central to the valuation of the loans provided to related parties. As a result, any change to this and other unobservable input would affect the recognised value of the loans in the annual financial statements. To aid stakeholders in understanding the possible impact of the change in significant inputs that influence the valuation process for the loans to related parties the Company has prepared a sensitivity analysis based on changes –both favourable and unfavourable – to the inputs.

The table below reflects the potential effect of changes in significant unobservable inputs that affect the valuation of the Company's loans. As the loans are held at fair value through profit or loss; the changes – if they materialised – would be reflected in the statement of profit or loss.

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**7. Loans to related parties (continued)**

**Loans at fair value through profit or loss**

	2024		2023	
<b>Significant unobservable input</b>	<b>Favourable changes (-50 bps)</b>	<b>Unfavourable changes (+50 bps)</b>	<b>Favourable changes (-50 bps)</b>	<b>Unfavourable changes (+50 bps)</b>
Market interest rate: SA prime rate	340,779	(337,812)	583,654	(576,019)
<b>Current fair value as at year end</b>	<b>44,830,727</b>	<b>44,830,727</b>	<b>48,216,586</b>	<b>48,216,586</b>
Fair value after accounting for total effect of changes in inputs	45,171,506	44,492,915	48,800,240	47,640,567

**8. Property, plant and equipment**

	2024			2023		
	<b>Cost</b>	<b>Accumulated depreciation</b>	<b>Carrying value</b>	<b>Cost</b>	<b>Accumulated depreciation</b>	<b>Carrying value</b>
Right of use asset on buildings	3,816,806	(2,608,150)	1,208,656	3,816,806	(1,844,789)	1,972,017
Furniture and fixtures	591,408	(403,732)	187,676	591,408	(285,451)	305,957
Computer equipment	125,788	(34,719)	91,069	45,584	(7,655)	37,929
<b>Total</b>	<b>4,534,002</b>	<b>(3,046,601)</b>	<b>1,487,401</b>	<b>4,453,798</b>	<b>(2,137,895)</b>	<b>2,315,903</b>

**Reconciliation of property, plant and equipment - 2024**

	<b>Opening balance</b>	<b>Additions</b>	<b>Depreciation</b>	<b>Total</b>
Computer equipment	37,929	80,204	(27,065)	91,069
Furniture and fixtures	305,957	-	(118,281)	187,676
Right-of-use asset on buildings*	1,972,017	-	(763,361)	1,208,656
	<b>2,315,903</b>	<b>80,204</b>	<b>(908,707)</b>	<b>1,487,401</b>

**Reconciliation of property, plant and equipment - 2023**

	<b>Opening balance</b>	<b>Additions</b>	<b>Depreciation</b>	<b>Total</b>
Computer equipment	-	45,584	(7,655)	37,929
Furniture and fixtures	424,239	-	(118,282)	305,957
Right-of-use asset on buildings*	2,735,378	-	(763,361)	1,972,017
	<b>3,159,617</b>	<b>45,584</b>	<b>(889,298)</b>	<b>2,315,903</b>

\*The right-of-use asset relates to the lease of office buildings for a period of 5 years.

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**2024**                      **2023**  
R                                      R

**8. Property, plant and equipment (continued)**

The Company leases its office buildings in terms of a five-year non-cancellable lease. On inception date, the Company recognised a right-of-use asset equal to the present value of the future lease payments of the lease liability. The Company uses the cost model in relation to its owned property, plant and equipment and the right-of-use asset.

**9. Lease liabilities**

Lease liabilities have been included in the liabilities section on the statement of financial position.

The lease liability relating to the lease contract for office buildings has been computed using the contractual lease payments and discounted at the incremental borrowing rate in the lease. The reconciliation of the lease liability for the year is as follows:

Opening balance	2,270,037	2,984,187
Interest accrued	134,356	186,225
Repayments	(956,970)	(900,375)
	<b>1,447,423</b>	<b>2,270,037</b>
Non-current liabilities	510,569	1,458,708
Current liabilities	936,854	811,329
	<b>1,447,423</b>	<b>2,270,037</b>

Right of use asset of the leased office building has been shown under property plant and equipment in note 8. Refer to note 27.1 for the maturity analysis of the lease liability.

**10. Other receivables**

**Financial instruments:**

Other receivable*	7,000,000	-
Fees receivables	922,300	560,121
	<b>7,922,300</b>	<b>560,121</b>

**Non-financial instruments:**

Dividends receivable**	14,000,000	-
VAT receivable	282,900	-
Prepayments	82,861	15,645
	<b>14,365,761</b>	<b>15,645</b>
	<b>22,288,061</b>	<b>575,766</b>

*\*During the year ended 28 February 2023, the investment in Phelang Bonolo Healthcare Procurement and Management Proprietary Limited ("PBHPM") was classified as held for sale and sold for R14 million. The sale took place during the current financial year. R7 million of the selling price was received during the current year, with the remaining due to be received during the 2024 calendar year.*

*\*\*Dividends receivable relate to the balance of unpaid dividends from RH Bophelo Operating Company that were declared during the year.*

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	<b>2024</b>	<b>2023</b>
	R	R
<b>11. Taxation</b>		
South African income tax - current year	-	-
Deferred taxation - current year	49,568,135	(12,396,598)
	<u>49,568,135</u>	<u>(12,396,598)</u>
<b>Normal tax reconciliation:</b>		
Profit/(Loss) before tax	232,212,188	(44,609,438)
Tax at 27% (2023: 28%)	62,697,291	(12,490,643)
<b>Tax effect of adjustments on taxable income</b>		
(Gains)/losses from financial assets at fair value through profit or loss	(13,154,047)	3,114,911
Non-deductible expenses	5,102,732	626,194
Exempt dividend income	(5,979,014)	(7,875,511)
Effect of tax rate change	-	(2,088,898)
Unrecognised deferred tax assets*	901,173	6,248,310
Other	-	69,039
<b>Effective tax expense</b>	<u>49,568,135</u>	<u>(12,396,598)</u>

\*The estimated total amount of assessed loss carried forward in the current year is R1.2 million (2023: R35.6 million).

**Income tax paid**

Deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax asset has been recognised.	-	19,562
Receivable written off	-	(19,562)
<b>Current tax receivable/(payable)</b>	<u>-</u>	<u>-</u>

**12. Cash and cash equivalents**

Cash and cash equivalents consist of:

Call account	24,530,929	13,759,293
Current account	849,616	4,982,981
Investment Account	29,349,106	133,187,852
	<u>54,729,651</u>	<u>151,930,126</u>

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**13. Stated capital**

**Authorised**

10 000 000 000 "A" no par value ordinary shares with voting rights. (2023: 10 000 000 000 "A" no par value ordinary shares with voting rights).

1 "B" restrictive class of shares. (2023: 1 "B" restrictive class of shares.)

**Issued**

64 691 298 "A" ordinary shares with no par value (2023: 64 691 298 "A" ordinary share in issue)

1 "B" restrictive no par value class of shares held in issue (2023: 1 "B" restrictive no par value class of shares held in issue)

**Reconciliation of issued "A" shares**

	<b>2024</b>	<b>2023</b>
	<b>Number of</b>	<b>Number of</b>
	<b>shares</b>	<b>shares</b>
<b>Reconciliation of number of shares issued:</b>		
Opening balance	<u>64,691,298</u>	<u>64,691,298</u>
Reconciliation of issued "B" shares		
RH Bophelo Management Company Proprietary Limited	<u>1</u>	<u>1</u>

The dividend on the class B share is based on cumulative out-performance in the growth of the Company's Net Asset Value. The baseline performance for the Company is a 10% growth in net asset value. Growth in excess of this baseline triggers a declaration of the "B" share dividend. In the current year, the Net Asset Value increased by 19% (2023: decrease by 3.6%). Once the B share dividend is approved, it becomes payable within 30 days. If the dividend is not paid within 30 days, it will accrue interest at prime plus 2% and class B shares will receive one voting right per B share until fully settled. B shares only receive voting rights when payment of the B shares dividend is outstanding for longer than 30 days.

**Capital risk management**

The Company manages its capital in a manner that seeks to ensure that it can invest in entities that will assist in maximising returns to shareholders. The Company is committed to utilising both debt (note 15 for additional information) and equity in acquiring strategic investments, our target debt structure is 30%. The Company is not subject to any externally imposed capital requirements. There has been no change from prior period on how capital risk management is managed by the Company.

The Board through its Investment Committee reviews the capital structure on an annual basis. As part of this review, the committee considers the cost of capital and the risks associated with each form of capital. The company has a target gearing ratio of 30% determined as the proportion of net debt to equity. The gearing ratio at 29 February 2024 of 17.6% was below the target range and has remained below the target range since the reporting date.

The "B" class share with no par value will form part of the capital structure and any dividends declared will have an impact on the capital structure in subsequent years.

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	<b>2024</b>	<b>2023</b>
	R	R
Net Asset Value	1,034,333,455	871 743 704
Number of ordinary shares in issue	64,691,298	64,691,298
Net asset value per ordinary share and tangible net asset value per ordinary share at year end (cents)	1598.9 cents	1347.5 cents

Net Asset Value per ordinary share and Tangible Net Asset Value per ordinary share is used as a measurement for trading statement purposes.

Net Asset Value per ordinary share and Tangible Net Asset Value per ordinary share increased by 19% in the current year (2023: decreased by 3.6%).

**14. Deferred tax**

The deferred tax asset and the deferred tax liability relate to income tax in the same jurisdiction, and the law allows net settlement. Therefore, they have been offset and the net amount reported in the statement of financial position. The deferred tax liability is made up of the following temporary differences:

Fair value adjustments on financial assets at fair value through profit or loss	(108,247,942)	(60,105,312)
Expenses incurred related to capital purchases	2,132,933	-
Right of use asset	(326,337)	(532,444)
Lease liability	390,804	612,910
Prepaid expenses	(2,461)	(3,874)
Tax losses carried forward	-	3,602,400
Property, plant and equipment	84,612	26,063
<b>Net deferred tax liability</b>	<b><u>(105,968,391)</u></b>	<b><u>(56,400,257)</u></b>

**Reconciliation of movement in deferred tax liability**

At beginning of year	(56,400,257)	(68,796,855)
Decrease/(Increase) in fair value gains on financial assets at fair value through profit or loss	(48,142,630)	12,459,643
Increase/(Decrease) in expenses incurred related to capital purchases	2,132,933	-
Decrease in right of use asset	206,107	213,741
Decrease in lease liability	(222,106)	(199,962)
Increase in prepaid expenses	1,413	-
Decrease in tax loss available for set off against future taxable income	(3,602,400)	(2,185,041)
Decrease in property, plant and equipment	58,549	19,319
Effect of tax rate change on opening balance	-	2,088,898
<b>Balance at the end of the year</b>	<b><u>(105,968,391)</u></b>	<b><u>(56,400,257)</u></b>

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	<b>2024</b>	<b>2023</b>
	R	R
<b>15. Borrowings</b>		
<b>Held at amortised cost</b>		
Norsad Capital Limited	71,991,491	102,508,533
	<u>71,991,491</u>	<u>102,508,533</u>
<b>Reconciliation of movement in borrowings</b>		
Balance at the beginning of the year	102,508,533	-
(Repayment)/Proceeds from borrowings	(30,000,000)	100,000,000
Interest accrued during the year	17,063,377	7,032,925
Management fee	1,666,667	-
Early settlement fee	1,250,000	-
Finance costs paid	(20,497,086)	(4,524,392)
	<u>71,991,491</u>	<u>102,508,533</u>
<b>Balance at the end of the year</b>		
<b>Classification</b>		
Current liabilities	21,641,543	102,508,533
Non-current liabilities	50,349,948	-
	<u>71,991,491</u>	<u>102,508,533</u>

The Company entered into a loan agreement with Norsad Capital Limited for a total credit facility of R100 million. 60% of the capital amount is repayable in equal quarterly payments starting 30 September 2023, of which 25% has been repaid during the current financial year. The final repayment on the 30 June 2029 shall include the remaining 15%.

Interest is payable quarterly in arrears at a floating rate of 7,5% plus 3 month JIBAR. The replacement rate of JIBAR is the ZARONIA. The current loan agreement with Norsad Capital Limited makes provision for an alternative rate, therefore, we don't foresee a renegotiation of the loan agreement will be required once the ZARONIA becomes effective.

The loan is secured by the Company's investments and first ranking mortgage bond over Fezinet Proprietary Limited trading as Vryburg Private Hospital ("Vryburg"), RH Bell Clinic Proprietary Limited ("RH Bell") and Fauchard Tandheelkundige Sentrum Proprietary Trading ("Fauchard") as well as second ranking over the mortgage bond over BMC Gilliwie Proprietary Limited ("Medicare").

All debt covenants have been met.

**16. Other payables**

<b>Financial instruments:</b>		
Accounts payable	1,826,747	458,045
<b>Non-financial instruments:</b>		
Accrued expenses	792,732	15,665
VAT Payable	-	86,896
	<u>2,619,479</u>	<u>560,606</u>

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	<b>2024</b>	<b>2023</b>
	R	R
<b>17. Total investment income/(loss)</b>		
Interest income from cash and cash equivalents	8,989,513	3,065,568
Interest income from loans to group companies**	5,688,539	4,361,720
<b>Total interest income</b>	<b>14,678,053</b>	<b>7,427,288</b>
Dividend income***	22,144,498	28,126,826
Fair value gains/(losses) on financial assets at fair value through profit or loss*	249,577,260	(44,914,356)
Fair value gains/(losses) on loans to group companies**	(5,983,802)	(10,709,049)
<b>Total fair value gains/(losses) from financial assets at fair value through profit or loss</b>	<b>243,593,458</b>	<b>(55,623,405)</b>

\*Refer to note 6 for full detailed reconciliation.

\*\*Refer to note 7 for full detailed reconciliation.

\*\*\*Dividend income relates to dividends received from RHBO, refer to related parties note 21.

**18. Other income**

Directors fees*	69,000	372,061
Company cost recoveries	342,000	-
Support services**	4,029,429	3,870,289
	<b>4,440,429</b>	<b>4,242,350</b>

\*Fees for Board participation in Rondebosch Medical Centre.

\*\*This represents fees charged for the provision of managerial, infrastructural and support services to RHBO and RHFS.

**19. Expenses**

**Total expenses included the following**

Marketing and Advertising	144,000	352,839
Depreciation – Property, plant & equipment	145,346	125,937
Depreciation – Right-of-use Asset	763,361	763,361
Listing fees	1,035,509	755,089
Management fees*	7,423,601	4,068,122
Remuneration for non-executive directors	2,018,000	1,855,500
Employment costs - short term benefits	11,654,610	4,791,453
Recruitment fees	1,046,289	130,937
Financial reporting fees	860,862	784,559
External audit fees	2,617,750	3,086,350
Professional fees	1,179,285	216,183
Secretarial fees	1,611,662	1,163,972
Donations	257,391	1,423,949
Interest expense - lease liability	134,356	186,225
Sundry expenses	1,772,184	2,045,096

\*Management fees are 1% per quarter of the RH Bophelo's enterprise value, with adjustments of average share price for the year taking into consideration the debt and cash balances.

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**20. Directors' remuneration**

Remuneration paid to the Directors during the current period ended 29 February 2024 was as follows:

	<b>For services as a director**</b>	<b>Remuneration</b>	<b>Other short term employee benefits</b>	<b>Bonus</b>	<b>Total</b>
Quinton Zunga*	-	2,399,748	-	1,000,000	3,399,748
Vuyokazi Nomvalo	-	640,799	-	750,000	1,390,799
Dion Mhlaba	-	1,783,048	68,978	1,000,000	2,852,026
Colin Clarke*	-	1,800,000	-	1,000,000	2,800,000
Yondie Metu	-	799,956	-	-	799,956
John Oliphant	157,000	-	-	-	157,000
Kgaogelo Ntshwana	150,000	-	-	-	150,000
David Sekete	285,000	-	-	-	285,000
Bojane Segooa	330,000	-	-	-	330,000
Romeo Makhubela	228,000	-	-	-	228,000
Samson Moraba	443,000	-	-	-	443,000
Fulufhelo Makwetla	297,000	-	-	-	297,000
Lyndsay Maseko	128,000	-	-	-	128,000
	<b>2,018,000</b>	<b>7,423,551</b>	<b>68,978</b>	<b>3,750,000</b>	<b>13,260,529</b>

\*The Directors are remunerated by RH Bophelo Management Company Proprietary Limited, remuneration for Executive Directors is made up of salaries that are short-term employee benefits. The directors have standard employment contract terms.

\*\*The fees earned by non-executive directors are for board and subcommittee meeting attendance.

Remuneration was paid to the Directors during the 28 February 2023 period as follows:

	<b>For services as a director****</b>	<b>Remuneration</b>	<b>Other short term employee benefits</b>	<b>Total</b>
Quinton Zunga*	-	2,000,000	-	2,000,000
Vuyokazi Nomvalo	-	1,423,866	-	1,423,866
Dion Mhlaba	-	1,779,958	87,818	1,867,776
Colin Clarke*	-	1,620,000	-	1,620,000
John Oliphant	275,000	-	-	275,000
Solomon Motuba	110,000	-	-	110,000
Kgaogelo Ntshwana	277,000	-	-	277,000
David Sekete**	285,500	-	-	285,500
Dinao Lerutla	100,000	-	-	100,000
Bojane Segooa	200,000	-	-	200,000
Samson Moraba	209,000	-	-	209,000
Fulufhelo Makwetla***	178,000	-	-	178,000
Lyndsay Maseko	261,000	-	-	261,000
	<b>1,895,500</b>	<b>6,823,824</b>	<b>87,818</b>	<b>8,807,142</b>

\*The Directors are remunerated by RH Bophelo Management Company Proprietary Limited, remuneration for Executive Directors is made up of salaries that are short-term employee benefits. The directors have standard employment contract terms.

\*\*R40 000 was earned through board participation in Africa Healthcare Proprietary Limited.

\*\*\*Fulufhelo Makwetla is a non-executive member of the Investment Committee and Director in RH Bophelo Management Company.

\*\*\*\*The fees earned by non-executive directors are for board and subcommittee meeting attendance.

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**21. Related parties**

Related parties are entities with the ability to control the other party or exercise significant influence over such party in making financial and operating decisions, or anyone that is part of the key management personnel (including Directors) of the Company. Management considered the key agreements, transactions and relationships between the Company and other entities and has classified the entities listed below as a related party. The Company discloses all its relationships in investments that are owned directly and indirectly. Direct investments include investments that are owned by RH Bophelo and indirect investments include investments that are owned through investments of RHBO and RHFS. Where applicable, any transaction with a related party is disclosed below.

**Relationships**

**Relationship with direct subsidiaries**

RH Bophelo Operating Company Proprietary Limited	100% shareholding unconsolidated subsidiary, cross directorship of Quinton Zunga, David Sekete, John Oliphant
RH Financial Services Proprietary Limited	100% shareholding unconsolidated subsidiary, cross directorship of Dion Mhlaba and Colin Clarke
RH Bophelo Property Proprietary Limited	100% shareholding unconsolidated subsidiary, cross directorship of Dion Mhlaba and Colin Clarke

**Relationship with indirect subsidiaries**

Africa Healthcare Proprietary Limited	100% shareholding unconsolidated subsidiary held through RHBO, cross directorship of Colin Clarke
St Helena Property Proprietary Limited	100% shareholding unconsolidated subsidiary held through RHBO
CFM Proprietary Limited	100% shareholding unconsolidated subsidiary held through RHBO
Fochville Hospital Proprietary Limited	100% shareholding unconsolidated subsidiary held through RHBO
Vryburg Holding Company Proprietary Limited	81% shareholding unconsolidated subsidiary held through RHBO, cross directorship of Colin Clarke
Henley Solution Proprietary Limited	81% shareholding unconsolidated subsidiary held through Vryburg Holding Company, cross directorship of Colin Clarke
Fezinet Proprietary Limited trading as Vryburg Private Hospital	81% shareholding unconsolidated subsidiary held through Vryburg Holding Company, cross directorship of Colin Clarke
Fenetiq Property Proprietary Limited	81% shareholding unconsolidated subsidiary held through Vryburg Holding Company, cross directorship of Colin Clarke
Megafrack Proprietary Limited	100% shareholding unconsolidated subsidiary held through RHBO, cross directorship of Dion Mhlaba and Colin Clarke
BMC Gilliwie Proprietary Limited trading as Medicare Private Hospital	54% shareholding unconsolidated subsidiary held through Megafrack, cross directorship of Colin Clarke
Magnacorp Proprietary Limited	50.1% shareholding unconsolidated subsidiary held through Megafrack, cross directorship of Colin Clarke
Fauchard Tandheelkundige Sentrum Proprietary Limited trading as Fauchard Day Clinic	100% shareholding unconsolidated subsidiary held through RHBO, cross directorship of Colin Clarke
RH Bell Clinic Proprietary Limited	100% shareholding unconsolidated subsidiary held through RHBO, cross directorship of Colin Clarke
Notamed Proprietary Limited	100% shareholding unconsolidated subsidiary held through RHBO, cross directorship of Colin Clarke

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Bridger Proprietary Holdings Proprietary Limited	100% shareholding unconsolidated subsidiary held through Notamed
RIOSE Proprietary Limited	100% shareholding unconsolidated subsidiary held through RHFS, cross directorship of Dion Mhlaba and Colin Clarke
RH Bophelo Pharma Proprietary Limited	100% shareholding unconsolidated subsidiary
Wesmart Financial and Administration Solution Proprietary Limited	60% shareholding unconsolidated subsidiary held through RHFS, cross directorship of Dion Mhlaba and Colin Clarke
Rondebosch Medical Centre Proprietary Limited	100% shareholding unconsolidated subsidiary held through RHBO, cross directorship of Yondie Metu and Colin Clarke
Dorama Investments Proprietary Limited	100% shareholding unconsolidated subsidiary held through RHBO, cross directorship of Colin Clarke
AHC Nursing College Proprietary Limited	100% shareholding unconsolidated subsidiary held through Dorama Investments
Platinum Private Hospital Proprietary Limited	100% shareholding unconsolidated subsidiary held through Dorama Investments
AHC EMS Proprietary Limited	100% shareholding unconsolidated subsidiary held through Dorama Investments
Gerijo EMS Proprietary Limited	100% shareholding unconsolidated subsidiary held through Dorama Investments
RMC Pharmacy Proprietary Limited	100% shareholding unconsolidated subsidiary held through Rondebosch Medical Centre
Mmed Distribution Services Proprietary Limited	100% shareholding unconsolidated subsidiary held through RHBO, cross directorship of Colin Clarke
<b>Relationship with indirect associates and joint ventures</b>	
Phelang Bonolo Healthcare Procurement and Management Proprietary Limited ("PBHPM")	49% unconsolidated associate held through RHBO, manages and owns 8.3% in Botshilu Private Hospital Proprietary Limited
Botshilu Private Hospital Proprietary Limited	8.3% owned by PBHPM, a hospital in Soshanguve
Botshilu Properties Proprietary Limited	100% owned by Botshilu Private Hospital and owns the hospital property in Soshanguve
Locumbase Proprietary Limited	10% shareholding unconsolidated associate through RHBO
Ambit Health Proprietary Limited	29% shareholding unconsolidated associate through RHBO, cross directorship of Colin Clarke
RazoHealth Radiology Proprietary Limited	60% shareholding unconsolidated joint venture held through RHBO
<b>Relationship with directors, shareholders and others</b>	
RH Bophelo Management Company Proprietary Limited	Cross directorship for the following directors in RH Bophelo Limited: Quinton Zunga, Dion Mhlaba, Colin Clarke and John Oliphant. Provides investment management services and holds the B-share
RH Managers Proprietary Limited	Cross directorship for the following directors in RH Bophelo Limited: Quinton Zunga, Dion Mhlaba and David Sekete (non-executive). The Company and RH Managers share an office space
Metamax Proprietary Limited	Dion Mhlaba is a director in both Megafrack and Metamax, both companies own majority shareholding in Magnacorp and Medicare Hospital. Metamax owns 46% of Medicare Hospital and 49% of Magnacorp Proprietary Limited
RH Bophelo Energy Proprietary Limited	Cross directorship of Dion Mhlaba and Colin Clarke

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RQ Capital Partners Proprietary Limited	Quinton Zunga (CEO) is the majority shareholder and holds 3% issued shares of the company
Third Way Investment Group Proprietary Limited	John Oliphant is the majority shareholder and holds 2% of the company
Public Investment Corporation SOC Limited	Shareholder with significant influence
Medicare Practitioners Investment Holdings Proprietary Limited	Loan receivable to Medicare Private Hospital of R2.4 million
RH Foundation NPC*	Cross directorship of Vuyokazi Nomvalo

\*RH Foundation NPC is used to advance the Company's corporate social responsibilities.

**Related party balances reflected on the statement of financial position at year end**

	<b>2024</b>	<b>2023</b>
	R	R
<b>Loan accounts - Owning (to) by related parties</b>		
Africa Healthcare Proprietary Limited	2,963,707	6,378,640
Notamed Proprietary Limited	41,867,020	41,837,946
	<b><u>44,830,727</u></b>	<b><u>48,216,586</u></b>

\*Refer to note 7 for details of the terms of the loans.

**Amounts included in Other receivables due from related parties**

Rondebosch Medical Centre Proprietary Limited	616,400	449,650
Africa Healthcare Proprietary Limited	87,400	-
RH Bell Clinic Proprietary Limited	65,550	-
Vryburg Hospital Proprietary Limited	65,550	-
Medicare Private Hospital Proprietary Limited	87,400	-
	<b><u>922,300</u></b>	<b><u>449,650</u></b>

**Dividends receivable**

RH Bophelo Operating Company Proprietary Limited	14,000,000	-
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**Related party transactions with impact on the statement of profit or loss**

**Interest received from related parties**

Africa Healthcare Proprietary Limited	879,852	959,854
Notamed Proprietary Limited	4,808,687	3,401,866
	<b><u>5,688,539</u></b>	<b><u>4,361,720</u></b>

**Dividend income received from related parties**

RH Financial Services Proprietary Limited	-	20,476,826
RH Bophelo Operating Company Proprietary Limited	22,144,498	7,650,000
	<b><u>22,144,498</u></b>	<b><u>28,126,826</u></b>

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	<b>2024</b>	<b>2023</b>
	R	R
<b>Other income received from related parties</b>		
Rondebosch Medical Centre Proprietary Limited	145,000	276,000
Vryburg private hospital Proprietary Limited	57,000	-
Africa Healthcare Proprietary Limited	76,000	-
Medicare private hospital Proprietary Limited	76,000	-
RH Bell Clinic Proprietary Limited	57,000	-
RH Bophelo Operating Company Proprietary Limited	4,029,429	3,225,241
RH Financial Services Proprietary Limited	-	645,048
	<b>4,440,429</b>	<b>4,146,289</b>
<b>Management fees paid to related parties</b>		
RH Bophelo Management Company Proprietary Limited	7,423,601	4,068,122
	<b>7,423,601</b>	<b>4,068,122</b>
<b>Rent paid to related parties</b>		
RH Managers Proprietary Limited	956,970	900,375
	<b>956,970</b>	<b>900,375</b>
<b>Donations paid to related parties</b>		
RH Foundation NPC*	-	840,365

*\*Donation made by RH Bophelo for supplier and enterprise development initiatives undertaken by RH Foundation NPC.*

**22. Commitments and financial support**

The Company provides financial support to investee companies in line with its policy on financial assistance. During the 2024 financial period, the financial support was provided in the form of debt funding.

The Company provided financial assistance to its unconsolidated subsidiaries through equity and loans.

- There are no restrictions on the loans.
- In line with the Company and group policy on loans to related parties, section 45 of the Companies Act is applied for each form of financial assistance approved within the group and between group companies.
- Currently the Company has no commitment to provide any of its subsidiaries with financial assistance, nor commitment to assist their subsidiaries in obtaining financial support.
- The Company has no contractual obligation to provide financial support to its subsidiaries for the next 12 months.
- There are no unfulfilled commitments at the reporting date.
- The Company may provide assistance to investee companies from time to time for the purposes of expansion.

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**22. Commitments and financial support (continued)**

A summary of transactions for financial support are as follows:

**2024**

Name of subsidiary	Nature of financial support		Purpose for financial support
	Equity R	Loan R	
RH Financial Services Proprietary Limited	1,070,288		Expansion
RH Bophelo Operating Company Proprietary	25,932,094		Expansion
Notamed Proprietary Limited		916,404	Expansion
<i>Note</i>	<i>6</i>	<i>7</i>	

The Company had no outstanding loan commitments to investee companies in the current and prior period. There are no restrictions on the financial support.

**2023**

Name of subsidiary	Nature of financial support		Purpose for financial assistance
	Equity R	Loan R	
RH Financial Services Proprietary Limited	1,671,491		Expansion
RH Bophelo Operating Company Proprietary	13,188,149		Expansion
Notamed Proprietary Limited		14,083,596	Expansion
<i>Note</i>	<i>6</i>	<i>7</i>	

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**23. Events after the reporting period**

- On 4 March 2024, the Company deployed capital to the value of R3.5 million to RazoHealth Proprietary Limited ("Razohealth") through RHBO for the opening of its first practice.
- On 18 March 2024, the Company advanced a loan of R8 million to MMed Distribution Services Proprietary Limited through RHBO to fund its expansion.

**24. Contingent liabilities**

There were no contingent liabilities at year end.

**25. Going concern**

In accordance with the solvency and liquidity test set out in section 4 of the Companies Act, the Board is of the opinion that, after assessing the information provided by management and making relevant enquiries regarding the integrity of projections and cash flows provided, it has a reasonable expectation that the Company has sufficient resources to maintain its operational existence for the foreseeable future. Furthermore, the directors have confirmed that:

- The Company's assets fairly valued exceed its liabilities fairly valued.
- The Company maintains a strong net asset value position of R1 034 333 455 (2023: R871 743 704) and a net current asset position of R59 848 922 (2023: R63 536 804).
- The Company will be able to pay its debts as they become due in the ordinary course of business for the 12 months up to 28 February 2025.

In addition to this assessment, the Directors have undertaken these additional steps and considered the following key factors in the assessment of the Company's status as a going concern:

- The Board - through the Audit and Risk Committee - has undertaken a detailed review of the going concern capability of the Company with reference to certain assumptions and plans underlying various internal cash flow forecasts. This review involved the interrogation of key estimations and projects underpinning the valuation of the Company's unlisted investments. The Committee has indicated to the Board that the processes and methodologies applied in the valuation process are adequate to be used as the basis for the Company's going concern assessment. During the period under review, the National Assembly and the National Council of Provinces approved the National
- Health Insurance Bill ("the Bill"). The President signed the Bill into law on 15 May 2024 and its effective date remains to be communicated. As the Company, we reiterate our support for the Bill and regard its impending implementation as a critical evolution of the healthcare sector. Given the multiple contingencies still pending, we do not foresee an immediate and direct impact on our business and hence our going concern assessment remains anchored on the current fundamentals of the national healthcare system.

Having assessed the variables and scenarios relating to external factors in addition to internal projections and cash flow forecasts, the Directors have concluded that the going concern assumption remains the appropriate basis for preparing the financial statements of the Company.

**26. Basic, diluted and headline earnings/(losses) per share**

**Basic earnings/(loss) per share**

The calculation of basic earnings per ordinary share is based on a comprehensive income of R182 644 053 (2023: comprehensive loss R32 212 840) and a weighted average number of ordinary shares in issue of 64 691 298 (2023: 64 691 298). The basic earnings per ordinary share is 282.3 cents (2023: basic loss per ordinary share 49.8 cents).

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**26. Basic, diluted and headline earnings/(losses) per share (continued)**

**Diluted earnings/(loss) per share**

The Company has no dilutive instruments and as a result, the calculation of diluted earnings per ordinary share is based on earnings of R182 644 053 (2023: loss R32 212 840) and a weighted average number of ordinary shares in issue of 64 691 298 (2023: 64 691 298). The diluted earnings per ordinary share are 282.3 cents (2023: diluted loss per ordinary share 49.8 cents).

**Headline earnings/(loss) per share**

The calculation of headline earnings per ordinary share is based on earnings of R182 644 053 (2023: loss R32 212 840) and a weighted average number of ordinary shares in issue of 64 691 298 (2023: 64 691 298). The headline earnings per ordinary share is 282.3 cents (2023: headline loss per ordinary share 49.8 cents).

**Diluted headline earnings/(loss) per share**

The Company has no dilutive instruments and as a result, the calculation of diluted headline earnings per ordinary share is based on earnings of R182 644 053 (2023: loss R32 212 840) and a weighted average number of ordinary shares in issue of 64 691 298 (2023: 64 691 298). The diluted headline earnings per ordinary share are 282.3 cents (2023: diluted headline loss per ordinary share 49.8 cents).

**27. Financial risk management and capital management**

**Overview**

The Company is exposed to the following risks from its use of financial instruments:

- Liquidity risk;
- Credit risk; and
- Market risk (interest rate risk, price risk and currency risk).

The Board of Directors has overall responsibility for the establishment and oversight of the company's risk management framework. The Board has established an Audit and Risk Committee, which is responsible for developing and monitoring the company's risk management policies. The committee reports quarterly to the board of directors on its activities.

The company's risk management policies are established to identify and analyse the risks faced by the company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the company's activities.

The company's Audit and Risk Committee oversees how management monitors compliance with the risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the company.

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**27. Financial risk management and capital management (continued)**

**27.1. Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company defines a default as an event where a counterparty's payments are more than 90 days past-due. This is in line with the rebuttable presumption of IFRS 9.

Risks occur when the Company is unable to meet its short-term obligations, largely due to its inability to convert its financial assets into cash and cash equivalents. The Company's strategy is to make long-term investments in unlisted portfolio companies, which are not as readily realisable as quoted investments. The Company might struggle to generate liquidity on short notice and the Board therefore regularly monitors its forecasts, cash flows, commitment levels and available liquidity resources, the latter consisting of loans issued to related parties, income received for Board participation and cash and cash equivalents. The maturity profile of our assets aims to match the liquidity profile with the Company's liquidity requirements to ensure the availability of resources when required.

Liquidity risk is monitored on a quarterly basis by the Company. The nature of the business is such that the majority of operating assets and liabilities are received and settled within one month.

The following table discloses the undiscounted contractual maturity of financial assets and liabilities:

<b>2024</b>	<b>Total payable</b>	<b>3 months or less</b>	<b>3-12 months</b>	<b>1 to 5 years</b>	<b>Over 5 years</b>
<b>Contractual cash outflows</b>					
Loan payable	(111,975,159)	-	(21,493,796)	(90,481,363)	-
Lease liabilities	(1,588,261)	-	(992,663)	(595,598)	-
Other payables	(1,826,747)	(1,826,747)	-	-	-
	<b>(115,390,167)</b>	<b>(1,826,747)</b>	<b>(22,486,459)</b>	<b>(91,076,961)</b>	<b>-</b>
<b>2023</b>	<b>Total payable</b>	<b>3 months or less</b>	<b>3-12 months</b>	<b>1 to 5 years</b>	<b>Over 5 years</b>
<b>Contractual cash outflows*</b>					
Loan payable	(181,918,574)	-	(181,918,574)	-	-
Lease liabilities	(2,489,669)	-	(945,394)	(1,544,275)	-
Other payables	(458,045)	(458,045)	-	-	-
	<b>(184,866,288)</b>	<b>(458,045)</b>	<b>(182,863,968)</b>	<b>(1,544,275)</b>	<b>-</b>

*\*2023 numbers have been restated to reflect undiscounted cash flows.*

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**27. Financial risk management and capital management (continued)**

**27.2. Credit risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company is exposed to credit risk on other receivables and cash and cash equivalents.

Credit risk for exposures other than those arising on cash and cash equivalents, are managed by making use of credit approvals, and continuous monitoring of counterparty credit risk profile. In line with the rebuttable presumption of IFRS 9, the Company regards any counterparty payment that is more than 90 days past due as a default.

Credit risk exposure arising on cash and cash equivalents is managed by the Company through dealing with well-established financial institutions with high credit ratings.

The carrying amount of financial assets represents the maximum exposure to credit risk:

	<b>2024</b>	<b>2023</b>
	R	R
Other receivables	7,922,300	560,121
Cash and cash equivalents	54,729,651	151,930,126
	<b>62,651,951</b>	<b>152,490,247</b>

Cash and cash equivalents:

	<b>2024</b>	<b>2023</b>
First National Bank	54,729,651	151,930,126

The credit rating at year end for First National Bank is as follows:

Standard and Poor	BB	BB
Moody's	Ba2	Ba2

**27.3. Market risk**

Market risk is the risk that changes in the market prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. In the current year, the Company had exposure to interest rate risk, price risk and currency risk.

The exposure to interest rate risk is from keeping its cash balances in an interest-bearing account. During the current year interest income of R8.9 million (prior year: R3.1 million) was generated on an average cash balance of R103.3 million (prior year: R79.8 million), reflecting an average interest rate of 8.70% (prior year: 3.88%). Had interest rates been 50 basis points higher or lower, the impact on the reported interest income would have been as follows:

**2024:**

<b>Cash and cash equivalents</b>	<b>Projected interest income (-50bps)</b>	<b>Actual interest income</b>	<b>Projected interest income (+50bps)</b>
Interest income	8,472,864	8,989,513	9,506,163

**2023:**

<b>Cash and cash equivalents</b>	<b>Projected interest income (-50bps)</b>	<b>Actual interest income</b>	<b>Projected interest income (+50bps)</b>
Interest income	2,670,521	3,065,568	3,460,615

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**27. Financial risk management and capital management (continued)**

Price risk includes fair value estimation on financial asset at fair value through profit or loss and loans to related parties.

Refer to note 6 and 7 disclosure on the market risks sensitivities of financial asset at fair value through profit or loss, and loans to related parties:

The Company pays its Rwanda Stock Exchange listing fees in dollars therefore, it is exposed to currency risk. It is the only transaction in foreign currency and it is an immaterial amount therefore there is no need to provide for hedging.

**28. Segmental information**

The Company's Chief Operating Decision Maker (CODM), the Executive Committee, makes strategic resource allocations on behalf of the Company. The Company has identified operating segments based on the internal reports that are reviewed by the Executive Committee and are used to inform decision-making. The Executive Committee regards the business as consisting of two segments, the healthcare segment and the financial services segment. The geography of the two segments is South Africa. The two segments are measured on the basis of the investment income and capital appreciation. The investment income comprises of gains or losses in the fair value of the underlying investments in indirectly held associates and subsidiaries, plus any interest and dividend income.

The segment information provided to the CODM for the year ended 29 February 2024 is as follows:

**2024 Segment information**

Reconciliation	Healthcare segment R	Financial services segment R	Total R
Gains/(Losses) from financial assets at fair value through profit or loss	246,968,483	(3,375,024)	243,593,459
Interest income	5,688,539	-	5,688,539
Dividend income	22,144,498	-	22,144,498
Segment investment income/(loss)	274,801,520	(3,375,024)	271,426,496
Segment other income	4,440,429	-	4,440,429
<b>Total segment net income/(loss)</b>	<b>279,241,949</b>	<b>(3,375,024)</b>	<b>275,866,925</b>

Segment assets	Healthcare segment R	Financial services segment R	Total R
Financial assets at fair value through profit and loss	1,086,041,075	6,983,324	1,093,024,399
Loans to group companies	44,830,727	-	44,830,727
<b>Total segment assets</b>	<b>1,130,871,802</b>	<b>6,983,324</b>	<b>1,137,855,126</b>

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**28. Segmental information (continued)**

**2023 Segment information**

Reconciliation	Healthcare segment	Financial services segment	Total
	R	R	R
Losses from financial assets at fair value through profit or loss	(38,408,606)	(17,214,799)	(55,623,405)
Interest income	4,361,720	-	4,361,720
Dividend income	7,650,000	20,476,826	28,126,826
Segment investment income	(26,396,886)	3,262,027	(23,134,859)
Segment other income	3,501,241	741,109	4,242,350
<b>Total segment net (loss)/income</b>	<b>(22,895,645)</b>	<b>4,003,136</b>	<b>(18,892,509)</b>

Segment assets	Healthcare segment	Financial services segment	Total
	R	R	R
Financial assets at fair value through profit and loss	821,156,696	9,288,060	830,444,756
Loans to group companies	48,216,586	-	48,216,586
<b>Total segment assets</b>	<b>869,373,282</b>	<b>9,288,060</b>	<b>878,661,342</b>

**Segment investment (losses)/income is reconciled to total (loss)/income before tax as follows:**

	2024	2023
Segment investment income/(loss)	271,426,496	(23,134,859)
Non-segment investment income		
Interest income	8,989,513	3,065,568
Total investment income/(loss)	280,416,009	(20,069,291)
Segment other income	4,440,429	4,242,350
Total income/(loss)	<b>284,856,438</b>	<b>(15,826,941)</b>
Non-segment expenses	(52,644,250)	(28,782,497)
Total Expenses	(52,644,250)	(28,782,497)
<b>Total income/(loss) before tax</b>	<b>232,212,188</b>	<b>(44,609,438)</b>

**Total reportable segment assets are reconciled to total assets as follows:**

	2024	2023
Segment assets for reportable segments	1,137,855,126	878,661,342
Other non-current assets	1,487,401	2,315,903
Other current assets	77,017,712	152,505,892
<b>Total assets</b>	<b>1,216,360,239</b>	<b>1,033,483,137</b>
<b>Total liabilities</b>	<b>182,026,784</b>	<b>161,739,433</b>

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	<b>2024</b>	<b>2023</b>
	R	R
<b>29. Cash used in operations</b>		
Total income/(loss) before taxation	232,212,188	(44,609,438)
<b>Adjustments for:</b>		
Depreciation	908,707	889,297
(Gains)/Losses on financial assets at fair value through profit or loss	(243,593,458)	55,623,405
Dividends received	(8,144,498)	(28,126,826)
Interest received	(11,765,371)	(3,525,108)
Finance costs	20,114,401	7,219,150
Other income not received in cash	(411,000)	(232,620)
Accrued interest	(2,912,682)	(3,902,180)
Write-off of non-debtor	1,296	19,562
<b>Changes in working capital:</b>		
Other receivables	(21,712,295)	(130,876)
Trade and other payables	2,058,873	(69,383)
	<b><u>(33,243,839)</u></b>	<b><u>(16,845,017)</u></b>

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**Supplementary Information**

**1. Major shareholders**

Those shareholders who, insofar as is known to the Company, directly or indirectly, beneficially hold shareholding of 2% or more of the issued share capital of the Company are set out below:

**2024:**

<b>Shareholder</b>	<b>Number of A Ordinary Shares held</b>	<b>% of A Ordinary Shares held*</b>
Public Investment Corporation SOC Limited	42,889,948	66 %
Perthpark Properties Limited	7,994,924	12 %
Mr Quinton Zunga	2,029,098	3 %
Dr Mandisa Joyce Gwendoline	1,816,470	3 %
Mr Stephanus Phillipus Van Huyststeen	1,427,685	2 %
Mrs Belinda-Maree Mc Gillewie	1,192,072	2 %
Dr John Robert Charles Beaumont	1,190,075	2 %
Third Way Investment Group (Pty) Ltd	1,039,270	2 %
	<b>59,579,542</b>	<b>92 %</b>

**2023:**

<b>Shareholder</b>	<b>Number of A Ordinary Shares held</b>	<b>% of A Ordinary Shares held*</b>
Public Investment Corporation SOC Limited	43,096,902	67 %
Perthpark Properties Limited	7,994,924	12 %
Sentio Capital Management Proprietary Limited	1,926,875	3 %
Dr Mandisa Joyce Gwendoline	1,816,470	3 %
Mr Quinton Zunga	1,516,350	2 %
Mr Stephanus Phillipus Van Huyssteen	1,424,885	2 %
Mrs Belinda-Maree Mc Gillewie	1,145,666	2 %
	<b>58,922,072</b>	<b>91 %</b>

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**Supplementary Information**

**2. Shareholding spread**

Shareholder analysis per JSE Listings Requirements 3.43 of public and non-public shareholders:

**2024:**

<b>Shareholder</b>	<b>Number of Shareholders</b>	<b>Number of 'A' Ordinary Shares held</b>	<b>% Holding</b>
Public shareholders	842	18,444,477	29.00 %
Non-public shareholders	10	46,246,821	71.00 %
<b>Total</b>	<b>852</b>	<b>64,691,298</b>	<b>100.00 %</b>

**2023:**

<b>Shareholder</b>	<b>Number of Shareholders</b>	<b>Number of 'A' Ordinary Shares held</b>	<b>% Holding</b>
Public shareholders	846	18,786,274	29.00 %
Non-public shareholders	8	45,905,024	71.00 %
<b>Total</b>	<b>854</b>	<b>64,691,298</b>	<b>100.00 %</b>

**2024:**

<b>Directors' interest or shareholding*</b>	<b>Direct</b>	<b>Indirect</b>	<b>Total</b>	<b>Percentage held</b>
<b>Director</b>				
Quinton Zunga	2,034,098	-	2,034,098	3.1%
Dion Mhlaba	46,913	-	46,913	0.1%
Vuyokazi Nomvalo	4,000	-	4,000	0.0%
Yondie Metu	16,523	-	16,523	0.0%
John Oliphant	12,200	1,039,270	1,051,470	1.6%
David Sekete	-	200,000	200,000	0.3%
Bojane Segooa	5,869	-	5,869	0.0%
Kgaogelo Ntshwana	3,000	-	3,000	0.0%
	<b>2,122,603</b>	<b>1,239,270</b>	<b>3,361,873</b>	<b>5,1%</b>

*\*There were no changes in the Director's direct or indirect interests between financial year end and the approval of the annual financial statements.*

**2023:**

<b>Directors' interest or shareholding</b>	<b>Direct</b>	<b>Indirect</b>	<b>Total</b>	<b>Percentage held</b>
<b>Director</b>				
Quinton Zunga	1,516,350	-	1,516,350	2,3%
Dion Mhlaba	33,302	-	33,302	0,1%
Vuyokazi Nomvalo	4,000	-	4,000	0%
John Oliphant	12,200	1,039,270	1,051,470	1,6%
David Sekete	-	200,000	200,000	0,3%
Kgaogelo Ntshwana	3,000	-	3,000	0%
	<b>1,568,852</b>	<b>1,239,270</b>	<b>2,808,122</b>	<b>4,3%</b>