Ubambo Investment Holdings Limited Group
(Registration number 1998/014976/06)
Group Audited Annual Financial Statements
for the year ended 28 February 2021

These group audited annual financial statements were prepared by:
M.S.C Bawa
Director
These group audited annual financial statements have been audited in compliance with the applicable requirements of the Companies Act of South Africa No. 71 of 2008.

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Holds investments in the information and communications technology and infrastructure industries.
Directors	M.S.C. Bawa S.P. Simelane G.D. Harlow O.F.E. Moola
Registered office	1st Floor 25 Autumn Street Rivonia Gauteng 2191
Business address	1st Floor 25 Autumn Street Rivonia Gauteng 2191
Postal address	Private Bag X 9943 Sandton Gauteng 2146
Bankers	Nedbank Limited
Auditors	RAiN Chartered Accountants Incorporated Registered Auditors
Company registration number	1998/014976/06

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Directors' Responsibilities and Approval

The directors are required in terms of the Companies Act of South Africa No. 71 of 2008 to maintain adequate accounting records and are responsible for the content and integrity of the group audited annual financial statements and related financial information included in this report. It is their responsibility to ensure that the group audited annual financial statements fairly present the state of affairs of the group as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the group audited annual financial statements.

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

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

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

The directors have reviewed the group's cash flow forecast for the year to 28 February 2022 and, in light of this review and the current financial position, they are satisfied that the group will have access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the group's group audited annual financial statements. The group audited annual financial statements have been examined by the group's external auditors and their report is presented on pages 6 to 7.

The group audited annual financial statements set out on pages 8 to 24, which have been prepared on the going concern basis, were approved by the board on 24 August 2022 and were signed on their behalf by:

M.S.C. Bawa | **G.D. Harlow**

Directors' Report

The directors have pleasure in submitting their report on the group audited annual financial statements of Ubambo Investment Holdings Limited Group for the year ended 28 February 2021.

1. Review of financial results and activities

The consolidated group audited annual financial statements have been prepared in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa No. 71 of 2008. The accounting policies have been applied consistently compared to the prior year.

The group recorded a net loss after tax for the year ended 28 February 2021 of R (588 575). This represented a decrease of 4% from the net loss after tax of the prior year of R(926 642).

2. Share capital

	2021	2020
Authorised	Number of shares	
Ordinary shares	300 000 000	300 000 000

	2021	2020	2021	2020
Issued	R	R	Number of shares	
Ordinary shares	5 333 103	5 333 103	129 548 949	129 548 949

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

3. Directorate

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

Directors	Office	Designation	Nationality
M.S.C. Bawa	Chief Executive Officer	Executive	South African
S.P. Simelane		Non-executive	South African
G.D. Harlow	Chairperson	Non-executive	South African
O.F.E. Moola		Non-executive	South African

There have been no changes to the directorate for the year under review.

4. Interests in subsidiaries

Details of material interests in subsidiary companies are presented in the consolidated group audited annual financial statements in note 4.

There were no significant acquisitions or divestitures during the year ended 29 February 2021.

5. Events after the reporting period

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

Directors' Report

6. Going concern

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

We draw attention to the fact that the entity incurred a loss of R 926 642 (2020: loss of R 588 575) for the year ended 29 February 2021, the group's accumulated loss as at 29 February 2021 is an amount of R 36 616 578 and as at this date the total group liabilities exceed the assets by R 2 149 006 (2020: R 1 560 431).

The fact that the group is currently not generating any income does not pose a threat to the going concern of the entity as the directors have committed to continue obtaining finance at favourable terms to the group until such a time that the group's investments start generating income again.

7. Auditors

RAiN Chartered Accountants Incorporated continued in office as auditors for the company and its subsidiaries for 2021.

At the AGM, the shareholders will be requested to reappoint RAiN Chartered Accountants Incorporated as the independent external auditors of the company and to confirm Mr I.E.Pierce as the designated lead audit partner for the 2022 financial year.

RAiN CHARTERED ACCOUNTANTS

Independent Auditor's Report

To the shareholders of Ubambo Investment Holdings Limited Group

Opinion

We have audited the annual financial statements of Ubambo Investment Holdings Limited Group set out on pages 8 to 24, which comprise the statement of financial position as at 28 February 2021, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the annual financial statements, including a summary of significant accounting policies.

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of Ubambo Investment Holdings Limited Group as at 28 February 2021, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa No. 71 of 2008.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Annual 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 annual 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.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the document titled Ubambo Investment Holdings Limited Group annual financial statements for the year ended 28 February 2021, which includes the Directors' Report as required by the Companies Act 71 of 2008 of South Africa and the supplementary information as set out on page 25. The other information does not include the annual financial statements and our auditor's report thereon.

Our opinion on the annual 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 annual financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the annual 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 Annual Financial Statements

The directors are responsible for the preparation and fair presentation of the annual financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act 71 of 2008 of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

RAiN Chartered Accountants Inc.
Registration number : 2000/023955/21
Director: Ian Pierce
P O Box 1006 Saxonwold Johannesburg South Africa 2132
34 Fricker Road Illovo Johannesburg South Africa. 2196
Tel +27 (0)11 243 5031 www.rain.org.za info@rain.org.za

In preparing the annual 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 Annual Financial Statements

Our objectives are to obtain reasonable assurance about whether the annual 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 International Standards on Auditing 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 annual financial statements.

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

- Identify and assess the risks of material misstatement of the annual 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 annual 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 annual financial statements, including the disclosures, and whether the annual 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.

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RAiN Chartered Accountants Incorporated
Chartered Accountants (S.A.)
Registered Auditor
Per: I.E. PIERCE
Johannesburg
07 September 2022

Statement of Financial Position as at 28 February 2021

		Group		Company	
Figures in Rand	Notes	2021	2020 Restated *	2021	2020 Restated *
Assets					
Non-Current Assets					
Right-of-use assets	3	-	130 439	-	130 439
Investments in subsidiaries	4	-	-	100	100
Loans to group companies	5	-	-	13 529 879	13 529 879
		-	**130 439**	**13 529 979**	**13 660 418**
Current Assets					
Trade and other receivables	6	353 071	313 595	352 971	313 495
Cash and cash equivalents	7	18 665	26 054	18 546	25 954
		371 736	**339 649**	**371 517**	**339 449**
Total Assets		**371 736**	**470 088**	**13 901 496**	**13 999 867**
Equity and Liabilities					
Equity					
Share capital	8	34 467 572	34 467 572	34 467 572	34 467 572
Retained income		(36 616 578)	(36 028 003)	(23 073 614)	(22 485 020)
		(2 149 006)	**(1 560 431)**	**11 393 958**	**11 982 552**
Liabilities					
Current Liabilities					
Trade and other payables	9	14 742	14 743	1 538	1 539
Lease liabilities	3&10	-	136 776	-	136 776
Other financial liabilities	11	2 506 000	1 879 000	2 506 000	1 879 000
		2 520 742	**2 030 519**	**2 507 538**	**2 017 315**
Total Equity and Liabilities		**371 736**	**470 088**	**13 901 496**	**13 999 867**

* See Note 21

Statement of Profit or Loss and Other Comprehensive Income

		Group		Company	
Figures in Rand	Notes	2021	2020	2021	2020
Other operating expenses		(581 817)	(906 019)	(581 836)	(906 019)
Operating loss	13	**(581 817)**	**(906 019)**	**(581 836)**	**(906 019)**
Lease liability finance costs	14	(6 758)	(20 623)	(6 758)	(20 623)
Loss for the year		**(588 575)**	**(926 642)**	**(588 594)**	**(926 642)**
Total comprehensive loss for the year		**(588 575)**	**(926 642)**	**(588 594)**	**(926 642)**

* See Note 21

Ubambo Investment Holdings Limited Group
(Registration number 1998/014976/06)
Group Audited Annual Financial Statements for the year ended 28 February 2021

Statement of Changes in Equity

Figures in Rand	Share capital	Share premium	Total share capital	Retained income	Total equity
Group					
Restated* Balance at 01 March 2019	**5 333 104**	**29 134 468**	**34 467 572**	**35 101 361**	**69 568 933**
Loss for the year	-	-	-	(926 642)	(926 642)
Other comprehensive income	-	-	-	-	-
Total comprehensive Loss for the year	**-**	**-**	**-**	**(926 642)**	**(926 642)**
Opening balance as previously reported	5 333 104	29 134 468	34 467 572	(35 970 754)	(1 503 182)
Adjustments					
Prior period errors	-	-	-	(57 249)	(57 249)
Balance at 01 March 2020 as restated	**5 333 104**	**29 134 468**	**34 467 572**	**(36 028 003)**	**(1 560 431)**
Loss for the year	-	-	-	(588 575)	(588 575)
Total comprehensive Loss for the year	**-**	**-**	**-**	**(588 575)**	**(588 575)**
Balance at 28 February 2021	**5 333 104**	**29 134 468**	**34 467 572**	**(36 616 578)**	**(2 149 006)**
Note	8	8	8		
Company					
Restated* Balance at 01 March 2019	**5 333 104**	**29 134 468**	**34 467 572**	**(21 558 378)**	**12 909 194**
Loss for the year	-	-	-	(926 642)	(926 642)
Other comprehensive income	-	-	-	-	-
Total comprehensive Loss for the year	**-**	**-**	**-**	**(926 642)**	**(926 642)**
Opening balance as previously reported	5 333 104	29 134 468	34 467 572	(22 427 771)	12 039 801
Adjustments					
Prior period errors	-	-	-	(57 249)	(57 249)
Balance at 01 March 2020 as restated	**5 333 104**	**29 134 468**	**34 467 572**	**(22 485 020)**	**11 982 552**
Loss for the year	-	-	-	(588 594)	(588 594)
Total comprehensive Loss for the year	**-**	**-**	**-**	**(588 594)**	**(588 594)**
Balance at 28 February 2021	**5 333 104**	**29 134 468**	**34 467 572**	**(23 073 614)**	**11 393 958**
Note	8	8	8		

* See Note 21

Statement of Cash Flows

		Group		Company	
Figures in Rand	Note	2021	2020	2021	2020
Cash flows from operating activities					
Cash used in operations	16	(623 312)	(855 948)	(623 312)	(855 948)
Cash flows from financing activities					
Proceeds from / (Repayment of) other financial liabilities		627 000	911 000	627 000	911 000
Lease payments		(11 077)	(102 305)	(11 196)	(102 305)
Net cash from financing activities		**615 923**	**808 695**	**615 804**	**808 695**
Total cash movement for the year		**(7 389)**	**(47 253)**	**(7 508)**	**(47 253)**
Cash at the beginning of the year		26 054	73 307	26 054	73 207
Total cash at end of the year	7	**18 665**	**26 054**	**18 546**	**25 954**

* See Note 21

Accounting Policies

1. Significant accounting policies

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

1.1 Basis of preparation

The consolidated and separate group audited annual financial statements have been prepared on the going concern basis in accordance with, and in compliance with, International Financial Reporting Standards ("IFRS") and International Financial Reporting Interpretations Committee ("IFRIC") interpretations issued and effective at the time of preparing these group audited annual financial statements and the Companies Act of South Africa No. 71 of 2008 of South Africa, as amended.

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

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

1.2 Consolidation

Basis of consolidation

The consolidated group audited annual financial statements incorporate the group audited annual financial statements of the company and all subsidiaries. Subsidiaries are entities (including structured entities) which are controlled by the group.

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

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

Adjustments are made when necessary to the group audited annual financial statements of subsidiaries to bring their accounting policies in line with those of the group.

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

1.3 Significant judgements and sources of estimation uncertainty

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

Critical judgements in applying accounting policies

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

Trade receivables and loans receivables

The group assesses its trade receivables, held to maturity investments and loans and receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in profit and loss, the group makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

The impairment for trade receivables, held to maturity investments and loans and receivables is calculated on a portfolio basis, based on historical loss ratios, adjusted for national and industry-specific economic conditions and other indicators present at the reporting date that correlate with defaults on the portfolio. These annual loss ratios are applied to loan balances in the portfolio and scaled to the estimated loss emergence period.

Accounting Policies

1.4 Investments in subsidiaries

Investments in subsidiaries are carried at cost less any accumulated impairment losses. This excludes investments which are held for sale and are consequently accounted for in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations.

1.5 Financial instruments

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

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

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

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

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

Note 19 Financial instruments and risk management presents the financial instruments held by the group based on their specific classifications.

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

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

Accounting Policies

1.5 Financial instruments (continued)

Loans receivable at amortised cost

Classification

Loans to group companies (note 5) are classified as financial assets subsequently measured at amortised cost.

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

Recognition and measurement

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

They are subsequently measured at amortised cost.

The amortised cost is the amount recognised on the loan initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Trade and other receivables

Classification

Trade and other receivables, excluding, when applicable, VAT and prepayments, are classified as financial assets subsequently measured at amortised cost (note 6).

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

Recognition and measurement

Trade and other receivables are recognised when the group becomes a party to the contractual provisions of the receivables. They are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost.

The amortised cost is the amount recognised on the receivable initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Derecognition

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

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

Accounting Policies

1.5 Financial instruments (continued)

Trade and other payables

Classification

Trade and other payables (note 9), excluding VAT and amounts received in advance, are classified as financial liabilities subsequently measured at amortised cost.

Recognition and measurement

They are recognised when the group becomes a party to the contractual provisions, and are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest method.

Derecognition

Financial assets

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

Financial liabilities

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

1.6 Tax

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. A deferred tax asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

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

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

Accounting Policies

1.6 Tax (continued)

Tax expenses

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:

- a transaction or event which is recognised, in the same or a different period, to other comprehensive income, or
- a business combination.

Current tax and deferred taxes are charged or credited to other comprehensive income if the tax relates to items that are credited or charged, in the same or a different period, to other comprehensive income.

Current tax and deferred taxes are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly in equity.

1.7 Leases

Group as lessee

A lease liability and corresponding right-of-use asset are recognised at the lease commencement date, for all lease agreements for which the group is a lessee, except for short-term leases of 12 months or less, or leases of low value assets. For these leases, the group recognises the lease payments as an operating expense (note 13) on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

The various lease and non-lease components of contracts containing leases are accounted for separately, with consideration being allocated to each lease component on the basis of the relative stand-alone prices of the lease components and the aggregate stand-alone price of the non-lease components (where non-lease components exist).

However as an exception to the preceding paragraph, the group has elected not to separate the non-lease components for leases of land and buildings.

Details of leasing arrangements where the group is a lessee are presented in note 3 Leases (group as lessee).

1.8 Leases (Comparatives under IAS 17)

The following accounting policy applies to the comparative disclosures of leases. The group has adopted IFRS 16 in the current year, but has not restated the comparatives. These accounting policies are prepared on the basis of IAS 17. Refer to the note on changes in accounting policies for details of the impact of the adoption of IFRS 16 on these financial statements.

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Operating leases – lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset. This liability is not discounted.

Any contingent rents are expensed in the period they are incurred.

1.9 Impairment of assets

The group assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the group estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the group also:

- tests intangible assets with an indefinite useful life or intangible assets not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed during the annual period and at the same time every period.
- tests goodwill acquired in a business combination for impairment annually.

Accounting Policies

1.9 Impairment of assets (continued)

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

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

Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units or groups of units.

Each unit or group of units to which the goodwill is so allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes, and is not larger than an operating segment as defined by paragraph 5 of IFRS 8 Operating Segments before aggregation.

An impairment loss is recognised for cash-generating units if the recoverable amount of the unit is less than the carrying amount of the units. The impairment loss is allocated to reduce the carrying amount of the assets of the unit in the following order:

- first, to reduce the carrying amount of any goodwill allocated to the cash-generating unit and
- then, to the other assets of the unit within the scope of IAS 36, pro rata on the basis of the carrying amount of each asset in the unit.

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

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

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

1.10 Share capital and equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Ordinary shares are recognised at par value and classified as 'share capital' in equity. Any amounts received from the issue of shares in excess of par value is classified as 'share premium' in equity. Dividends are recognised as a liability in the group in which they are declared.

Notes to the Group Audited Annual Financial Statements

	Group		Company	
Figures in Rand	2021	2020	2021	2020

2. New Standards and Interpretations

2.1 Standards and interpretations effective and adopted in the current year

In the current year, the group has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

Standard/ Interpretation:	Effective date - Years beginning on or after:	Expected impact:

3. Leases (group as lessee)

The group has one lease agreement for office space rentals of 60m2 on the first floor, Saldomax House, 25 Autumn Street, Rivonia, Johannesburg. The average lease term is 5 years and the current lease agreement expires January 2021.

The group adopted IFRS 16 for the first time in the current financial period. Comparative figures have been accounted for in accordance with IAS 17 and accordingly, any assets recognised under finance leases in accordance with IAS 17 for the comparative have been recognised as part of property, plant and equipment. The information presented in this note for right-of-use assets and lease liability therefore only includes the current period.

Net carrying amounts of right-of-use assets

The carrying amounts of right-of-use assets are included in the following line items:

Buildings	-	130 439	-	130 439

Depreciation recognised on right-of-use assets

Depreciation recognised on each class of right-of-use assets, is presented below. It includes depreciation which has been expensed in the total depreciation charge in profit or loss (note 13), as well as depreciation which has been capitalised to the cost of other assets.

Buildings	-	142 297	-	142 297

Lease liabilities

The maturity analysis of lease liabilities is as follows:

Current liabilities	-	136 776	-	136 776

Comparative information for lease liabilities under IAS 17

The information presented for lease liabilities for the comparative period has been prepared on the basis of IAS 17, and therefore only represents the liability as at that date for finance leases and not for operating leases. In addition to the information presented in the table above, IAS 17 required an entity to present a reconciliation of the present value of lease payments for finance leases. This information is presented in the table which follows:

Present value of minimum lease payments due - within 1 year		136 776		136 776

Exposure to liquidity risk

Refer to note 19 Financial instruments and risk management for the details of liquidity risk exposure and management.

Notes to the Group Audited Annual Financial Statements

4. Interests in subsidiaries including consolidated structured entities

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

Company

Name of company	Held by	% voting power 2021	% voting power 2020	% holding 2021	% holding 2020	Carrying amount 2021	Carrying amount 2020
Sanco Leisure (Proprietary) Limited	Ubambo Investment Holdings Limited	100,00 %	100,00 %	100,00 %	100,00 %	15 000 000	15 000 000
Ubambo Telecommunications (Proprietary) Limited	Ubambo Investment Holdings Limited	100,00 %	100,00 %	100,00 %	100,00 %	100	100
African Genesis Investment Holdings (Proprietary) Limited	Ubambo Telecommunication (Proprietary) Limited	100,00 %	100,00 %	100,00 %	100,00 %	-	-
Isivuno Investments (Proprietary) Limited	Ubambo Telecommunication (Proprietary) Limited	100,00 %	100,00 %	100,00 %	100,00 %	-	-
						15 000 100	15 000 100
Impairment of investment in subsidiaries		- %	- %	- %	- %	(15 000 000)	(15 000 000)
						100	100

5. Loans to group companies

Subsidiaries

Ubambo Telecommunications (Proprietary) Limited The loan is unsecured, interest-free and has no fixed terms of repayment.	-	-	13 529 879	13 529 879
Split between non-current and current portions				
Current assets	13 529 879	13 529 879	13 529 879	13 529 879

6. Trade and other receivables

Prepayments	13 000	13 653	13 000	13 653
Other receivable	100	100	-	-
Non-financial instruments:				
VAT	339 971	299 842	339 971	299 842
Total trade and other receivables	**353 071**	**313 595**	**352 971**	**313 495**

Notes to the Group Audited Annual Financial Statements

	Group		Company	
Figures in Rand	2021	2020	2021	2020

7. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	15 206	15 206	15 106	15 106
Bank balances	3 440	10 848	3 440	10 848
	18 646	**26 054**	**18 546**	**25 954**

8. Share capital

Authorised				
300 000 000 ordinary shares of R0.01 each	3 000 000	3 000 000	3 000 000	3 000 000
Reconciliation of number of shares issued:				
Reported as at 01 March 2020	129 548 949	129 548 949	129 548 949	129 548 949
Issued				
Ordinary	5 333 104	5 333 104	5 333 104	5 333 104
Share premium	29 134 468	29 134 468	29 134 468	29 134 468
	34 467 572	**34 467 572**	**34 467 572**	**34 467 572**

9. Trade and other payables

Financial instruments:				
Trade payables	14 742	14 743	1 538	1 539

10. Lease liabilities

Current liabilities	-	94 527	-	94 527

It is group policy to lease the office buildings under operating leases.

The average lease term was 5 years and the average effective borrowing rate was 7.25%.

Interest rates are fixed at the contract date. All leases have fixed repayments and no arrangements have been entered into for contingent rent.

11. Other financial liabilities

Held at amortised cost				
Iyanga Trading 489 (Proprietary) Limited	2,506,000	1,879,000	2,506,000	1,879,000

The loan is unsecured, interest-free and has no fixed terms of repayment.

12. Other operating income

13. Operating profit (loss)

Operating loss for the year is stated after charging (crediting) the following, amongst others:

Auditor's remuneration - external				
Audit fees	40 450	73 079	40 450	73 079

Remuneration, other than to employees

Notes to the Group Audited Annual Financial Statements

	Group		Company	
Figures in Rand	2021	2020	2021	2020
13. Operating profit (loss) (continued)				
Administrative and managerial services	345 445	531 468	345 445	531 468
Consulting and professional services	9 094	-	9 094	-
	354 539	**531 468**	**354 539**	**531 468**
Depreciation and amortisation				
Depreciation of right-of-use assets	-	142 297	-	142 297

14. Lease liability finance costs

Lease liabilities	6 758	20 623	6 758	20 623

15. Taxation

Major components of the tax expense

No tax provision has been made for 2021 tax as the group has no taxable income. The estimated tax loss available for set off against future taxable income is R 1 706 760 (2019: R 837 367).

16. Cash used in operations

Loss before taxation	(588 575)	(926 642)	(588 575)	(926 642)
Adjustments for:				
Depreciation and amortisation	130 439	142 297	130 439	142 297
IFRS 16 Expenditure	-	(54 278)	-	(54 278)
Lease liability finance costs	6 758	20 623	6 758	20 623
Right off of payments by lessor	(132 467)	-	(132 467)	-
Changes in working capital:				
Trade and other receivables	(39 467)	(39 485)	(39 467)	(39 485)
Trade and other payables	-	1 537	-	1 537
	(623 312)	**(855 948)**	**(623 312)**	**(855 948)**

Notes to the Group Audited Annual Financial Statements

	Group		Company	
Figures in Rand	2021	2020	2021	2020

17. Related parties

Relationships	
Subsidiaries	Sanco Leisure (Proprietary) Limited Ubambo Telecommunications (Proprietary) Limited African Genesis Investment Holdings (Proprietary) Limited Isivuno Investments (Proprietary) Limited
Entities with common directorship	Inyanga Trading 489 (Proprietary) Limited Eclipse Unlimited (Proprietary) Limited
Directors	M.S.C Bawa S.P Simelane G.D Harlow O.F.E Moola

Related party balances

	Group 2021	Group 2020	Company 2021	Company 2020
Loan accounts - Owing (to) by related parties				
Ubambo Telecommunications (Proprietary) Limited	-	-	13 529 879	13 529 879
Inyanga Trading 489 (Proprietary) Limited	(2 506 000)	(1 879 000)	(2 506 000)	(1 879 000)

Related party transactions

	Group 2021	Group 2020	Company 2021	Company 2020
Administration and management fees paid to (received from) related parties				
Eclipse Unlimited (Proprietary) Limited	345 445	531 468	345 445	531 468

18. Directors' emoluments

No emoluments were paid to the directors or any individuals holding a prescribed office during the year.

19. Financial instruments and risk management

Financial risk management

Credit risk

Credit risk is the risk of financial loss to the group if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The group is exposed to credit risk on loans receivable, trade and 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, limits and monitoring. The group only deals with reputable counterparties with consistent payment histories. Sufficient collateral or guarantees are also obtained when necessary. Each counterparty is analysed individually for creditworthiness before terms and conditions are offered. The exposure to credit risk and the creditworthiness of counterparties is continuously monitored.

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

The maximum exposure to credit risk is presented in the table below:

Group		2021			2020		
	Note	Gross carrying amount	Credit loss allowance	Amortised cost / fair value	Gross carrying amount	Credit loss allowance	Amortised cost / fair value
Loans to group companies	5	13 529 879	-	13 529 879	13 529 879	-	13 529 879
Trade and other receivables	6	13 100	-	13 100	13 753	-	13 753
Cash and cash equivalents	7	18 665	-	18 665	26 054	-	26 054
		13 561 644	**-**	**13 561 644**	**13 569 686**	**-**	**13 569 686**

Company		2021			2020		
	Note	Gross carrying amount	Credit loss allowance	Amortised cost / fair value	Gross carrying amount	Credit loss allowance	Amortised cost / fair value
Loans to group companies	5	13 529 879	-	13 529 879	13 529 879	-	13 529 879
Trade and other receivables	6	13 000	-	13 000	13 653	-	13 653
Cash and cash equivalents	7	18 565	-	18 565	25 954	-	25 954
		13 561 444	**-**	**13 561 444**	**13 569 486**	**-**	**13 569 486**

20. Going concern

We draw attention to the fact that at 28 February 2021, the group had accumulated losses of R (36 616 578) and that the group's total liabilities exceed its assets by R 2 149 006.

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

The ability of the company to continue as a going concern is dependent on a number of factors. The most significant of these is that the directors continue to procure funding for the ongoing operations for the company at favourable terms from related parties until such a time that the group is generating revenue or income.

Notes to the Group Audited Annual Financial Statements

	Group		Company	
Figures in Rand	2021	2020	2021	2020

21. Prior period errors

IFRS 16 lease adoption was incorrectly recorded in 2020, this affected the value of the lease liability at year end as well as the corrsepnding finance cost. A payment iro of the lease was also recognised incorrectly as a prepayment as this payment related to the 2020 financial period.

The correction of the error(s) results in adjustments as follows:

Statement of Financial Position				
Lease liability	(44 519)	-	(44 519)	-
Trade receivables	(13 058)	-	(13 058)	-
Profit or Loss				
IFRS 16 - Expenses	54 278	-	54 278	-
Finance costs - IFRS	2 971	-	2 971	-

Detailed Income Statement

		Group		Company	
Figures in Rand	Notes	2021	2020 Restated *	2021	2020 Restated *
Other operating expenses					
Administration and management fees		(345 445)	(531 468)	(345 445)	(531 468)
Auditors remuneration - external auditors	13	(40 450)	(63 560)	(40 450)	(63 560)
Bank charges		(1 298)	(1 262)	(1 298)	(1 262)
Consulting and professional fees - accounting		(9 094)	-	(9 094)	-
Depreciation		(130 439)	(142 297)	(130 439)	(142 297)
Lease payments written off by lessor		132 467	-	132 448	-
Expenditure - IFRS 16 related		-	(54 278)	-	(54 278)
IT expenses		(3 983)	-	(3 983)	-
Legal expense		(3 043)	-	(3 043)	-
Other expenses		(65 671)	-	(65 671)	-
Services fee		(114 861)	(113 154)	(114 861)	(113 154)
		(581 817)	**(906 019)**	**(581 836)**	**(906 019)**
Operating loss	13	**(581 817)**	**(906 019)**	**(581 836)**	**(906 019)**
Lease liability finance costs	14	(6 758)	(20 623)	(6 758)	(20 623)
Loss for the year		**(588 575)**	**(926 642)**	**(588 594)**	**(926 642)**

* See Note 21