ROYAL BAFOKENG NATION (ADMINISTRATION) AND ITS SUBSIDIARIES
ANNUAL CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

ROYAL BAFOKENG NATION (ADMINISTRATION) AND ITS SUBSIDIARIES
ANNUAL CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2023

Index

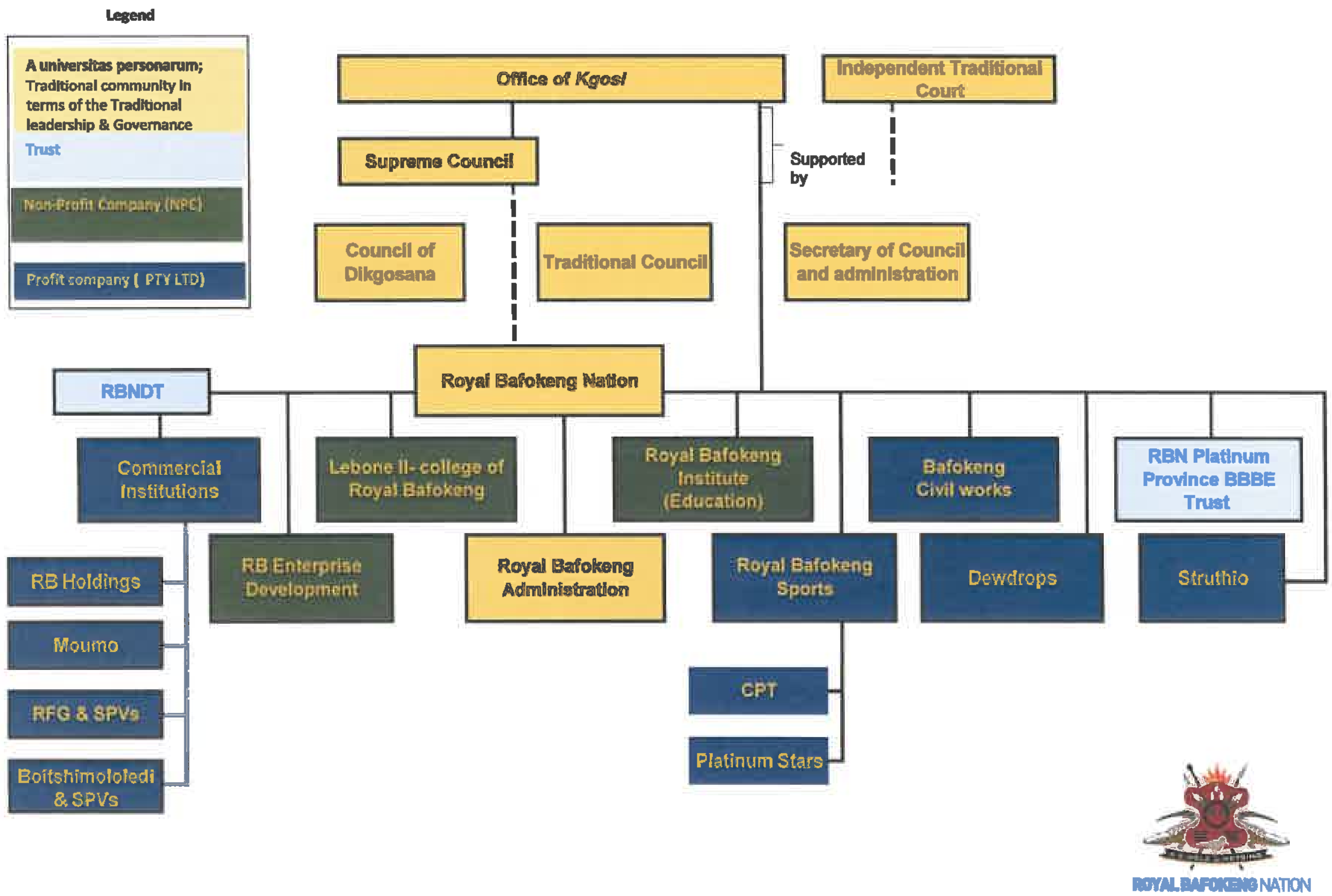
Contents	Page

General information

Country of incorporation and domicile	South Africa
Nature of business	RBN(A) is defined as a Traditional Council in terms of the Traditional Leadership and Governance Act, 2005 (Act 2 of 2005), and the Traditional Leadership and Governance Framework Act, 2003 (Act 41 of 2003).
Principal activities	Provision of community services, education, infrastructure development, economic development, safety and security, health and social services.
Business address	1 Direpotsane Street Bafokeng Civic Centre Phokeng 0335
Postal address	PO Box 1 Phokeng 0335
Auditor	KPMG Inc Registered Auditor 85 Empire Road Parktown Johannesburg 2193 Private Bag 9 Parkview Gauteng 2122
Level of assurance	These annual consolidated financial statements have been audited in compliance with the applicable requirements of IFRS Accounting Standards.
Preparer	The annual consolidated financial statements were internally prepared under the supervision of: Karabo Rapoo CA(SA)

Docusign Envelope ID: 131A0B97-B628-487B-A2DF-DD677320DAF3

RBN Functional Organogram



Statement of Responsibility by Supreme Council

The Supreme Council is responsible for the preparation, integrity, and fair presentation of the financial statements of the Royal Bafokeng Nation (Administration) and its subsidiaries. The financial statements presented on pages 10 to 106 have been prepared in accordance with International Financial Reporting Standards (IFRS), Accounting Standards and include amounts based on judgements and estimates made b management.

The Supreme Council considers that in preparation of the financial statements it has used the most appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, and that all statements of IFRS Accounting Standards that they consider to be applicable ha been followed. The Supreme Council is satisfied that the information contained in the financial statements presents the results of operations for the year and the financial position of the group at year end.

The Supreme Council has the responsibility for ensuring that proper accounting records are kept. The accounting records should disclose with reasonable accuracy the financial position of the group and to enab the Supreme Council to ensure that the financial statements comply with relevant legislation.

The consolidated financial statements have been prepared on the basis of accounting policies applicable tc going concern. The Supreme Council has no reason to believe that the group will not be a going concern in foreseeable future, based on forecasts for 2024 to 2028 and available cash resources. These financial statements support the viability of the group.

Supreme Council's approval of financial statements

The annual consolidated financial statements for the year ended 31 December 2023 set out on pages 10 to 106 were approved by the Supreme Council on 07/11/2024 and were signed on 29/01/2025 and on its behalf by:

Kgosi Leruo Molotlegi
Chairman: Supreme Council

Aubrey Modisane
Chairman: Audit Committee

Supreme Council Report

The Supreme Council ("Council") presents its report on the activities of Royal Bafokeng Nation (Administration) ("RBN(A)") and its subsidiaries for the year ended 31 December 2023 to the Royal Bafokeng Nation.

1. Nature of Business

The Royal Bafokeng Nation ("RBN") is a community of about 150,000 people, led by Kgosi Leruo Molotlegi. The RBN owns some 1,200 km² of land in the Rustenburg Valley, in South Africa's North West Province. The Bafokeng land consists of 29 villages the largest being Phokeng and these villages have been clustered into five planning regions being Capital, Central, North, North East and South East region. This land overlay a valuable portion of the Bushveld Complex, one of the richest known reserves of platinum group metals and chrome in the world. The RBN leases portions of this land to some of the world's largest mining companies, including Impala Platinum, Sibanye Rustenburg Platinum Mine, Royal Bafokeng Platinum and Merafe Resources.

Royalties paid to the RBN by mining companies and dividends from the investee companies are being used to uplift the Bafokeng and the surrounding communities, mainly through the Royal Bafokeng Administration ("RBA"). The RBA is an unregistered functionary of the RBN and accordingly the RBA is part of the same legal entity as RBN.

In this regard, the RBN's strategy with respect to certain community services, education, infrastructure development, economic development, safety and security, health and social services, developmental planning, property administration is implemented through the RBA and other registered entities. Community services provided by the RBN(A) includes the supply of water, construction of roads, schools, clinics, electrical reticulation, maintenance of roads, collection and disposal of refuse and other community amenities.

The RBN owned area falls under the jurisdiction of the Rustenburg Local Municipality ("RLM"). In terms of the current legislative framework, Bojanala Platinum District Municipality ("BPDM") exercises jurisdiction over Rustenburg Local Municipality ("RLM"). The RLM therefore exercise legislative commitments of building infrastructure and delivering services to the community.

It is on this basis that, the RBN entered into a memorandum of understanding ("MOU") with the BPDM and the RLM on 12 January 2003, which inter alia provides that the parties agree to corporate in the following spheres of delivery; infrastructural development, health, economic development, tourism, arts and culture and any other portfolio that the parties may agree from time to time.

RBN's vision statement:
"A relevant and innovative traditional African community in a changing world."

RBN's mission statement:
"We the Bafokeng, Kgosi, Supreme Council and Makgotla together with those who share our vision and values, will create an enabling environment for the prosperity of current and future generation by developing the people, the economy and the land."

"Our strategy for excellence is realised through zero tolerance for corruption and through courageous, innovative leadership rooted in Bafokeng values."

RBN's strategy is underpinned under the key pillars of :

Individual Development
A better standard of living for all individuals by improving individual quality of life and social wellbeing.

Community Development
Collaboratively building an inclusive traditional community of which we are proud.

Sustainability and Economic Growth
Respecting resources as treasured assets,achieving inclusive growth and full employment into the long-term

2. Legal framework and Governance Structures

The Bophuthatswana Traditional Authorities Act, 1978 (Act 23 of 1978) was repealed by the North West Traditional Leadership and Governance Act, 2005 (Act 2 of 2005) as Amended on 20 March 2007. In terms of this Act and the Traditional Leadership and Governance Framework Act, 2003 (Act 41 of 2003) the RBN is defined as a Traditional Council.

With the coming into effect of the North West Traditional Leadership and Governance Act, 2005 (Act 2 of 2005) as amended, the RBN was required to reconstitute its Traditional Council according to the prescribed format.

The term of office for the elected and appointed Traditional Council members is 5 years.

The elected and appointed Traditional Council members ("TC Members") were appointed during August 2017 and their term in office should have ended in August 2022. However, due to the amendments to the Traditional and Khoi-San Leadership Act 3 of 2019 the election of new members were delayed and the the previously appointed members will still be in office until the new TC members are appointed. The list of the the current TC members are stated below:

Name and Surname	Village	Elected/ Appointed		
CAPITAL A & B				
Keorapetse Nameng	Lemenong	Elected	Deceased	29/09/2023
Thabiso Lefyedi	Lefaragatlhe	Elected		
Daphne Montsho	Masosobane	Appointed		
Moatlhodi Tumagole	Phokeng	Appointed		
Mogari Mokgatle	Salema	Appointed		
NORTH A REGION				
Tshepo Mekgoe	Luka	Elected		
Seth Mputle	Luka	Appointed		
NORTH B REGION				
Tshepo Mabule	Chaneng	Elected		

Supreme Council Report

CENTRAL REGION		
Richard Ntsimane	Kanana	Elected
Martha Khuduge	Serutube	Appointed
NORTH EAST REGION		
William Mokone	Mogakane	Elected
Rebecca Modibane	Mamerotse	Appointed
Katlego Mosito	Kopman	Appointed
Jennifer Thebyane	Tsitsing	Appointed
SOUTH EAST REGION		
Patrick Phutu	Tlapa	Elected

KPMG Inc
KPMG Crescent
85 Empire Road, Parktown, 2193,
Private Bag 9, Parkview, 2122, South Africa
Telephone +27 (0)11 647 7111
Fax +27 (0)11 647 8000
Docex 472 Johannesburg
Web http://www.kpmg.co.za

Independent Auditor's Report

To the Supreme Council of Royal Bafokeng Nation (Administration) and its subsidiaries

Opinion

We have audited the consolidated financial statements of Royal Bafokeng Nation (Administration) and its subsidiaries (the Group) set out on pages 11 to 106, which comprise the statement of financial position as at 31 December 2023, and the 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 financial statements, including a summary of material accounting policy information

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Royal Bafokeng Nation (Administration) and its subsidiaries and its subsidiaries as at 31 December 2023, and its consolidated financial performance and consolidated cash flows for the year then ended then ended in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) .

Basis for opinion

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

Other information

The Supreme Council are responsible for the other information. The other information comprises the information included in the document titled "Royal Bafokeng Nation (Administration) and its subsidiaries Annual Financial Statements for the year ended 31 December 2023", which includes the Supreme Council Report as required by the Traditional Leadership and Governance Act.

The other information does not include the consolidated financial statements and our auditor's report thereon. Our opinion on the consolidated financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated 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 Supreme Council for the consolidated financial statements

The Supreme Council are responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and the requirements of the Companies Act of South Africa, and for such internal control as the Supreme Council determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Supreme Council are responsible for assessing the Group'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 Supreme Council either intend to liquidate the group or to cease operations, or have no realistic alternative but to do so.

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Supreme Council.
- Conclude on the appropriateness of the Supreme Council' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence, regarding the financial information of the entities or business units within the group, as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Supreme Council 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.

KPMG Inc.

DocuSigned by:

Zimkita Precious Mabindla

54AC60D8CDC64C0...

Per Zimkita Mabindla
Chartered Accountant (SA)
Registered Auditor
Director
30 January 2025

ROYAL BAFOKENG NATION (ADMINISTRATION) AND ITS SUBSIDIARIES
ANNUAL CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2023

Consolidated Statement of Financial Position

Figures in R'000	Notes	2023	2022
Assets			
Non-current assets		46,103,446	43,239,361
Property, plant and equipment	4	1,602,214	1,585,379
Right of use assets	18	9,586	5,234
Other financial assets	6	23,078,127	21,539,145
Investment in associates and joint ventures at fair value through profit or loss	7	21,110,231	19,810,305
Finance lease receivable	9	283	-
Deferred income tax assets	10	303,005	299,298
Current assets		10,936,138	10,305,068
Derivatives	11	-	45,736
Trade and other receivables - short-term portion	8	560,852	462,578
Inventories	15	3,363	3,393
Current income tax assets	12	4,894	8,429
Finance lease receivable - short-term portion	9	241	-
Cash investments	14	3,146,620	2,720,081
Cash and cash equivalents	13	7,220,168	7,064,851
Total assets		**57,039,584**	**53,544,429**

ROYAL BAFOKENG NATION (ADMINISTRATION) AND ITS SUBSIDIARIES
ANNUAL CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2023

Consolidated Statement of Financial Position

Figures in R'000	Notes	2023	2022
Equity and liabilities			
Equity			
Accumulated funds		45,149,287	40,921,465
Retained earnings		45,079,687	40,846,467
Reserves		69,600	74,998
Non-controlling interests		8,302	77,622
Total equity		**45,157,589**	**40,999,087**
Liabilities			
Non-current liabilities		11,239,780	11,755,631
Deferred income tax liabilities	10	4,574,271	3,668,766
Employee benefits	16	67,123	60,634
Borrowings	17	1,157,659	2,187,153
Financial lease liabilities	18	4,737	422
Deferred royalty income	28	5,435,990	5,838,656
Current liabilities		642,215	789,711
Employee benefits	16	56,477	47,846
Derivatives	11	-	136,486
Current income tax liabilities	12	20,103	8,215
Bank overdraft	13	-	6
Borrowings	17	25,697	69,152
Financial lease liabilities - short-term portion	18	5,209	5,288
Trade and other payables	19	114,224	101,189
Deferred grant income	28	17,805	18,829
Deferred royalty income - short-term portion	28	402,700	402,700
Total liabilities		**11,881,995**	**12,545,342**
Total equity and liabilities		**57,039,584**	**53,544,429**

ROYAL BAFOKENG NATION (ADMINISTRATION) AND ITS SUBSIDIARIES
ANNUAL CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2023

Consolidated Statement of Profit of Loss and Other Comprehensive Income

Figures in R'000	Notes	2023	2022
Revenue	20	4,449,541	9,165,353
Cost of sales and services rendered		(13,410)	(11,832)
Gross Profit		**4,436,131**	**9,153,521**
Administrative Expenses		(1,497,416)	(1,073,974)
Other income	22	331,195	272,654
Net gains/(losses)		2,947,151	(5,274,714)
Other gains	22	2,998,468	879,234
Other losses	22	(51,317)	(6,153,948)
Operating profit		**6,217,061**	**3,077,487**
Net finance cost		(1,307,418)	(1,352,395)
Finance income	23	841,952	567,111
Finance cost	23	(2,149,370)	(1,919,506)
Impairment loss for equity accounted investments	21	(605)	(32,988)
Share of profits from equity accounted investments	7	270,284	36,140
Profit before tax		5,179,322	1,728,244
Income tax expense / benefit	24	(946,102)	141,245
Profit for the year from continuing operations		**4,233,220**	**1,869,489**
Attributable to:			
Equity holder of the parent		4,296,532	1,868,070
Non controlling interest		(63,312)	1,419
Profit for the year		**4,233,220**	**1,869,489**
Other comprehensive (loss) / income:		**(5,399)**	**(4,544)**
Items that may not be reclassified to profit or loss			
Fair value adjustment on financial asset at fair value through other comprehensive income		(5,399)	(4,544)
Total comprehensive profit for the year		**4,297,141**	**1,864,945**
Attributable to equity shareholder		4,291,133	1,863,526
Attributable to non-controlling interest		6,008	1,419

Consolidated Statement of Changes in Equity

Figures in R'000

	Non-Distributable Reserves***	Other Reserves**	Retained Earnings	Attributable to Equity Holders	Non-Controlling Interest	Total
Balance at 1 January 2022	42,957	36,585	38,947,579	39,027,121	76,203	39,103,324
Adjustment to retained earnings	-	-	30,818	30,818	-	30,818
Total profit for the year	-	-	1,868,070	1,868,070	1,419	1,869,489
Other comprehensive loss for the year	(4,544)	-	-	(4,544)	-	(4,544)
Restated balance at 31 December 2022	38,413	36,585	40,846,467	40,921,465	77,622	40,999,087

	Non-Distributable Reserves***	Other Reserves**	Retained Earnings	Attributable to Equity Holders	Non-Controlling Interest	**Total**
Balance at 1 January 2023	38,413	36,585	40,846,467	40,921,465	77,622	40,999,087
Total profit for the year	-	-	4,233,220	4,233,220	(69,320)	4,163,900
Other comprehensive loss for the year	(5,398)	-		(5,398)	-	(5,398)
Balance at 31 December 2023	33,015	36,585	45,079,687	45,149,287	8,302	45,157,589

**Other reserves comprises of the share of equity of associates
***Non-distributable reserves comprises of fair value adjustment on investments

ROYAL BAFOKENG NATION (ADMINISTRATION) AND ITS SUBSIDIARIES
ANNUAL CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2023

Consolidated Statement of Cash Flows

Figures in R'000	Notes	2023	2022
Cash flow from operating activities			
Cash used in operations	29	(760,029)	(523,452)
Interest paid		(147,100)	(140,064)
Income tax paid	12	(366,659)	(260,930)
Net cash used in operating activities		**(1,273,788)**	**(924,446)**
Cash flow from investing activities			
Proceeds from disposal of property, plant & equipment		30	65
Finance lease receipts		317	49
Acquisition of property, plant & equipment		(90,818)	(47,401)
Acquisition of Ethos		(1,136)	(1,049)
Acquisition of Visio Capital Investment		(464,500)	-
Dividend received from RIM (Associate)		5,945	6,400
Acquisition of financial assets		(838,132)	(2,724,248)
Proceeds from sale of investments at fair value		465,805	562,703
Proceeds from sale of RB Plats Shares		1,276,708	-
Repayment of loan from associates		2,216	60,384
Repayment of shareholder loan		-	3,124
Acquisition of investment at fair value		-	(5,496)
Purchase of investment in associate at fair value through profit and loss		(54,880)	(285,622)
Dividend received		1,578,071	1,854,183
Interest received		841,952	558,466
Cash received on behalf of shareholder		4,091	3,602
Deferred consideration received		-	5,664,246
Proceeds from disposal of associates and joint ventures		-	213,730
NEPI Return of capital		54,978	-
Decrease in maturity investment		(426,539)	(634,450)
Net cash generated from investing activities		**2,354,108**	**5,228,686**
Cash flow from financing activities			
Repayment of borrowings		(1,024,771)	(997,570)
Repayment of shareholders loan - non-controlling interest		-	(2,092)
Redemption of IDC preference shares		18,000	-
Payment of lease liabilities		(5,442)	(5,112)
Net cash utilised in financial activities		**(1,012,213)**	**(1,004,774)**
Net increase in cash and cash equivalents		68,107	3,299,464
Cash and cash equivalents at the beginning of the year		7,064,851	3,773,703
Effect of exchange rate movement on cash balances		87,210	(8,316)
Cash and cash equivalents at the end of the year		**7,220,168**	**7,064,851**

Summary of Material Accounting Policies

1. General Information

Royal Bafokeng Nation ("RBN") is a traditional council with a Universitas Personarum. The North West Traditional Leadership and Governance Act, 2005 (Act 2 of 2005) governs its existence and governance. The Act, in addition to several other pieces of legislation affecting the RBN's operations, is not prescriptive as to the accounting governance and reporting requirements of the RBN. The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards. The Supreme Council is of the opinion that the consolidated financial statements thus prepared will not mislead the users of the consolidated financial statements. The principal accounting policies adopted in the preparation of the financial statements are set out in note 2 below.

2. Material accounting policies

The principal accounting policies applied in the preparation of this consolidated financial statements are set out in detail in the relevant notes. The accounting policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

2.1.1 Compliance with IFRS Accounting Standards

The consolidated financial statements have been prepared on the going concern basis in accordance with, and in compliance with, IFRS Accounting Standards and International Financial Reporting Interpretations Committee ("IFRIC") interpretations issued and effective at the time of preparing these annual financial statements.

This consolidated financial statements complies with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB), 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.

2.1.2 Historical convention

The consolidated 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 in detail in the relevant notes.

2.1.3 Functional and presentation currency

The consolidated financial statements are presented in South African Rands (Rands), which is the Royal Bafokeng Nation (Administration) and its subsidiaries ("Group") functional and presentation currency. Except stated otherwise, the amounts in the financial statements are rounded to Rmillion.

2.1.4 Significant judgements and sources of estimation uncertainty

The preparation of consolidated 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.

The resulting accounting judgements, estimates and assumptions will, by definition, seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed in detail in the relevant notes to the consolidated financial statements.

2.1.5 Going concern

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

2.1.6 Foreign currency translation

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at yearend exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Changes in the fair value of monetary securities denominated in foreign currency classified as available for sale, are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in amortised cost are recognised in profit or loss, and other changes in carrying amounts are recognised in other comprehensive income.

Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets, such as equities classified as available for sale, are included in other comprehensive income.

2.2 Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Land is not depreciated.

Work-in-progress is not depreciated. These relates to the work or construction not yet completed at year end and will be depreciated when the work or construction is completed and ready for use. Depreciation is calculated as indicated below and approximates the following:

Item	Average useful life in years and
Buildings	5-30 years (straight line)
Plant and machinery	5-30 years (straight line)
Office and computer equipment	3-5 years (straight line)
Furniture and fittings	4-10 years (straight line)
Vehicles and equipment	6 years (straight line)
Capitalised lease improvements	6 years (straight line)
Computer Software	6 years (straight line)
Drones	4 years (straight line)

Depreciation periods are assessed annually and adjusted if and where appropriate.

Critical accounting estimates and assumptions

Asset lives
The group's assets, are depreciated over their expected useful lives which are reviewed annually to ensure their appropriateness. In assessing useful lives, technological innovation, product life cycle physical condition of the assets and maintenance programme are taken into consideration.

2.2.1 Impairment

An impairment review of property, plant and equipment is carried out when there is an indication that these assets may be impaired by comparing the carrying amount thereof to its recoverable amount.

Where the recoverable amount is less than the carrying amount, the impairment charge will reduce the carrying amount of property, plant and equipment to its recoverable amount. The adjusted carrying amount is depreciated over the remaining useful life of property, plant and equipment.

When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

2.3 Investment in subsidiaries

2.3.1 Subsidiaries

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

2.3.2 Disposal of subsidiaries

When the group ceases to have control any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

2.3.3 Significant subsidiary

Detailed information on the group's significant subsidiaries is stated below:

Name of entity	Country of Incorporation
Royal Bafokeng Development Trust	South Africa
Royal Bafokeng Holdings	South Africa

Royal Bafokeng Nation Development Trust ("RBNDT") is the principal subsidiary of Royal Bafokeng Nation (Administration) ("RBN/A") and is responsible for the management and development of the commercial assets of RBN/A. This is mainly done through Royal Bafokeng Holdings (Pty) Ltd ("RBH"), wholly owned subsidiary of the RBNDT.

2.4 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 at fair value through profit or loss. (This classification option can only be applied when it eliminates or significantly reduces an accounting mismatch).

2.4 Financial Instruments (continued)

Derivatives which are not part of a hedging relationship:
- Mandatorily at fair value through profit or loss.

Financial liabilities which are at amortised costs; or
- Mandatorily at fair value through profit or loss;(This applies to liabilities which are held for trading)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; the liabilities 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).

Below are the specific accounting policies for the classification , recognition and measurement of each type of financial instruments held by the group.

2.4.1 Trade and other receivables

<u>Classification</u>
Trade and other receivables, excluding, when applicable, VAT and prepayments are classified as financial assets subsequently measured at amortised costs(note 8).

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 company's business model is to collect the contractual cash flows on trade and other receivables.

<u>Recognition</u>
Trade and other receivables are recognised when the company 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.

<u>Application of the effective interest method</u>
For receivables which contain a significant financing component, interest income is calculated using the effective interest method, and is included in profit or loss in finance income (note 23).

The application of the effective interest method to calculate interest income on trade receivables is dependent on the credit risk of the receivable as follows:
- The effective interest rate is applied to the gross carrying amount of the receivable, provided the receivable is not credit impaired. The gross carrying amount is the amortised cost before adjusting for a loss allowance;

2.4 Financial Instruments (continued)

2.4.1 Trade and other receivables (continued)

- If a receivable is a purchased or originated as credit-impaired, then a credit-adjusted effective interest rate is applied to the amortised cost in the determination of interest. This treatment does not change over the life of the receivable, even if it is no longer credit-impaired;

- If a receivable was not purchased or originally credit-impaired, but it has subsequently become credit-impaired, then the effective interest rate is applied to the amortised cost of the receivable in the determination of interest. If, in subsequent periods, the receivable is no longer credit impaired, then the interest calculation reverts to applying the effective interest rate to the gross carrying amount.

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

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

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

An impairment gain or loss is recognised in profit or loss with a corresponding adjustment to the carrying amount of trade and other receivables, through use of a loss allowance account. The impairment loss is included in administrative expenses in profit or loss as a movement in credit loss allowance (note 21).

<u>Write off policy</u>
The group writes off a receivable when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Receivables written off may still be subject to enforcement activities under the company recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

<u>Credit risk</u>
Details of credit risk are included in the trade and other receivables note (note 9) and the financial instruments and risk management note (note 33)

2.4 Financial Instruments (continued)

2.4.1 Trade and other receivables (continued)

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 22).

2.4.2 Loans and receivables

Initial recognition
Loans and receivables are non-derivative financial assets with fixed or determinable payment periods that are not quoted in an active market. Loans and receivables comprise trade and other receivables in the statement of financial position excluding prepaid tax, prepaid expenses and VAT refund. Environmental trust deposit and cash and cash equivalents form part of loans and receivables.

Loans and receivables are initially measured at fair value. They are included in current assets except for maturities greater than 12 months after the reporting date, these are classified as non-current assets.

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision made for impairment of trade receivables is established when there is objective evidence (e.g. when amounts are overdue for a significant period of time) that the Group will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the asset's carrying amount and the recoverable amount, being the present value of expected cash flows, discounted at the original effective interest rates. Significant financial difficulties of the debtors, probabilities that the debtors will enter bankruptcy, default or delinquency in payments are considered indicators that the trade receivables are impaired. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the statement of comprehensive income as an administrative expense.

Subsequent measurement
Loans and receivables are carried at amortised cost using the effective interest rate method. The gains or losses in the changes in the value of the loan and other receivables are classified in the income statement under finance cost or income.

The amount of the provision is the difference between the assets carrying amount and the recoverable amount, being the present value of expected cash flow, discounted at the original effective interest rates. When a trade receivable is uncollected, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are taken to other income in the income statement.

Prepaid expenses are initially recorded at cost and subsequently amortised through to the income statement when the service is received. Value Added Tax (VAT) refunds are initially recorded at cost

2.4 Financial instruments (continued)

2.4.2 Loans and receivables (continued)

and subsequently realised when the cash is received from the South African Revenue Service (SARS).

Critical accounting estimates and assumptions
The group follows the guidance of IFRS 9 to determine when a financial asset is impaired. The determination requires significant judgement. In making the judgement, the group evaluates, among other factors, the history of defaults by the debtors and the financial position of the debtor.

2.4.3 Investments in equity instruments

Classification
Investments in equity instruments are presented in note 8. They are classified as mandatorily at fair value through profit or loss. Associates and joint ventures are equity accounted for at group level.

Investments in equity instruments are subsequently measured at fair value with changes in fair value recognised in profit or loss. Fair value gains or losses recognised are included in fair value gains or losses (note 22)

Dividends received on equity investments are recognised in profit or loss when the company's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in other income.

Fair value gains or losses are included in fair value gain or loss.

Associates are all entities over which the company has significant influence but not control or joint control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting and others, except those whose Special Purpose Vehicle("SPVs) are classified as venture capital organisations are carried at fair value through profit or loss.

The Group has applied IFRS 11 to all joint arrangements. Under IFRS 11, investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations each investor, rather than the legal structure of the joint arrangement. The Group has in the prior year assessed the nature of its joint arrangements and determined them to be joint ventures. Joint ventures are accounted for using the equity method, except those whose SPVs are classified as venture capital organisations are carried at fair value through profit or loss.

The SPVs that hold these investments qualify for the venture capital exemption and therefore the investments are carried at fair value through profit and loss with changes in the fair value recognised in the statement of comprehensive income in the period of change.

2.4 Financial Instruments (continued)

2.4.3 Investments in equity instruments (continued)

Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss and movements in other comprehensive income of the investee after the date of acquisition. The investor's share of the profit or loss and movements in other comprehensive income are presented in the statement of profit or loss or statement of other comprehensive based on the investee's annual financial statements. The Group's investment in associates includes goodwill identified on acquisition.

Changes in the fair value of associates carried at fair value through profit and loss are recognised in the income statement in the period of change.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

The group's share of post-acquisition profit or loss is recognised in the income statement, its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income, and its equity movements, recognised directly in equity as "other reserves" with a corresponding adjustment to the carrying amount of the investment. When the group's share of losses in an associate equals or exceeds its interest in the associate, the group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

The group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to share of profit/(loss) of associates in the income statement.

Profits and losses resulting from upstream and downstream transactions between the group and its associate are recognised in the group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the group.

2.4.4 Financial liabilities

Loans from group companies, bank overdraft and trade and other payables are classified as financial liabilities subsequently measured at amortised cost.

Financial liabilities are recognised when the company becomes a party to the contractual provisions of the liability. The financial liabilities are measured, at initial recognition, at fair value plus transaction

2.4 Financial Instruments (continued)

2.4.4 Financial liabilities (continued)

costs, if any.

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

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

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

Financial liabilities expose the group to liquidity risk and interest rate risk. Refer to note 32 for details of risk exposure and management thereof.

2.4.5 Trade and other payables

<u>Classification</u>
Trade and other payables (note 19), excluding VAT and amounts received in advance, are classified as financial liabilities subsequently measured at amortised cost.

<u>Recognition and measurement</u>
They are recognised when the company becomes a party to the contractual provisions, and are measured, at initial recognition, at fair value plus transaction costs, if any.

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

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

If trade and other payables contain a significant financing component, and the effective interest method results in the recognition of interest expense, then it is included in profit or loss in finance costs (note 23).

2.4 Financial Instruments (continued)

2.4.5 Trade and other payables (continued)

Trade and other payables expose the company to liquidity risk and possibly to interest rate risk. Refer to note 32 for details of risk exposure and management thereof.

2.4.6 Financial liabilities at fair value through profit or loss

Classification
Financial liabilities which are held for trading are classified as financial liabilities mandatorily at fair value through profit or loss.

The group, does, from time to time, designate certain financial liabilities as at fair value through profit or loss. The reason for the designation is to reduce or significantly eliminate an accounting mismatch which would occur if the instruments were not classified as such; or if the instrument forms part of a group of financial instruments which are managed and evaluated on a fair value basis in accordance with a documented management strategy; or in cases where it forms part of a contract containing an embedded derivative and IFRS 9 permits the entire contract to be measured at fair value through profit or loss.

Recognition and measurement
Financial liabilities at fair value through profit or loss are recognised when the company becomes a

party to the contractual provisions of the instrument. They are measured, at initial recognition and subsequently, at fair value. Transaction costs are recognised in profit or loss.

Fair value gains or losses recognised on investments at fair value through profit or loss are included in fair value through profit or loss (note 22).

For financial liabilities designated at fair value through profit or loss, the portion of fair value adjustments which are attributable to changes in the company's own credit risk, are recognised in other comprehensive income and accumulated in equity in the reserve for valuation of liabilities, rather than in profit or loss. However, if this treatment would create or enlarge an accounting mismatch in profit or loss, then that portion is also recognised in profit or loss.

Interest paid on financial liabilities at fair value through profit or loss is included in finance costs (note 23)

Derecognition
The changes in fair value attributable to changes in own credit risk which accumulated in equity for financial liabilities which were designated at fair value through profit or loss are not reclassified to profit or loss. Instead, they are transferred directly to retained earnings on derecognition.

2.4 Financial Instruments (continued)

2.4.7 Cash and cash equivalents

Cash and cash equivalents are stated at carrying amount which is deemed to be fair value. These are initially and subsequently measured at amortised cost.

Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. The company's analysis is based on the following three components:

- short term, highly liquid;
- readily convertible to known amounts; and
- insignificant risk of changes in value.

The maturity period used for classification is measured from date of classification and not reporting date.
short-term cash commitments. For example, is the instrument a short-term investment or is it used to pay operating expenses and day-to-day activities.

Money market funds
Investments in money market funds are classified as either cash or cash equivalents or equity investments based on the following criteria:

- if the amount of cash that will be received is known with a high degree of certainty at the time of the initial investment;
- an assessment indicating the following is satisfied:
  - substantially all of the money market funds' investments qualify individually as cash and cash equivalents;
- the fund policies only permit investments in cash and cash equivalents with some of the following policies, amongst others:
  - constant net asset value with limitations on volatility (0.5%);
  - returns benchmarked to short-term money market interest rates;
  - highest credit rating;
  - investment in high-quality instruments, typically short term, with high liquidity and a maximum weighted average maturity of a few weeks (typically 60 – 90 days);
  - highly diversified portfolio; and
  - affiliation to or membership of a money market association that ensures maintenance of high standards in its code of practice.

Money market funds that have a constant net asset value of 1:1 or insignificant risks of changes in value are classified as cash and cash equivalents and measured in terms of IFRS 9 amortised cost or fair value through profit or loss. If the cash and cash equivalent definition is not met, money market funds are classified as equity or debt instruments measured in terms of IFRS 9 amortised cost or fair value through profit or loss.

2.4 Financial Instruments (continued)

2.4.7 Cash and cash equivalents (continued)

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 company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the company retains substantially all the risks and rewards of ownership of a transferred financial asset, the company 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 company's 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.

Cash and cash equivalents are carried in the statement of financial position at cost. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held at call with banks, bank overdraft and other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown within borrowings and under current liabilities on the statement of financial position.

Investments in money market funds relate to investments in shares of liquidity funds of which the underlying investments have maturities of up to one year. The shares in these funds are callable daily.

2.5 Finance lease receivable

2.5.1 Finance leases

They are presented as lease receivables on the statement of financial position.

The interest rate implicit in the lease is used to measure the net investment in the lease. If the interest rate implicit in a sublease cannot be readily determined for a sublease, then the discount rate used for the head lease (adjusted for any initial direct costs associated with the sublease) is used to measure the net investment in the sublease.

The interest rate implicit in the lease is defined in a manner which causes the initial direct costs to be included in the initial measurement of the net investment in the lease.

2.5 Finance lease receivable (continued)

2.5.1 Finance leases (continued)

Lease payments included in the measurement of the net investment in the lease comprise the following:

- fixed lease payments, including in-substance fixed payments, less any lease incentives payable;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be receivable by the group from the lessee, a party related to the lessee or a third party unrelated to the group under residual value guarantees (to the extent of third parties, this amount is only included if the party is financially capable of discharging the obligations under the guarantee);
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the option;
- penalties for early termination of a lease, if the lease term reflects the exercise of an option to terminate the lease.

The group recognises finance income over the lease term, based on a pattern that reflects a constant periodic rate of return on the net investment in the lease. Finance income recognised on finance leases is included in finance income in profit or loss (note 23).

The group applies the impairment provisions of IFRS 9 to lease receivables.

2.5.2 Exposure to credit risk

Finance lease receivables inherently exposes the group to credit risk, being the risk that the group will incur financial loss if counterparties fail to make payments as they fall due.

In order to mitigate the risk of financial loss from defaults the group only deals with reputable counterparties with consistent payment histories. Credit risk is mitigated by holding the leased assets as collateral. Each counterparty is analysed individually for creditworthiness before terms and conditions are offered. The analysis involves making use of information submitted by the counterparties as well as external bureau data (where available). The exposure to credit risk and the creditworthiness of counterparties is continuously monitored.

Finance lease receivables are subject to the impairment provisions of IFRS 9 Financial Instruments, which requires a loss allowance to be recognised for all exposures to credit risk. The loss allowance for finance lease receivables is calculated based on twelve-month expected losses if the credit risk has not increased significantly since initial recognition. In cases where the credit risk has increased significantly since initial recognition the loss allowance is calculated based on lifetime expected credit losses. The loss allowance is updated to either twelve-month or lifetime expected credit losses at each reporting date based on changes in the credit risk since initial recognition. If a lease is considered to have a low credit risk at the reporting date, then it is assumed that the credit risk has not increased significantly since initial recognition.

2.5 Finance lease receivable (continued)

2.5.2 Exposure to credit risk (continued)

In determining the amount of expected credit losses, the group has taken into account any historic default experience, the financial positions of the counterparties as well as the future prospects in the industries in which the counterparties operate or are employed. This information has been obtained from the counterparties themselves, as well as from economic reports, financial analyst reports and various external sources of actual and forecast data and is applied to estimate a probability of occurring as well as estimating the loss upon default.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period. The maximum exposure to credit risk is the carrying amount of the leases as presented above.

2.5.3 Exposure to interest rate risk

Refer to note 33 Financial instruments and financial risk management for details of interest rate risk management for finance lease receivables.

2.6 Deferred taxation

Deferred tax assets and liabilities are provided in full, using the liability method, temporary differences arising between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax is determined using tax rates that have been enacted or substantively enacted before the statement of financial position date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available, against which the temporary differences can be utilised.

2.7 Inventories

Inventories are measured at the lower of cost or net realisable value. The cost of inventories comprises all cost of purchases, cost of conversion and other costs incurred in bringing the inventories to their present location and condition and is assigned by using the weighted average cost formula. Net realisable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and the estimated cost necessary to make the sale.

2.8 Employee benefits

The Group operates various post-employment schemes, including defined contribution pension plans and post-employment medical plans.

2.8.1 Short-term benefit

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

2.9 Share based payments

2.9.1 Long Term Incentive Scheme

Cash-settled share based compensation plans

The services acquired and the liability incurred are measured at fair value for cash settled share based payments. Until the liability is settled, it is measured at fair value at the end of each reporting period and at the date of settlement, with any changes in fair value recognised in profit or loss for the period.

The participation in the scheme is limited to executives and senior management individuals. The value of the reference shares is the NAV of the RBH portfolio based on the fair value of the assets net of deferred capital gain as at year-end divided by 100 000 000 units. The conditional awards vest three years from when they were granted and the share appreciation rights (SARs) vests three years from when they were granted but will have a two-year period after the vesting date to exercise vested SARs. A Black Scholes model was used to measure the LTI and the volatility index was determined by assessing the volatility of the listed assets.

Nil Cost Option Awards under the Scheme are subject to the participant being in continued employment for 3 years vesting period to receive 60% of the awards and 4 year vesting to receive the remaining 40% of the awards.

The group operates one cash-settled long-term incentive plan, which allows for the award of 3 types of LTI instruments:
• appreciation rights in the form of SARs;
• full value shares in the form of conditional awards; and
• nil cost options (NCOs), which are full shares subject to performance conditions.

The Plan is a notional plan in that Participants will not be entitled to acquire actual shares, but the Plan will enable a Participant to receive future cash amounts subject to the conditions of the Plan.

The SARs Awards provide participants with a conditional rights to share in the increase in value of a fixed number of SARs over the vesting period and are subject to tenure performance conditions, the

2.9 Share based payments (continued)

2.9.1 Long Term Incentive Scheme (continued)

Cash-settled share based compensation plans (continued)

value which will be paid in cash. Participants will not be required to pay for the grant of a SAR or to make any payment on vesting. Therefore, benefits delivered under the SAR awards will be at no costs to the participants.

The Conditional Awards provides participants with a conditional rights to phantom shares to a participation on the vesting date, subject to tenure requirements, the value which will be paid in cash. Participants will not be required to pay for the grant of an award or to make any payment on vesting. Therefore, benefits delivered under the Conditional awards will be at no costs to the participants.

SARs and NCOs will be subject to financial and non financial performance conditions and continued employment as well as a dividend gatekeeper.

Conditional shares will be subject to continued employment and the dividend gatekeeper.

2.10 Borrowings

Financial liabilties which are held for trading are classified as financial liabilities mandatorily at fair value through profit or loss.

The group, does, from time to time, designate certain financial liabilities as at fair value through profit or loss. The reason for the designation is to reduce or significantly eliminate an accounting mismatch which would occur if the instruments were not classified as such; or if the instrument forms part of a group of financial instruments which are managed and evaluated on a fair value basis in accordance with a documented management strategy; or in cases where it forms part of a contract containing an embedded derivative and IFRS 9 permits the entire contract to be measured at fair value through profit or loss.

Loans from shareholder and financial liabilities are classified as financial liabilities and loans from related parties subsequently measured at amortised cost.

Financial liabilities and loans from related parties are recognised when the company becomes a party to the contractual provisions of the loan. The loans are measured, at initial recognition, at fair value plus transaction costs, if any.

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

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate

2.10 Borrowings (continued)

that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Interest expense, calculated on the effective interest method, is included in profit or loss in finance costs (note 23).

Financial liabilities and loans from related parties expose the company to liquidity risk and interest rate risk. Refer to note 32 for details of risk exposure and management thereof.

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

2.11 Financial lease liabilities and right of use assets

Lease payments included in the measurement of the lease liability comprise the following:
• fixed lease payments, including in-substance fixed payments, less any lease incentives.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability (or right-of-use asset). The related payments are recognised as an expense in the period incurred and are included in operating expenses.

The lease liability is presented as a separate line item on the statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect lease payments made. Interest charged on the lease liability is included in finance costs (note 23).

The group's obligations under leases are secured by the lessor's charge over the leased assets. Refer to note 9.

The group assesses whether a contract is, or contains, a lease at the inception of the contract.

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

In order to assess whether a contract is, or contains, a lease management determines whether the asset under consideration is "identified", which means that the asset is either explicitly or implicitly specified in the contract and that the supplier does not have a substantial right of substitution throughout the period of use. Once management has concluded that the contract deals with an identified asset, the right to control the use thereof is considered. To this end control over the use of

2.11 Financial lease liabilities and right of use assets (continued)

an identified asset only exists when the group has the right to substantially all of the economic benefits from the use of the asset as well as the right to direct the use of the asset.

In circumstances where the determination of whether the contract is, or contains, a lease requires significant judgement, the relevant disclosures are provided in the "significant judgements and sources of estimation uncertainty" section of these accounting policies.

2.11.1 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 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).

2.11.2 Right-of-use assets

Right-of-use assets are presented as a separate line item on the statement of financial position.

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

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

Right-of-use assets are depreciated over the shorter period of the lease term and useful life of the underlying asset using the straight-line method. However, if a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. Depreciation starts at the commencement date of a lease.

2.11 Financial lease liabilities and right of use assets (continued)

2.11.2 Right-of-use assets (continued)

For right-of-use assets which are depreciated over their useful lives, the useful lives are determined consistently with items of the same class of property, plant and equipment. Refer to the accounting policy for property, plant and equipment for details of useful lives.

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

The depreciation charge for each year is recognised in profit or loss unless it is included in the carrying amount of another asset.

2.11.3 Group as lessor

Leases for which the group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. Lease classification is made at inception and is only reassessed if there is a lease modification.

When the group is an intermediate lessor it accounts for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease. If the head lease is a short-term lease to which the group applies the exemption described previously, then it classifies the sublease as an operating lease.

The various lease and non-lease components of contracts containing leases are accounted for separately, with consideration being allocated by applying IFRS 15.

The group leases several assets, including the office building, computer equipment (including printers, binders and laptops) and a storage facility. The average lease term is two years (2022: three years).

The group adopted IFRS16 for the first time in the 2019 financial year. During the 2023 financial year, there was a lease modification on the building lease. The building lease (together with the non-lease items) was extended by 22 months from 28 February 2024 to 31 December 2025.

2.12 Trade and other payables

Trade payables represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due

2.12 Trade and other payables (continued)

within 12 months after the reporting period.

Trade payables are initially carried at the fair value of the consideration agreed for goods or services that have been received or supplied and invoiced or formally agreed with the supplier. Subsequently, they are measured at amortised cost using the effective interest rate method.

2.13 Revenue

Rental income
Rental income is obtained from the rental of various assets to various leases. The rental income is recognised on a straight-line basis over the lease term.

Royalty income
Royalty income is derived from the leasing of the land owned by the RBN to mining entities mining in the RBN lease area. The royalty income is recognised as revenue when the income accrues to RBN based on the contractual terms.

Revenue from sale of products
Accommodation revenue is recognised overtime as the guests use the rooms. Food and beverages are recognised at a point in time when the foods and beverages are sold to the customer. Other revenue is recognised as the performance of service is provided to the customer.

Deferred royalty income
Royalty income received in advance is presented as a liability "deferred royalty income" and is amortised to the income statement as royalty income on a straight line basis over the period (32 years) the contract. The difference between the deferred royalty income amortised and the fair value of the deferred royalty income on recognition date is recognised as a national interest and debited to finance cost.

Dividend income
Dividends are received from financial assets measured at fair value through profit or loss (FVPL) and at fair value through other comprehensive income (FVOCI).

The Group recognises dividend income when the Group's right to receive payment is established. This is on the last day to trade for listed shares and on the date of declaration for unlisted shares.

2.14 Impairment loss

2.14.1 For non-financial assets

Property, plant and equipment and other non-current assets, are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be

2.14 Impairment loss (continued)

2.14.1 For non-financial assets (continued)

recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount, that is, the higher of an asset's fair value less cost to sell and value in use. For the purpose of assessing impairment, assets are Grouped at the lowest levels for which there are separately identifiable cash flows. Non-financial assets, other than goodwill that suffered impairment, are reviewed for possible reversal of the impairment at each reporting date.

2.14.2 Impairment of financial assets

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or Group of financial assets is impaired. A financial asset or a Group of financial assets are impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or Group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a Group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

<u>Assets carried at amortised cost</u>
For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate.

The carrying amount of the asset is reduced and the amount of the loss is recognised in the consolidated income statement. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Group may measure impairment on the basis of an

instrument's fair value using an observable market price.

<u>Critical accounting estimates and assumptions</u>
The Group follows the guidance of IFRS 9 to determine when a financial asset is impaired. The determination requires significant judgement. In making the judgement, the Group evaluates the duration and the extent to which the fair value of a financial asset is less than its cost, and the financial health of the near-term business outlook of the investee, including factors such as industry and sector performance, changes in technology, and operational and financing cash flows.

2.15 Other income

Other income is recognised on an accrual basis when it is both probable that the economic benefits associated with the transaction will flow to the Group and the amount of the revenue can be measured reliably.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where the items are remeasured. Foreign exchange gains or losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies, are recognised in other income.

2.16 Net finance cost

Interest income is recognised on a time proportion basis, taking account of the principal outstanding and the effective rate over the period of maturity, when it is probable that such income will accrue to the Group.

Borrowing costs are charged to interest expense.

2.17 Income tax expense

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Current tax comprises tax payable calculated on the basis of the tax laws enacted at the reporting date.

Critical accounting estimates and assumptions

Significant judgement is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determinations are made.

2.18 Financial risk management

Financial risk factors

The Group's activities expose it to a variety of financial risks: liquidity risk, credit risk, market risk and commodity price risk. The Group's overall risk management programme focuses on the unpredictability of the financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain risk exposures.

2.18.1 Liquidity risk

Liquidity risk is the risk that the Group will be unable to meet its financial commitments in any location or currency. This risk is minimised through the holding of cash balances and sufficient available borrowing facilities (refer to Note 18). In addition, detailed cash flow forecasts are regularly prepared and reviewed by the Finance Department and the Board. The cash needs of the Group are managed according to its requirements. The following table details the Group's contractual maturity for its non-derivative financial liabilities. The table has been compiled based on the undiscounted cash flows of financial liabilities from the earliest date on which the Group can be required to repay the liability. The cash flows include both the principal and interest payments.

2.18.2 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 to group companies at fair value through profit or loss, preference share investments at fair value through profit or loss, trade and other receivables, finance lease receivables, cash and cash equivalents, loan commitments and financial guarantees.

Credit risk for exposure 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 analysis involves making use of information submitted by the counterparties as well as external bureau data (where available). The exposure to credit risk and the creditworthiness of counterparties are 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.

Credit loss allowances for expected credit losses are recognised for all debt instruments, but exclude those measured at fair value through profit or loss. Credit loss allowance are also recognised for loan commitments and financial guarantee contracts if not designated through profit or loss.

2.18 Financial risk management (continued)

2.18.3 Foreign exchange risk

The Group has direct exposure to foreign currency risk through foreign denominated invoices incurred during the year and accruals raised at year-end.

The portfolio is exposed to foreign currency risk through foreign investments held by its underlying SPVs.

2.18.4 Price risk

The group through its subsidiaries is exposed to equity securities price risk because of the investments it holds that are classified on the consolidated statement of financial position as either available-for-sale investment or at fair value through profit and loss. To manage the risk, the Group diversifies its portfolio. The Group's investments in equities of other entities are publicly traded and are included as part of the All Share Index (ALSI).The portfolio's foreign listed equities are publicly traded and are included as part of the Financial Times Stock Exchange (FTSE).

2.18.5 Capital risk management

The Group's objective when managing capital (which includes share capital, liabilities, working capital and cash and cash equivalents) is to maintain a flexible capital structure that reduces the cost of capital to an acceptable level of risk and to safeguard the group's ability to continue as a going concern while taking advantage of strategic opportunities in order to maximise stakeholder returns sustainably.

The Group manages capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain the capital structure the group may adjust the amount of dividends paid to the shareholder, return capital to the shareholder,repurchase shares currently issued, issue new shares, issue new debt, issue new debt to replace existing debt with different characteristics and/or sell assets to reduce debt.

The Group measures capital through its debt covenant ratios which are disclosed in note 34.

2.18.6 Fair value estimation

The group has adopted IFRS 7 for financial instruments that are measured in the statement of financial position at fair value and this requires disclosure of fair value measurements by level of the following fair value measurement hierarchy i.e. Quoted price, inputs other than quoted prices that are based on the observable data and inputs that are based on unobservable inputs.

2.18 Financial risk management (continued)

2.18.6 Fair value estimation (continued)

The table below analyses financial instruments carried at fair value by valuation method. The different levels have been defined as follows:

Level 1: Quoted prices in active markets for the identical assets or liabilities.
Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs). The assumptions relating to the level 3 valuations have been included in the applicable notes.

3. New Standards and Interpretations

3.1 Standards and Interpretations effective and adopted in the current year

In the current year the company has adopted the following standards and interpretations that are effective for the current financial year.

Standard/ Interpretation:	Effective date:	Impact Analysis	Expected Impact
IAS 8 Accounting policies, change in accounting estimates and errors.	01 January 2023	**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. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". The requirements for recognising the effect of change in accounting prospectively remain unchanged.	No material impact as there were no changes in accounting estimates in the current year. The amendment will be considered for any future changes in accounting policies and estimates.
IAS 12 Income Taxes	01 January 2023	**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. In specified circumstances, companies are exempt from recognising deferred tax when they recognise assets or liabilities for the first time. The aim of the amendments is to reduce diversity in the reporting of deferred tax on leases and decommissioning obligations, by when the exemption from clarifying recognising deferred tax would apply to the initial recognition of such items.	The impact of the amendment is not material as no new leases were entered into.
IAS 1 Presentation of Financial Statements	01 January 2023	**Classification of Liabilities as Current of Non-current:** Narrow scope amendments to IAS 1 to clarify how to classify debt and other liabilities as current or non-current. **Disclosure of Accounting Policies:**	The impact of the amendment is not material. Management has assessed the material accounting

3.1 Standards and interpretations effective and adopted in the current year (continued)

Standard/ Interpretation:	Effective date:	Impact Analysis	Expected Impact
		The amendment requires 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.	policies and the accounting policies for intangible assets has been removed as this is not considered material. The assessment will be performed on an annual basis.
IFRS 17 and IFRS 9 Comparative Information	01 January 2023	**Initial application of IFRS 17 and IFRS 9 - Comparative Information (Amendment to IFRS 17):** The amendment is a transition option relating to comparative information about financial assets presented on initial application of IFRS 17. The amendment is aimed at helping entities to avoid temporary accounting mismatches between financial assets and insurance contract liabilities, and therefore improve the usefulness of comparative information for users of financial statements.	The impact of the amendment is not material as IFRS 17 is not applicable to the group.
IFRS 17 Insurance contracts	01 January 2023	**Insurance contracts:** Insurance contracts combine features of both a financial instrument and a service contract. In addition, many insurance contracts generate cash flows with substantial variability over a long period. To provide useful information about these features, IFRS 17: • combines current measurement of the future cash flows with recognition of profit over the period that services are provided under the contract; • presents insurance service results (including presentation of insurance revenue) separately from insurance finance income or expenses; and • requires an entity to make an accounting policy choice of whether to recognise all insurance finance income or expenses in profit or loss or to recognise some of that income or expenses in other comprehensive income.	The impact of the amendment is not material as IFRS 17 is not applicable to the group.

3.2 Standards and Interpretations not yet effective

The group has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the company's accounting periods beginning on or after 1 January 2024 or later periods:

Standard/ Interpretation:	Effective date:	Impact Analysis	Impact
Amendment to IFRS 16 - Leases on sale and lease back	01 January 2024	These amendments include requirement for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.	The impact is not considered material as no sale and leaseback transactions have been entered into by the group
Amendment to IAS 1 - Non-current liabilities with covenants	01 January 2024	These amendments clarify how conditions with which an entity must comply within 12 months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provides related to liabilities subject to these conditions.	The extent of the disclosure required will be assessed to the extent that the portfolio recourse debt is still applicable to the group
Amendment to IAS 7 and IFRS 7 - Supplier finance	01 January 2024	These amendments requires disclosure to enhance the transparency of supplier finance arrangements and their effects on an entity's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis.	The impact is not considered material as no supplier finance arrange-ments have been entered into.
Amendments to IAS 21 - Lack of exchangeability	01 January 2025	An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal admini-strative delay), and the transaction would	The impact will be assessed based on foreign currency transactions entered into during the financial year.

3.2 Standards and interpretations not yet effective (continued)

Standard/ Interpretation:	Effective date:	Impact Analysis	Impact
		take place through a market or exchange mecanism that creates enforceable rights and obligations.	
IFRS S1 General Requirements for Disclosure of Sustainablility Related Financial Information and IFRS S2 Climate-related Disclosures	01 January 2024	IFRS Sustainablility Disclosure Standards: • The International Sustainablitiy Standards Board (ISSB) issued its first 2 standards on 26 June 2023: - General Requirements for Disclosure of Sustainability Related Financial Information (IFRS S1), which is the core framework for the disclosure of material information about sustain-ability-related risks and opportunities across an entity's value chain. - Climate-related Disclosures (IFRS S2), which is the first thematic standard, and sets out requirements for entities to disclose information about climate related risks and opportunities.	The impact of the disclosures required will be considered in line with reporting to the Social and Ethics Committee.
Ammendment to IFRS 9 and IFRS 7. Classification and measurements of financial instruments	01 January 2026	The ammendments are applicable to: *Derecognition of a financial liability settled through electronic transfer: *Classification of financial assets *Disclosures	The impact of the disclosures required will be considered in the preparation of the annual financial statements.
IFRS 18 Presentation and Disclosure in Financial Statements	01 January 2027	IFRS 18 includes requirements for all entities applying IFRS for the presentation and disclosure of information in financial statements.	The impact of the disclosures required will be considered in the preparation of the annual financial statements.
IFRS 19 Subsidiaries without Public Accountability: disclosures	01 January 2027	IFRS 19 specifies reduced disclosure Star requirements that an eligible entity is permitted to apply instead of the disclosure requirements in other IFRS Accounting.	The impact of the disclosures required will be considered in the preparation of the annual financial statements.

4. Property, plant and equipment

Figures in R'000	Land and Buildings	Furniture and Fittings	Plant and Machinery	Work-in-progress	Office and Computer Equipment	Vehicles and Equipment	Helicopters and Drones	Capital-ised Lease-hold Improve-ments	Total
Balance at 01/01/2023	1,468,455	3,984	61,231	24,544	16,841	8,024	1,997	303	1,585,379
Additions	5,275	1,380	1,436	38,555	13,497	30,675	-	-	90,818
Disposal of assets	-	-	-	-	(19)	-	-	-	(19)
Depreciation	(57,383)	(936)	(3,744)	-	(7,342)	(4,095)	(420)	(44)	(73,964)
Balance at 31/12/2023	**1,416,347**	**4,428**	**58,923**	**63,099**	**22,978**	**34,605**	**1,577**	**259**	**1,602,214**

Reconciliation of property, plant and equipment - 2023

Figures in R'000	Land and Buildings	Furniture and Fittings	Plant and Machinery	Work-in-progress	Office and Computer Equipment	Vehicles and Equipment	Helicopters and Drones	Capital-ised Lease-hold Improve-ments	Total
Cost	2,381,190	59,632	161,890	63,099	115,488	99,165	91,050	10,720	2,982,234
Accumulated depreciation and impairment	(964,843)	(55,204)	(102,954)	-	(92,525)	(64,560)	(89,473)	(10,461)	(1,380,020)
Balance at 31/12/2023	**1,416,347**	**4,428**	**58,936**	**63,099**	**22,963**	**34,605**	**1,577**	**259**	**1,602,214**

No assets were pledged as security during the current financial year.

Work-in-progress

This relates to construction cost of Lefaragatlhe pump station which was not completed at year end. The project completion date is 2024.

4. Property, plant and equipment (Continued)

Figures in R'000	Land and Buildings	Furniture and Fittings	Plant and Machinery	Work-in-progress	Office and Computer Equipment	Vehicles and Equipment	Helicopters and Drones	Capital-ised Lease-hold Improve-ments	Total
Balance at 01/01/2022	1,518,159	3,227	57,718	13,622	10,916	4,470	-	415	1,608,527
Additions	7,477	1,909	6,385	10,922	12,623	5,968	2,099	21	47,404
Disposal of assets	-	-	-	-	(69)	-	-	-	(69)
Depreciation	(57,181)	(1,152)	(2,870)	-	(6,630)	(2,415)	(102)	(133)	(70,483)
Balance at 31/12/2022	1,468,455	3,984	61,233	24,544	16,840	8,023	1,997	303	1,585,379

Reconciliation of property, plant and equipment - 2022

	Land and Buildings	Furniture and Fittings	Plant and Machinery	Work-in-progress	Office and Computer Equipment	Vehicles and Equipment	Helicopters and Drones	Capital-ised Lease-hold Improve-ments	Total
Cost	2,375,915	58,253	160,532	24,544	102,165	68,901	91,051	10,720	2,892,081
Accumulated depreciation									-
and impairment	(907,460)	(54,269)	(99,301)	-	(85,324)	(60,877)	(89,054)	(10,417)	(1,306,702)
Balance at 31/12/2022	1,468,455	3,984	61,231	24,544	16,841	8,024	1,997	303	1,585,379

No assets were pledged as security during the current financial year.
Work-in-progress
This relates to construction cost of Lefaragatlhe pump station which was not completed at year end. The project completion date is 2023.

5. Significant subsidiary

Summarised financial information on subsidiary

	Royal Bafokeng Nation Development Trust Group	
	2023	2022
	R'000	R'000
Summarised statement of financial position		
Current		
Assets	10,785,868	10,284,239
Liabilities	(1,254,596)	(1,362,481)
Total current net assets	**9,531,272**	**8,921,758**
Non-current		
Assets	44,464,917	41,648,885
Liabilities	(5,089,887)	(5,202,979)
Total non-current net assets	**39,375,030**	**36,445,906**
Net assets	**48,906,302**	**45,367,664**
Summarised statement of comprehensive income		
Revenue	(1,456,252)	149,592
Profit before tax	7,445,942	2,002,315
Taxation	(946,102)	140,143
Total comprehensive profit	**6,499,840**	**2,142,458**
Summarised cash flows		
Cash flows from operating activities		
Cash flow (used in) operations	(375,040)	(211,239)
Interest paid	(146,873)	(139,916)
Income tax paid	(366,659)	(260,930)
Net cash generated from operating activities	**(888,572)**	**(612,085)**
Net cash generated from investing activities	**29,825**	**2,871,362**
Interest received	825,297	697,793
Dividend received	1,831,702	1,853,900
Net cash used in financing activities	**(2,260,768)**	**(2,307,993)**
Net increase in cash and cash equivalents	**(462,516)**	**2,502,977**
Cash opening balance	**5,252,308**	**2,757,647**
Effects of exchange rate movement on cash balances	**87,210**	**(8,316)**
Cash and Cash equivalents at the end of the year	**4,877,002**	**5,252,308**

6. Financial Instruments

6.1 Non-current financial assets

	Notes	2023 R'000	2022 R'000
Financial asset at fair value through profit and loss(FVTPL):			
Investment in NEPI Roc	6.1.1	652,315	531,999
Investment in First Rand	6.1.2	12,268,812	10,367,822
Investment in Big Yellow Group	6.1.3	839,502	696,497
Enel Option - Adams Solar & Electra	6.1.4	192,049	189,764
Investment in Stanlib	6.1.5	261,837	269,098
Investment in Transaction Capital	6.1.6	307,106	1,273,837
Investment in RB Plats	6.1.7	-	1,568,771
Investment in Dis-chem Pharmacies	6.1.8	1,747,415	1,636,956
Investment in ISQ	6.1.9	400,915	95,460
Option asset in AFF2B	6.1.10	26,529	22,741
Investment in Bakwena Platinum Corridors Concessionaire	6.1.11	32,413	37,811
Investment in Discovery	6.1.12	3,403,054	2,921,539
Investment in Momentum Metropolitan	6.1.13	-	426,501
Investment in Global Equity Funds	6.1.14	1,443,721	600,640
Investment in All Weather Capital	6.1.15	152,706	150,264
Investment in Nuco chrome	6.1.16	810,542	697,168
Investment in Vision Capital	6.1.17	457,055	-
Other financial assets	6.1.18	82,156	52,277
Total Financial asset at FVTPL		**23,078,127**	**21,539,145**

Refer below for details of the investments classified as financial assets at fair value through profit and loss and Other Comprehensive Income.

6.1.1 NEPI Rockcastle Plc ("NEPIRoc")

Background
NEPIROCK is a commercial property investor and developer listed on the Main Board of the, Johannesburg stock Exchange Limited, Euronext Amsterdam and A2X. NEPIROCK is the premier owner and operator of shopping centres in Central and Eastern Europe.

During the prior financial year NEPIROCK redomiciled from Isle of Man to the Netherlands and changed its name to NEPI Rockcastle NV. The number of shares held by the company remain unchanged.

Proportion of ownership
The percentage shareholding in NEPI Roc is 0.85% percent (2022: 0.85% percent).

6. Financial Instruments (continued)

6.1.1 NEPI Rockcastle Plc ("NEPIRoc") (continued)

	2023 R'000	2022 R'000
Non-current		
Opening balance	531,999	547,122
Fair value adjustment	175,294	(15,123)
Return of capital	(54,978)	-
Closing balance	**652,315**	**531,999**

The investment is classified as financial asset. The investment is measured at fair value using the closing spot price. The closing price for NEPIROCK was R126.38 (2022:R103.07) per share at 31 December 2023.

The group received distributions of R 54 978 253 (2022: R 35 366 986) distribution notice, shareholders had the opportunity to elect to receive the distribution in the form of a capital reduction, an ordinary cash dividend out of distributable profits or as a return of capital by way of an issue of new shares (scrip dividend).

The group elected to receive the distribution in the form of a capital reduction that would be treated as a return of capital, a return of contributed tax capital and a reduction in base cost for the purpose of the Income Tax Act.

6.1.2 FirstRand ("FSR")

<u>Background</u>
FirstRand is a portfolio of integrated financial services businesses and offers a universal set of transactional, lending, investment and insurance products services.

231 499 917 FSR shares were received as a result of the RMH unbundling in 2020. Subsequent to the unbundling, the group sold 21.4 million FSR shares with 210 099 917 shares remaining in 2020. The group sold 43.2 million FSR shares in 2021 with 166 899 896 shares remaining in 2022. No FRS shares were sold in 2023.

In 2021 financial year 166 825 795 FSR shares were pledged as security for the Salestalk HoldCo (Pty) Ltd preference shares and the Royal Bafokeng Holdings Proprietary Limited revolving credit facility. In the current year, Salestalk HoldCo (Pty) Ltd refinanced the debt and the FSR shares were released from the security previously held.

The investment is classified as a financial asset. The investment is measured at fair value using the closing spot price. The closing price for FirstRand was R73.51 (2022:R62.12) at 31 December 2023.

6. Financial instruments (continued)

6.1.2 FirstRand ("FSR") (continued)

Proportion of ownership
The shareholding in FirstRand was 3% at year-end.

	2023 R'000	2022 R'000
Non-current		
Opening balance	10,367,822	10,147,514
Fair value adjustment	1,900,990	220,308
Closing balance	**12,268,812**	**10,367,822**

6.1.3 Big Yellow Group ("BYG")

Background
During the 2016 financial year, Royal Bafokeng Impala Investment Holding Company (Pty) Ltd (a subsidiary of RBH) made an investment in BYG, a London Stock Exchange listed entity. BYG PLC is the UK's brand leader in self storage.

Proportion of ownership
The percentage shareholding in BYG is 1.9% (2022: 1.9% percent).

Non-current		
Opening balance	696,497	1,086,403
Fair value adjustment	47,568	(336,013)
Foreign currency translation differences	95,437	(53,893)
Closing balance	**839,502**	**696,497**

The investment is classified as a financial asset. The investment is measured at fair value using the closing spot price. The closing price of GBP 12.22 (2022: GBP 11.47) as at 31 December 2023. The foreign currency translation loss is exchange rate translation differences on the fair value in a foreign currency (GBP) of BYG which is reported as part of the fair value gain or loss in the income statement.

6.1.4 Enel Option

Background
The group entered into two agreements with ENEL Green Power RSA Proprietary Limited (Enel), the details of which are below:

Adams Solar
The Group entered into an agreement with Enel and ACI to acquire a stake in Adams Solar Project PV Two (RF) Pty Limited (Project Company). RBH through its subsidiary Lisinfo 245 Investments (Pty) Ltd holds 30% of the project company.

6. Financial Instruments (continued)

6.1.4 Enel Option (continued)

The Group's total commitment to the project company is R373,276,345, which will be funded primarily through loans from the BEE funders, ABSA and Nedbank.

The loans from the BEE funder have been guaranteed by Enel. The group committed R50 million of its own cash resources towards the project. The funds from the project company will first be utilized to settle the loans from the BEE funders.

Electra
The Group entered into an agreement with ENEL Green Power RSA Proprietary Limited (Enel) and Electra Community Investments (ECI) to acquire a 30% stake in Electra Capital (RF) Proprietary Limited (Project company). The project company was awarded the right to the development, construction and operations of a renewable energy facility. RBH through its subsidiary Lisinfo 219 Trading (Pty) Ltd holds 30% of the project company.

The Group's total commitment to the project company is R371,861,326, which will be funded entirely through loans from the BEE funders (Nedbank and ABSA). The loans from the BBE funder have been guaranteed by Enel. RBH will not contribute any of its cash resources towards the project.

Adams Solar and Electra option
The only risk the Group has in the project is the R50 million commitment RBH has made to the Adams Solar project as the funding has been fully guaranteed by Enel. This is insignificant when looking at the scope and expected returns of the project. In the event that the returns received are not as projected, the BEE funders will call on the guarantees. The RBH Group will lose the R50 million investment in the project, but no other company affiliated to Group can be called on to make good any losses. RBH did not contribute any cash resources towards the Electra project. The Electra funding has also been fully guaranteed by Enel.

Valuation
The fair value of the options is Level 3 on the fair value hierarchy. The valuation was performed by an independent expert using the Monte Carlo technique. Within the valuation the critical inputs are the spot value, shareholder loan and BEE funder loan facility balance. The valuation as at 31 December 2023 of R112.8 million (2022: R94.3 million) and R79.1 million (2022: R95.5 million) for Adams Solar and Electra respectively was determined using the following inputs:

	2023		2022	
Figures in R'000	**Adams Solar**	**Electra**	Adams Solar	Electra
Valuation Date	**12/31/2023**	**12/31/2023**	12/31/2022	12/31/2022
Expiry Date	**12/31/2028**	**8/31/2028**	12/31/2028	8/31/2028
Spot Value	**659,592,933**	**762 151984**	728,698,101	815,791,780
RBH 30% portion of equity value	**197 877880**	**228 645595**	218,609,430	244,737,534
Volatility	**20.74%**	**20.97%**	27.17%	27.77%
Dividend yield	**27.26%**	**19.51%**	12.83%	25.46%

6. Financial Instruments (continued)

6.1.4 Enel Option (continued)

Structure change

Adams Solar

Initially, on 31 December 2016 shareholders' loans with the BEE Co portion equal to R282,758,831 accruing interest at 24% NACA was in place. This loan has been converted to B-ordinary shares. For the purpose of this option valuation, the B-ordinary shares are assumed to be in place for the remaining operational life of the project. The B-ordinary shares will participate in 50.45% of the dividends of Adams until 31 December 2028.

Electra

Initially, on 31 August 2016 shareholders' loans accruing interest at 24% NACA was in place. This loan has been converted to B-ordinary shares in 2018 financial year. This loan has been in place for the remaining operational life shares are assumed to be in place for the remaining operational life of the project. The B ordinary shares will participate in 42.68% of the dividends of Electra until 31 August 2028.

Sensitivity analysis

A 1% increase/decrease in the spot value will increase/decrease the option value by R2 million (2022: R1.7 million) and R2.3 million (2022: R2.4 million) for Adams Solar and Electra respectively.

A 5% increase/decrease in the volatility will increase/decrease the option value by R0.1 million (2022: R7.2 million) and R1.9 million (2022: R2.5 million) for Adams Solar and Electra respectively.

	2023 R'000	2022 R'000
Non-current		
Opening balance	189,764	308,919
Fair value adjustment	2,285	(119,155)
Closing balance	**192,049**	**189,764**
The fair value split of the options is as follows:	**192,049**	**189,764**
Adam Solar	112,876	94,282
Electra	79,174	95,482

6.1.5 Investment in Stanlib Infrastructure Private Equity Fund (Pty) Ltd ("Stanlib")

Background

RBH Group Ltd holds 13.5% in Stanlib Private Equity Infrastructure Fund (Pty) Ltd (Stanlib) incorporated in South Africa. The purpose of the fund is to carry on business as a long term investor and to acquire and hold investments to derive income and achieve long term appreciation. The total fund size is R1,189 million. The investment in Stanlib is carried at fair value. The fair value of the investment in Stanlib is R261.8 million (2022: R269.1 million) (Level 3) which was determined by fair

6. Financial Instruments (continued)

6.1.5 Investment in Stanlib Private Equity Infrastructure Fund (Pty) Ltd ("Stanlib") (continued)

valuing a sum-of-the-parts valuations by valuing all the underlying projects based on a discounted cash flow methodology.

Proportion of ownership
The percentage shareholding in Stanlib is 13.50% (2022: 13.50%).

	2023 R'000	2022 R'000
Non-current		
Opening balance	269,098	286,458
Fair value adjustment	(7,261)	(17,360)
Closing balance	**261,837**	**269,098**

6.1.6 Transaction Capital Limited ("TCP")

Background
Transaction Capital is an active investor and operator of credit-orientated alternative assets managed by experienced entrepreneurial management teams employing a rigorous value-led investment approach to generate risk-adjusted interest returns & capital appreciation whilst delivering social value.

During the 2021 financial year, the group made an investment in TCP, a JSE listed entity, by purchasing 12,000,000 shares in TCP at a price of R21 per share. On 14 January 2021, the TCP shareholders approved the specific share issue, which resulted the company executing the subscription agreement by acquiring 12,400,000 shares for R248,000,000 on 15 January 2021.

An additional R500 million was invested in the prior financial year.

Proportion of ownership
The percentage shareholding in TCP is 5.1% as at 31 December 2023 (2022: 5.1%)

	2023 R'000	2022 R'000
Non-current		
Opening balance	1,273,837	1,098,732
Acquisition of TCP	-	500,000
Fair value adjustment	(966,731)	(324,895)
Closing balance	**307,106**	**1,273,837**

The investment is classified as a financial asset. The investment is measured at fair value using the closing spot price. The closing price was R7.98 (2022:R33.10) at 31 December 2023.

6. Financial instruments (continued)

6.1.7 Royal Bafokeng Platinum Limited ("RB Plats")

Background
RBPlat is a mid-tier platinum group metals (PGM) producer listed on the JSE which operates Bafokeng Rasimone Platinum Mine (BRPM) and the Styldrift I mine. As of 21 July 2023 RBPlat operates as a subsidiary of Impala Platinum Holdings Limited.

The shares in RBPlat are held in two SPVs within the RBH Group, i.e. Royal Bafokeng Investment Holding Company Proprietary Limited (RBIH) and Emikaway Proprietary Limited (Emikaway).

On 8 November 2021 Royal Bafokeng Investment Holding Company Proprietary Limited (RBIH), an SPV within the RBH Group, entered into a sale of shares agreement with Northam Platinum Limited (Northam) to sell 93.9 million shares in RBPlat amounting to 32.8% for a purchase consideration of R17 billion, which purchase consideration would be settled by way of a combination of the issue of ordinary shares by Northam, upfront cash and deferred consideration. Further, RBIH entered into a put and call option on the remaining 1.6 million shares in RBPlat, in terms of which RBIH granted Northam a call option to acquire a further 0.5% of the RBPlat shares from RBIH for a purchase consideration of R135 per share escalating at 12% nominal annual compounded quarterly (NACQ), and Northam granted RBIH a put option to require Northam to acquire 0.5% of the RBPlat shares.

Emikaway Proprietary Limited currently holds 7.8 million shares in RBPlat, therefore the Royal Bafokeng Holdings group holds 3.3% of the investment in RBPlat at 31 December 2022.

Further to the above, on 3 December 2021, Emikaway entered into an option and right of first refusal (ROFR) agreement with Northam on the 7.8 million shares held in RBPlat. Emikaway granted Northam a call option to acquire 4 472 103 RBPlat shares held by Emikaway at R135 per shares in a 24-month exercisable period. Concurrently, Northam granted Emikaway a put option to sell 1 891 342 RBPlat shares at R135 per share. The put option is exercisable from 3 June 2022 until the expiry date of 3 December 2023.

On the remaining 3 367 673 RBPlat shares, Emikaway granted Northam a right of first refusal based on a five-day volume weighted average price (VWAP) purchase price per share. In terms of the ROFR, which remains in effect until 8 November 2024, if Emikaway wishes to dispose of all or a portion of the shares, it shall not be entitled to do so, nor shall it agree to do so, unless it first offers to sell the shares to Northam. No financial instrument has been recognised as these are rights afforded to Northam.

Emikaway has recognised a derivative asset on the put option received from Northam and a derivative liability on the call option granted to Northam.
On 20 July 2023 Northam released a Stock Exchange News Service (SENS) announcement confirming that it will be tendering all the shares that it held in RBPlat to Impala Platinum Limited's (Implats) mandatory offer of R90 + 0.3 Implats shares. On the basis that Northam would be tendering all the shares they held in RBPlat, it was agreed that Emikaway and Northam would terminate the ROFR agreement on the 7.8 million shares held by Emikaway in RBPlat.

The value of RBPlat disclosed below in the prior year is the number of remaining shares (9 513 471) at 31 December 2022 at the closing price. For the 2023 financial year, no values are disclosed since the investment was disposed of.

6. Financial instruments (continued)

6.1.7 Royal Bafokeng Platinum Limited ("RB Plats") (continued)

Proportion of ownership
The shareholding in RBPlats was 0% at year-end.

	2023 R'000	2022 R'000
Non-current		
Opening balance	1,568,771	1,487,146
Fair value adjustment	(292,063)	81,625
Disposal	(1,276,708)	-
Closing balance	-	**1,568,771**

The investment was classified as financial asset at fair value.The closing price for RBPlats was R164.90 at 31 December 2022.

Deferred consideration
The deferred consideration was settled in 2 tranches, being the 30th of April 2022 by payment of R4,000,000,000 and the 30th of September 2022 by payment of R1,585,286,843. As from the 8 November 2021, the deferred consideration has been escalated at a nominal annual rate equal to 12%, calculated on a daily basis, based on a 365-day year, compounded quarterly in arrears.

Summary of the deferred consideration:

	2023 R'000	2022 R'000
Current		
Opening balance	-	5,664,246
Deferred consideration on the disposal of RB Plats shares	-	-
Interest on the deferred consideration	-	301,632
Payment received	-	(5,965,878)
Closing balance	-	-

6.1.8 Dischem Pharmacies Limited ("Dis-Chem")

Background
Dis-Chem is the second-largest retail pharmacy chain based in South Africa with operations within South Africa, Namibia and Botswana. It was co-founded in 1978 by Ivan and Lynette Saltzman and the group has since grown into a well-known brand amongst South African consumers, with 194 stores currently operational.

The group, through its SPV Royal Bafokeng Investment Holding Company, acquired an investment in Dis-Chem for R1.4 billion in 2021.

Proportion of ownership
The shareholding in Dis-Chem was 6.6% at year-end.

6. Financial Instruments (continued)

6.1.8 Dischem Pharmacies Limited ("Dis-Chem") (continued)

	2023 R'000	2022 R'000
Non-current		
Opening balance	1,636,956	2,016,730
Fair value adjustment	110,459	(379,774)
Closing balance	**1,747,415**	**1,636,956**

The fair value is determined by reference to the closing price. The closing price for Dis-Chem was R30.69 at 31 December 2023 (2022: R28.75).

6.1.9 I-Squared Infrastructure Fund 2 ("ISQ")

Background
ISQ Global Infrastructure Fund III, L.P. is a private equity fund operated by I Squared Capital Advisors (US) Llc and has approximately $2.2 billion in assets. On 30 June 2021 the company, through its SPV Jenzoprox, signed a partnership agreement to be a limited partner of the ISQ Global Infrastructure Fund III (ISQ). As per the agreement, Jenzoprox has committed to make aggregate cash contributions to the fund up to the commitment value of USD50 million.

Proportion of ownership
The percentage shareholding in ISQ is 0.34% as at 31 December 2023.

Non-current		
Opening balance	95,460	63,066
Fair value adjustment	49,744	4,171
Acquisition of ISQ	255,711	28,223
Closing balance	**400,915**	**95,460**

The investment is classified as a financial asset. The investment is measured at fair value. The fair value is provided by the fund manager and is determined using a discounted cashflow method for all the underlying assets in the portfolio.

6.1.10 Option asset in RMI Affiliates ("AFF2B") entered into by Royal Bafokeng RIM (RF) (Pty) Ltd

Summary of the option asset:

Non-current		
Opening balance	22,741	21,660
Fair value adjustment	3,787	1,081
Closing balance	**26,528**	**22,741**

In the 2021 financial year, the group entered into an empowerment transaction with AFF2B, acquiring a 30% stake through RIM in the business for a total purchase consideration of R58.53 million. An upfront payment of R17.56 million was made in cash and the remaining R40.97 million was funded through a Momentum Metropolitan Life (MML) preference share facility accruing interest monthly at prime plus 1.5% expiring on 23 July 2028.

6. Financial Instruments (continued)

6.1.10 Option asset in RMI Affiliates ("AFF2B") entered into by Royal Bafokeng RIM (RF) (Pty) Ltd

RBH receives a 3% (escalating annually at CPI) trickle dividend on the upfront capital invested by RBH (R17.56 million), whereas the remaining dividends received on the 30% shareholding are used to service the outstanding preference share debt.

At the expiry date the group may repay the rolled up value of the outstanding preference share debt and keep the shares that have accrued. Alternatively, they may walk away from the entire structure hold if its no value. Thus the structure represents a European call option on the package of shares with the strike being the rolled up value of the preference share debt. Again this rolled up value is stochastic as it is determined materially by the dividend payout rate of AFF2B. Thus, to provide appropriate valuation of this option, a Monte Carlo valuation technique was applied.

The fair value of the options is Level 3 on the fair value hierarchy. The valuation was performed by an independent expert using the Monte Carlo technique. Within the valuation the critical inputs are the spot value, preference share loan balance. The valuation for AFF2B was R26.5 million as at 31 December 2023 (2022: R22 million). The AFF2B was determined using the

Valuation Date	31/12/2023	31/12/2022
Expiry Date	23/07/2028	23/07/2028
Spot Value	329,772,586	257,915,707
RBH 30% portion of equity value	98,931,776	77,374,712
Volatility	40.73%	38.49%
Dividend yield	7.75%	4.26%

<u>Sensitivity Analysis</u>
A 1% increase/decrease in the spot value will increase/decrease the option value by R525 036 (2022: R361 426) for AFF2B.
A 5% increase/decrease in the spot value will increase/decrease the option value by R2 481 994 (2022: R428 525) for AFF2B.

6.1.11 Bakwena Platinum Corridors Concessionaire

<u>Background</u>
Bakwena Platinum Corridors Concessionaire operates the N1N4 tolled road between Pretoria and Bela-Bela N1 and Pretoria and Botswana border N4.

<u>Proportion of ownership</u>
The percentage shareholding in Bakwena is 0.78% (2022: 0.78%).

	2023 R'000	2022 R'000
Non-current		
Opening balance	37,811	42,355
Fair value adjustment	(5,398)	(4,544)
Closing balance	**32,413**	**37,811**

6. Financial Instruments (continued)

6.1.12 Discovery Limited ("Discovery")

Background
Discovery is a JSE-listed entity that offers a full suite of insurance, financial and wellness products services. 23,684,955 Discovery shares were received as a result of the RMI unbundling in the current year. The investment is classified as a financial asset. The investment is measured at fair value using the closing spot price. The closing price for Discovery was R143.68 (2022: R123.35) as at 31 December 2023.

Proportion of ownership
The percentage shareholding in Discovery was 3.52% (2022: 3.6%) as at 31 December 2023.

	2023 R'000	2022 R'000
Non-current		
Opening balance	2,921,539	-
Additions	-	3,745,065
Fair value adjustment	481,515	(823,526)
Closing balance	**3,403,054**	**2,921,539**

6.1.13 Momentum Metropolitan Limited ("Momentum")

Background
Momentum is a financial services group listed on the JSE. 56 796 566 Momentum shares were received as a result of the RMI unbundling in the current year. Subsequent to the unbundling the group sold 32 million Momentum shares in 2022. The remaining 24.79m shares were sold in 2023.

The investment is classified as a financial asset. The investment is measured at fair value using the closing spot price. The closing for Momentum was R17.20 as at 31 December 2023.

Proportion of ownership
The percentage shareholding in Momentum was 0% as at 31 December 2023.

Non-current		
Opening balance	426,501	-
Additions	-	948,503
Fair value adjustment	39,304	30,679
Disposal	(465,805)	(552,681)
Closing balance	-	426,501

6.1.14 Global Equity Funds

Background
During the prior financial year the group, through its SPV Royal Bafokeng Automotive Proprietary Limited, subscribed for shares in various global asset manager funds. The initial investment was $35 million in 2022 and this was increased in the current year to total of $66 million which is allocated as follows:

6. Financial Instruments (continued)

6.1.14 Global Equity Funds (continued)

- Metropolis Value Fund, $12 million (2022: $5 million)
- Crosby Street Global Large Cap Fund, $14 million (2022: $9 million)
- Sands Capital Global Growth Fund, $12 million (2022: $5 million)
- Virtus SGA Global Fund, $12 million (2022: $5 million)
- Lansdowne Development Market, $16 million (2022: $11 million)

Below is a summary of the funds:

Metropolis Value Fund

UK-based high-conviction global equity manager whose methodology draws extensively from the founders' experience building and running successful businesses, particularly past experience from management consultancy and private company buyouts.

	2023 R'000	2022 R'000
Opening balance	89,485	-
Additions	130,497	79,036
Fair value adjustment	4,474	10,449
Foreign exchange gain	47,532	-
Closing balance	**271,988**	**89,485**

Sands Capital Global Growth fund

Sand Capital is an independent, staff-owned investment firm that combines analytical rigour and creative thinking to identifying high-quality growth businesses.

	2023 R'000	2022 R'000
Opening balance	76,749	-
Additions	130,497	77,844
Fair value adjustment	27,010	(1,095)
Foreign exchange gain	31,681	-
Closing balance	**265,937**	**76,749**

Lansdowne Development Market ("Lansdowne")

UK-based investment management partnership focused on the developed markets with an ability to invest up to 10% in emerging markets.

	2023 R'000	2022 R'000
Opening balance	205,228	-
Additions	94,576	174,419
Fair value adjustment	40,301	30,809
Foreign exchange gain	25,853	-
Closing balance	**365,958**	**205,228**

6. Financial Instruments (continued)

6.1.14 Global Equity Funds (continued)

Virtus SGA Global Fund

US-based growth equity fund manager specialising in managing high-conviction US, global, international and emerging markets portfolios.

	2023 R'000	2022 R'000
Opening balance	84,764	-
Additions	132,275	78,995
Fair value adjustment	39,741	5,769
Foreign exchange gain	1,619	-
Closing balance	**258,399**	**84,764**

Crosby Street Global Large Cap fund

US-based private investment firm that manages assets across long- only and long/short equity strategies that aims to invest in high-quality companies across geographies and market capitalisations.

	2023 R'000	2022 R'000
Opening balance	144,413	-
Additions	94,576	140,119
Fair value adjustment	24,336	4,294
Foreign exchange gain	18,113	-
Closing balance	**281,438**	**144,413**

6.1.15 Investment in All Weather Capital

In October 2022 Royal Bafokeng Investment Holdings (RBIH) signed an application to participate in a hedge fund portfolio called the All Weather Capital H4 Market Neutral Retail Hedge Fund (the portfolio), managed under All Weather Capital Proprietary Limited (AWC) as the hedge fund manager. As per the application, RBIH has indicated that it will make aggregate cash contributions to the Fund of up to the value of R150 million.

The portfolio is a product that has the desired properties that will enable the RBH portfolio to generate enhanced returns from its excess cash position with limited downside risk while retaining adequate access to capital. The portfolio has a strong focus on long-term capital appreciation targeting an absolute return in excess of cash and seeks to exploit investment opportunities unique to some specific group of stocks while maintaining a neutral exposure to broad groups of stocks defined, for example, by sector, industry, market capitalisation, country or region. The portfolio aims to provide returns with lower volatility and lower drawdowns than the South African equity market.

The investment is accounted for as an equity investment at fair value through profit or loss for all the cash contributions.

6. Financial Instruments (continued)

6.1.15 Investment in All Weather Capital (continued)

Fair value information
The fair value is not based on observable market data. The fair value is determined using the NAV for the fund at year-end. The NAV attributable to any class of shares within a fund will be determined by deducting the share of liabilities of that class from its share of the assets of the fund. The NAV of each share of each class will be determined by dividing the NAV attributable to the class by the number of shares of that class.

	2023 R'000	2022 R'000
Opening balance	150,264	-
Additions	-	150,000
Fair value adjustment	2,442	264
Closing balance	**152,706**	**150,264**

6.1.16 Nuco Chrome Bophuthatswana (Pty) Ltd

Nuco Chrome Bophuthatswana (Pty) Ltd ("Nuco") is a private company, which holds prospective and mining rights on farms located on the Royal Bafokeng Nation's land for minerals as well as precious metals such as chrome platinum group metals and gold.

The investment in Nuco is classified as investment in associate measured at fair value through profit or loss. The fair value is under pinned by the chrome ore deposit of over 10million tonnes as per the mining rights and the price offering of chrome. Furthermore, this growth was prompted by being granted additional mining rights during June 2022 in addition to the initial rights (Kookfontein) which were granted during September 2016.

Opening balance	697,168	2,173
Fair value adjustment	113,374	694,995
Closing balance	**810,542**	**697,168**

6.1.17 Investment in Visio Capital

Visio Capital Management is a Johannesburg based investment firm founded in 2003. The Visio team has been managing bond funds since 2009 when the global financial crisis made high-yield markets extremely attractive.

During the current year, the company, through its SPV, Royal Bafokeng Investment Holding Company, made a US$25million investment in a Visio-managed US denominated Global High Yield Corporate Bond portfolio. The fund is managed on a segregated mandate by Visio Capital Management and represents the Company's initial allocation to global fixed income.

The investment is accounted for as an equity investment at fair value through profit or loss for all the cash contributions.

6. Financial Instruments (continued)

6.1.17 Investment in Visio Capital (continued)

Fair value information
The fair value is not based on observable market data. The fair value is determined using the Net Asset Value for the funds at year-end. The Net Asset Value attributable to any class of Shares within a Fund will be determined by deducting the share of liabilities of that class from its share of the assets of the Fund. The Net Asset Value of each Share of each class will be determined by dividing the Net Asset Value attributable to the class by the number of Shares of that class.

	2023 R'000	2022 R'000
Opening balance	-	-
Additions	457,055	-
Fair value adjustment	-	-
Closing balance	**457,055**	**-**

6.1.18 Other financial assets

The other financial assets includes the investment in Ethos Mid Market Fund, InfraSaliance, Lango Real Estate, MTN Zakhelefuthi and YeboYethu(RF) Ltd("YY"). The investments are classified as financial assets measured at fair value.

The Group invested in the Ethos mid-market fund. In 2016, Ethos launched an inaugural midmarket private equity fund. The Fund seeks to make investments of between R100 million and R350 million, predominantly in midmarket leveraged buyout transactions. Importantly, the Fund will be BEE-majority owned and will be able to participate in deals as the BEE Partner.

InfraSallence Ltd is a UK-domiciled company with interests in various operating entities in the UK, US and South Africa. The company manufactures chemicals that remove environmentally harmful emissions from manufacturing facilities and converts them into usable chemicals.

YeboYethu (RF) Ltd ("YY") is a South African based special purpose vehicle. YY is ring-fenced limited special purpose vehicle which holds Vodacom Group shares for the benefit of shareholders. YY is listed on the BBBEE segment of the JSE.

MTN Zakhele Futhi shares were locked in for a period of 3 years ("The minimum period") which ended on 24 November 2019. Restricted trading is allowed during years 4 to 8 years, where after 8 years the shares are no longer restricted. During the prior financial year, the MTN Zakhele Futhi shares listed on the Johannesburg Stock Exchange ("JSE") under the JSE empowerment category on 25 November 2019. The shares will be listed on the JSE for a minimum of 5 years.

During the prior financial year the group, through its SPV Royal Bafokeng Automotive Proprietary

6.1.18 Other financial assets (continued)

Limited invested in Lango Real Estate, a real estate company focused on generating sustainable investor returns through the acquisition of prime commercial real estate assets in key gateway cities across the African continent and is domiciled in Mauritius. A vendor loan was used to finance the investment in Lango Real Estate Management.

7. Investments in associates and joint ventures at fair value through profit or loss

		2023 % holdings	2022 % holdings	2023 R'000	2022 R'000
The principal associates which are all listed are:					
Eldo Group Holdings (Pty) Ltd ("Eldo")	7.1	27.90%	27.90%	-	18,443
Rand Merchant Bank Holdings Limited	7.2	12.50%	12.50%	114,701	95,290
OUTSurance Group Limited	7.3	14.20%	14.20%	9,154,662	6,842,134
Northam Platinum Holdings Limited	7.5	8.70%	8.70%	4,830,754	6,438,941
Liquid Telecoms Jersey Holdings Limited	7.6	7.80%	7.80%	1,895,204	2,028,298
Blue Falcon 140 Trading (Pty) Ltd	7.7	25.10%	25.10%	297,049	310,548
Hallcore Water (Pty) Ltd	7.8	27.00%	27.00%	59,690	64,496
Windfall 59 Properties (RF) (Pty) Ltd	7.9	25.10%	25.10%	424,383	317,436
YeboYethu (RF) Limited	7.10	28.56%	28.56%	483,690	559,266
Growthpoint Student Accommodation Holdings	7.11	24.97%	29.73%	523,721	550,500
Enviroserv Holdings (Pty) Ltd	7.13	24.50%	24.50%	325,240	285,622
Keg Holding (Pty) Ltd	7.14	20.75%	20.75%	1,746,080	1,690,683
Investments in associates at FVTPL				**19,855,173**	**19,201,657**
Joint ventures					
The principal joint ventures are:					
Distributed Power Africa Asset Holding Ltd	7.12	60.00%	60.00%	6,503	6,712
Total				**19,861,676**	**19,208,369**

	2023 % holdings	2022 % holdings	2023 R'000	2022 R'000
Dipalopalo Consortium (Pty) Ltd*	28.00%	28.00%	20,657	8,146
JCD Sub Saharan Africa (Pty) Ltd	30.00%	30.00%	-	605
Royal Investment Managers (Pty) Ltd*	50.00%	50.00%	39,103	58,042
Mogs (Pty) Ltd - restated**	51.00%	51.00%	1,188,795	535,143
			1,248,555	**601,935**
Total Investments in associates and joint ventures at FVTPL			**21,110,231**	**19,810,305**

7. Investments in associates and joint ventures at fair value through profit or loss (continued)

7.1 Eldo Group Holdings (Pty) Ltd ("Eldo")

Background
ELDO is a group of energy management companies that specialize in smart metering software, energy efficient and generation technologies, as well as energy management services. They offer energy management solutions across residential, commercial, retail and industrial applications, packaged to achieve optimal energy and money savings with optional funding model.

Proportion of ownership
Tholo Investment Holding Company (Pty) Ltd acquired a 10% equity stake in Eldo Group Holdings (Pty) Ltd ("Eldo") for R10 million. Tholo further participated in a rights issue in Eldo for R2.856 million bringing its effective interest in Eldo to 14.36% as at 31 December 2020. In 2021 the effective shareholding was increased to 27.90% due to the re-organisation of Eldos capital structure and an injection on additional equity capital by Tholo. The investment is classified as associate. The investment is measured at fair value. The fair value is not based on observable market data. Subsequent to year-end, Eldo was placed in business rescue. The fair value has been written off to nil.

	2023 R'000	2022 R'000
Non-current		
Opening balance	18,443	15,732
Additions	-	2,719
Fair value adjustment	(18,443)	(8)
Closing balance	-	18,443

7.2 Rand Merchant Bank Holdings Limited ("RMH")

Background
RMH is a JSE-listed investment holding company investing in disruptive and entrepreneurial financial services business. It holds a 100% interest in RMH Property Proprietary Limited. In 2020 RMH distributed its FirstRand shareholdings to RMH shareholders.

Proportion of ownership
The total number of ordinary shares held in RMH is 176 462 902 (2022: 176 462 902) which is below the 20% threshold for an investment to be treated as an associate. However, significant influence is exercised through Board representation.

The investment is measured at fair value using the closing spot price. The investment in RMH was trading at R0.65 as at 31 December 2023 (2022: R0.54).

7. Investments in associates and joint ventures at fair value through profit or loss (continued)

7.2 Rand Merchant Bank Holdings Limited ("RMH")

	2023 R'000	2022 R'000
Non-current		
Opening balance	95,290	264,694
Fair value adjustment	19,411	(169,404)
Closing balance	**114,701**	**95,290**

7.3 OUTsurance Group Limited

Background
OUTsurance Group Limited is a leading insurance provider listed on the JSE. OUTsurance specialises in property and casualty insurance, activities are focused on the South african and Australian insurance markets.

In the prior year, OUTsurance unbundled the shares in discovery Limited and Momentum Metropolitan Holdings Limited. The unbundled investments in Discovery and Momentum are disclosed below.

Proportion of ownership
The investment is classified as an associate. Significant influence is exercised through board representation. The investment is measured at fair value using the closing spot price. The closing price for OUTsurance was R42.20 (2022: RMI: R31.54) at 31 December 2023.

	2023 R'000	2022 R'000
Non-current		
Opening balance	6,842,134	9,798,960
Fair value adjustment	2,312,528	(2,956,826)
Closing balance	**9,154,662**	**6,842,134**

7.4 Northam Platinum Holdings Limited ("Northam")

Background
Northam is an independent integrated PGM producer listed on the JSE. The primary operations are centred on their two wholly owned mines, Zondereinde and Booysendal, and the additional metallurgical operations at Zondereinde including a smelter and base metals removal plant.

In the 2021 financial year,the group, through its SPV Royal Bafokeng Investment Holding Company, acquired an investment in Northam in exchange for the partial disposal of its shares in RBPlat.

Proportion of ownership
The total number of ordinary shares held in Northam is 34 399 725 shares which is below the 20% threshold for an associate. Significant influence is exercised through the ability to appoint a board representative. The closing price for Northam was R140.43 (2022: R187.18) at 31 December 2023.

7. Investments in associates and joint ventures at fair value through profit or loss (continued)

7.4 Northam Platinum Holdings Limited ("Northam") (continued)

	2023 R'000	2022 R'000
Non-current		
Opening balance	6,438,941	7,206,742
Fair value adjustment	(1,608,187)	(767,801)
Closing balance	**4,830,754**	**6,438,941**

7.5 Liquid Telecoms Jersey Holdings Limited ("LTJ")

Background
LTJ provides data, voice, cloud and IP services in eastern, central and southern Africa. The company supplies fibre-optic, satellite and international carrier services to mobile network operators, ISP's and businesses of various sizes. Its products and services include carrier services, such as connectivity services, to subsea cable systems. The investment is classified as an associate. Significant influence is exercised through board representation. The investment is measured at fair value.

Acquisition information
The Group, through its SPV Lisinfo 213 (RF) Proprietary Limited, has invested in Liquid Telecoms Jersey Holdings (LTJ) through two instruments:
1. ordinary shares that have a value protection of the anti-embarrassment price (AEP); and
2. convertible preference shares.

The Group initially invested in Liquid Telecoms Holdings (LTH) through two tranches in 2017:
- the first tranche of R1 billion was invested through Liquid Telecoms Holdings SA (i.e. LTHSA) to acquire 100% of the equity in Neotel in February 2017, resulting in RBH having an effective 30% shareholding; and
- the second tranche was the flip-up of RBH's equity in LTHSA to LTH (i.e. group) as well as a top-up equity contribution of USD22.2 million to acquire further equity, which resulted in RBH's shareholding in LTH of 10.34%.

As part of the second tranche, The Group agreed with LTH and the rest of the shareholders a concept of an AEP.

In the 2021 financial year LTH had an opportunity to further expand its data centre strategy when an opportunity arose to acquire the Standard Bank Samrand Data Centre (Samrand DC). Unfortunately, due to the funding restrictions at LTH it was not possible to raise funding at LTH level and a workaround was sought:
- A solution was an LTH company reorganisation in which the fibre (i.e. traditional) business and the data centre business (i.e. ADC) would be separated into two businesses which would fall under a new holding company, Liquid Telecommunications Jersey Holdings Limited (LTJ). This would assist with raising funding at ADC level to implement the data centre strategy and acquire the Samrand DC.
- As part of the reorganisation The Group and the rest of the shareholders "flipped up" to the new holding company.
- Furthermore, LTJ then raised capital through convertible preference shares to be able to fund the equity for the Samrand DC. The Group participated in the rights issue subscribing for USD10 million.

7. Investments in associates and joint ventures at fair value through profit or loss (continued)

7.5 Liquid Telecoms Jersey Holdings Limited ("LTJ") (continued)

It is the group's policy for derivatives embedded in other financial instruments not to be separated if the hybrid contract contains a host that is a financial asset within the scope of IFRS 9 and that the IFRS 9 classification and measurement is applied to the entire instrument.

As the investment in LTJ is within the scope of IFRS 9 the call option (floor) is not separated from the host contract (investment in LTH), the entire instrument is classified and measured at fair value through profit or loss. The company determines the equity value to assess whether the equity value is below or above the call option to determine the valuation technique used for the entire instrument. If the equity value is below the floor the entire instrument is measured at the AEP (floor), meaning the call option is in the money and if the equity value is above the AEP (floor) the entire instrument is measured at the equity value, meaning the call option is out of the money. As IFRS 9 does not require the instrument to be separated, the derivative (in the money call option) was not measured separately. However, the features of the derivative must be disclosed; refer below for the features of the derivative.

Proportion of ownership
The percentage shareholding in LTH is 7.8% (2022: 7.8%), which is below the 20% threshold for an investment to be treated as an associate. However, significant influence is exercised through Board representation.

The LTH shares have been pledged as security for the RMB preference shares that were issued for the acquisition of LTH.

	2023 R'000	2022 R'000
Non-current		
Opening balance	2,028,298	2,283,315
Fair value adjustments	(133 093)	(255 017)
Closing balance	**1,895,205**	**2,028,298**

Valuation
Fair value information
The Group has two different instruments, (1) the ordinary shares and (2) the convertible preference shares, in LTJ post the flip-up and the rights issue.

Having considered the two instruments, the valuation of the ordinary shares and the convertible preference shares do not have to be split and, as such, one valuation was performed for both the equity and preference share component (as the preference shares will be treated as equity).

The preference share component does not enjoy the same protection as the other equity shares.

The Group (1) continues to carry its equity component at the higher of the AEP and fair value and (2) carries the preference share component at the greater of face value or equity value on a fully converted basis as there's a true-up if LTJ issues any shares below the conversion price.

The Group has been carrying the valuation of LTJ at the AEP per the agreements entered into in 2017, but will not enjoy the AEP protection from 28 February 2022 and going forward.

7. Investments in associates and joint ventures at fair value through profit or loss (continued)

7.5 Liquid Telecoms Jersey Holdings Limited ("LTJ") (continued)

In order to determine fair value, the group has performed a valuation based on a discounted cash flows (DCF) methodology while also performing a market approach (i.e. EBITDA multiple) valuation to assess reasonability of the DCF approach.

Equity component
The investment in LTJ was valued using the DCF aand market pproach as at 31 December 2023. In the prior year the investment in LTJ was valued using the DCF approach.

DCF and market approach methodologies:
- The DCF valuation of the equity component was R1.72 billion (2022: R1.82 billion) with the market approach valuation being R1.67 billion (2022: R2.45 billion).
- The overall impact is a decrease of R126.8 million for the year primarily due to a challenging operating environment which was slightly off-set by the depreciation of the ZAR relative to the USD.

The key unobservable inputs, together with the weighted average range of probabilities, are as follows:

	Weighted average range of	
Figures in %	**High**	**Low**
Price escalation		
CPI	4.35%	3.90%
Margin	5.50%	5.50%

The value of the preference shares ranges from R201.6 million to R207.7 million based on the different valuation methodologies. The preference share value would be carried at face value based on the DCF valuation as it is above the initial investment.

The average value is R204.7 million which implies a 21.8% increase on R168.1 million initially invested (i.e. USD10 million at USD/ZAR of R16.81). The average value is above the face value in USD.

7.6 Blue Falcon 140 Trading (Pty) Ltd ('Blue Falcon")

Background
The company is a renewable energy company with the purpose of producing wind energy (Gouda Wind Facility, a 135.2 MW wind plant) and consequently supplying of electricity to Eskom. The investment is classified as an associate. The investment is measured at fair value.

Proportion of ownership
The number of shares held by the Group through its subsidiary Celanex (Pty) Ltd in Blue Falcon are 54 468 which represents 25.1% of the Blue Falcon's equity. Significant influence is exercised through board representation.

	2023 R'000	2022 R'000
Non-current		
Opening balance	310,548	287,397
Fair value gain	(13,499)	23,151
End of year	297,049	310,548

7. Investments in associates and joint ventures at fair value through profit or loss (continued)

7.6 Blue Falcon 140 Trading (Pty) Ltd ('Blue Falcon")

The directors valued the stake in Blue Falcon of 25.10% at R297 million at 31 December 2023 (2022: R311 million).

Valuation
The fair value of the investment is Level 3 on the fair value hierarchy. The fair value of Blue Falcon is not based on observable market data. The fair value was determined using the discounted cash flow method. Future cash flows were discounted at an appropriate discount rate. The key unobservable inputs are as follows:

Valuation Date	12/31/2023	12/31/2022
Discount rate - based on cost of equity	13.76%	14.00%
Discount rate applied for lack of marketability (Liquidity discount)	10.00%	10.00%

The cash flow forecast is based on expected dividends extracted from the projects company financial model in terms of the shareholders agreement. The forecast period is 31 December 2018 to 31 December 2035, using a 6 months period cash flows. The cash flow forecast is for the fixed period of the project thus no terminal year is applicable.

7.7 Hallcore Water

Background
Hallcore Water is a company that develops and operates ground water resources in order to provide access to fresh water daily to communities, mines, agricultural businesses as well as commercial and industrial companies. During the year ended 31 December 2020, the company acquired a 30% equity investment in Hallcore Water for R51 750 000.
During the prior financial year the shareholding was diluted due to Hall Core's acquisition of Blue Dot Water , which resulted in an additional shareholder in the Hall Core structure.

Proportion of ownership
The number of shares held by the group through its subsidiary Royal Bafokeng Astrapak (Pty) Ltd in Hallcore Water represents 30% of the equity. Significant influence is exercised through board representation.

	2023 R'000	2022 R'000
Non-current		
Opening balance	64,496	58,249
Fair value adjustment	(4,806)	6,247
Closing balance	59,690	64,496

7. Investments in associates and joint ventures at fair value through profit or loss (continued)

7.8 Windfall 59 Properties (RF) (Pty) Ltd ("Windfall")

Background
The company is a renewable energy company with the purpose of producing solar energy (Sishen Solar PV Facility, a 74 MW solar PV plant) and consequently supplying electricity to Eskom. The investment is classified as an associate. The investment is measured at fair value.

Proportion of ownership
The number of shares held by the Group through its subsidiary Celanex (Pty) Ltd in Windfall are 251 which represents 25.1% of the Windfall's equity. Significant influence is exercised through board representation.

	2023 R'000	2022 R'000
Non-current		
Opening balance	317,436	337,558
Fair value adjustment	106,948	(20,122)
Closing balance	**424,384**	**317,436**

The directors valued the stake in Windfall of 25.10% at R424.3 million at 31 December 2023 (2022: R317.4 million).

Valuation
The fair value of the investment is Level 3 on the fair value hierarchy. The fair value of Windfall is not based on observable market data. The fair value was determined using the discounted cash flow method. Future cash flows were discounted at an appropriate discount rate.

Valuation Date	12/31/2023	12/31/2022
Discount rate - based on cost of equity	14.14%	14.00%
Discount rate applied for lack of marketability (Liquidity discount)	10.00%	10.00%

The cash flow forecast is based on expected dividends extracted from the projects company financial model in terms of the shareholders agreement. The forecast period is 31 December 2019 to 31 December 2034, using a 6 months period cash flows. The cash flow forecast is for the fixed period of the project thus no terminal year is applicable.

7.9 YeboYethu (RF) Limited ("YY")

Background
Yebo Yethu (RF) Limted engages in the business of acquiring and holding shares in Vodacom Group. YY is a ring-fenced limited special purpose vehicle whose sole purpose is to buy and hold Vodacom SA ordinary shares and Vodacom SA A shares for the benefit of shareholders. YY is listed on the B-BBEE segment of the JSE.

7. Investments in associates and joint ventures at fair value through profit or loss (continued)

7.9 YeboYethu (RF) Limited ("YY") (continued)

Proportion of ownership
The number of shares held by the group through its subsidiary Royal Bafokeng Resources (Pty) Ltd is 28,6% of YeboYethu (RF) Limited 's equity. Significant influence is exercised through board representation.

	2023 R'000	2022 R'000
Non-current		
Opening balance	559,266	771,031
Fair value adjustment	(75,576)	(211,765)
Closing balance	**483,690**	**559,266**

The investment is classified as an associate. The investment is measured at fair value using the closing price. The closing price for YY was R32.00 (2022: R37.00) at 31 December 2023.

7.10 Growthpoint Student Accommodation Holdings ("GSAH")

Background
During the 2021 financial year the group, through its SPV, Royal Bafokeng Management Services Proprietary Limited subscribed for 50 000 A class shares (equivalent to 35% of total ordinary A class shares at subscription) in Growthpoint Student Accommodation Holdings (previously Joburg Stay Proprietary Limited (Joburg Stay)) at subscription price of R10 per A class share which is equivalent to R500 million. GSAH is an unlisted student accommodation REIT founded by Growthpoint and seeded by third-party investors including Royal Bafokeng Management Services.

GSAH owns an initial portfolio comprising seven student accommodation properties which were acquired mainly from the Feenstra Group.

The current portfolio serves the major universities, being the University of Pretoria, the University of Johannesburg, the University of Witwatersrand and the University of Cape Town. During October 2023 GSAH raised additional equity of R340 million from Vulindlela Holdings and Eskom Pension and Provident Fund through subsciption of A class shares, resulting in the group A class shares reducing to 24.97%.

	2023	2022
Non-current		
Opening balance	550,500	500,000
Fair value adjustment	(26,779)	50,500
Closing balance	**523,721**	**550,500**

The investment is classified as an associate. The investment is measured at fair value. The fair value is determined using the net asset value (NAV) per share calculation from Growthpoint Manco. The main elements of the NAV calculation are: (1) the value of the property assets within the portfolio

7. Investments in associates and joint ventures at fair value through profit or loss (continued)

7.10 Growthpoint Student Accommodation Holdings ("GSAH") (continued)

which are independently valued by registered valuers and (2) the third-party senior debt held.

7.11 Distributed Power Africa Asset Holdings Limited

Background
Distributed Power Africa Asset Holdings Limited (DPA) is a market leader in innovative solar energy solutions. They have operations in Kenya, South Africa and Zimbabwe. Part of the Cassava Technologies Group of Companies, DPA supplies commercial and industrial customers with efficient, green solar energy installations without an initial capital outlay. The company, through its SPV Jenzoprox Proprietary Limited, has committed equity to acquire a 60% equity stake in DPA AssetCo. The remaining 40% is held by Econet Energy Limited (EEL).

The main business objective of DPA AssetCo is to acquire renewable energy power projects developed by DPA DevCo, a wholly owned subsidiary of EEL. DevCo is responsible for the origination of power lease agreements (PLAs) with customers, development of the projects, and performing operations and maintenance (O&M) activities relating to the projects at agreed fees, over the tenure of the contracts with customers. AssetCo then acquires completed projects from DevCo at an agreed price.

Proportion of ownership
The Group holds 60% of the shares in DPA. The investment is a joint venture as joint control is exercised.

	2023 R'000	2022 R'000
Non-current		
Opening balance	6,712	8,669
Fair value adjustment	(209)	(1,957)
Closing balance	**6,503**	**6,712**

The investment is measured at fair value. The fair value of DPA is not based on observable market data. The fair value was determined using the sum of parts valuation methodology.

7.12 Enviroserv Holdings (Pty) Ltd

Background
EnviroServ is a leading integrated waste management and recycling business operating in South Africa and selective economies in sub-Saharan Africa. It collects, analyses, treats and disposes of hazardous and general waste to treatment and disposal sites, with operations in South Africa, Mozambique and Uganda.

During the 2022 financial period the group, through Royal Bafokeng Infrastructure Proprietary Limited (RB Astrapak), subscribed for 24.5% in Umzwilili Environmental Solutions Proprietary Limited (Bitco), a consortium developed between Suez Group (Suez), African Infrastructure Investment Managers (AIIM) and RB Astrapak Infrastructure Investments, formed to implement the EnviroServ Holdco transaction. Subsequently, a 100% shareholding in EnviroServ Holdco was purchased by Bitco.

7. Investments in associates and joint ventures at fair value through profit or loss (continued)

7.12 Enviroserv Holdings (Pty) Ltd (continued)

During the current year the group subscribed for an additional 490 shares in EnviroServ at a value of R54 880 000 maintaining its 24.5% interest. The group has entered into a local shareholder contribution agreement with EnviroServ Holdco in which a local contribution fee is payable on a quarterly basis. A contribution fee financial asset has been recognised at fair value through profit or loss in the current financial year.

The investment is classified as an associate. The investment is measured at fair value. The group exercises significant influence through board participation.

	2023 R'000	2022 R'000
Non-current		
Opening balance	285,622	-
Acquisition of shares	54,880	285,622
Fair value adjustment	(15,262)	-
Closing balance	325,240	285,622

The fair value is not based on observable market data. The fair value is determined as the transaction price because the transaction was concluded at arm's length close to the company's financial year-end.

7.13 KEG Holdings (Pty) Ltd

KEG Holdings Limited is the leading vertically integrated LPG business in East Africa. It imports c. 300 000 MT of LPG annually through its terminal and distributes it through its market-leading downstream business. Africa Oil and Gas Company (AGOL) and Proto Energy (Proto) are the key operational entities in KEG Holdings Limited.

During the prior year the group, through its SPV K2021425492 Proprietary Limited, acquired a 20.75% shareholding in KEG Holdings Limited, a Mauritian holding company for liquefied petroleum gas (LPG) integrated assets located mainly in Kenya. The business of KEG is the operation of a LPG business (including, but not limited to, import, export, wholesale, distribution, cylinder manufacturing and marketing activities, and excluding production) in East Africa.

The transaction was settled by the group as follows:
- Internal cash resources of US$99.56 million.
- Vendor loan notes (VLN) issued to the sellers, of which the group's portion was US$20.8 million (Offshore financing):
  - VLN1: Initial value of US$8.3 million to be funded by debt and dividend recapitalisation applied. The VLN1 (including accrued interest) was settled in November 2022;
  - VLN2: Initial value of US$12.5 million is a performance-based instrument that incurs interest of 15% per annum payable at an exit event.

7. Investments in associates and joint ventures at fair value through profit or loss (continued)

7.13 KEG Holdings (Pty) Ltd (continued)

	2023 R'000	2022 R'000
Non-current		
Opening balance	1,690,683	-
Acquisition of shares	-	1,806,404
Fair value adjustments	55,397	27,668
Disposal	-	(143,389)
Closing balance	**1,746,080**	**1,690,683**

The vendor loan note used to finance the investment in KEG is disclosed in Note 18.

7.14 Dipalopalo Consortium (Pty)Ltd

Dipalopalo was formed to enter into a public-private partnership (PPP) with the Department of Statistic South Africa for the establishment of head office accommodation.

7.15 JCD Sub Saharan Africa (Pty) Ltd ("JCD SSA")

JCD SSA is one of the leading outdoor advertising companies in Africa, operating in 14 countries across the African continent. The group, through its subsidiary Jenzotype (Pty) Ltd acquired a 30% interest in JCD SSA in 2015.

7.16 Royal Investment Managers (Pty) Ltd

Royal Investment Managers (RIM) is an investment holding company that acquires stakes in either existing or new asset management firms with a strong and unrelenting focus on diversity.

7.17 Mogs (Pty) Ltd ("MOGS")

MOGS is a pan-African leader in the oil and gas infrastructure and mining services sectors.

7.18 Leopard Guernsey BK JV LP

The Leopard Guernsey partnership was registered as a limited partnership in Guernsey. The partnership has been established to invest in real estate in the UK and Western Europe.

7. Investments in associates and joint ventures at fair value through profit or loss (continued)

Movement in equity accounted investments balance

	2023 R'000	2022 R'000
Opening balance	601,936	567,085
Share of post acquisition profits #	270,284	74,239
Post acquisition dividends	(5,945)	(6,400)
Impairment	(605)	(32 988)
	865,670	**601,936**

 # Share of profit is after tax and minority interest of equity accounted investments.

Summary of share of profit or loss

Dipalopalo Consortium (Pty) Ltd	12,511	(1,514)
JCD Sub Saharan Africa (Pty) Ltd	-	939
Royal Investment Managers (Pty) Ltd	(12,994)	(8,659)
Mogs (Pty) Ltd	270 766	83 473
	270,284	**74,239**

Loan receivable		
Leopard Guernsey BK JV LP*	-	(36)
Total	**270,284**	**72,203**

* During the current year, the accumulated losses has exceeded both the cost of the equity investment as well as the loan receivable. The loan receivable has thus been limited to a net investment of Rnil.

Summary of the impairment in associates		
JCD Sub Saharan Africa (Pty) Ltd	(605)	(32 988)
Total impairments	**(605)**	**(32,988)**

8. Trade and other receivables

8.1 Current trade receivables

	2023 R'000	2022 R'000
Trade receivables	130,008	80,827
Less: impairment provision	(9,195)	(7,383)
Trade receivables net	120,813	73,444
Other receivables	330	386
Related party loans and receivables	377,380	378,866
Prepaid expenses	4,792	2,053
Deposits	785	785
Tax/VAT refundable	56,752	6,842
	560,852	462,376
Less: non-current trade receivables (refer below)	-	-
Total trade and other receivables	**560,852**	**462,376**

8.2 Current related party loans and receivables

Loans		
Loan to Dipalopalo Consortium (Pty) Ltd	38,820	48,427
Loan to JCD Sub Saharan Africa (Pty) Ltd	131,665	163,366
Receivables		
Big Yellow Group dividend receivable	14,712	4,486
Other receivables	192,183	162,587
Closing balance	**377,380**	**378,866**
Total related party loans and receivables	**377,380**	**378,866**

The carrying amount of trade and other receivables approximate the fair value. The loans bear no interest and have no fixed repayment terms except the Dipalopalo loan which bears interest at 13% per annum which is repayable after service commencement date.

The equity accounted accumulated losses of Leopard Guernsey BK JV LP have thus exceeded both the cost of the equity investment as well as the loan receivable. The loan receivable has thus been limited to a net investment of Rnil, and this has resulted in a reversal of impairment loss which has been allocated to the loan receivable.

8. Trade and other receivables (continued)

8.3 Summary of the reversal of impairment in associates

	2023 R'000	2022 R'000
Leopard Guernsey BK JV LP	-	(208 740)
Total reversal of impairments	**-**	**(208,740)**

9. Finance lease receivable

	2023 R'000	2022 R'000
Maturity analysis of lease payments receivable		
- within one year	281	-
- within 2nd to 5th year inclusive	297	-
Total undiscounted amounts receivable	578	-
Unguaranteed residual values		
Gross investment in the leases	578	-
Less:unearned interest income	(54)	-
Present value of minimum lease payments recevable	524	-
Less:loss allowance	-	-
Net investment in the lease	**524**	**-**
Non-Current assets	283	-
Current	241	-
	524	**-**

The group entered into finance leasing arrangements for a portion of the RBH office building. The average lease terms are two years (2022: three years) and the average effective lending rate was 10% (2022:9%).

	2023 R'000	2022 R'000
Reconciliation of significant changes in net investment in leases*		
Opening balance	-	75
Interest income	13	-
Derecognition and impairment	841	-
Receipts during the year	(330)	(75)
Closing balance	**524**	**-**

Other information

	2023 R'000	2022 R'000
Interest income recognised on net investment in the leases	13	-

** Values per signed RBH 2023 annual financial statements.*

10. Deferred income tax

Deferred taxation

The movement in deferred income tax assets and liabilities during the year is as follows:

	2023 R'000	2022 R'000 Restated*
Opening balance	(3,796,244)	(3,867,190)
Derecognition	(361,916)	(63,481)
Reclassification	2,568	180,265
Statement of profit or loss charge	(199,586)	269,185
Change in tax rate	-	111,752
Closing balance	**(4,355,178)**	**(3,369,469)**
Deferred tax asset	**303,005**	**299,298**
Deferred tax liability	**(4,574,271)**	**(3,668,766)**

Deferred income tax liabilities	**Fair value and Impairment R'000**	**Other deferred tax liabilities R'000**	**Amortisation R'000**	**Total R'000**
2023				
Opening balance	**3,563,355**	**215,003**	**17,884**	**3,796,244**
Charge to income statement	727,668	-	-	727,668
Reclassification	-	6,657	-	6,657
Derecognition	43,702	-	-	43,702
Closing balance	**4,334,725**	**221,660**	**17,884**	**4,574,271**
2022				
Opening balance	**3,886,656**	**42**	-	**3,886,698**
Charge to income statement	(269,933)	99	10,908	(258,926)
Reclassification	(1,047)	86,638	6,976	92,567
Change in tax rate	(115,055)	-	-	(115,055)
Derecognition	63,481	-	-	63,481
Closing balance	**3,564,102**	**86,780**	**17,884**	**3,668,766**

10. Deferred income tax (continued)

Deferred income tax assets	Provisions R'000	Fair value and impairment R'000	Tax loss R'000	Other deferred tax asset R'000	Total R'000
2023					
Opening balance	(224)	76,148	33,702	(19,347)	90,280
Charge to income statement	-	528,082	-	-	528,082
Derecognition	-	(318,213)	-	-	(318,213)
Reclassification	-	2,568	-	-	2,568
Closing balance	(224)	288,585	33,702	(19,347)	302,717

	Provisions R'000	Fair value and impairment R'000	Tax loss R'000	Other deferred tax asset R'000	Total R'000
2022					
Opening balance	(224)	(13,930)	33,662	-	19,508
Charge to income statement	-	8,451	-	1,808	10,259
Change in tax rate	-	(3,302)	-	-	(3,302)
Reclassification	-	84,931	40	187,863	272,834
Closing balance	(224)	76,149	33,702	189,671	299,298

	2023 R million	2022 R million
The unrecognised deferred tax assets amount to:		
Royal Bafokeng Tholo Investment Holdings (Pty) Ltd	470	470
Royal Bafokeng Holdings (Pty) Ltd	27	25
Jenzotype (Pty) Ltd	77	71

11. Derivatives

11.1 RBPlat Options entered into by Emikaway Proprietary Limited (Emikaway)

Option asset

	2023 R'000	2022 R'000
Opening balance	24,428	103,436
Termination of put option	(24,428)	-
Fair value adjustment	-	(79,008)
RB Plat put option	-	24,428

On 3 December 2021 Emikaway entered into an option agreement with Northam whereby Northam granted Emikaway a put option to sell 1 891 342 RBPlat shares held by Emikaway at an option strike price of R135 per share. The put option is exercisable from 3 June 2022 until the expiry date of 3 December 2023.

Option liability		
Opening balance	(99,230)	(182,371)
Termination of Call option	99,230	-
Fair value adjustment	-	83,141
RB Plat call option	-	(99,230)

On 3 December 2021 Emikaway entered into an option agreement with Northam whereby Emikaway granted Northam a call option to buy 4,472,103 RBPlat shares held by Emikaway at an option strike price of R135 per share. The call option is exercisable from 3 December 2021 for a period of 24 months.

On 20 July 2023, Northam Platinum Limited ("Northam") released a SENS announcement confirming that they will be tendering all the shares that they hold in Royal Bafokeng Platinum Limited ("RBPlats") to Impala Platinum Limited's ("Implats") Mandatory Offer of R90 + 0.3 Implats shares. On the basis that Northam would be tendering all the shares they held in RB Plats, it was agreed that Emikaway and Northam would terminate the Option and Right of First Refusal ("ROFR") Agreement on the 7.8 million shares held by Emikaway in RBPlats. As such, a Termination Agreement was concluded between Emikaway and Northam on 20 July 2023.

11.2 RBPlat Options entered into by Royal Bafokeng Investment Holding Company (RBIH)

Option asset

Opening balance	21,308	92,453
Termination of Put option	(21,308)	-
Fair value adjustment	-	(71,145)
RB Plat put option	-	21,308

11. Derivatives (continued)

11.2 RBPlat Options entered into by Royal Bafokeng Investment Holding Company (RBIH) (continued)

On 8 November 2021 an SPV of RBH, Royal Bafokeng Investment Holding Company (RBIH), entered into an option agreement with Northam whereby Northam granted RBIH a put option to sell 1 673 695 RBPlat shares held by RBIH at an option strike price of R135 per share. The put option is exercisable from 3 May 2022 until the expiry date of 8 November 2023.

	2023 R'000	2022 R'000
Option liability		
Opening balance	(37,256)	(69,400)
Termination of call option	37,256	-
Fair value adjustment	-	32,144
RB Plat call option	-	(37,256)

On 8 November 2021 RBIH entered into an option agreement with Northam whereby RBIH granted Northam a call option to buy 1 673 695 RBPlat shares at an option strike price of R135 per share. The call option is exercisable from 19 November 2021 for a period of 24 months.

On 20 July 2023, Northam Platinum Limited ("Northam") released a SENS announcement confirming that they will be tendering all the shares that they hold in Royal Bafokeng Platinum Limited ("RBPlats") to Impala Platinum Limited's ("Implats") Mandatory Offer of R90 + 0.3 Implats shares. On the basis that Northam would be tendering all the shares they held in RB Plats, it was agreed that Royal Bafokeng Investment Holding Company and Northam would terminate the Option and Right of First Refusal ("ROFR") Agreement on the 1.7m shares held by Royal Bafokeng Investment Holding Company in RBPlats. As such, a termination Agreement was concluded between Royal Bafokeng Investment Holding Company and Northam on 20 July 2023.

		Restated
Total Derivative put options	-	45,736
Total Derivative call options	-	(136,486)

12. Current income tax assets and liability

Current tax assets and tax liabilities are offset when the entity has a legally enforceable right to set off current assets against current tax liabilities and intends either to settle on a net basis, to realise the asset and settle the liability simultaneously.

12. Current income tax assets and liability (continued)

	2023 R'000	2022 R'000
Amounts unpaid at the beginning of year	1,203	12,075
Over / under provision	(17,212)	(822)
Current year charge- per income statement	(362,387)	(253,445)
Tax paid per the cash flow statement	366,659	198,694
Translations of foreign operations	-	43,418
Accrued interest	(3,472)	294
As previously reported	(15 209)	214
Prepaid and liability - Restated	**(15,209)**	**214**
Current income tax liability	(20,103)	(8,215)
Current income tax asset	4 894	8 429
Net tax per balance sheet	**(15,209)**	**214**

13. Cash and cash equivalents

	2023 R'000	2022 R'000
Cash and cash equivalents comprise of:		
Petty cash	246	160
Cash and cash equivalents	7 219 922	7 064 691
	7,220,168	**7,064,851**
Bank overdraft	-	(6)
	7,220,168	**7,064,845**

The cash and cash equivalents in the current year are denominated in South African Rand, except for the USD and GBP foreign denominated accounts.

The carrying value of the amount of cash and cash equivalents approximates fair value due to short-term maturity of these financial assets. There are no cash and equivalents pledged as security and no restrictions exist on cash and cash equivalents.

	Maximum R'000	Utilised R'000	Unutilised R'000
Banking facilities of the Group 2023			
Revolving credit facility lenders			
Revolving credit facility	**2,000,000**	-	**2,000,000**
Banking facilities of the Group 2022			
Revolving credit facility lenders			
Revolving credit facility	**2,000,000**	-	**2,000,000**

During the 2017 financial year, the Revolving Credit Facility (RCF) that Central Lake Trading 342 (Pty) Ltd (a subsidiary of RBH) held with Rand Merchant Bank, was refinanced and settled. A new R2 billion RCF was raised by RBH with the lenders being Standard Bank, Rand Merchant Bank, ABSA and Nedbank. The RCF incurs interest at JIBAR plus a margin of 1.85% (2022: 1.85%) and has a maturity of 5 October 2026.

14. Cash Investments

The cash investment includes cash held in fixed investment of R 2,914 billion (2022: R 2.520 billion) and investment in Stanlib at fair value through profit and loss of R 232 million (2022: R 200 million).

	2023 R'000	2022 R'000
Investments		
Stanlib money market	232,217	199,894
Short-term bank deposits	2,914,403	2,520,187
	3,146,620	**2,720,081**

15. Inventories

Consumable goods	**3,363**	**3,393**

All inventories are carried at cost. There has been no inventory written down to net realisable value.

16. Employee benefits

16.1 Short-term benefit

Current		
Leave pay and bonus provision	**56,477**	**47,846**

16.2 Long Term Incentive Scheme

A Long Term Incentive Scheme (LTI) liability of R67.1 million (2022: R60.6 million) is a notional plan in that participants will not be entitled to acquire actual or representative shares, but will enable a participant to receive a future cash amount subject to the conditions of the plan.

During the 2023 financial year, all conditional shares and SARs were settled, therefore the LTI scheme only has NCOs remaining in flight.

Employee benefits liabilities

	Opening balance	Current-year expense	Paid during the year	Closing balance
Reconciliation				
2023				
Long-term incentive scheme	60,634	45,508	(39,019)	67,123
	60,634	**45,508**	**(39,019)**	**67,123**
2022				
Long-term incentive scheme	57,905	40,097	(37,368)	60,634
	57,905	**40,097**	**(37,368)**	**60,634**

16.2 Long Term Incentive Scheme (continued)

Activity on Awards outstanding

	Conditional awards		SARs	
	Number of shares	Weighted average share price	Number of shares	Weighted average option price
For the year ended 31 December 2023				
At January 2023	25,314	440	180,797	179
Exercised	-	435	(133,130)	-
Forfeited	-	-	(59,123)	-
Expired	-	-	(19,893)	-
At 31 December 2023	**25,314**	**440**	**(31,349)**	**179**
For the year ended 31 December 2022				
At January 2022	49,154	261	392,943	91
Exercised	(22,952)	435	(133,130)	-
Forfeited	(888)	-	(59,123)	-
Expired	-	-	(19,893)	-
At 31 December 2022	**25,314**	**440**	**180,797**	**179**

17. Borrowings

	Notes	2023 R'000	2022 R'000 Restated
Non-current			
Redeemable preference shares	18.1	**1,090,736**	2,087,750
Lango Vendor Loan	18.2	**-**	10,023
KEG Vendor Loan	18.3	**66,923**	89,380
		1,157,659	2,187,153
Current			
Loan from Impala*		**-**	30,000
Redeemable preference shares	18.1	17,945	29,201
Related party loan**		7,752	9,951
		25,697	**69,152**
Total Borrowings		**1,183,356**	**2,256,305**
Effective interest rate		**12%**	**7%**

** The loan is non-interest bearing and is repayable on demand.*

***The Soul City loan shall: rank pari passu, be repaid as and when the board of directors determines that they shall be repaid, be repaid pro rata to each other and shall not bear interest. The directors shall repay the loans with any amounts received from Blue Falcon and Windfall.*

17. Borrowings (continued)

	2023 R'000	2022 R'000 Restated
Maturity analysis		
Due within 1 year	25,697	69,152
Due within 2 to 5 years	1,090,736	2,087,750
Due thereafter	66,923	99,403
	1,183,356	2,256,305

The carrying amount and the fair value of the non-current borrowings are as follows:

		Carrying value		Fair value	
	Notes	2023 R'000	2022 R'000	2023 R'000	2022 R'000
Non-current					
Redeemable preference shares	18.1	1,090,736	2,087,750	1,090,736	2,087,750
Lango Vendor Loan	18.2	-	10,023	-	10,023
KEG Vendor Loan	18.3	66,923	89,380	66,923	89,380
		1,157,659	2,187,153	1,157,659	2,187,153

17.1 Redeemable preference shares

	Preference shares R'000	IDC preference Total R'000
2023		
Non-current		
Balance at 1 January 2022	2,087,750	2,087,750
Preference shares redeemed in RBH	(1,000,010)	(1,000,010)
Finance costs	131,198	131,198
	1,218,938	1,218,938
2023		
Current		
Balance at 1 January 2022	29,202	29,202
Preference shares redeemed/accrued dividend paid	(139,462)	(139,462)
	(110,260)	(110,260)

17. Borrowings (continued)

17.1 Redeemable preference shares (continued)

	Preference shares R'000	Total R'000
2022		
Non-current		
Balance at 1 January 2022	3,088,900	4,077,568
Preference shares redeemed in RBH	(1,000,010)	(1,000,010)
Transaction costs	(1,140)	(2,375)
	2,087,750	**3,075,183**
2022		
Current		
Balance at 1 January 2021	9,313	9,313
Accrued preference dividend / dividend accrual	144,028	144,028
Preference shares redeemed/accrued dividend paid	(124,139)	(124,139)
	29,202	**29,202**

Preference shares
The B preference shares are repayable on 22 September 2027 and accrue interest at 67% of prime. During the current financial year RBH, through its SPV Salestalk Holdco, voluntarily redeemed the A preference shares, entered into a refinacing agreement with one of the lenders, FirstRand,acting through its RMB division to issue B preference shares.The interest rate was also amended from 69% of prime to 67 % of prime.. The amendment agreement was effective from 22 September 2022.

The preference shares are secured by investments in the following fellow subsidiaries through a financial guarantee:
• Royal Bafokeng Investment Holding Company Proprietary Limited;
• Salestalk 268 Proprietary Limited;

Previously Lisinfo 222 Proprietary Limited was an obligor for the redeemable preference shares. In the current year Lisinfo 222 Proprietary Limited resigned as an obligor when the preference shares where redeemed as part of their refinance.

17.2 Lango Vendor Loan

In 2022 Royal Bafokeng Automotive, acquired a 10% stake in Lango Manco for $700,000 through vendor financing with Lango at 7% naca. Manco is responsible for providing the daily management and advisory services of Lango and receives the management fee as consideration. The loan is serviced by 70% of dividends received on the group's 10% shareholding, while the remaining 30% flow as a trickle dividend to the group. Once the loan is repaid, the group will receive a 100% of it's share when dividends are paid.

17. Borrowings (continued)

17.2 Lango Vendor Loan (continued)

It is the intention of Lango to internalise Manco, and when this occurs, the group is required to pay a conditional amount in addition to settling the vendor loan. This conditional amount is estimated to be equal to $ 2,007,768 on 29 December 2023 and accrues interest at 7% naca. This structure is European in nature, with the rolled up vendor loan being stochastic since it is determined materially by the dividend payout rate of Lango. Thus, to provide appropriate valuation of this derivative, the Monte Carlo valuation technique was used. During the current year, the Lango option asset and the vendor loan note, were reclassified as an Option asset.

17.3 KEG Vendor Loan

The vendor loan note was used to finance an investment in KEG Holdings. Vendor Loan note 1 was settled during the current year.

18. Financial lease liabilities and right of use assets

	2023 R'000	2022 R'000
Minimum lease payments due		
-within one year	5,088	5,554
-in second to fifth year inclusive	5,909	465
	10,997	6,019
Less: future finance charges	(1,051)	(309)
Present value of minimum lease payments	**9,946**	**5,710**
Present value of minimum lease payments due		
-within one year	5,209	5,288
-in second to fifth year inclusive	4,737	422
	9,946	**5,710**
Non-current liabilities	4,737	422
Current liabilities	5,209	5,288
Total	**9,946**	**5,710**

The group has a total of R3 170 756 (2022: R2 454 618) of non-lease components not included in the lease liabilities. These relate to the non-lease components and variable lease payments that wil be included in expenses when incurred.The lease term was 1 year 10 months years and the average effective borrowing rate was 10.05% (2022: 9.11%), with the lease liability balance being R9 946 838 R9 946 838 (2022: R5 709 313).The effective borrowing rate was revised due to the lease modification which took place during the current financial year.

The borrowing rate is based on the 2023 3-Months JIBAR closing rate of 8.40% and a margin of

18. Financial lease liabilities and right of use assets (continued)

1.65%. Interest rates are fixed at the contract date and/or lease modification date.The lease escalates at 7% p.a. and no arrangements have been entered into for contingent rent.

Details pertaining to leasing arrangements, where the company is the lessee, are presented below.

	2023 R'000	2022 R'000
Net carrying amounts of right-of-use assets		
The carrying amount of right-of-use assets are as follows:		
Buildings	9,586	5,234

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.

	2023	2022
Building	(4,486)	(5,204)
Right-of-use assets		
Opening balance	5,234	6,071
Depreciation	(4,486)	(5,204)
Lease modification	8,838	4,367
Balance at the end of the year	9,586	5,234

	2023	2022
Other Disclosures		
Notional finance costs on lease liabilities	211	226
Expenses on short-term leases and leases of low-value assets included in operating expenses	885	840
Variable lease payments not included in the measurement of lease liabilities included in operating expenses	2,466	2,221
Non-lease components not included in the measurement of lease liabilities included in operating expenses	246	608
Total cash outflow from lease liabilities including notional finance co	5,442	5,112

At 31 December 2023 the group is committed to R884 662 (2022: R840 266) for short-term leases and low-value leases.

Lease liabilities

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

18. Financial lease liabilities and right of use assets (continued)

Future cash outflows not reflected in lease liabilities

The group has a total of R3 170 756 (2022: R2 454 618) and R997 734 (2022: R1 244 590), including VAT, future cash outflows not reflected in the lease liabilities. These relate to non-lease components and variable lease payments that will be included in expenses when incurred.

19. Trade and other payables

	2023 R'000	2022 R'000
Trade payables	97,041	67,293
Other payables	1,666	12,391
Financial liabilities	**98,707**	**79,684**
Accruals	9,000	13,697
Vat liabilities	744	38
Deposits	12	12
Deferred income	5,761	7,760
Non-financial liabilities	**15,517**	**21,505**
Current	**114,224**	**101,189**

20. Revenue

Revenue recognition and measurement

	2023 R'000	2022 R'000
Sale of products	45,226	38,452
Royalty income	165,942	170,979
Dividends income	1,578,136	6,555,669
Deferred royalty income	2,404,935	2,158,060
Investment revenue	-	149,592
Other revenue	255,302	92,601
	4,449,541	**9,165,353**

21. Impairment of financial assets

Impairment loss

	2023 R'000	2022 R'000
Impairment loss for equity accounted investments	(605)	(32,988)
Total impairments	**(605)**	**(32,988)**

22. Other Income

	2023 R'000	2022 R'000
Other income	330,171	271,630
Amortisation of deferred income	1,024	1,024
	331,195	**272,654**
Other gains		
Gains from financial assets at fair value through profit and loss	2,646,336	695,322
Profit on sale of associate	-	669
Foreign currency translation gains	352,132	183,243
	2,998,468	**879,234**
Other losses		
Loss on sale of associate	(51,317)	(6,153,948)
	(51,317)	(6,153,948)
Net loss	**2,947,151**	**(5,274,714)**

23. Net finance cost

	2023 R'000	2022 R'000
Finance (cost)		
Interest paid - Borrowings	(135,163)	(152,236)
Notional interest on deferred royalty income	(2,002,269)	(1,755,394)
Interest paid - Other	(11,938)	(11,876)
	(2,149,370)	**(1,919,506)**
Finance income		
Interest received from the banks	270,514	23,388
Interest received from joint venture partner	14,009	9,949
Interest received - Other	557,429	533,774
	841,952	**567,111**
Net finance (cost)	**(1,307,418)**	**(1,352,394)**

24. Income tax expense

	2023 R'000	2022 R'000
Current tax		
South African	364,793	244,306
Foreign	1,774	3,675
Under / (Over) provision	13,945	4,151
Deferred tax		
Statement of profit or loss charge	548,853	(396,496)
Withholding tax	16,737	3,119
	946,102	**(141,245)**

	2023 R'000	2022 R'000
Tax rate reconciliation		
Net profit before tax	5,179,322	1,726,546
Tax rate percentage	27%	28%
Tax at standard rate	1,398,417	620,401
Non-deductible expenditure	534,105	173,287
Under/(over) provision of tax in prior year	13,389	4,053
Non-taxable income	(1,267,571)	(827,871)
Profits taxed at CGT rates	134,352	27,150
Changes in tax rate	-	(132,268)
Tax on equity accounted earnings	(69,408)	(68,840)
Withholding tax^	16,737	6,175
Taxable interest not included in income statement	2,066	-
Derecognition of deffered tax	(192,716)	-
Donation	(1,620)	-
Section 12H allowances	(502)	-
Tax loss utilised	(9,967)	(1,585)
Deferred tax not raised *	388,820	58,254
	946,102	(141,245)
	18.27%	-8.18%

** Withholding tax relates to securities transfer tax paid on the redemption of the preference shares in the current year.*

** Deferred tax not raised relates to movements on deferred tax assets which are not considered recoverable and is made up of:*

Lisinfo 222 Investments (Pty) Ltd
Jenzotype (Pty) Ltd
Royal Bafokeng Automotive (Pty)Ltd
Royal Bafokeng Management Services (Pty) Ltd
Platinum Stars FC (Pty) Ltd
Moumo Integrated Development (Pty) Ltd
Royal Bafokeng Nation Development Trust
Royal Bafokeng Sports (Pty) Ltd
Cross Point Trading 67 (Pty) Ltd

25. Operating loss is stated after charging the following, amongst others:

	2023 R'000	2022 R'000
Expenses		
Depreciation	(78,437)	(75,240)
Impairment of assets	-	-
Legal fees	(15,688)	(17,466)
Professional fees	(101,953)	(92,733)
Corporate office expenses	(173,075)	(112,349)
Auditors remuneration	(12,728)	(16,784)
Audit fees	(12,728)	(16,784)
Audit fees - other services	-	-
Operating lease rental	(4,093)	2,682
Bad debt write-off	(2,439)	(1,506)
Repairs and maintenance	(119,497)	(89,601)
Net foreign exchange	(352,132)	(183,242)
Realised foreign exchange	(352,132)	(205,807)
Unrealised foreign exchange	-	22,565
Employee benefits(note 16.1)	(481,366)	(380,647)
Educational expenses	(50,048)	(56,655)
Water expenses	(181,811)	(110,148)
Executives, directors and trustee's remuneration	(68,897)	(58,686)
Employee benefits		
Salaries and wages	(370,763)	(303,119)
Incentive bonus	(33,319)	(34,535)
Leave provision	(18,596)	(1,267)
Staff fringe benefits	(7,770)	(1,629)
Provision for long-term benefits	(50,918)	(40,097)
	(481,366)	(380,647)

26. Commitments

26.1 Leopard Guernsey BK JV LP ("Leopard Guernsey")

Zenprop UK and Royal Bafokeng Holdings (RBH) have established an exclusive partnership to pursue property investment opportunities in the UK and continental Europe through a separate vehicle Leopard Guernsey. The group holds 50% in Leopard Guernsey. Leopard Guernsey was established in Guernsey and its principal place of business is Guernsey. (Refer to Note 8).

The group committed GBP50 million to Leopard Guernsey. As at 31 December 2023, GBP 49.9 million (2022: GBP 49.9 million) had been drawn.

26. Commitments (continued)

26.2 I-Squared Infrastructure Fund 2 ("ISQ")

ISQ is an independent global infrastructure investment manager focusing on projects in the energy, utilities, telecom and transport industry in the Americas, Europe and Asia. ISQ Global Infrastructure Fund III is a closed private equity fund managed by I Squared Capital Advisors, LLC.

On 30 June 2021, The group committed $50 million to ISQ. As at 31 December 2023, $19.6 million had been drawn, and the remaining undrawn commitment amounts to $30.4 million.

27. Related party disclosure

Refer note 8 for related party receivables and note 19 for related party payables.

27.1 Executives

Refer to note 2 of the Supreme Council report for a full list of Council members. The following were Executive Committee members of Royal Bafokeng Nation (Administration) during the financial year:

Kgosi Leruo Molotlegi	Kgosi/Chairman
Bothata Molotlegi	Ambassador/Strategic Relations
Bashi Makgale	Director Operations
Dr Kebalepile Mokgethi	Health & Safety Executive and RBA Managing Director

27.2 Executive's remuneration

	2023 R'000	2022 R'000
Short-term employee benefits		
Supreme council emoluments	32,280	30,646
Executive management emoluments	36,617	15,253
	68,897	**45,899**

28. Deferred income

28.1 Deferred royalty income

	2023 R'000	2022 R'000
Impala Holdings Limited		
Opening balance	6,241,356	6,644,022
Notional interest recognised	2,002,269	1,755,394
Amortisation	(2,404,935)	(2,158,060)
	5,838,690	**6,241,356**
Non-current liabilities	5,435,990	5,838,656
Current liabilities	402,700	402,700
	5,838,690	**6,241,356**

The Impala Holdings Limited royalty income relates to an advance payment on all royalties due to the RBN on the Notarial Mineral Lease K5966/03LM in respect of the period between 1 July 2007 and the last day of the lease period.

The lease period ends 30 June 2038.

Per the agreement the royalty income accrues on a straight-line basis over the lease period. Deferred income is therefore recognised on a straight-line basis to reflect the substance of the agreement.

28.2 Deferred grant income

	2023	2022
Department of Trade and Industry		
Opening balance	18,829	19,853
Amortisation	(1,024)	(1,024)
	17,805	**18,829**

The deferred income relates to a grant received from Department of Trade and Industry in 2011 amounting to R 28,084,838. The grant has been amortised on straight-line basis to reflect the substance of the agreement.

29. Cash generated from operations

	Note	2023 R'000	2022 R'000
Profit before tax		5,179,322	1,728,244
Reversal of impairment loss		(277,287)	(126,477)
Impairment loss on investments	21	605	32,988
Interest income	23	(841,952)	(550,396)
Loss / (Profit) on sale of interest in associates	22	51,317	(669)
Foreign exchange gains	22	(352,132)	(184,827)
Loss on scrapping of assets		16	4
Other gains	22	(2,462,008)	(694,995)
Other losses	22	-	6,077,230
Depreciation		78,437	75,687
STT		2,514	-
Deferred income amortisation	22	(1,024)	(1,024)
Dividends received	20	(1,578,136)	(6,555,669)
Share of (profit) / losses from equity accounted investi	7	(270,284)	(36,138)
SARS interest		-	(135)
IFRS 2/IAS 19 adjustment		50,918	-
Interest expenses	23	2,149,370	1,919,505
Deferred royalties	20	(2,404,935)	(2,158,060)
Operating cash before working capital changes		**(675,259)**	**(474,732)**
Change in working capital		(84,770)	(32,238)
- (Increase) / decrease in trade and other receivables		(98,274)	2,462
- Increase in inventory		(30)	(506)
- Increase / (decrease) in trade and other payables		13,534	(34,194)
Net cash used in operating activities		**(760,029)**	**(523,452)**

29.1 Net debt reconciliation

This section sets out an analysis of net debt and the movements in net debt for each of the periods presented.

	2023	2022
Cash and cash equivalents	7,220,168	7,064,851
Cash investments	3,146,620	2,720,081
Borrowings repayable within one year	(25,697)	(69,152)
Borrowings repayable after one year	(1,157,659)	(2,187,153)
Net debt	**9,183,432**	**7,528,627**

29. Cash generated from operations (continued)

29.1 Net debt reconciliation (continued)

	Investments R'000	Cash and cash equivalents R'000	Borrowings repayable within one year R'000	Borrowings repayable after one year R'000	Total R'000
Balance at 1 January 2023	2,720,081	7,064,851	(69,152)	(2,187,153)	7,528,627
Cash flows	-	155,317	-	-	155,317
Interest accrued	-	-	-	-	-
Other non-cash movements	-	-	-	-	-
Balance at 31 December 2023	2,720,081	7,220,168	(69,152)	(2,187,153)	7,683,944
Balance at 1 January 2022	2,085,631	3,773,703	(51,355)	(3,075,183)	2,732,796
Cash flows	634,450	-	9,313	888,030	1,531,793
Interest accrued	-	-	(29,202)	-	(29,202)
Other non-cash movements	-	-	2,092	-	2,092
Balance at 31 December 2022	2,720,081	7,064,851	(69,152)	(2,187,153)	4,237,479

30. Events after the reporting period

30.1 Capital contribution made to Asia Partners II LP

RBH, through its SPV, Royal Bafokeng Investment Holding Company Proprietary Limited, made a capital contribution of US$3,3 million (R62,7 million) to Asia Partners II LP on 19 January 2024. The total commitment to Asia Partners II LP is $15 million.

Asia Partners II LP focuses on making equity investments in high-growth technology and technology enabled businesses in Asia, with a particular focus on Southeast Asia. The Limited Partners of The Partnership have an obligation to make Capital Contributions to enable The Partnership to make investments in new Portfolio Companies and to pay is obligations. Each Limited Partner is required to make Capital Contributions by The due date when notice is given.

30.2 Transaction Capital (TCP) unbundling of WeBuyCars

On 30 January 2024 the board of TCP released a SENS announcement to advise shareholders that TCP will unbundle all the shares that it holds in WeBuyCars. The unbundling will be implemented by way of a pro rata distribution in specie of the WeBuyCars shares held by TCP on the relevant distribution date followed by a listing of WeBuyCars shares.

RBH, through its SPV Royal Bafokeng Resources Proprietary Limited, will receive 12 575 967 shares in WeBuyCars. The unbundling will be completed on 16 April 2024.

30.3 Eldo business rescue proceedings

On 13 March 2024 the board of Eldo unanimously resolved that the company voluntarily commence with business rescue proceedings immediately and that it be placed under supervision in terms of section 129(1) of the Companies Act.

30. Events after the reporting period(continued)

30.3 Eldo business rescue proceedings (continued)

During 2023 Eldo was negatively impacted by the loss of a major contract held via a joint arrangement.

This has been accounted for as an adjusting event by RBH Group, through its SPV Royal Bafokeng Resources (Pty) Ltd, and the value of Eldo has been fully written off.

30.4 Towerco Bidco Proprietary Limited

Subsequent to year-end RBH Group, through its SPV Royal Bafokeng Infrastructure Investments Proprietary Limited, acquired a 30% minority stake in Towerco Bidco Proprietary Limited with the balance owned by an Actis-led consortium.

On 20 March 2024 Towerco Bidco entered into a sale agreement with Telkom, pursuant to which Towerco Bidco will acquire from Telkom all the issued shares of, and all or part of the claims of, Swiftnet SOC Limited.

Towerco Bidco Proprietary Limited is an entity incorporated for the purposes of acquiring the tower portfolio of Telkom,Swiftnet. This is an adjusting event.

30.5 Additional investment in NEPI Rockcastle

Following RBH Board approval in June 2024, RBH, through its SPV, Lisinfo 222 Proprietary Limited, made an additional investment to increase the allocation in NEPI Rockcastle by a further R500m. The purchase of the final tranche of shares was concluded on 18 September 2024.

30.6 Disposal of Investment in FirstRand

RBH, through its (SPV) Salestalk 268 Proprietary Limited, disposed of 21.5 million shares in FSR for a total consideration of R1.58 billion. This was to implement the mandate to reduce concentration risk of FirstRand in the RBH Portfolio. The disposal of the final tranche of shares was concluded on 19 June 2024.

30.7 Subscription of the Northam Solar PV Project

Following RBH Board approval, RBH, through its SPV, Royal Bafokeng Infrastructure Investments (RBII) implemented the subscription of shares in the Northam Solar PV Project for an amount of R82.94 million. The purchase of the shares was concluded on 21 August 2024, which resulted in RBII owning a 34% shareholding.

30.8 Additional subscription following KEG capital call

Following a capital call from KEG Holdings Limited (KEG), RBH, through its SPV, K2021425492 Proprietary Limited subscribed for additional shares in the company for an amount of

30. Events after the reporting period (continued)

30.8 Additional subscription following KEG capital call (continued)

USD 8.57million. The subscription was concluded on 1 August 2024. The shareholding in KEG remained the same at 20.75% as all other shareholders of KEG subscribed at the same proportion to their shareholding.

31. Financial instruments

Categories of financial instruments

Financial assets	Notes	Financial assets at fair value through profit and loss R'000	Financial assets at amortised cost R'000	Total R'000
2023				
Assets per balance sheet				
Other financial assets	6	23,078,127	-	23,078,127
Investments in associates at FVTPL	7	21,110,231	-	21,110,231
Trade and other receivables (excludes VAT, prepaid, deposits)	8	-	498,523	498,523
Cash and cash equivalents	13	-	7,220,168	7,220,168
Cash investments	14	-	3,146,620	3,146,620
		44,188,358	**10,865,311**	**55,053,669**
2022				
Assets per balance sheet				
Other financial assets	6	21,539,145	-	21,539,145
Investments in associates at FVTPL	7	19,208,369	-	19,208,369
Trade and other receivables (excludes (VAT, prepaid, deposits)	8	-	452,696	452,696
Cash and cash equivalents	13	-	7,064,851	7,064,851
Cash investments	14	-	2,720,081	2,720,081
		40,747,514	**10,237,628**	**50,985,142**

31. Financial Instruments (continued)

Categories of financial instruments (continued)

Financial liabilities	Notes	Financial liabiliti at fair value through profit and loss R'000	Financial liabilities at amortised cost R'000	Total R'000
2023				
Liabilities per balance sheet				
Borrowings	18	-	1,183,356	1,183,356
Trade and other payables (excludes VAT, deposits, deferred income and accruals)	20	-	98,707	98,707
Lease liabilities	19	9,946	-	9,946
Bank overdraft	14	-	-	-
		9,946	1,282,063	1,292,009

	Notes	Financial liabiliti at fair value through profit and loss R'000	Financial liabilities at amortised cost R'000	Total R'000
2022				
Liabilities per balance sheet				
Borrowings	18	-	2,256,305	2,256,305
Trade and other payables (excludes VAT, deposits, deferred income and accruals)	20	-	79,684	79,684
Lease liabilities	19	5,710	-	5,710
Bank overdraft	14	-	6	6
		5,710	2,335,995	2,341,705

32. Financial risk management

32.1 Liquidity risk

	Due within 1 year R'000	Due within 1 to 2 year R'000	Due within 2 to 5 years R'000	Due thereafter R'000	Total R'000
2023					
Non-current borrowings	-	-	1,090,736	66,923	1,157,659
Current borrowings	25,697	-	-	-	25,697
Trade and other payables	114,224	-	-	-	114,224
Financial lease liability	5,209	4,737	-	-	9,946
	145,130	**4,737**	**1,090,736**	**66,923**	**1,307,524**

	Due within 1 year R'000	Due within 1 to 2 year R'000	Due within 2 to 5 years R'000	Total R'000
2022				
Non-current borrowings	-	2,087,750	99,403	2,187,153
Current borrowings	-	-	-	69,152
Trade and other payables	-	-	-	101,189
Financial lease liability	422	-	-	5,710
	422	**2,087,750**	**99,403**	**2,363,202**

Redeemable preference shares and RCF

<u>Financial guarantee</u>
RBH Group through its SPV Salestalk Holdco, entered into an agreement with RMB on 22 September 2022 to refinance its outstanding liability of R 2 088 890 000 for the original preference shares. Upon refinance, Salestalk Holdco was discharged from the financial liability and released from any financial obligation in terms of the 2017 preference shares amended Common Terms Agreement.

Salestalk Holdco's obligations under the new preference shares and RBH's obligations under the new RCF are guaranteed by RBH, Royal Bafokeng Investment Holding Company Proprietary Limited and Salestalk 268 Proprietary Limited (collectively the "obligors").

The funding structure provides for certain financial covenants that need to be maintained. Should the terms of the funding agreement be breached and the issuer of the preference shares or the borrower of the RCF fail to pay, the obligors will be required to repay the preference shares and the RCF outstanding balance. The finance agreements provide for a process to be followed in the event that there is a breach of the covenants and the mechanisms to remedy the breach.

The financial covenants contained in the new agreement were for RBH to maintain a:
• R5bn NAV;
• listed asset cover ratio of 2.25:1; and
• specified listed asset cover ratio of 1.00:1.

32. Financial risk management (continued)

32.1 Liquidity risk (continued)

The financial covenants stipulated in the agreements are as follows:

	Listed assets cover ratio	Specified listed asset cover ratio
Discussion Triggers	1.25	2.75
Default Triggers	2.25	1.00
As at 31 December 2023 the financial covenants were as follows:		
Financial covenants	36.00	22.00
As at 31 December 2022 the financial covenants were as follows:		
Financial covenants	18.52	9.56

Valuation

The financial guarantee is valued by considering the price that the issuer would demand for accepting the guarantee obligation. This was estimated using a probability adjusted discounted cash flow analysis. The technique looks at the probability of default by Salestalk Holdco Proprietary Limited (SHC) and loss in the event of default.

The valuation was estimated using a Monte Carlo simulation; this simulates the portfolio value over the maturity of the SHC preference shares. If a default event occurs the simulation calculates a recoverable value based on an average portfolio value over a 100-day period following default. The loss in the default events is the difference between the recoverable value and debt.

According to the Monte Carlo simulation the loss in the default event is Rnil, as in all default events the recovery value exceeds the value of the debt (in the default events SHC is always able to repay the debt without the financial guarantors). The financial guarantee liability as at 31 December 2023 is Rnil for all the financial guarantors listed above.

32.2 Credit risk

Due to the fact the trade receivables are monitored differently by each subsidiary, management of credit risk disclosure has been disclosed on a subsidiary by subsidiary basis. Refer below for the summary:

32. Financial risk management (continued)

32.2 Credit risk (continued)

Due to the fact the trade receivables are monitored differently by each subsidiary, management of credit risk disclosure has been disclosed on a subsidiary by subsidiary basis. Refer below for the summary:

	2023 R'000	2022 R'000
Summary of trade and other receivables*		
TJET	-	511
Current related party loans	611,558	612,533
Total current trade receivables	**611,558**	**613,044**
Total trade and other receivables	**611,558**	**613,044**

** Excludes VAT and prepaid expenses.*

Credit risk management has been disclosed for the material subsidiaries below:

32.2.1 RBH and its SPVs

Trade receivables
The credit risk exposure for Royal Bafokeng Holdings and its SPVs on trade receivables is not considered material as relates mostly to loans advanced to related entities.

32.3 Market risk

32.3.1 Foreign exchange risk

The net carrying amounts, in foreign currency, of the above exposure was as follows:

Financial liabilities

Investment	Currency	2023 R'000	2022 R'000
Leopard Guernsey	GBP	1,048	17,577
Big Yellow Group	GBP	36,036	33,824
InfraSalience	USD	-	1,000
I-Squared Global Infrastructure Fund	USD	21,932	5,614
KEG Holdings Limited	USD	91,858	94,172
Global Equity Funds	USD	78,978	35,323

32. Financial risk management (continued)

32.3.2 Interest rate risk

Fluctuations in interest rates impact on the long-term loans and preference shares, which result in interest rate risk. The impact of the change in the interest is indicated below:

	2023 R'000	2022 R'000
Financial liabilities		
Variable interest rate borrowings (Cash flow interest rate risk)	1,108,681	2,116,952

Interest rate sensitivity analysis
A change of 100 basis points in interest rates at the reporting date would increase (decrease) future equity and profit or loss by the amounts shown below. This assumes that all variables in particular foreign currency rates remain constant.

The table below show the shows the analysis of the increase in the interest rate by 1%.

		Profit/loss	
	Balance at year end R'000	Increase in interest rate variable R'000	Decrease in interest rate variable R'000
31 December 2023			
Variable interest rate borrowings - Sensitivity analysis	1,108,681	(11,087)	11,087
31 December 2022			
Variable interest rate borrowings - Sensitivity analysis	3,084,496	(30,845)	30,845

32.3.3 Price risk

The table below summarises the impact of increases or decreases of the ALSI on the Group's equity and profit for the year. The analysis is based on assumptions that equity indexes had increased or decreased by 100 basis points with all other variables held constant and all the Group's equity instruments moved according to historic correlation with the index.

			Equity movements	
	Index	Name	Increase by 100 basis points	Decrease by 100 basis points
2023				
JSE	J300	ALSI	329,625	(329,625)
2022				
JSE	J300	ALSI	325,446	(325,446)

32. Financial risk management (continued)

32.3.3 Price risk (continued)

The table below summarises the impact of increases or decreases of the FTSE 100 on the Group's equity and profit for the year. The analysis is based on assumptions that equity indexes had increased or decreased by 100 basis points with all other variables held constant and all the Group's equity instruments moved according to historic correlation with the index.

			Equity movements	
	Index	Name	Increase by 100 basis points	Decrease by 100 basis points
2023				
LSE	FTSE100	FTSE	8,395	(8,395)
2022				
LSE	FTSE100	FTSE	6,965	(6,965)

Available-for-sale reserves and profit or loss will increase/decrease as a result of gains/losses on equity securities classified as available-for-sale investment and investments held at fair value through profit or loss.

33. Fair value estimation

	Notes	Level 1 R'000	Level 3 R'000	Total R'000
2023				
Financial assets at FVTPL	7 & 8	33,810,710	8,763,323	42,574,033
Financial liability	20	-	9,946	9,946
Cash investments	16	3,146,620	-	3,146,620
2022				
Financial assets at FVTPL	7 & 8	23,731,835	3,605,306	27,337,141
Financial liability	20	-	5,710	5,710
Cash investments	16	2,720,081	-	2,720,081

34. Material direct subsidiaries

34.1 Subsidiaries

Entity	Ownership Interest 2023	Ownership Interest 2022
Subsidiaries		
Royal Bafokeng Nation Development Trust	100%	100%
Royal Bafokeng Holdings (Pty) Ltd	100%	100%
Crosspoint Trading (Pty) Ltd	100%	100%
Lebone II College NPC	100%	100%
Platinum Stars FC (Pty) Ltd	100%	100%
Royal Bafokeng Institute NPC	100%	100%
Royal Bafokeng Sports (Pty) Ltd	100%	100%
Royal Bafokeng Nation Platinum Province BBBEE Trust	100%	100%
Royal Bafokeng Enterprise Development	100%	100%
Moumo Integrated Development (Pty) Ltd	100%	100%
Bafokeng Civil Works (Pty) Ltd	100%	100%
Struthio (Pty) Ltd	100%	100%
Kitsong Schools of Royal Bafokeng NPC	100%	0%
Dewdrops Property (Pty) Ltd	100%	100%