

Lima Rural Development Foundation (RF) NPC
(Registration number 1988/007392/08)
Financial statements
for the year ended 28 February 2022

Lima Rural Development Foundation (RF) NPC

(Registration number: 1988/007392/08)

Financial Statements for the year ended 28 February 2022

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	The purpose of the foundation is to provide agricultural services to rural farmers and to facilitate and provide advisory services to institutions and individuals dealing in development projects.
Directors	Duncan Andrew Stewart Ntombifuthi Victoria Sibeko Phenias Ndlela Gumede Peter Leonard Greene Nqe Jacob Dlamini
Registered office	2 Forresters Lane Pietermaritzburg KwaZulu-Natal 3201
Business address	2 Forresters Lane Pietermaritzburg KwaZulu-Natal 3201
Postal address	P.O. Box 11934 Dorpspruit 3206
Bankers	First National Bank Limited, a division of First Rand Bank Limited
Auditors	Moore Midlands Chartered Accountants (SA) Registered Auditors
Company registration number	1988/007392/08
Tax reference number	9163111207
Level of assurance	These financial statements have been audited in compliance with the applicable requirements of the Companies Act of South Africa.
Preparer	The financial statements were independently compiled by: K. Lutchmiah CA(SA)
Issued	02 September 2022

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Directors' Responsibilities and Approval

The directors are required by the Companies Act of South Africa, to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the financial statements fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with the International Financial Reporting Standard for Small and Medium-sized Entities. The external auditors are engaged to express an independent opinion on the financial statements.

The financial statements are prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

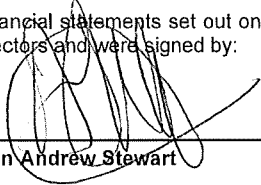
The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the directors set standards for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


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

The directors have reviewed the company's cash flow forecast for the year to 28 February 2023 and, in light of this review and the current financial position, they are satisfied that the company has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the company's financial statements. The financial statements have been examined by the company's external auditors and their report is presented on pages 4 to 6.

The financial statements set out on pages 8 to 26, which have been prepared on the going concern basis, were approved by the directors and were signed by:


Duncan Andrew Stewart


Ntombifuthi Victoria Sibeko

Date: 31/08/2022

Pietermaritzburg

Independent Auditor's Report

To the members of Lima Rural Development Foundation (RF) NPC

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Lima Rural Development Foundation (RF) NPC set out on pages 10 to 24, which comprise the statement of financial position as at 28 February 2022, statement of 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 significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Lima Rural Development Foundation (RF) NPC as at 28 February 2022, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standard for Small and Medium -sized Entities and the requirements of the Companies Act of South Africa.

Basis for Opinion

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

Other Information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Lima Rural Development Foundation (RF) NPC financial statements for the year ended 28 February 2022", which includes the Directors' Responsibilities and Approval declaration, the Directors' Report as required by the Companies Act of South Africa and the supplementary information as set out on pages 25 to 26. The other information does not include the financial statements and our auditor's report thereon.

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

Independent Auditor's Report

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

Responsibilities of the Directors for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Independent Auditor's Report

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

Moore

Moore Midlands
Chartered Accountants (SA)
Registered Auditors

02/09/2022

DATE

Per: RD Thomas – Director
Registered Auditor

Pietermaritzburg



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Practitioner's Compilation Report

To the members of Lima Rural Development Foundation (RF) NPC

I have compiled the financial statements of Lima Rural Development Foundation (RF) NPC, as set out on pages 8 to 26, based on the information you have provided. These financial statements comprise the statement of financial position of Lima Rural Development Foundation (RF) NPC as at 28 February 2022, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

I performed this compilation engagement in accordance with International Standard on Related Services 4410 (Revised), Compilation Engagements.

I have applied my expertise in accounting and financial reporting to assist you in the preparation and presentation of these financial statements in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities. I have complied with relevant ethical requirements, including principles of integrity, objectivity, professional competence and due care.

These financial statements and the accuracy and completeness of the information used to compile them are your responsibility.

Since a compilation engagement is not an assurance engagement, I am not required to verify the accuracy or completeness of the information you provided to me to compile these financial statements. Accordingly, I do not express an audit opinion or a review conclusion on whether these financial statements are prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities.

K. Lutchmiah
Chartered Accountant (S.A.)

31 August 2022
Durban

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B-BBEE Status Level 1 • SAICA Practice No 30661410

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Director • K Lutchmiah



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Financial Statements for the year ended 28 February 2022

Directors' Report

The directors have pleasure in submitting their report on the financial statements of Lima Rural Development Foundation (RF) NPC for the year ended 28 February 2022.

1. Nature of business

Lima Rural Development Foundation (RF) NPC was incorporated in South Africa with interests in the rural farming development industry. The company operates principally in South Africa.

There have been no material changes to the nature of the company's business from the prior year.

2. Review of financial results and activities

The financial statements have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act of South Africa. The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the company are set out in these financial statements.

3. Directors

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

Name

Duncan Andrew Stewart
Ntombifuthi Victoria Sibeko
Phenias Ndlela Gumede
Peter Leonard Greene
Nqe Jacob Dlamini

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

4. Going concern

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

5. Directors' interests in contracts

Refer to note 18 - Related Parties for directors' interests in contracts of the company.

6. Events after the reporting period

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

7. Auditors

Moore Midlands continued in office as auditors for the company for 2022.

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Directors' Report

8. Secretary

The company has no designated secretary.

9. Date of authorisation for issue of financial statements

The financial statements have been authorised for issue by the directors on 31 August 2022. No authority was given to anyone to amend the financial statements after the date of issue.

10. Liquidity and solvency

The directors have performed the liquidity and solvency tests as and when required by the Companies Act of South Africa.

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Statement of Financial Position as at 28 February 2022

	Notes	2022 R	2021 R
Assets			
Non-Current Assets			
Property, plant and equipment	2	7 028 260	6 464 164
Investments in jointly controlled entities	3	-	-
		7 028 260	6 464 164
Current Assets			
Trade and other receivables	4	23 471 861	24 391 672
Other financial assets	5	180 000	-
Cash and cash equivalents	6	6 647 789	3 176 717
		30 299 650	27 568 389
Total Assets		37 327 910	34 032 553
Equity and Liabilities			
Equity			
Retained income		8 815 431	9 169 030
Liabilities			
Non-Current Liabilities			
Other financial liabilities	7	434 639	273 344
Current Liabilities			
Trade and other payables	8	21 375 873	13 690 344
Other financial liabilities	7	1 978 039	2 306 929
Bank overdraft	6	4 723 928	8 592 906
		28 077 840	24 590 179
Total Liabilities		28 512 479	24 863 523
Total Equity and Liabilities		37 327 910	34 032 553

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Statement of Comprehensive Income

	Notes	2022 R	2021 R
Revenue	9	39 934 876	39 481 766
Cost of sales	10	(35 388 828)	(28 986 624)
Gross surplus		4 546 048	10 495 142
Other income	11	53 088 561	23 753 616
Operating expenses		(57 365 704)	(38 316 153)
Operating surplus (deficit)	12	268 905	(4 067 395)
Investment revenue	13	624 746	771 365
Finance costs	14	(1 247 250)	(1 428 043)
Deficit for the year		(353 599)	(4 724 073)
Other comprehensive income		-	-
Total comprehensive loss for the year		(353 599)	(4 724 073)

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Statement of Changes in Equity

	Retained income R	Total equity R
Balance at 01 March 2020	13 893 103	13 893 103
Deficit for the year	(4 724 073)	(4 724 073)
Other comprehensive income	-	-
Total comprehensive loss for the year	(4 724 073)	(4 724 073)
Balance at 01 March 2021	9 169 030	9 169 030
Deficit for the year	(353 599)	(353 599)
Other comprehensive income	-	-
Total comprehensive loss for the year	(353 599)	(353 599)
Balance at 28 February 2022	8 815 431	8 815 431

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Statement of Cash Flows

	Notes	2022 R	2021 R
Cash flows from operating activities			
Cash generated from (used in) operations	16	9 890 970	(2 404 260)
Investment revenue		25 987	44 861
Finance costs		(780 024)	(983 931)
Net cash from operating activities		9 136 933	(3 343 330)
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(94 968)	(47 441)
Proceeds on disposal of property, plant and equipment	2	26 087	140 666
Advances of financial assets		(180 000)	-
Net cash from investing activities		(248 881)	93 225
Cash flows from financing activities			
Proceeds from other financial liabilities		1 805 000	1 650 000
Repayment of other financial liabilities		(3 353 002)	(1 110 404)
Net cash from financing activities		(1 548 002)	539 596
Total cash movement for the year		7 340 050	(2 710 509)
Cash and cash equivalents at the beginning of the year		(5 416 189)	(2 705 680)
Total cash and cash equivalents at the end of the year	6	1 923 861	(5 416 189)

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Financial Statements for the year ended 28 February 2022

Accounting Policies

1. Presentation of annual financial statements

The financial statements have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and the Companies Act of South Africa. The financial statements have been prepared on the historical cost basis, except for certain financial instruments that are measured at fair value at the end of each reporting period as explained in the accounting policies below, and incorporate the principal accounting policies set out below. They are presented in South African Rands.

These accounting policies are consistent with the previous period.

1.1 Significant judgements and sources of estimation uncertainty

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements. Significant judgements include:

Critical judgements in applying accounting policies

Management did not make critical judgements in the application of accounting policies, apart from those involving estimations, which would significantly affect the financial statements.

Key sources of estimation uncertainty

The financial statements do not include assets or liabilities whose carrying amounts were determined based on estimations for which there is a significant risk of material adjustments in the following financial year as a result of the key estimation assumptions.

Financial assets measured at cost and amortised cost

The company assesses its financial assets measured at cost and amortised cost for impairment at each reporting date. In determining whether an impairment loss should be recorded in the statement of comprehensive income, the company uses judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

Impairment testing

The company reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. When such indicators exist, management determines the recoverable amount by performing value in use and fair value calculations. These calculations require the use of estimates and assumptions. When it is not possible to determine the recoverable amount for an individual asset, management assesses the recoverable amount for the cash generating unit to which the asset belongs.

Useful lives of property, plant and equipment

Management assess the appropriateness of the useful lives of property, plant and equipment at the end of each reporting period. The useful lives of leasehold improvements, motor vehicles, furniture and fixtures and computer equipment are determined based on company's replacement policies for the various assets. Individual assets within these classes, which have a significant carrying amount are assessed separately to consider whether replacement will be necessary outside of normal replacement parameters.

When the estimated useful life of an asset differs from previous estimates, the change is applied prospectively in the determination of the depreciation charge.

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Financial Statements for the year ended 28 February 2022

Accounting Policies

1.2 Property, plant and equipment

Property, plant and equipment are tangible assets which the company holds for its own use or for rental to others and which are expected to be used for more than one period.

Property, plant and equipment is carried at cost less accumulated depreciation and accumulated impairment losses.

Cost includes costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the company.

Depreciation is provided using the straight-line method to write down the cost, less estimated residual value over the useful life of the property, plant and equipment as follows:

Item	Depreciation method	Average useful life
Leasehold improvements	Straight line	10 years
Furniture and fixtures	Straight-line	10 years
Motor vehicles	Straight-line	8 years
Computer equipment	Straight-line	3 years

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

When indicators are present that the useful lives and residual values of items of property, plant and equipment have changed since the most recent annual reporting date, they are reassessed. Any changes are accounted for prospectively as a change in accounting estimate.

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

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

1.3 Investments in joint ventures

Jointly controlled entities

Investments in jointly controlled entities are measured at cost less accumulated impairment losses, except for investments in jointly controlled entities for which there is a published price quotation, which are measured at fair value with changes to fair value recognised in profit or loss.

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Financial Statements for the year ended 28 February 2022

Accounting Policies

1.4 Financial instruments

Initial measurement

Financial instruments are initially measured at the transaction price (including transaction costs except in the initial measurement of financial assets and liabilities that are measured at fair value through profit or loss) unless the arrangement constitutes, in effect, a financing transaction in which case it is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial instruments at amortised cost

These include loans, trade receivables and trade payables. Those debt instruments which meet the criteria in section 11.8(b) of the standard, are subsequently measured at amortised cost using the effective interest method. Debt instruments which are classified as current assets or current liabilities are measured at the undiscounted amount of the cash expected to be received or paid, unless the arrangement effectively constitutes a financing transaction.

At each reporting date, the carrying amounts of assets held in this category are reviewed to determine whether there is any objective evidence of impairment. If there is objective evidence, the recoverable amount is estimated and compared with the carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

Financial instruments at fair value

All other financial instruments, including equity instruments that are publicly traded or whose fair value can otherwise be measured reliably, without undue cost or effort, are measured at fair value through profit and loss.

If a reliable measure of fair value is no longer available without undue cost or effort, then the fair value at the last date that such a reliable measure was available is treated as the cost of the instrument. The instrument is then measured at cost less impairment until management are able to measure fair value without undue cost or effort.

1.5 Tax

Tax expenses

The entity has been approved as a Public Benefit Organisation in terms of section 30 of the Income Tax Act and the receipts and accruals are exempt from Income tax in terms of s10(1)(cN) of the Act.

1.6 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership to the lessee. All other leases are operating leases.

Finance leases – lessee

Finance leases are recognised as assets and liabilities at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments.

The lease payments are apportioned between the finance charge and the reduction of the outstanding liability using the effective interest method.

Operating leases – lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term unless:

- another systematic basis is representative of the time pattern of the benefit from the leased asset, even if the payments are not on that basis, or
- the payments are structured to increase in line with expected general inflation (based on published indexes or statistics) to compensate for the lessor's expected inflationary cost increases.

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

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Financial Statements for the year ended 28 February 2022

Accounting Policies

1.7 Impairment of assets

The company assesses at each reporting date whether there is any indication that assets may be impaired.

If there is any such indication, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset (or group of assets) in prior years. A reversal of impairment is recognised immediately in profit or loss.

1.8 Share capital and equity

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

1.9 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as leave pay and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

1.10 Provisions and contingencies

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

Provisions are measured at the present value of the amount expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as interest expense.

Provisions are not recognised for future operating losses.

1.11 Revenue

Revenue is recognised to the extent that the company has transferred the significant risks and rewards of ownership of goods to the buyer, or has rendered services under an agreement provided the amount of revenue can be measured reliably and it is probable that economic benefits associated with the transaction will flow to the company. Revenue is measured at the fair value of the consideration received or receivable, excluding sales taxes and discounts.

Investment revenue is recognised, in profit or loss, using the effective interest rate method.

1.12 Borrowing costs

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

1.13 Statement of cash flows

The statement of cash flows is prepared on the direct method, whereby the major classes of gross cash receipts and gross cash payments are disclosed.

For the purpose of the statement of cash flows, cash and cash equivalents comprise cash on hand and deposits held on all with banks net of bank overdrafts, all of which are available for use by the company unless otherwise stated.

Investing and financing operations that do not require the use of cash and cash equivalents are excluded from the statement of cash flows.

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Notes to the Financial Statements

	2022 R	2021 R
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2. Property, plant and equipment

	2022			2021		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation - restated	Carrying value - restated
Leasehold improvements	49 946	(49 946)	-	49 946	(49 946)	-
Furniture and fixtures	41 333	(41 313)	20	41 333	(41 313)	20
Motor vehicles	14 216 911	(7 353 394)	6 863 517	13 279 022	(6 945 769)	6 333 253
Computer equipment	669 260	(504 537)	164 723	574 292	(443 401)	130 891
Total	14 977 450	(7 949 190)	7 028 260	13 944 593	(7 480 429)	6 464 164

Reconciliation of property, plant and equipment - 2022

	Opening balance	Additions	Disposals	Depreciation	Closing balance
Furniture and fixtures	20	-	-	-	20
Motor vehicles	6 333 253	1 474 690	(189 746)	(754 680)	6 863 517
Computer equipment	130 891	94 968	-	(61 136)	164 723
	6 464 164	1 569 658	(189 746)	(815 816)	7 028 260

Reconciliation of property, plant and equipment - 2021

	Opening balance - restated	Additions	Disposals	Depreciation - restated	Closing balance - restated
Furniture and fixtures	20	-	-	-	20
Motor vehicles	6 598 957	765 000	(236 836)	(793 868)	6 333 253
Computer equipment	14 033	131 364	-	(14 506)	130 891
	6 613 010	896 364	(236 836)	(808 374)	6 464 164

Property, plant and equipment encumbered as security

The following assets have been encumbered as security over other financial liabilities as disclosed in note 7:

Motor vehicles	2 160 948	1 132 785
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3. Investments in jointly controlled entities

Name of company	Carrying amount 2022	Carrying amount 2021
Lima Rural Development - Thaha Joint Venture Proprietary Limited	-	-

Lima Rural Development Foundation (RF) NPC entered into a joint venture with Thaha Projects whereby Lima Rural Development - Thaha Joint Venture Proprietary Limited was formed. Profits will accrue to Lima Rural Development Foundation (RF) NPC once the requirements of the agreement are satisfied. The joint venture is carried under the cost model and has a cost of Rnil.

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Notes to the Financial Statements

	2022 R	2021 R
4. Trade and other receivables		
Trade receivables	6 907 244	8 252 537
Deposits	50 098	94 098
Accrued income	16 506 530	16 042 048
Staff loans	7 989	2 989
	23 471 861	24 391 672
Trade receivables were pledged as security over banking facilities as described in note 6.		
5. Other financial assets		
At amortised cost		
Klipfontein Loan	180 000	-
The above loan is unsecured, interest free and has no set terms of repayment.		
Current assets		
At amortised cost	180 000	-
6. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Cash on hand	23 328	20 250
Bank balances	6 624 461	3 156 467
Bank overdraft	(4 723 928)	(8 592 906)
	1 923 861	(5 416 189)
Current assets	6 647 789	3 176 717
Current liabilities	(4 723 928)	(8 592 906)
	1 923 861	(5 416 189)

Facilities:

The following facilities are available to the company by First National Bank Limited, a division of First Rand Bank Limited:

- Overdraft facility to the value of R6 500 000 (2021: R8 600 000)

Securities:

The following has been provided by the company as security over the facilities:

- A letter of suretyship by Mr D.A. Stewart to the value of R11 150 000;
- A letter of suretyship by Mr D.A. Stewart to the value of R5 011 180
- Unlimited cession of the rights to and in the debtors book of the company;
- A cession of credit balances held with the bank as follows:
Money Market Account: 62534898533 for the amount of R2 000 000,
Money Market Account: 62552117006 for the amount of R750 000,
Call Account: 74771192610 for the amount of R750 000, and
Call Account: 74780421753 for the amount of R500 000.

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	2022 R	2021 R
7. Other financial liabilities		
At amortised cost		
Finance agreements	1 695 928	839 273
<p>The above finance agreements are held with Wesbank Limited, bear interest at rates linked to prime and are repayable in monthly instalments. The company's obligations under these finance agreements are secured over the financed assets as disclosed in note 2.</p>		
Midlands Livestock Platform	295 000	740 000
Sekororo Agrihub	341 750	830 000
RCL Agrihub	-	71 000
Lephalale Agrihub	80 000	100 000
<p>The above loans are unsecured, interest free and have no specific terms of repayment.</p>		
	2 412 678	2 580 273
Non-current liabilities		
At amortised cost	434 639	273 344
Current liabilities		
At amortised cost	1 978 039	2 306 929
	2 412 678	2 580 273
8. Trade and other payables		
Trade payables	6 885 598	6 442 315
Amounts received in advance	12 317 353	5 992 515
Value added taxation	401 272	233 490
Accruals	634 041	780 342
Other payables	1 137 609	241 682
	21 375 873	13 690 344
9. Revenue		
Rendering of services	39 934 876	39 481 766
10. Cost of sales		
Rendering of services		
Cost of services	35 388 828	28 986 624
11. Other income		
Recoveries	52 824 793	23 580 278
Sundry income	263 768	173 338
	53 088 561	23 753 616

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Notes to the Financial Statements

	2022 R	2021 R
12. Operating surplus (deficit)		
Operating surplus (deficit) for the year is stated after accounting for the following:		
Operating lease charges		
Premises		
• Contractual amounts	807 669	774 785
Loss on disposal of property, plant and equipment	163 659	96 170
Depreciation on property, plant and equipment	815 816	808 374
Employee costs	5 672 866	6 698 042
13. Investment revenue		
Interest revenue		
Financial institutions	25 987	44 521
Trade and other receivables	598 759	726 504
Other interest received	-	340
	624 746	771 365
14. Finance costs		
Trade and other payables	491 685	477 498
Financial institutions	755 565	950 545
	1 247 250	1 428 043
15. Taxation		
The entity has been approved as a Public Benefit Organisation in terms of section 30 of the Income Tax Act and the receipts and accruals are exempt from Income tax in terms of s10(1)(cN) of the Act.		
16. Cash generated from (used in) operations		
Deficit before taxation	(353 599)	(4 724 073)
Adjustments for:		
Depreciation on property, plant and equipment	815 816	808 374
Loss on disposal of property, plant and equipment	163 659	96 170
Investment revenue	(624 746)	(771 365)
Finance costs	1 247 250	1 428 043
Non-cash expenses	1 757 866	297 013
Debtors factoring	598 759	-
Creditors factoring	(467 225)	-
Changes in working capital:		
Trade and other receivables	(932 337)	2 929 461
Trade and other payables	7 685 527	(2 467 883)
	9 890 970	(2 404 260)

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Notes to the Financial Statements

	2022 R	2021 R
17. Directors' remuneration		
Executive		
2022		
	Emoluments	Other benefits
Duncan Andrew Stewart	1 453 374	193 938
Ntombifuthi Victoria Sibeko	705 631	109 777
	2 159 005	303 715
	2 462 720	2 462 720
2021		
	Emoluments	Other benefits
Duncan Andrew Stewart	1 437 640	144 029
Ntombifuthi Victoria Sibeko	647 192	119 987
	2 084 832	264 016
	2 348 848	2 348 848
Service contracts		
The directors' employment is subject to written employment agreements. The employment agreements regulate duties, remuneration, allowances, restraints, leave and notice periods of these executives.		
Non-executive		
2022		
	Directors' fees	Total
Mnqobi Edwin Ngidi	2 939	2 939
Phenias Ndlela Gumede	19 400	19 400
Peter Leonard Greene	6 600	6 600
Nqe Jacob Dlamini	6 600	6 600
	35 539	35 539
2021		
	Directors' fees	Total
Mnqobi Edwin Ngidi	1 200	1 200
Phenias Ndlela Gumede	3 600	3 600
Peter Leonard Greene	11 840	11 840
Nqe Jacob Dlamini	3 600	3 600
	20 240	20 240
18. Related parties		
Relationships		
Director with significant influence		D.A. Stewart
Close family member of key management		N.J. Stewart
Entities with common control		Mag-Scope Hire Proprietary Limited Lusikisiki Farmers Nursery Lima Rural Development - Thaha Projects Proprietary Limited Functional Footwear CC

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Financial Statements for the year ended 28 February 2022

Notes to the Financial Statements

	2022 R	2021 R
18. Related parties (continued)		
Related party balances and transactions with other related parties		
Related party balances		
Amounts included in trade receivables (trade payables) regarding related parties		
Lima Rural Development - Thaha Projects Proprietary Limited	693 683	160 397
Functional Footwear CC	47 982	42 560
Mag-Scope Hire Proprietary Limited	(529 157)	-
Related party transactions		
Fees received from related parties		
Lima Rural Development - Thaha Projects Proprietary Limited	863 829	657 077
Functional Footwear CC	74 280	77 168
Rent paid to related party		
Mag-Scope Hire Proprietary Limited	737 368	715 896
Other expenses paid to related parties		
Mag-Scope Hire Proprietary Limited	163 260	-
Salary paid to related party		
N.J. Stewart	798 058	698 796
Compensation paid to key management		
Short-term employee benefits	2 462 721	2 369 088

19. Comparative figures

Engineering income is split between revenue and other income, with the amounts recognised in other income being for the recovery of disbursements. These disbursements were included in cost of sales in the prior years' financial statements. This year, to enable better reporting, these expenses have been included within operating expenses. For comparability purposes, these amounts have been reclassified in the 2021 statement of comprehensive income. This has had no effect on the deficit for the year. The effect of this reclassification is as follows:

Statement of Comprehensive Income

Change in cost of sales and operating expenses

Cost of sales	-	(25 045 217)
Operating expenses	-	25 045 217

20. Events after the reporting period

The directors are not aware of any material event, which occurred after the reporting date and up to the date of approval of the financial statements, which require adjustment or disclosure in the annual financial statements.

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Financial Statements for the year ended 28 February 2022

Notes to the Financial Statements

	2022 R	2021 R
21. Going concern		
<p>The financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.</p> <p>The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.</p>		
22. Commitments		
Operating leases – as lessee (expense)		
Minimum lease payments due		
- within one year	852 948	548 144
<p>Operating lease payments represent rentals payable by the company for certain of its office properties. Leases are negotiated for an average term of five years. No contingent rent is payable.</p>		
Finance lease obligations		
Minimum lease payments due		
- within one year	1 261 289	607 857
- in second to fifth year inclusive	434 639	278 450
	1 695 928	886 307
<p>Finance agreement obligations represent minimum premiums payable by the company for certain of its motor vehicles. Finance agreements are negotiated for an average term of three years and interest rates are linked to prime. Refer to note 7.</p>		
23. Categories of financial instruments		
Financial assets at amortised cost		
Cash and cash equivalents	6 647 789	3 176 717
Other financial assets	180 000	-
Trade and other receivables	23 471 861	24 391 672
	30 299 650	27 568 389
Financial liabilities at amortised cost		
Bank overdraft	4 723 928	8 592 906
Other financial liabilities	2 412 678	2 580 273
Trade and other payables	8 023 207	6 683 997
*Non-financial trade and other payables	13 352 666	7 006 347
	28 512 479	24 863 523

*Non-financial trade and other payables consist of employee cost related accruals of R634 041 (2021: R780 342), amounts received in advance of R12 317 353 (2021: R5 992 515) and value added taxation of R401 272 (2021: R233 490).

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Financial Statements for the year ended 28 February 2022

Detailed Income Statement

	Notes	2022 R	2021 R
Revenue			
Rendering of services		39 934 876	39 481 766
Cost of sales			
Direct cost of rendering services		(35 388 828)	(28 986 624)
Gross surplus		4 546 048	10 495 142
Other income			
Recoveries		52 824 793	23 580 278
Sundry income		263 768	173 338
		53 088 561	23 753 616
Expenses (Refer to page 26)		(57 365 704)	(38 316 153)
Operating surplus (deficit)	12	268 905	(4 067 395)
Investment revenue	13	624 746	771 365
Finance costs	14	(1 247 250)	(1 428 043)
		(622 504)	(656 678)
Deficit for the year		(353 599)	(4 724 073)

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Detailed Income Statement

	2022 R	2021 R
Operating expenses		
Advertising	18 607	2 520
Auditors remuneration	198 973	185 223
Bad and doubtful debts	45 000	2 555 998
Bank charges	315 875	289 326
Cleaning	20 887	22 183
Computer expenses	310 297	247 023
Consulting fees	881 475	222 555
Depreciation on property, plant and equipment	815 816	808 374
Donations	17 844	2 355
Employee costs	5 672 866	6 698 042
Engineering expense	45 253 749	25 045 217
Entertainment	260	-
Insurance	372 142	284 606
Lease rentals on operating lease	807 669	774 785
Loss on disposal of property, plant and equipment	163 659	96 170
Motor vehicle expenses	1 888 170	602 581
Municipal expenses	157 120	146 328
Postage	8 094	6 220
Printing and stationery	84 622	72 518
Promotions	-	7 200
Repairs and maintenance	22 443	13 776
Security	19 169	16 424
Staff welfare	72 414	63 273
Sundry expenses	14 967	8 188
Telephone and fax	17 028	7 286
Training	112 392	119 739
Travel - local	74 166	18 243
	57 365 704	38 316 153