L.N.D.C
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Replied/Actioned: Date
Signed:

GOVERNMENT OF LESOTHO

AUDIT REPORT
ON THE
ANNUAL FINANCIAL STATEMENTS
OF

LESOTHO NATIONAL DEVELOPMENT CORPORATION FOR THE YEAR ENDED 31 MARCH 2021

AUDITOR GENERAL
P.O. BOX 502
MASERU 100
LESOTHO

LESOTHO NATIONAL DEVELOPMENT CORPORATION

We Build Industry

Lesotho National Development Corporation
(Registration number LNDC ACT of 1967)
Financial statements
for the year ended 31 March 2021
Issued 25 September 2021

General Information

Country of incorporation and domicile	Lesotho	
Directors	Mr. Soaile Mochaba-Chairperson	Term expired 16 October 2020
	Mr. Stephen Monyamane	Term expired 16 October 2020
	Mr. Lerotholi Pheko	Term expired 16 October 2020
	Mr. Ranale Thoahlane	Term expired 16 October 2020
	Mrs Puleng Lekholoane	Term expired 16 October 2020
	Mr. Themba Sopeng	Term expired 16 October 2020
	Mr. Nkareng Letsie	Term expired 16 October 2020
	Mr. Malefetsane Nchaka	Term expired 16 October 2020
	Mrs. Teboho Mokela	Term expired 16 October 2020
	Mr. Mohato Seleke-Chief Executive Officer	Term expired 30 November 2020
	Mr. Maile Masoebe-Chairperson	Term 16 October 2020 to 16 April 2021
	Mr. Sello Tsukulu	Appointed 16 October 2020
	Ms.Puleng Lekholoane	Appointed 16 October 2020
	Mr. Nchakha Makara	Appointed 16 October 2020
	Adv. Mpaiphele Maqutu	Appointed 16 October 2020
	Mr. Sehlabaka Ramafikeng	Appointed 16 October 2020
	Mr. Nkareng Alphonse Letsie	Appointed 16 October 2020
	Mr. Soaile Mochaba	Appointed 16 October 2020
	Mr. Thabang Gerald Mathibeli	Appointed 16 October 2020
	Adv. Jafta Thamae	Appointed 16 October 2020
	Mrs. Mamotake Matekane	Appointed 18 December 2020
	Mr. Theko Bereng-Acting Chief Executive Officer	Term 1 December 2020 to 23 June 2021
	Dr. Francis Sefali-Chairman	Appointed 16 April 2021
	Mr. Molise Ramaili-Interim Chief Executive Officer	Appointed 24 May 2021
Registered office	LNDC Mall Block A Development House	
Business address	LNDC Mall Block A Development House Kingsway Street	
Postal address	Private Bag A96 Maseru 100	
Bankers	Standard Bank, Nedbank, Stanlib, Lesotho Postbank and Central Bank	
Secretary	Mr. Selebalo Ntepe	

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Published

25th September 2021

Directors' Responsibilities and Approval

The directors are required in terms of the LNDC ACT of 1967 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 International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the financial statements.

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

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board of directors sets standards for internal control aimed at reducing the risk of error or loss in a cost-effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the 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 31 March 2022 and, in light of this review and the current financial position, they are satisfied that the company has or had 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 page 4 and 5.

The financial statements set out on page 7 to 28, which have been prepared on the going concern basis, were approved by the board of directors on 25 September 2021 and were signed on their behalf by:

Approval of financial statements

Molise Ramaili-Interim Chief Executive Officer	**Dr Francis Tlhopheho Sefali- Chairperson**

OFFICE OF THE AUDITOR - GENERAL
P.O. BOX 502, MASERU 100
LESOTHO

REPORT OF THE AUDITOR-GENERAL ON THE FINANCIAL STATEMENTS OF LESOTHO NATIONAL DEVELOPMENT CORPORATION FOR THE YEAR ENDED 31 MARCH 2021

Opinion

PKF Chartered Accountants under Section 24(1) of the Audit Act 2016, have audited the financial statements of Lesotho National Development Corporation (the Corporation) set out on pages 7 to 30 which comprise the statement of financial position as at 31 March 2021 and the 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 and other explanatory information.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation as at 31 March 2021, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and in accordance with the requirements of the Companies Act 2011 and Lesotho National Development Order, 1990 as amended.

Basis for Opinion

I conducted my audit in accordance with International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Corporation in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to my audit of the financial statements in Lesotho, and I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of Matter – Other

I draw attention to Note 9 of the financial statements that disclose the share capital of the Corporation as M128,000,000 which is above the authorised share capital of M55,000,000. This indicates violation of the enabling Act of the Corporation. Also, there were unsubstantiated movements in the capital reserves based on Loti Brick (a subsidiary) and that of OK Bazaar (an associate) during the period as follows: Loti Brick has a difference between its 2019 equity value (M36,038,374) and a comparative figure in 2020 (M27,192,914) while OK Bazaar has a difference between its 2019 equity value (M53,657,677) and the comparative figure in 2020 (M63,694,548). My opinion is not modified in respect of these matters.

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Key Audit Matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial statements of the current period. There were no key audit matters.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and for such internal control as management determines 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, management is responsible for assessing the Corporation'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 management either intends to liquidate the Corporation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Corporation's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My 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 audit report that includes my 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, I exercise professional judgment and maintain professional skepticism throughout the audit. I 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 my 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 Corporation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's 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 Corporation's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my audit report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Corporation 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.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

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

MONICA BESETSA (MS) **30 September 2021**
ACTING AUDITOR-GENERAL

Statement of Financial Position as at 31 March 2021

Figures in Loti	Note(s)	2021	2020
Assets			
Non-Current Assets			
Property, plant and equipment	2	33 366 702	33 486 856
Investment property	3	1 535 254 278	1 294 161 326
Investments in subs	4	204 774 778	213 285 165
Investments in assocs	5	72 469 462	67 118 351
Other Investments	6	36 980 893	30 680 630
Long term receivables		4 800 000	4 800 000
		1 887 646 113	**1 643 532 328**
Current Assets			
Short term investments		86 136 794	90 724 029
Trade and other receivables	7	130 920 237	56 150 961
Cash and cash equivalents	8	16 578 033	21 996 188
		233 635 064	**168 871 178**
Total Assets		**2 121 281 177**	**1 812 403 506**
Equity and Liabilities			
Equity			
Share capital	9	128 000 000	128 000 000
Reserves		1 150 567 311	890 549 641
Retained income		498 370 038	454 391 580
		1 776 937 349	**1 472 941 221**
Liabilities			
Non-Current Liabilities			
Long term borrowing- Current portion	10	250 031 699	249 821 985
Other current liabilities		1 521 176	2 492 494
Retirement benefit obligation		-	4 927 136
		251 552 875	**257 241 615**
Current Liabilities			
Trade and other payables	11	87 290 280	74 579 997
Long term borrowing- Current portion	10	2 160 000	5 000 000
Other current liabilities		3 340 673	2 640 673
		92 790 953	**82 220 670**
Total Liabilities		**344 343 828**	**339 462 285**
Total Equity and Liabilities		**2 121 281 177**	**1 812 403 506**

Statement of Profit or Loss and Other Comprehensive Income

Figures in Loti	Note(s)	2021	2020
Revenue	12	61 210 600	77 873 265
Other operating income	13	12 475 627	17 611 715
Other operating expenses		(101 455 293)	(118 545 488)
Operating loss		**(27 769 066)**	**(23 060 508)**
Investment income	16	72 134 618	90 323 638
Finance costs	17	(1 725 399)	(1 078 553)
Total comprehensive income (loss) for the year		**42 640 153**	**66 184 577**

Statement of Changes in Equity

Figures in Loti	Share capital	Reserves	Retained income	Total equity
Balance at 01 April 2019	**128 000 000**	**727 358 931**	**392 084 000**	**1 247 442 931**
Total comprehensive income for the year	**-**	**-**	**66 184 577**	**66 184 577**
Prior year adjustment	-	-	3 876 997	3 876 997
Grants received	-	156 462 997	-	156 462 997
Revaluation surplus	-	6 727 713	-	6 727 713
Total contributions by and distributions to owners of company recognised directly in equity	**-**	**163 190 710**	**3 876 997**	**167 067 707**
Balance at 01 April 2020	**128 000 000**	**890 549 641**	**454 391 582**	**1 472 941 223**
Total comprehensive income for the year	**-**	**-**	**42 640 153**	**42 640 153**
Grants received	-	257 656 683	-	257 656 683
Prior year adjustment	-	5 698 552	1 338 303	7 036 855
Revaluation surplus	-	(3 337 565)	-	(3 337 565)
Total contributions by and distributions to owners of company recognised directly in equity	**-**	**260 017 670**	**1 338 303**	**261 355 973**
Balance at 31 March 2021	**128 000 000**	**1 150 567 311**	**498 370 038**	**1 776 937 349**
Note(s)	9			

Statement of Cash Flows

Figures in Loti	Note(s)	2021	2020
Cash flows from operating activities			
Cash used in operations	18	184 637 050	175 769 189
Interest income		6 835 741	10 717 520
Dividends received (trading)		65 298 877	79 606 118
Finance costs		(1 725 399)	(1 078 553)
Net cash from operating activities		**255 046 269**	**265 014 274**
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(2 283 807)	(3 054 668)
Sale of property, plant and equipment	2	4 500	5 724 210
Purchase of investment property	3	(254 790 955)	(375 554 128)
Movement in short term investment		(763 876)	78 043 261
Net cash from investing activities		**(257 834 138)**	**(294 842 325)**
Cash flows from financing activities			
Repayment of borrowings		(2 630 287)	8 151 433
Net cash from financing activities		**(2 630 287)**	**8 151 433**
Total cash movement for the year		**(5 418 155)**	**(21 676 619)**
Cash at the beginning of the year		21 996 188	43 672 807
Total cash at end of the year	8	**16 578 033**	**21 996 188**

Accounting Policies

1. Significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below.

1.1 Basis of preparation

The financial statements have been prepared on the going concern basis in accordance with, and in compliance with, International Financial Reporting Standards ("IFRS") and International Financial Reporting Interpretations Committee ("IFRIC") interpretations issued and effective at the time of preparing these financial statements and the LNDC ACT of 1967.

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

These accounting policies are consistent with the previous period, except for the implementation of IFRS 16 in the 2019/2020 financial year.

1.2 Significant judgements and sources of estimation uncertainty

The preparation of 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.

Key sources of estimation uncertainty

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 determine 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.

Provisions

Provisions are inherently based on assumptions and estimates using the best information available. Additional disclosure of these estimates of provisions are included in note .

1.3 Investment property

Investment property is recognised as an asset when, and only when, it is probable that the future economic benefits that are associated with the investment property will flow to the enterprise, and the cost of the investment property can be measured reliably.

Investment property is initially recognised at cost. Transaction costs are included in the initial measurement.

Costs include costs incurred initially and costs incurred subsequently to add to, or to replace a part of, or service a property. If a replacement part is recognised in the carrying amount of the investment property, the carrying amount of the replaced part is derecognised. Land useful life indefinite and investmentment property building 50years.

1.4 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 year.

Accounting Policies

1.4 Property, plant and equipment (continued)

An item of property, plant and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the company, and the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost. Cost includes all of the expenditure which is directly attributable to the acquisition or construction of the asset, including the capitalisation of borrowing costs on qualifying assets and adjustments in respect of hedge accounting, where appropriate.

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the company and the cost can be measured reliably. Day to day servicing costs are included in profit or loss in the year in which they are incurred.

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. Leased assets are depreciated in a consistent manner over the shorter of their expected useful lives and the lease term. Depreciation is not charged to an asset if its estimated residual value exceeds or is equal to its carrying amount. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or derecognised.

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

Item	Depreciation method	Average useful life
Buildings	Straight line	50 years
Furniture and fixtures	Straight line	10 years
Motor vehicles	Straight line	5 years
Office equipment	Straight line	10 years
IT equipment	Straight line	5 years
Computer software	Straight line	5 years

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.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

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

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.

1.5 Investments in subsidiaries

Investments in subsidiaries are carried at fair value with fair value changes recognised in other comprehensive income.

1.6 Investments in associates

Investments in associates are carried at fair value with fair value changes recognised in other comprehensive income.

1.7 Financial instruments

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

Accounting Policies

1.7 Financial instruments (continued)

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

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

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

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

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

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

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

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

Accounting Policies

1.7 Financial instruments (continued)

Loans receivable at amortised cost

Impairment

The company recognises a loss allowance for expected credit losses on all loans receivable measured at amortised cost. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective loans.

The company measures the loss allowance at an amount equal to lifetime expected credit losses (lifetime ECL) when there has been a significant increase in credit risk since initial recognition. If the credit risk on a loan has not increased significantly since initial recognition, then the loss allowance for that loan is measured at 12 month expected credit losses (12 month ECL).

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a loan. In contrast, 12 month ECL represents the portion of lifetime ECL that is expected to result from default events on a loan that are possible within 12 months after the reporting date.

In order to assess whether to apply lifetime ECL or 12 month ECL, in other words, whether or not there has been a significant increase in credit risk since initial recognition, the company considers whether there has been a significant increase in the risk of a default occurring since initial recognition rather than at evidence of a loan being credit impaired at the reporting date or of an actual default occurring.

Accounting Policies

1.7 Financial instruments (continued)

Trade and other receivables

Impairment

The company 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 company 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.

Measurement and recognition of expected credit losses

The company 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.

The customer base is diverse with significantly different loss patterns for different customer segments. The company aggregates customer segments which share similar credit risk characteristics for purposes of determining the credit loss allowance. Details of the provision matrix, per grouping, is presented in note 7.

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 other operating expenses in profit or loss as a movement in credit loss allowance (note).

Write off policy

The company 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.

Borrowings and loans from related parties

Recognition and measurement

Borrowings 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 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 17.)

Borrowings expose the company to liquidity risk and interest rate risk. Refer to note for details of risk exposure and management thereof.

Derecognition

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

Cash and cash equivalents

Cash and cash equivalents are stated at carrying amount which is deemed to be fair value.

Accounting Policies

1.8 Hedge accounting

1.9 Tax

Current tax assets and liabilities

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

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

Deferred tax assets and liabilities

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

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

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

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

1.10 Leases

The company 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 determine 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 an identified asset only exists when the company 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 judgments and sources of estimation uncertainty section of these accounting policies.

1.11 Leases (Comparatives under IAS 17)

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

Finance leases - lessor

The company recognises finance lease receivables in the statement of financial position.

Finance income is recognised based on a pattern reflecting a constant periodic rate of return on the company's net investment in the finance lease.

Accounting Policies

1.11 Leases (Comparatives under IAS 17) (continued)

Finance leases – lessee

Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

The discount rate used in calculating the present value of the minimum lease payments is the .

The lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate on the remaining balance of the liability.

Operating leases - lessor

Operating lease income is recognised as an income on a straight-line basis over the lease term.

Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease income.

Income for leases is disclosed under revenue in profit or loss.

Operating leases – lessee

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

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

1.12 Impairment of assets

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

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

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

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

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

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

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

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

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

1.12 Impairment of assets (continued)

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

1.13 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 paid vacation leave 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.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of profit sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

Defined contribution plans

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

Payments made to industry-managed (or state plans) retirement benefit schemes are dealt with as defined contribution plans where the company's obligation under the schemes is equivalent to those arising in a defined contribution retirement benefit plan.

Defined benefit plans

For defined benefit plans the cost of providing the benefits is determined using the projected unit credit method.

Actuarial valuations are conducted on an annual basis by independent actuaries separately for each plan.

Consideration is given to any event that could impact the funds up to the end of the reporting period where the interim valuation is performed at an earlier date.

Past service costs are recognised immediately to the extent that the benefits are already vested, and are otherwise amortised on a straight line basis over the average period until the amended benefits become vested.

To the extent that, at the beginning of the financial year, any cumulative unrecognised actuarial gain or loss exceeds ten percent of the greater of the present value of the projected benefit obligation and the fair value of the plan assets (the corridor), that portion is recognised in profit or loss over the expected average remaining service lives of participating employees. Actuarial gains or losses within the corridor are not recognised.

Actuarial gains and losses are recognised in the year in which they arise, in other comprehensive income.

Gains or losses on the curtailment or settlement of a defined benefit plan is recognised when the company is demonstrably committed to curtailment or settlement.

When it is virtually certain that another party will reimburse some or all of the expenditure required to settle a defined benefit obligation, the right to reimbursement is recognised as a separate asset. The asset is measured at fair value. In all other respects, the asset is treated in the same way as plan assets. In profit or loss, the expense relating to a defined benefit plan is presented as the net of the amount recognised for a reimbursement.

The amount recognised in the statement of financial position represents the present value of the defined benefit obligation as adjusted for unrecognised actuarial gains and losses and unrecognised past service costs, and reduces by the fair value of plan assets.

Any asset is limited to unrecognised actuarial losses and past service costs, plus the present value of available refunds and reduction in future contributions to the plan.

Accounting Policies

1.14 Provisions and contingencies

Provisions are recognised when:
- the company has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement shall be treated as a separate asset. The amount recognised for the reimbursement shall not exceed the amount of the provision.

Provisions are not recognised for future operating profit.

If an entity has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision.

A constructive obligation to restructure arises only when an entity:
- has a detailed formal plan for the restructuring, identifying at least:
  - the business or part of a business concerned;
  - the principal locations affected;
  - the location, function, and approximate number of employees who will be compensated for terminating their services;
  - the expenditures that will be undertaken; and
  - when the plan will be implemented; and
- has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

After their initial recognition contingent liabilities recognised in business combinations that are recognised separately are subsequently measured at the higher of:
- the amount that would be recognised as a provision; and
- the amount initially recognised less cumulative amortisation.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note .

1.15 Government grants

Government grants are recognised when there is reasonable assurance that:
- the company will comply with the conditions attaching to them; and
- the grants will be received.

Government grants are recognised as income over the periods necessary to match them with the related costs that they are intended to compensate.

A government grant that becomes receivable as compensation for expenses or profit already incurred or for the purpose of giving immediate financial support to the entity with no future related costs is recognised as income of the period in which it becomes receivable.

Government grants related to assets, including non-monetary grants at fair value, are presented in the statement of financial position by setting up the grant as deferred income or by deducting the grant in arriving at the carrying amount of the asset.

Grants related to income are .

Repayment of a grant related to income is applied first against any un-amortised deferred credit set up in respect of the grant. To the extent that the repayment exceeds any such deferred credit, or where no deferred credit exists, the repayment is recognised immediately as an expense.

Repayment of a grant related to an asset is recorded by increasing the carrying amount of the asset or reducing the deferred income balance by the amount repayable. The cumulative additional depreciation that would have been recognised to date as an expense in the absence of the grant is recognised immediately as an expense.

Accounting Policies

1.16 Revenue from contracts with customers

1.17 Turnover

Turnover is recognised when it is probable that the economic benefits associated with the transaction will flow to the Corporation and the amount of revenue can be measured reliably. Rental income from leased properties is recognised on a straight-line basis line over the term of the relevant lease. Dividends are recognised in profitor loss when LNDC right to receive payment has ben established..

1.18 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset until such time as the asset is ready for its intended use. The amount of borrowing costs eligible for capitalisation is determined as follows:

- Actual borrowing costs on funds specifically borrowed for the purpose of obtaining a qualifying asset less any temporary investment of those borrowings.
- Weighted average of the borrowing costs applicable to the entity on funds generally borrowed for the purpose of obtaining a qualifying asset. The borrowing costs capitalised do not exceed the total borrowing costs incurred.

The capitalisation of borrowing costs commences when:

- expenditures for the asset have occurred;
- borrowing costs have been incurred, and
- activities that are necessary to prepare the asset for its intended use or sale are in progress.

Capitalisation is suspended during extended periods in which active development is interrupted.

Capitalisation ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

Accounting Policies

1.19 Translation of foreign currencies

Foreign currency transactions

A foreign currency transaction is recorded, on initial recognition in Lotis, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At the end of the reporting period:

- foreign currency monetary items are translated using the closing rate;
- non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

In circumstances where the company receives or pays an amount in foreign currency in advance of a transaction, the transaction date for purposes of determining the exchange rate to use on initial recognition of the related asset, income or expense is the date on which the company initially recognised the non-monetary item arising on payment or receipt of the advance consideration.

If there are multiple payments or receipts in advance, company determines a date of transaction for each payment or receipt of advance consideration.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements are recognised in profit or loss in the period in which they arise.

When a gain or loss on a non-monetary item is recognised to other comprehensive income and accumulated in equity, any exchange component of that gain or loss is recognised to other comprehensive income and accumulated in equity. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

Cash flows arising from transactions in a foreign currency are recorded in Lotis by applying to the foreign currency amount the exchange rate between the Loti and the foreign currency at the date of the cash flow.

2. Property, plant and equipment

	2021			2020		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Buildings	35 772 132	(9 213 750)	26 558 382	35 772 132	(8 498 307)	27 273 825
Furniture and fixtures	3 369 702	(2 246 249)	1 123 453	3 399 804	(2 044 932)	1 354 872
Motor vehicles	4 853 471	(2 372 225)	2 481 246	4 124 657	(1 644 913)	2 479 744
Office equipment	4 195 137	(2 794 499)	1 400 638	3 597 604	(2 501 958)	1 095 646
IT equipment	1 889 679	(1 034 764)	854 915	1 889 679	(884 891)	1 004 788
Computer software	2 796 814	(1 848 746)	948 068	1 916 999	(1 639 018)	277 981
Total	**52 876 935**	**(19 510 233)**	**33 366 702**	**50 700 875**	**(17 214 019)**	**33 486 856**

Reconciliation of property, plant and equipment - 2021

	Opening balance	Additions	Disposals	Transfers	Depreciation	Disposal depreciation and transfers	Total
Buildings	27 273 825	-	-	-	(715 443)	-	26 558 382
Furniture and fixtures	1 354 872	-	-	(30 102)	(201 317)	-	1 123 453
Motor vehicles	2 479 744	728 814	-	-	(727 312)	-	2 481 246
Office equipment	1 095 646	597 533	-	-	(292 541)	-	1 400 638
IT equipment	1 004 788	-	-	-	(149 873)	-	854 915
Computer software	277 981	957 460	(77 646)	-	(287 373)	77 646	948 068
	33 486 856	**2 283 807**	**(77 646)**	**(30 102)**	**(2 373 859)**	**77 646**	**33 366 702**

Notes to the Financial Statements

Figures in Loti

2. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2020

	Opening balance	Additions	Disposals	Transfers	Depreciation	Impairment loss	Total
Buildings	27 989 268	-	-	-	(715 443)	-	27 273 825
Furniture and fixtures	1 211 822	518 979	-	30 102	(201 317)	(204 714)	1 354 872
Motor vehicles	1 343 130	1 920 724	(926 497)	-	(784 111)	926 498	2 479 744
Office equipment	1 451 348	5 985	(3 068 597)	(11 507)	(232 789)	2 951 206	1 095 646
IT equipment	658 556	608 980	-	34 306	(201 885)	(95 169)	1 004 788
Computer software	446 326	-	(495 362)	-	(95 883)	422 900	277 981
Property, plant and equipment 1	46 556	-	-	(46 556)	-	-	-
	33 147 006	**3 054 668**	**(4 490 456)**	**6 345**	**(2 231 428)**	**4 000 721**	**33 486 856**

Notes to the Financial Statements

Figures in Loti

3. Investment property

	2021			2020		
	Cost / Valuation	Accumulated depreciation	Carrying value	Cost / Valuation	Accumulated depreciation	Carrying value
Investment property (Filtered)	1 676 108 115	(140 853 837)	1 535 254 278	1 421 317 160	(127 155 834)	1 294 161 326

3. Investment property (continued)

Reconciliation of investment property - 2021

	Opening balance	Additions	Depreciation	Total
Investment property (Filtered)	1 294 161 326	254 790 955	(13 698 003)	1 535 254 278

Reconciliation of investment property - 2020

	Opening balance	Additions	Disposals	Transfers	Depreciation	Total
Investment property (Filtered)	940 564 308	375 554 128	(1 474 030)	(6 979 003)	(13 504 077)	1 294 161 326

The fair value was set at M681, 890, 982 in June 2016 evaluation exclusive of the additions that came after the valuation.

4. Interests in subsidiaries

Name of company	Held by	Carrying amount 2021	Carrying amount 2020
Group co ID 1		204 774 778	213 285 165

Investment in subsidiaries	Shareholding	2021	2020
Basotho canners equity	100.00 %	100 002	100 002
Lesotho brewing equity value	51.00 %	186 471 757	186 661 020
Loti brick equity value	73.60 %	17 423 019	26 524 143
Basotho canners loan	- %	9 479 000	9 479 000
Loti brick loan	- %	12 599 830	12 599 830
Subsidiaries sundry debtors	- %	25 823 511	24 703 511
Provision for subsidiaries	- %	(47 122 341)	(46 782 341)
	224.60 %	**204 774 778**	**213 285 165**

5. Investments in assocs

Name of company	Held by	Carrying amount 2021	Carrying amount 2020
Group co ID 1		72 469 462	67 118 351

Associates	Shareholding	2021	2020
Cashbuild	20.00 %	19 702 901	17 421 856
Lesotho Foods	39.70 %	18 661 206	22 867 655
Ok Bazaar	50.00 %	34 105 355	26 828 840
	109.70 %	**72 469 462**	**67 118 351**

6. Other Investments

Other investments	Shareholding	2021	2020
Lesotho Milling	11.10 %	14 204 166	13 935 442
MHG	16.70 %	19 951 156	13 919 617
Lesotho Housing	25.00 %	2 825 571	2 825 571
	52.80 %	**36 980 893**	**30 680 630**

Notes to the Financial Statements

Figures in Loti	2021	2020

7. Trade and other receivables

Financial instruments:		
Trade receivables	130 920 237	56 150 961
Total trade and other receivables	**130 920 237**	**56 150 961**

Trade Receivables	**2021**	**2020**
Rental debtors	32 736 465	28 150 805
Rental deposit billed	(328 356)	(353 643)
Divdends receivable	50 459 640	12 791 663
Provision for bad debts	(7 810 701)	(11 260 322)
Suspense	(54 613)	13 782
Deposits paid	79 139	79 139
Sundry debtors	16 725 178	12 268 056
Travel advance	20 558	59 711
Staff telephone debtors	79 612	91 729
Prepayments	5 031 601	4 791 018
Construction projects advance	33 961 214	9 519 023
Salary Advance	20 500	-
	130 920 237	**56 150 961**

8. Cash and cash equivalents

Cash and cash equivalents went down by M5 418 155 and short term investments also went down by M4 587 235. Cash reserves and short term investments went down. M282 463 952 million is due from GOL to recover the invoices paid for Tikoe and Belo onbehalf of the Government to keep the projects implementation ongoing. 2021/2022 budget for Tikoe and Belo projects is M136 million. GOL do however continue to disburse funds in excess of the budget through budget reallocation and supplementary budget to meet its obligations under LNDC. Cash and cash equivalents consist of:

Cash on hand	16 578 033	21 996 188

Cash and cash equivalents	**2021**	**2020**
Cash on hand	100	214
Bank balances	16 577 933	21 995 974
	16 578 033	**21 996 188**

9. Share capital

Issued		
Ordinary	128 000 000	128 000 000

10. Borrowings

Held at amortised cost		
GOL Loan	243 830 552	241 670 552
Terms and conditions		
Nedbank Loan	8 361 147	13 151 433
Terms and conditions		
	252 191 699	**254 821 985**

Notes to the Financial Statements

Figures in Loti	2021	2020

10. Borrowings (continued)

Split between non-current and current portions

Non-current liabilities	250 031 699	249 821 985
Current liabilities	2 160 000	5 000 000
	252 191 699	**254 821 985**

11. Trade and other payables

Financial instruments:		
Trade payables	87 290 280	74 579 997

Trade and other payables	**2021**	**2020**
VAT	158 923	569 379
Other payables	772 077	3 915 927
Sundry creditors	9 696 656	13 987 495
Accrued expenses	10 793 298	9 034 867
Deposit received	14 101 009	13 580 849
Building retention	51 768 317	33 491 480
	87 290 280	**74 579 997**

12. Revenue

Revenue other than from contracts with customers		
Rental Income	61 210 600	77 873 265

13. Other operating income

Sundry Income	7 582 910	39 009
Other income	4 892 717	17 572 706
	12 475 627	**17 611 715**

14. Employee costs

Employee costs		
Basic salary	27 788 206	26 165 364
Bonus	1 523 173	1 325 654
Pension	1 959 687	1 939 727
Gratuity	2 201 785	2 789 325
	33 472 851	**32 220 070**

15. Depreciation, amortisation and impairment losses

Impairment losses		
Property, plant and equipment	16 071 863	15 735 504

16. Investment income

Dividend income		
Group entities:		
Dividends - Local	65 298 877	79 606 118
Interest income		
Investments in financial assets:		
Bank and other cash	6 835 741	10 717 520
Total investment income	**72 134 618**	**90 323 638**

17. Finance costs

Trade and other payables (Filtered)	1 725 399	1 078 553

18. Cash used in operations

(Loss) profit before taxation	42 640 153	66 184 577
Adjustments for:		
Dividends received (trading)	(65 298 877)	(79 606 118)
Interest income	(6 835 741)	(10 717 520)
Finance costs	1 725 399	1 078 553
Profit on sale of fixed assets	(4 500)	(3 867 562)
Cost of disposal	-	(41 746)
Net impairments and movements in credit loss allowances	16 071 863	15 735 504
Movements in retirement benefit assets and liabilities	(4 927 136)	125 666
Bad debts write off	(3 909 621)	5 507 042
Prior year adjustments	1 338 303	(3 876 993)
Changes in working capital:		
Trade and other receivables	(70 619 655)	7 873 937
Grants received	257 656 683	156 462 997
Revaluation (loss) surplus	2 360 987	6 727 713
WIP transfer	30 102	6 926 102
Decrease in amount owing by subsidiaries	8 170 387	(23 349 364)
Decrease in amount owing by Other investments	(6 300 263)	(1 480 213)
Decrease in long term liabilities	(971 318)	(5 296 779)
Trade and other payables	13 510 287	39 783 393
	184 637 050	**175 769 189**

19. Going concern

We draw attention to the fact that at 31 March 2021, the company had accumulated profit of M 498 370 038 and that the company's total liabilities exceed its assets by M 1 776 937 349.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. The ability of the company to continue as a going concern is dependent on a number of factors. The most significant of these is that LNDC continue to procure funding for the ongoing operations.

Detailed Income Statement

Figures in Loti	Note(s)	2021	2020
Revenue			
Other rental income		61 210 600	77 873 265
Other operating income			
Sundry Income		7 582 910	39 009
Other income		4 892 717	17 572 706
	13	**12 475 627**	**17 611 715**
Expenses (Refer to page 30)		**(101 455 293)**	**(118 545 488)**
Operating loss		**(27 769 066)**	**(23 060 508)**
Investment income	16	72 134 618	90 323 638
Finance costs	17	(1 725 399)	(1 078 553)
Total comprehensive income (loss) for the year		**42 640 153**	**66 184 577**

Detailed Income Statement

Figures in Loti	Note(s)	2021	2020
Other operating expenses			
Auditors Fees		(155 122)	(185 535)
Bad debts		-	(5 507 042)
Bank charges		(140 217)	(198 362)
Cleaning		(1 477 829)	(1 521 594)
Consulting and professional fees		(1 967 897)	(5 917 566)
Donations		(67 204)	(482 521)
Employee costs		(33 472 851)	(32 220 070)
Entertainment		(1 621)	(7 541)
Board Expenses		(1 948 544)	(2 092 460)
CEO Expenses		(38 112)	(122 206)
Fringe benefit tax		(322 536)	(335 154)
Industrial Area Expenses		-	(454 019)
Ground Rental		(2 216 960)	(2 388 227)
Investment Promotion		(1 432 585)	(5 526 124)
Maintenance-Office Furniture		(232 167)	(206 237)
Maintenance		(7 564 616)	(11 727 383)
Property Rates		(12 651 641)	(12 576 380)
Sports Club		(2 000)	(288 111)
Promotional Gifts		(584 874)	(414 024)
Depreciation		(16 071 863)	(15 735 504)
Insurance		(5 431 635)	(5 037 198)
Legal Fees		(2 159 372)	(743 887)
Motor vehicle expenses		(138 009)	(312 777)
Utilities		(5 534 055)	(4 682 766)
Office Expenses		(12 125)	(26 800)
Publications		(68 619)	(39 083)
Staff Recruitment		(29 318)	(38 707)
Delivery Expenses		(3 335)	(3 299)
Printing and stationery		(118 333)	(102 328)
Publicity & Public Relations		(857 126)	(917 096)
Security		(3 797 520)	(3 585 929)
Staff welfare		(719 234)	(389 237)
Subscriptions		(1 854 204)	(1 602 880)
Telephone and fax		(177 866)	(147 734)
Training		(114 699)	(1 246 835)
Travel		(91 204)	(1 762 872)
		(101 455 293)	**(118 545 488)**

The supplementary information presented does not form part of the financial statements and is unaudited