EFORA ENERGY LIMITED

(Registration number 1993/000460/06)

Consolidated and Separate Annual Financial Statements

for the year ended 29 February 2020

These annual financial statements have been audited in compliance with the applicable requirements of the Companies Act of South Africa, 2008 (Act 71 of 2008), as amended.

CONTENTS

AUDIT, RISK AND INVESTMENT COMMITTEE REPORT

The Audit, Risk and Investment Committee ("the Committee") is pleased to present its report for the year ended 29 February 2020 to shareholders in compliance with the requirements of the Companies Act, the JSE Listings Requirements and King IV™. The report aims to provide details of how the Committee satisfied its responsibilities and further aims to highlight significant matters that arose during the year under review.

COMPOSITION, GOVERNANCE AND COMMITTEE ASSESSMENT

In compliance with the Companies Act, the following Committee members were elected by shareholders at the Annual General Meeting ("AGM") of the Company held in 2019 to serve until the next AGM and their meeting attendance for the year under review is summarised below.

Thuto Masasa (Chairperson)	11/12	(resigned on 31 July 2020)
Vuyo Ngonyama	12/12	
Zanele Radebe	12/12	

In compliance with the requirements of the Companies Act, as well as the recommended practices of King IV™, all three members of the Committee as at 29 February 2020 were Independent Non-executive Directors. The composition of the Committee remained unchanged during the year. The Board of Directors ("Board") is satisfied that all members of the Committee had adequate qualifications, knowledge and experience to carry out their duties. Fees paid to Committee members are detailed on page 57 of the annual financial statements. On 31 July 2020 Ms Thuto Masasa resigned from her position as Director and Chairperson of the Committee. Mr. Vuyo Ngonyama stood as Chairperson of the Committee between 13 August 2020 and 31 March 2021. Mr Patrick Mngconkola was appointed to the Committee on 13 August 2020.

On 10 February 2021, following her appointment to the Board, Ms. Malande Tonjeni was appointed to the Committee as a member. Subsequent to the reconstitution of the Committee due to changes in the directorate, she became the Chairperson of the Committee with effect from 1 April 2021. The Committee now comprises Ms Malande Tonjeni (Chairperson), Patrick Mngconkola and Zanele Radebe. Shareholders will, at the next AGM scheduled for 30 July 2021, be requested to approve the continued appointment of the members of the Committee for the 2022 financial year.

The Chairman of the Board is not a member of the Committee. Other Directors, the Chief Executive Officer, Chief Financial Officer and representatives of the Internal and External Auditors may attend meetings of the Committee by invitation. The Group Company Secretary is also the Secretary of the Committee.

In accordance with its Terms of Reference, the Committee meets at least four times annually, but more often if necessary. During the year under review the Committee met twelve times. An evaluation of the effectiveness of the Committee was conducted by the Company Secretary. Overall, it was concluded that the Committee discharged its duties effectively.

The Board is satisfied that the Committee adequately carried out its mandate for the year under review, based on reporting from the Committee.

ROLE AND RESPONSIBILITIES OF THE COMMITTEE

The Committee has an independent role with accountability to both the Board and to shareholders. The Committee's responsibilities include the statutory duties prescribed in section 94 of the Companies Act, activities recommended by King IV™, as well as additional responsibilities assigned to the Committee by the Board as set out in its Terms of Reference which are available on the Company's website at www.eforaenergy.com. The Committee's Terms of Reference are reviewed annually and updated where necessary.

The Committee has conducted its affairs in compliance with these Terms of Reference and has discharged its responsibilities contained therein, as well as in the Companies Act.

The Committee also meets separately and independently with the External and Internal Auditors.

ACTIVITIES OF THE COMMITTEE

Key focus areas during the year

- Reviewed and approved the audited annual financial statements, summary annual financial statements, unaudited interim results, key accounting considerations, related SENS and results announcements, and the adoption of IFRS 16.
- Reviewed and approved the annual integrated report.
- Reviewed and considered the internal and external audit findings.
- Regularly monitored the performance and financial position of the Group.
- Regularly reviewed and considered the Group's risks.
- Monitored the Group's ethics and fraud hotline.
- Reviewed and considered the report and queries on Proactive Monitoring from the JSE.
- Monitored legal matters within the Group.
- Made submissions to the Board on matters concerning the Company's accounting policies, financial controls, financial performance and position, and its reporting.
- Monitored the effectiveness of the finance function.
- Reviewed and monitored the quality and effectiveness of the external audit process.
- Had oversight of the Group's financial controls systems.
- Reviewed and considered the strategy, financial plans and delegation of authority.

The Chairperson, with the assistance of the Company Secretary, provided regular written reports to the Board summarising the Committee's considerations and recommendations. The Board was satisfied with the Committee's reporting in this regard.

Evaluation of financial statements and accounting practices

The Committee considered the annual financial statements, the accounting practices and the internal financial controls of the Group. Furthermore, the

Committee considered, reviewed and discussed the Group annual financial statements with the independent External Auditors and finance team. The Committee also reviewed the following key and significant accounting matters:

Matter	Response of the Committee
Going concern	Management performs an annual assessment of the ability of the Company to remain a going concern in light of plans in place to ensure the continued sustainability of the Group. Management presented its most recent assessment to the Committee and highlighted the key assumptions and judgements which support this evaluation. The Committee was satisfied that the plans in place are adequate to support the going concern assertion and mitigate the uncertainties which exist as highlighted in note 37 of the annual financial statements.
Impairment assessments of intangible assets, oil and gas properties and investments in subsidiaries	Management performed assessments as at 29 February 2020 in order to determine the impairment of intangible assets, oil and gas properties, and investments in subsidiaries. The impairment assessments are based on recoverable amounts that are supported by estimations of future cash flows, discount rates, growth rates, margins and market share and, in the instance of investments in subsidiaries, the underlying net asset values. The Committee satisfactorily reviewed the results of the impairment assessments and the process and methodologies followed to support the impairment charges recognised in the annual financial statements as detailed in notes 7 and 36.
Impairment of financial assets	The Committee satisfactorily reviewed the appropriateness of the methodologies and key judgements applied by management in determining the impairment of financial assets as outlined in notes 7, 17, 18 and 22 of the annual financial statements.
Events after the reporting period	Management performed an assessment of significant events that occurred subsequent to the reporting date, as outlined in note 34, with a particular focus on the economic effects of COVID-19. The Committee concurs with management's assessment to treat these developments as a non-adjusting event.

The Committee is satisfied that the Group and Company annual financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations as issued by the International Financial Reporting Interpretations Committee ("IFRIC") as well as the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, the Listings Requirements of the JSE Limited and in a manner required by the Companies Act. It is also satisfied that the adoption of the going concern basis in preparing the annual financial statements is appropriate. The annual financial statements will be open for discussion at the forthcoming AGM. The new Chairperson of the Committee and, in the instance of her absence, the other members of the Committee will attend the AGM to answer questions falling under the mandate of the Committee.

After due consideration and review the Committee recommended the approval by the Board of the Group and Company annual financial statements for the year ended 29 February 2020. The Committee is of the opinion that the audited annual financial statements should be accepted and read together with the report of the independent External Auditor. The Board approved the annual financial statements on 28 June 2021.

INTERNAL CONTROLS, RISK MANAGEMENT AND INFORMATION TECHNOLOGY ("IT") GOVERNANCE

The Committee has an oversight responsibility for internal controls, IT governance and risk management which are managed through various frameworks, policies, procedures and practices. Ultimately the Board, assisted by the Committee, is responsible for the effectiveness of these processes.

During the year under review, as part of the ongoing assessment of the internal control environment, the Committee regularly reviewed progress on the remediation of internal control deficiencies identified in previous internal audit reviews. The Committee is pleased to report significant advances in the Group's internal controls.

The Committee periodically reviews the Company's maturity in respect of IT governance. The IT Committee actively manages the IT governance and IT risk management matters and is responsible for the Group's adherence to the various IT policies and procedures. The IT Committee met twice during the year and provided feedback to the Committee through the Executive Committee. During the year under review a disaster recovery and business continuity plan was successfully implemented. At year-end the Board was satisfied with the status and effectiveness of IT governance.

The Board considers risk management as a key process in the responsible pursuit of strategic objectives and in the effective management of related material issues. Four reports were provided to the Committee during the year on outcomes from the Group-wide Enterprise Risk Management processes. The Committee is satisfied with the safeguards in place with respect to identified risks.

The Committee considered the outcome of various audits by the Internal and External Auditors, reporting by management as part of the overall Enterprise Risk Management, and the existing IT framework and processes, and is of the opinion that whilst opportunities for improving the overall control environment exist, the Group's system of internal financial controls is adequate to form a basis for the preparation of reliable financial statements.

COMPLIANCE

The Committee is responsible for reviewing major breaches of relevant legal and regulatory requirements. The Committee is satisfied that there was no material non-compliance with laws and regulations during the year under review, save for the inability by the Company to timeously release the annual financial statements for the year ended 29 February 2020.

Afric Oil is classified as a wholesaler in terms of its current business and holds a wholesale licence to conduct the business of a wholesaler of bulk petroleum products. In terms of the Petroleum Products Amendment Act, 2003, a licensed wholesaler is precluded from holding a retail licence except for training purposes as prescribed and, as such, Boland Diesel is prohibited to undertake such activities due to the entity being owned by a wholesale business.

As reported in the last integrated report this resulted in a contravention of section 2A(5)(a) of the Petroleum Products Amendment Act, 2003. We are pleased to report that the Board has since resolved this contravention such that Boland Diesel no longer carries out retail activities.

INTERNAL AUDIT

The internal audit function provides information to assist in the establishment and maintenance of an effective system of internal controls to manage the risks associated with the business and forms a third line of defence. The Committee is responsible for ensuring that the Group's internal audit function is independent and has the necessary resources, standing and authority within the Group to discharge its duties.

The Internal Auditors are responsible for reporting the findings of the internal audit work executed against the agreed internal audit plan to the Committee at each Committee meeting. The Group's Internal Auditor is BDO Advisory Services Proprietary Limited. Areas of internal audit focus during the year under review were sustainability, operations and logistics, financial discipline and inventory management.

Significant findings arising from the reviews conducted are currently being remedied. The Committee is satisfied with the independence and expertise of the Group's Internal Auditors.

EXTERNAL AUDITORS

SizweNtsalubaGobodo Grant Thornton Inc. is afforded unrestricted access to the Group's records and management, and presents significant issues arising from the annual audit to the Committee. In addition, Mr Altaf Fajandar, the designated audit partner, where necessary, raises matters of concern directly with the Chairperson of the Committee. The Committee considered and recommended to the Board the approval of the Auditors' remuneration and terms and scope of engagement.

The Committee was satisfied that the External Auditor is independent of the Group as required by the Companies Act. The independence of the External Auditors is regularly reviewed. The requisite assurance was provided by the External Auditor to support and demonstrate its claim to independence and the Committee was satisfied with same.

The Committee has nominated, for approval at the AGM, SizweNtsalubaGobodo Grant Thornton Inc. as the External Auditor and Mr Altaf Fajandar as designated audit partner for the 2022 financial year, having satisfied itself, as required by the JSE Listings Requirements, that:

- the audit firm is accredited by the JSE;
- the quality of the external audit is satisfactory; and
- the External Auditors have confirmed their responsibilities pursuant to paragraph 22.15(h) of the JSE Listings Requirements.

Fees paid to External Auditors

The Committee determines the fees to be paid to the External Auditors. The approved Group annual audit fee for the financial year under audit was approximately R4.4 million (2019: R5.1 million).

Non-audit services

The Committee determines the nature and extent of non-audit services that auditors may provide to the Group. There were no non-audit services for the year under review (2019: Nil).

COMBINED ASSURANCE

Subsequent to the year-end the Group implemented a combined assurance model and plan to optimise, co-ordinate and integrate the assurance obtained from management, and internal and external assurance providers, on risks facing the Group. The Group's combined assurance model is closely aligned with the strategic direction of the Group, as well as the Enterprise Risk Management framework which identifies risks facing the Group and implements the necessary internal controls.

The combined assurance model and plan is developed on the basis of a well-established "three lines of defence" model which recognises the different roles and responsibilities of management, oversight functions and independent assurance providers. The primary objective of the combined assurance plan is to provide an acceptable level of assurance to the Board that key risks are identified and managed effectively through the application of an effective control framework, without incurring duplication of effort and ensuring the most efficient use of resources. For the year under review the Committee is satisfied with assurance obtained from management, the External and Internal Auditors, Actuaries and the Competent Person with respect to the Group's financial and non-financial processes. The Committee will monitor the implementation and effectiveness of the combined assurance model during the next reporting period.

LITIGATION

Throughout the year the Committee monitored the Group's outstanding litigation, in particular our claims against Encha Group Limited ("Encha"), Transcorp and Mr Robin Vela. We are pleased to confirm the arbitration award of R75.0 million plus interest and costs in our claim against Encha, following the Company's appeal of an earlier judgment. We continue to pursue the recovery of the funds owed to the Group by Encha pursuant to a compromise and payment plan agreed in August 2020 (see note 34).

We are also pleased to report that as at the date of this report the litigation between Efora and Mr Robin Vela has been fully and finally settled and neither party has a residual claim against the other.

On 9 November 2020 SacOil 281 and EER 281 reached a settlement agreement with Transcorp the terms of which are outlined in note 34 of the annual financial statements. This brings to an end a protracted litigation process that commenced in 2015.

EVALUATION OF THE FINANCE FUNCTION

Ms Tariro Gadzikwa was the Group's CFO for the year under review. The Committee satisfied itself as to the appropriateness of the expertise and experience of Ms Gadzikwa in accordance with paragraph 3.84g(i) of the JSE Listings Requirements. This was confirmed by the Board. On 6 July 2020 Ms Gadzikwa resigned from her role as director and left the Group on 30 September 2020 having served notice in her role as CFO. The Board has commenced a process of identifying a suitable replacement and shareholders will be advised as soon as such appointment has been made. Meanwhile, the Board has appointed Mr. Thabang Monametsi as the interim CFO.

The Committee also considered the expertise of the finance department during the year under review and was satisfied that it had the appropriate expertise and was adequately resourced.

PROACTIVE MONITORING

The Committee confirms that it has considered the findings contained in the JSE's various proactive monitoring and thematic review reports, when reviewing the Group annual financial statements for the year ended 29 February 2020. The Committee is satisfied that the necessary adjustments and improvements to the Group annual financial statements have been made.

FRAUD HOTLINE

The Committee in conjunction with the Social, Ethics and Remuneration Committee is also responsible for reviewing arrangements made by the Group to enable employees and external whistle-blowers to report, in confidence, their concerns about possible improprieties or non-compliance with laws and regulations, or the Group's Code of Conduct and Ethics. One matter was reported through the hotline, however, after further investigation, there was no conclusive evidence that any misconduct had taken place. To avoid the duplication of efforts this matter was dealt with by the Social, Ethics and Remuneration Committee of the Board which concluded that no further action was required.

Whistleblowers Proprietary Limited maintains and manages the Group's hotline.

KEY FOCUS AREAS FOR THE YEAR AHEAD

- Appointment of a permanent CFO
- Continued monitoring of the remediation of internal control deficiencies
- IT governance, specifically monitoring the effectiveness of the disaster recovery and business continuity plan
- Monitoring the effectiveness of the restructured finance function
- Monitoring the implementation and effectiveness of the combined assurance model and plan
- Continued monitoring of key actions implemented to improve the performance and financial position of the Group

CONCLUSION

The Committee is committed to ensuring that the financial results of the Group fairly represent the performance and financial position of the Group and Company, and that adequate controls are maintained to ensure the integrity of our reporting.

Malande Tonjeni

Chairperson of the Audit, Risk and Investment Committee
28 June 2021

STATEMENT OF ACCOUNTABILITY AND RESPONSIBILITY

The directors of the Company are responsible for the maintenance of accounting records and for the preparation, integrity and fair presentation of the Group and Company annual financial statements of Efora Energy Limited.

The annual financial statements of the Group and Company for the year ended 29 February 2020 have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations as issued by the International Financial Reporting Interpretations Committee ("IFRIC") as well as the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, the Financial Reporting Pronouncements as issued by Financial Reporting Standards Council, the Listings Requirements of the JSE Limited and in a manner required by the Companies Act of South Africa, No 71 of 2008. The Group and Company adopted all the new accounting pronouncements that became effective in the current reporting period. The accounting pronouncement considered by the Group and Company as significant on adoption is IFRS 16 “Leases” (IFRS 16) as set out in note 4.3. Other IFRS changes adopted on 1 March 2019 have no material impact on the results, financial position or cash flows of the Group or Company. The Group and Company annual financial statements have been prepared on a going concern basis and include amounts based on judgements and estimates made by management. Based on forecasts and the disclosures provided in note 37, the directors have a reasonable expectation to believe that the Group and Company will remain a going concern in the foreseeable future. The directors also have a general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and Company and to prevent and detect fraud and other irregularities.

The directors have also prepared the other information included in the annual integrated report for the year ended 29 February 2020 and are responsible for both its accuracy and consistency with the Group and Company annual financial statements.

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

The directors are not aware of any legal or arbitration proceedings active, pending or threatened against or being brought by the Group or Company, other than as disclosed in the Directors’ Report on page 11, which may have a material effect on the Group and Company’s financial position. The Group and Company annual financial statements have been audited by the independent accounting firm, SizweNtsalubaGobodo Grant Thornton Inc., which was given unrestricted access to all financial records and related data, including minutes of all shareholders’, directors’ and Committee meetings. The directors believe that all representations made to the independent auditors during their audit were valid and appropriate.

The Independent Auditors’ Report is presented on page 12. The annual financial statements were approved by the Board on 28 June 2021 and are signed on its behalf by:

Vuyo Ngonyama
Chairman of the Board
28 June 2021

Darrin Arendse
Group Chief Executive Officer (Interim)

COMPANY SECRETARY'S CERTIFICATION

In terms of Section 88(2)I of the Companies Act of 2008, as amended, I hereby certify and confirm that to the best of my knowledge and belief, Efora Energy Limited has, in respect of the financial year ended 29 February 2020, lodged with the Companies and Intellectual Properties Commission all returns and notices required of a public company in terms of the Companies Act in respect of the year under review and that all such notices are true, correct and up to date, save for the inability by the Company to timeously release its annual financial statements for the year ended 29 February 2020.

Melinda Gous
Fusion Corporate Secretarial Services Proprietary Limited
Company Secretary
28 June 2021

PREPARATION OF ANNUAL FINANCIAL STATEMENTS

The Group and Company annual financial statements were prepared under the supervision of the Thabang Monametsi CA (SA).

DIRECTORS' REPORT

The directors submit their report on the affairs of the Group together with the consolidated and separate annual financial statements of Efora Energy Limited for the year ended 29 February 2020.

PRINCIPAL ACTIVITIES

Efora is a South African based independent African oil and gas company, listed on the JSE. The Company has a diverse portfolio of assets spanning production in Egypt; exploration and appraisal in the Democratic Republic of Congo; a midstream project relating to crude trading in Nigeria; and material downstream distribution operations in South Africa. Our focus as a Group is on delivering energy for the African continent by using Africa's own resources to meet the significant growth in demand expected over the next decade.

FINANCIAL RESULTS

The results of the Group and the Company and the state of its affairs are set out in the consolidated and separate annual financial statements and accompanying notes for the year ended 29 February 2020. The Group reported a loss after tax of R57.9 million (2019: R579.9 million), a basic loss per share of 1.86 cents (2019: 69.91 cents) and headline earnings per share of 4.96 cents (2019: headline loss per share of 45.31 cents) for the year ended 29 February 2020.

NEGATIVE IMPACT OF MARKET CONDITIONS ON REVENUE AND MARGINS

The market share of Afric Oil, the Group's primary revenue contributor contracted during the year under review mainly as a result of the loss of a key customer and other low margin customers. This resulted in a decline of 25% in revenue and a resultant decline of 18% in the gross margin generated by the Group. Heavy discounting by small entrants, low-cost importers and the illegal importation of fuel products compounded by the currency crisis in Zimbabwe, which has resulted in the continued suspension of operations in the country, were also contributing factors. The Group implemented a number of initiatives to ensure it remained competitive which included optimising the supply chain and logistics functions, amongst many other initiatives.

ARBITRATION AWARD IN CLAIM AGAINST ENCHA GROUP

On 15 November 2019, The Group was awarded R75.0 million plus interest and costs in its claim against Encha Group. We are delighted that our investment in this matter over the years has yielded a positive result for all our stakeholders. The funds awarded in this matter have been recognized in the statement of comprehensive income under other income (R75.0 million) and finance income (R52.1 million). The total amount due from Encha which also includes the recovery of legal costs is disclosed in note 18. Subsequent to the year end a compromise was reached with Encha as disclosed in note 34.

FURTHER OPTIMISATION OF COST BASE

Cost optimization continues to be one of the key strategic focus areas of the Group. During the year under review, the Group's recurring cash cost base under other operating costs decreased by R31.7 million mainly due to a reduction in remuneration, business development, travel and lease costs. Overall, the cost cutting initiatives adopted by the Group have resulted in a decrease of R69.8 million in this cash cost base over the last two financial years. Subsequent to the reporting period, the Board approved plans to restructure the management and governance structures within the Group which should result in further streamlining of costs especially as it relates to remuneration.

EXPECTED DECLINE IN FINANCE COSTS

During the year under review the Group made repayments totalling R75.1 million to the Unemployment Insurance Fund ("UIF") with respect to the loan advanced to Afric Oil. The Group also paid R5.3 million in full settlement of the Redlex loan. The loan repayments resulted in a decrease of 44% in finance costs for the year under review.

IMPAIRMENT OF NON-FINANCIAL ASSETS

The Forever Fuels business generated a loss for the year primarily emanating from the loss of a component of the customer base that existed at the time of its acquisition due to the tough trading conditions mentioned earlier. This resulted in the full impairment the customer relationships and brand intangible assets. A charge of R45.1 million was recognised in the statement of comprehensive income with respect to these impairments.

The Group's oil and gas properties and the petroleum reserves intangible asset were also impaired to the extent of R67.0 million, R53.5 million and R13.5 million, respectively, as a result of a lower oil price forecast and a reduction in reserves, amongst other factors.

In total, R112.1 million (2019: R160.3 million), R58.6 million (2019: R38.8 million) with respect to the impairment of intangible assets and R53.5 million (2019: R121.5 million) with respect to the impairment of oil and gas properties, was recognised in other operating costs in the statement of comprehensive income. Excluding the impact of these impairments of non-financial assets, the Group generated a profit after tax of R54.2 million. Additional details relating to these impairments are provided in note 7.

HYPERINFLATION ACCOUNTING

The Group for the first time applied hyperinflation accounting for its subsidiary in Zimbabwe following the declaration of the economy as hyperinflationary since July 2019, as fully set out in note 3.4, which resulted in a net monetary loss of R39.2 million.

FINANCIAL POSITION

REDUCTION IN NET ASSET VALUE

The Group's net asset value decreased by R20.2 million for the year under review primarily driven by the impairments of non-financial assets. The strengthening of the Group's statement of financial position remains a strategic focus area alongside other initiatives adopted by the Group.

CASH FLOWS

FOCUS ON CASH GENERATION

The Group generated R88.9 million from operations (2019: utilisation of R153.6 million) which is a significant improvement especially when compared to the prior financial year. This is testament to the initiatives that have gone into positioning the Group for sustainability especially in the area of cost containment.

Cash outflows relating to investing activities were minimal and the debt repayment mentioned above contributed to the utilisation of R81.4 million in financing activities (2019: cash generated of R147.4 million, mainly driven by the rights issue). Overall, the Group generated cash of R6.2 million (2019: utilisation of R10.9 million).

INTERNAL FINANCIAL CONTROLS

During the year under review, the Board, through the Audit, Risk and Investment Committee, assessed the results of the documented review of the Group's system of internal controls and risk management, including the design, implementation and effectiveness of the internal financial controls conducted by internal audit and considered information and explanations given by management and discussions with the external auditors on the results of the audit. Although certain weaknesses in financial controls, whether in design, implementation or execution were identified, the Board does not consider these control weaknesses (individually or in combination with other weaknesses) to have resulted in actual material financial loss, fraud or material errors, other than as disclosed in these annual financial statements. Based on the above results, nothing has come to the attention of the Board that caused it to believe that the Group's system of internal controls and risk management is not effective and that the internal financial controls do not form a sound basis for the preparation of reliable annual financial statements. The Board's opinion is supported by the Audit, Risk and Investment Committee.

STATED CAPITAL

There were no changes to the stated capital during the year ended 29 February 2020. The Company's stated capital is disclosed in note 24.

DIVIDENDS

The directors did not recommend the distribution of a dividend for the financial year (2019: nil).

DIRECTORS

There were no appointments or resignations of directors during the year. Subsequent to the year end, Tariro Gadzikwa and Thuto Masasa resigned from their positions as directors of the Company on 6 July 2020 and 31 July 2020, respectively. On 5 February 2021, Damain Matroos resigned as director of the Company. On 15 April, Boas Seruwe resigned from his role and director and Chairman of Efora.

Directors' interests in shares	2020		2019	
	Direct Beneficial	% of issued share capital	Direct beneficial	% of issued share capital
Damain Matroos[1]	**73,198**	**0.007**	73,198	0.007
Total				

[1] – Resigned on 9 February 2021

BORROWING FACILITIES AND POWERS

The Group's borrowing facilities are disclosed in note 26 of the annual financial statements. In terms of the memorandum of incorporation, the borrowing powers of the Company are unlimited.

CONTROL OF UNISSUED SHARE CAPITAL

The unissued ordinary shares are the subject of a general authority granted to the directors in terms of section 38 of the Companies Act. As this general authority remains valid only until the next AGM, shareholders will be asked at that meeting to consider an ordinary resolution placing the said unissued ordinary shares, to a maximum of 5% of the Company's issued share capital, under the control of the directors until the next AGM.

GOING CONCERN

After agreeing that the going concern premise was appropriate, on the basis of solvency and liquidity tests performed and having considered that adequate plans are in place to address the uncertainties highlighted in note 37, the Board approved the Group and Company annual financial statements on 28 June 2021 on the recommendation of the Audit, Risk and Investment Committee. The Board also does not have any reason to doubt that licences that are required to continue operations of the Group will not be renewed.

EVENTS AFTER THE REPORTING PERIOD

Events which occurred after the reporting period and up to the date of this report are disclosed in note 34.

SPECIAL RESOLUTIONS PASSED

The following special resolutions were passed at general meetings held during the year:

- general authority to reacquire (repurchase) shares;
- remuneration of non-executive directors;
- general approval to provide financial assistance for the subscription or purchase of securities in related or interrelated entities in terms of section 44 of the Companies Act; and
- general approval to provide financial assistance to any company related or interrelated to the Company or to any juristic person who is a member of or related to any such companies.

LITIGATION UPDATE

Robin Vela

We are also pleased to report that as at the date of this report the litigation between Efora and Mr Robin Vela has been fully and finally settled and neither party has a residual claim against the other.

Transnational Corporation of Nigeria (Transcorp)

On 27 May 2020 in summarised judgements the Nigerian Court of Appeal ruled that SacOil 281 and EER 281 ("the Parties") could proceed with arbitration in their claim against Transcorp. On 9 November 2020 following further engagement with Transcorp, the Parties reached a settlement agreement the terms of which are set out in note 34.

Encha Group Limited

The Group was successful in its appeal of the arbitration judgement in its claim against Encha and was awarded R75.0 million plus interest and costs on 15 November 2019 (see note 18). We continue to pursue the recovery of the funds owed to the Group by Encha pursuant to a compromise and payment plan agreed in August 2020 (see note 34).

ACCOUNTING POLICIES

The Group and Company's annual financial statements for the year ended 29 February 2020 have been prepared in accordance with IFRS and in a manner required by the Companies Act (as disclosed in note 2.1).

The Group and Company's accounting policies used in the preparation of the annual financial statements for the year ended 29 February 2020 are consistent with those applied in the previous year, except in circumstances where there was an adoption of new or revised standards as disclosed in the annual financial statements (see note 4).

RETIREMENT FUNDS

The Group introduced a defined contribution retirement scheme on 1 April 2015 for its South African-based employees to improve the employee value proposition.

SUBSIDIARIES

Details of the subsidiaries of the Company are set out in note 15 of the annual financial statements.

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Efora Energy Limited

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Adverse Opinion on Consolidated Financial Statements and Unqualified Opinion on the Separate Financial Statements

We have audited the consolidated financial statements of Efora Energy Limited and its subsidiaries (the group) and separate financial statements set out on pages 15 to 70, which comprise the consolidated and separate statement of financial position as at 29 February 2020, and the consolidated and separate statement of profit or loss and other comprehensive income, the consolidated and separate statement of changes in equity and the consolidated and separate statement of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

In our opinion, because of the significance of the matter described in the Basis for Adverse Opinion section of our report, the consolidated financial statements do not present fairly, the financial position of the group as at 29 February 2020, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and the requirements of the Companies Act of South Africa.

In our opinion, the separate financial statements present fairly, in all material respects, the separate financial position of Efora Energy Limited as at 29 February 2020, and its separate financial performance and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

Basis for Adverse Opinion on Consolidated Financial Statements and Unqualified Opinion on the Separate Financial Statements

Afric Oil (Pty) Ltd, an indirect material subsidiary, have continued to make losses, incurring a total comprehensive loss for the year ended 29 February 2020 of R110 million. As at that date, the entity is in a net liability position of R224 million. The major contributor to the entity's liabilities is the loan from the Unemployment Insurance Fund (represented by the Public Investment Corporation) standing at R185 million at year end. The covenants of this loan are in breach and the required repayment of the loan is a significant concern to the cashflow of the entity. The financial statements are prepared on the going concern basis which, in our judgement, is inappropriate in these circumstances.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of our report. We are independent of the group and company in accordance with the sections 290 and 291 of the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (Revised January 2018), parts 1 and 3 of the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (Revised November 2018) (together the IRBA Codes) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities, as applicable, in accordance with the IRBA Codes and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Codes are consistent with the corresponding sections of the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) respectively. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse opinion on the consolidated financial statements and our opinion on the separate financial statements.

Material Uncertainty Relating to Going Concern

We draw attention to Note 37 in the financial statements, which indicates that the the cash resources of the Company remain constrained. As stated in Note 37, these events or conditions, along with other matters as set forth in note, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

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

Identified Key Audit matter	Audit response
Company	
Impairment of financial assets (Loans to Group companies) Included in the financial assets of the company are Loans to Group companies as disclosed in Note 17 of the company financial statements. The assessment is determined by the key factors such as the default risk, credit rating and available facts on recoverability. Due to the significant judgement involved in the determination of a potential impairment resulting in significant work effort from the audit team, the valuation and impairment of these assets is considered a key audit matter.	Our audit procedures included, amongst others: We assessed inputs into the model and the reasonableness of assumptions applied by management. Reviewed the underlying correspondence and documents on the terms and conditions of these assets and evidence of future credit quality. Use of the auditor's expert to perform the Expected Credit Losses. We reviewed the credit rating, default risk applied by management. We evaluated whether the disclosure of significant estimates and judgements was adequate given the circumstances.
Impairment of financial assets (Loans and other receivables) Included in the financial assets are loans and other receivables as disclosed in Note 18. Management has carried out an impairment review in line with the IFRS 9 Expected Credit Loss guidelines. The assessment is determined by the key factors such as the default risk, credit rating and available facts on recoverability. Due to the significant judgement involved in the determination of a potential impairment resulting in significant work effort from the audit team, the valuation and impairment of these assets is considered a key audit matter.	Our audit procedures included, amongst others: We assessed the reasonableness of assumptions applied by management. Reviewed the underlying correspondence and documents on the terms and conditions of these assets. We reviewed the credit rating, default risk applied by management.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Efora Energy Limited Integrated Report 2020" and in the document titled "Efora Energy Limited Annual Financial Statements for the year ended 29 February 2020", which includes the Directors' Report, the Audit Committee's Report and the Company Secretary's Certificate as required by the Companies Act of South Africa. The other information does not include the consolidated or the separate financial statements and our auditor's reports thereon.

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

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate 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 Consolidated and Separate Financial Statements

The directors are responsible for the preparation and fair presentation of the consolidated ans separate financial statements in accordance with International Financial Reporting Standards 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 consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that SizweNtsalubaGobodo Grant Thornton Inc. has been the auditor of Efora Energy Limited for three years.

____

SizweNtsalubaGobodo Grant Thornton Inc.
Altaf Fajandar
Director
Registered Auditor
28 June 2021
20 Morris Street East
Woodmead

CONSOLIDATED AND SEPARATE STATEMENTS OF COMPREHENSIVE INCOME

for the year ended 29 February 2020

	Notes	Group 2020 R'000	Group 2019 R'000	Company 2020 R'000	Company 2019 R'000
Revenue	5, 6	**1,957,309**	2,599,369	**-**	-
Cost of sales		**(1,901,223)**	(2,530,997)	**-**	-
Gross profit		**56,086**	68,372	**-**	-
Other income		**149,032**	94,199	**123,526**	25,356
Other operating costs		**(280,543)**	(861,828)	**(98,381)**	(537,908)
(Loss)/profit from operations	7	**(75,425)**	(699,257)	**25,145**	(512,552)
Share of profit from joint venture, net of taxation	16	-	1,138	-	1,138
Finance income	8	**78,425**	68,230	**76,740**	36,683
Finance costs	9	**(26,524)**	(47,474)	**(1)**	(8,186)
Net monetary loss	3.4	**(39,151)**	-	-	-
(Loss)/profit before taxation		**(62,675)**	(677,363)	**101,884**	(482,917)
Taxation	10	**4,777**	97,504	**4,488**	-
(Loss)/profit for the year		**(57,898)**	(579,859)	**106,372**	(482,917)
Other comprehensive income:					
Items that may be reclassified to profit or loss in subsequent periods:					
Exchange differences on translation of foreign operations[1]		**39,446**	84,420	**-**	1,156
Other comprehensive income for the year		**39,446**	84,420	**-**	1,156
Total comprehensive (loss)/income for the year		**(18,452)**	(495,439)	**106,372**	(481,761)
(Loss)/profit attributable to:					
Equity holders of the Company		**(20,578)**	(538,311)	**106,372**	(482,917)
Non-controlling interest		**(37,320)**	(41,548)	**-**	-
(Loss)/profit for the year		**(57,898)**	(579,859)	**106,372**	(482,917)
Total comprehensive (loss)/income attributable to:					
Equity holders of the Company		**13,460**	(456,690)	**106,372**	(481,761)
Non-controlling interest		**(31,912)**	(38,749)	**-**	-
Total comprehensive (loss)/income for the year		**(18,452)**	(495,439)	**106,372**	(481,761)
Loss per share					
Basic (cents)	29	**(1.86)**	(69.91)		
Diluted (cents)	29	**(1.86)**	(69.91)		

[1] This component of other comprehensive loss does not attract taxation.

CONSOLIDATED AND SEPARATE STATEMENTS OF FINANCIAL POSITION

as at 29 February 2020

		Group		Company	
		2020	2019	2020	2019
	Notes	R'000	R'000	R'000	R'000
ASSETS					
Non-current assets					
Exploration and evaluation assets	13	**110,857**	99,275	**-**	-
Oil and gas properties	14	**32,147**	76,808	**-**	-
Investments in subsidiaries	15	**-**	-	**89,454**	89,777
Investment in joint venture	16	**-**	-	**-**	-
Loans to Group companies	17	**-**	-	**33,759**	28,775
Loans and other non-current receivables	18	**256,189**	230,151	**127,845**	115,076
Property, plant and equipment	19	**53,167**	72,905	**162**	371
Right-of-use of assets	19.1(a)	**7,154**	-	**-**	-
Intangible assets	20	**9,953**	80,364	**-**	-
Total non-current assets		**469,467**	559,503	**251,220**	233,999
Current assets					
Loans and other current receivables	18	**124,187**	-	**124,187**	-
Loans to Group companies	17	**-**	-	**-**	35,081
Inventories	21	**11,223**	13,744	**-**	-
Trade and other receivables	22	**93,240**	188,545	**2,463**	1,246
Cash and cash equivalents	23	**68,188**	61,875	**10,277**	13,839
Total current assets		**296,838**	264,164	**136,927**	50,166
Total assets		**766,305**	823,667	**388,147**	284,165
EQUITY AND LIABILITIES					
Shareholders' equity					
Stated capital	24	**1,668,354**	1,668,354	**1,668,354**	1,668,354
Reserves	24	**136,872**	102,834	**10,579**	10,579
Accumulated loss		**(1,355,241)**	(1,333,414)	**(1,317,803)**	(1,424,175)
Equity attributable to equity holders of Company		**449,985**	437,774	**361,130**	254,758
Non-controlling interest		**(36,235)**	(3,813)	**-**	-
Total shareholders' equity		**413,750**	433,961	**361,130**	254,758
Liabilities					
Non-current liabilities					
Lease liabilities	19.1(b)	**6,434**	126	**-**	-
Total non-current liabilities		**6,434**	126	**-**	-
Current liabilities					
Loan from Group company	17	**-**	-	**318**	318
Borrowings	26	**186,062**	240,720	**710**	380
Financial liabilities		**-**	104	**-**	104
Lease liabilities	19.1(b)	**463**	585	**-**	-
Loan from joint venture	27	**12,940**	11,969	**12,940**	11,969
Taxation payable		**8,366**	12,851	**8,365**	12,851
Trade and other payables	28	**138,290**	123,351	**4,684**	3,785
Total current liabilities		**346,121**	389,580	**27,017**	29,407
Total liabilities		**352,555**	389,706	**27,017**	29,407
Total equity and liabilities		**766,305**	823,667	**388,147**	284,165

CONSOLIDATED AND SEPARATE STATEMENTS OF CHANGES IN EQUITY

for the year ended 29 February 2020

	Notes	Stated capital (Note 24) R'000	Foreign currency translation reserve (Note 24) R'000	Share-based payment reserve (Note 24) R'000	Total reserves R'000	Accumulated loss R'000	Total equity attributable to equity holders of the Company R'000	Non-controlling interest (NCI) R'000	Total equity R'000
Group									
Balance at 1 March 2018		1,305,911	10,720	10,352	21,072	(750,639)	576,344	1,834	578,178
Changes in equity:									
Effect of the adoption of IFRS 9		-	-	-	-	(11,362)	(11,362)	-	(11,362)
Adjusted balance at 1 March 2018		1,305,911	10,720	10,352	21,072	(762,001)	564,982	1,834	566,816
Loss for the year		-	-	-	-	(538,311)	(538,311)	(41,548)	(579,859)
Other comprehensive income for the year		-	81,621	-	81,621	-	81,621	2,799	84,420
Total comprehensive (loss)/income for the year		-	81,621	-	81,621	(538,311)	(456,690)	(38,749)	(495,439)
Acquisition of NCI	15	-	-	-	-	(33,102)	(33,102)	33,102	-
Rights issue		367,052	-	-	-	-	367,052	-	367,052
Transaction costs		(4,609)	-	-	-	-	(4,609)	-	(4,609)
Share based payments expense	12	-	-	141	141	-	141	-	141
Total changes		362,443	81,621	141	81,762	(571,413)	(127,208)	(5,647)	(132,855)
Balance at 28 February 2019		**1,668,354**	**92,341**	**10,493**	**102,834**	**(1,333,414)**	**437,774**	**(3,813)**	**433,961**
Balance at 1 March 2019		**1,668,354**	**92,341**	**10,493**	**102,834**	**(1,333,414)**	**437,774**	**(3,813)**	**433,961**
Changes in equity:									
Effect of the adoption of IFRS 16	4.3	**-**	**-**	**-**	**-**	**(1,249)**	**(1,249)**	**(510)**	**(1,759)**
Adjusted balance at 1 March 2019		**1,668,354**	**92,341**	**10,493**	**102,834**	**(1,334,663)**	**436,525**	**(4,323)**	**432,202**
Loss for the year		**-**	**-**	**-**	**-**	**(20,578)**	**(20,578)**	**(37,320)**	**(57,898)**
Other comprehensive income for the year		**-**	**34,038**	**-**	**34,038**	**-**	**34,038**	**5,408**	**39,446**
Total comprehensive (loss)/income for the year		**-**	**34,038**	**-**	**34,038**	**(20,578)**	**13,460**	**(31,912)**	**(18,452)**
Total changes		**-**	**34,038**	**-**	**34,038**	**(20,578)**	**13,460**	**(31,912)**	**(18,452)**
Balance at 29 February 2020		**1,668,354**	**126,379**	**10,493**	**136,872**	**(1,355,241)**	**449,985**	**(36,235)**	**413,750**

CONSOLIDATED AND SEPARATE STATEMENTS OF CHANGES IN EQUITY *(continued)*

for the year ended 29 February 2020

	Notes	Stated capital (Note 24) R'000	Foreign currency translation reserve (Note 24) R'000	Share-based payment reserve (Note 24) R'000	Total reserves R'000	Accumulated loss R'000	Total equity attributable to equity holders of the Company R'000
Company							
Balance at 1 March 2018		1,305,911	(1,070)	10,352	9,282	(837,846)	477,347
Changes in equity:							
Effect of the adoption of IFRS 9		-	-	-	-	(103,412)	(103,412)
Adjusted balance at 1 March 2018		1,305,911	(1,070)	10,352	9,282	(941,258)	373,935
Loss for the year		-	-	-	-	(482,917)	(482,917)
Other comprehensive income for the year		-	1,156	-	1,156	-	1,156
Total comprehensive loss for the year		-	1,156	-	1,156	(482,917)	(481,761)
Rights issue		367,052	-	-	-	-	367,052
Transaction costs		(4,609)	-	-	-	-	(4,609)
Share based payments expense	12	-	-	141	141	-	141
Total changes		362,443	1,156	141	1,297	(482,917)	(119,177)
Balance at 28 February 2019		**1,668,354**	**86**	**10,493**	**10,579**	**(1,424,175)**	**254,758**
Balance at 1 March 2019		**1,668,354**	**86**	**10,493**	**10,579**	**(1,424,175)**	**254,758**
Changes in equity:							
Profit for the year		**-**	**-**	**-**	**-**	**106,372**	**106,372**
Total comprehensive income for the year		**-**	**-**	**-**	**-**	**106,372**	**106,372**
Total changes		**-**	**-**	**-**	**-**	**106,372**	**106,372**
Balance at 29 February 2020		**1,668,354**	**86**	**10,493**	**10,579**	**(1,317,803)**	**361,130**

CONSOLIDATED AND SEPARATE STATEMENTS OF CASH FLOWS

for the year ended 29 February 2020

		Group		Company	
		2020	2019	2020	2019
	Notes	R'000	R'000	R'000	R'000
Cash flows from operating activities					
Cash generated from/(used in) operations	30	**87,627**	(147,283)	**(20,839)**	(63,644)
Finance income received		**2,345**	4,650	**293**	2,111
Finance costs paid		**(1,093)**	(10,938)	**(1)**	(8,728)
Taxation paid		**-**	(16)	**-**	-
Net cash generated from/(used in) operating activities		**88,879**	(153,587)	**(20,547)**	(70,261)
Cash flows from investing activities					
Purchase of property, plant and equipment	19	**(762)**	(40)	**(744)**	-
Proceeds on disposal of property, plant and equipment		81	380	**-**	17
Purchase of oil and gas properties	14	**-**	(2,974)	**-**	-
Purchase of intangible assets	20	**(60)**	(1,325)	**-**	-
Loans advanced to Group companies		**-**	-	**(7,271)**	(129,322)
Repayments of loans advanced to Group companies		**-**	-	**25,000**	20,755
Repayments of loans and other receivables		**-**	410	**-**	410
Advances of loans and other receivables		**(500)**	(1,200)	**-**	-
Net cash (used in)/from investing activities		**(1,241)**	(4,749)	**16,985**	(108,140)
Cash flows from financing activities					
Transaction costs on share issue	24	**-**	(4,609)	**-**	(4,609)
Proceeds on issue of shares	24	**-**	367,052	**-**	367,052
Loan from joint venture		**-**	3,505	**-**	3,505
Proceeds from borrowings	26	**-**	239	**-**	239
Repayments of borrowings	26	**(80,408)**	(210,523)	**-**	(180,370)
Repayments of financial liabilities		**-**	(5,815)	**-**	(5,815)
Repayments of lease liabilities		**(1,026)**	(2,444)	**-**	-
Net cash (used in)/from financing activities		**(81,434)**	147,405	**-**	180,002
Total movement in cash and cash equivalents for the year		**6,204**	(10,931)	**(3,562)**	1,601
Foreign exchange differences on cash and cash equivalents		**109**	-	**-**	-
Cash and cash equivalents at the beginning of the year		**61,875**	72,806	**13,839**	12,238
Cash and cash equivalents at the end of the year	23	**68,188**	61,875	**10,277**	13,839

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 GENERAL INFORMATION

Efora Energy Limited ("the Company", together with its subsidiaries and joint venture, "the Group"), is a company incorporated in South Africa and is listed on the JSE. General company information is included on page 72 of the annual financial statements. The Group has a diverse portfolio of assets spanning production in Egypt; exploration and appraisal in the Democratic Republic of Congo; a midstream project relating to crude trading in Nigeria and material downstream distribution operations in South Africa. The focus of the Group is on delivering energy for the African continent by using Africa's own resources to meet the significant growth in demand expected over the next decade.

The consolidated and separate annual financial statements of the Company for the year ended 29 February 2020 were authorised for issue in accordance with a resolution of the Board of Directors dated 28 June 2021.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The consolidated and separate annual financial statements of the Company for the year ended 29 February 2020 have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations as issued by the International Financial Reporting Interpretations Committee ("IFRIC"), as well as the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, the Financial Reporting Pronouncements as issued by Financial Reporting Standards Council, the Listings Requirements of the JSE Limited and in a manner required by the Companies Act of South Africa, No 71 of 2008. The accounting policies applied in the preparation of these consolidated and separate annual financial statements of the Company are consistent in all material respects with those used in the prior financial year, except for the adoption of new standards, interpretations and amendments to published standards which became effective for the first time for its financial year ended 29 February 2020. Note 4 discloses the impact of new standards, interpretations and amendments to published standards on the consolidated and separate annual financial statements of the Company.

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the reported amounts of assets, liabilities, expenses, income and the application of accounting policies. Actual results may differ from estimated results. Information about significant areas of estimation uncertainty and critical judgements in applying the accounting policies that have the most significant effect on the amounts presented in the consolidated and separate annual financial statements of the Company are disclosed in note 3.

These consolidated and separate annual financial statements have been prepared under the historical cost convention, modified for the effects of inflation with respect to a subsidiary of the Group which operates in a hyperinflationary economy. The Zimbabwean economy was categorised as hyperinflationary from 1 July 2019. Accordingly, the results, cash flows and financial position of the Group's subsidiary in Zimbabwe have been expressed in terms of the measuring unit current at the reporting date.

The consolidated and separate financial statements are presented in the functional currency of the Company, being South African Rand ("Rand") and are rounded to the nearest thousand (R'000), except where otherwise stated.

Going concern

The consolidated and separate annual financial statements of the Company 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. Refer to note 37 for further disclosures on going concern matters.

2.2 Basis of consolidation

Subsidiaries

Subsidiaries are all investees over which the Group has control. The Group controls an investee when the Group is exposed to, or has rights to, variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated but are considered an impairment indicator of the asset transferred. The Group attributes total comprehensive income or loss of subsidiaries between the owners of the parent and the non-controlling interests based on their respective ownership interests, even if this results in the non-controlling interests having a deficit balance. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

Investments in subsidiaries are accounted for at cost less impairment in the separate financial statements.

Interests in joint arrangements

Joint operations

In relation to its interests in joint operations, the Group recognises its share of:

- Assets, including its share of any assets held jointly, classified according to the nature of the assets;
- Liabilities, including its share of any liabilities incurred jointly;
- Revenue from the sale of its share of the output arising from the joint operation;
- Share of the revenue from the sale of the output by the joint operation; and
- Expenses, including its share of any expenses incurred jointly.

All such amounts are measured in accordance with the terms of each arrangement which are in proportion to the Group's interest in the joint operation."

Joint ventures

The Group's investment in joint ventures is accounted for using the equity method of accounting. Under the equity method of accounting, interests in joint ventures are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses, movements in other comprehensive income and other equity movements. When the Group's share of losses in a joint venture equals or exceeds its interests in the joint ventures, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint venture.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group.

The aggregate of the Group's share of profit or loss of the joint venture is shown on the face of the statement of profit or loss as a separate line i.e. "share of profit or loss from joint venture". At each reporting date, the Group determines whether there is objective evidence that the investment in the joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the joint venture and its carrying value, then recognises the loss as "share of profit or loss from joint venture" in the statement of profit or loss.

The Company accounts for its investment in joint venture on the same basis as the Group.

Reimbursement of costs of the operator of the joint arrangement

When the Group, acting as an operator or manager of a joint arrangement, receives reimbursement of direct costs recharged to the joint arrangement, such recharges represent reimbursements of costs that the operator incurred as an agent for the joint arrangement and therefore have no effect on profit or loss.

When the Group charges a management fee (based on a fixed percentage of total costs incurred for the year) to cover other general costs incurred in carrying out the activities on behalf of the joint arrangement, it is not acting as an agent. Therefore, the general overhead expenses and the management fee are recognised in the statement of profit or loss as an expense and income, respectively.

2.3 Transactions with NCIs

Non-controlling shareholders are treated as equity participants and are identified separately from the Group's equity. The interests of non-controlling shareholders are initially measured at the non-controlling interests' proportionate share of the fair value of the acquirer's identifiable net assets. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Acquisitions and disposals of additional interests in the Group's subsidiaries are accounted for as equity transactions and the excess of the purchase consideration over the carrying value of net assets acquired is recognised directly in equity. Profits and losses arising on transactions with NCIs where control is maintained subsequent to the disposal are recognised directly in equity. Any dilution gains or losses are also recognised directly in equity.

2.4 Segment reporting

The Group has identified reportable segments that are used by the chief operating decision-maker to make key operating decisions, allocate resources and assess performance (see note 5). The reportable segments are grouped according to their geographical locations and reporting lines to the chief operating decision-maker. The Group's chief operating decision maker is the Group Executive Committee.

2.5 Foreign currency translation

Functional and presentation currency

Items included in the consolidated and separate annual financial statements of each of the Group entities are measured using the currency of the primary economic environment in which the entity operates (functional currency). The consolidated and separate annual financial statements are presented in South African Rands ("Rands") which is the functional and presentation currency of the Company.

Transactions and balances

Foreign currency transactions are translated into the functional currency of the respective Group entity, using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the remeasurement of monetary items denominated in foreign currency at year-end or reporting date exchange rates are recognised in profit or loss.

Non-monetary items are not retranslated at year-end and are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

Foreign operation

The results and financial position of all Group entities that have a functional currency different from the presentation currency and which do not operate in a hyperinflationary economy, are translated into the presentation currency as follows:

- Income and expenses for each statement of comprehensive income are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions).
- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position.
- All resulting exchange differences are recognised in other comprehensive income.

The results and the financial position of the Group entities which are accounted for as entities which operate in hyperinflationary economies and that have a functional currency that is different from the presentation currency of the Group are translated into the presentation currency of the Group at the exchange rates ruling at the reporting date.

Hyperinflation

Hyperinflation accounting requires transactions and balances of each reporting period presented to be stated in terms of the measuring unit current at the end of the reporting period in order to account for the loss of purchasing power during the period. The Group has elected to use the Zimbabwe Consumer Price Index ("CPI"), published by the Reserve Bank of Zimbabwe, as the measuring unit (or general price index) to restate amounts as CPI provides an observable indication of the change in the price of goods and services.

The results and the financial position, including comparative amounts, of the Group entities whose functional currencies are the currencies of hyperinflationary economies are adjusted in terms of the measuring unit current at the end of the reporting period.

As the presentation currency of the Group is that of a non-hyperinflationary economy, comparative amounts are not adjusted for changes in the price level or exchange rates in the current year. Differences between these comparative amounts and the hyperinflation adjusted equity opening balances are recognised in other comprehensive income as part of foreign currency translations for the current period.

The carrying amounts of non-monetary assets and liabilities are adjusted to reflect the change in the general price index from the date of acquisition to the end of the reporting period. An impairment loss is recognised in profit or loss if the restated amount of a non-monetary item exceeds its estimated recoverable amount.

Gains or losses on the net monetary position are recognised in profit or loss.

All items recognised in the statement of comprehensive income are restated by applying the change in the general price index from the dates when the items of income and expenses were initially earned or incurred.

At the beginning of the first period of application, the components of owners' equity, except retained earnings, are restated by applying a general price index from the dates the components were contributed or otherwise arose. These restatements are recognised in other comprehensive income. Restated retained earnings are derived from all other amounts in the restated statement of financial position. At the end of the first period and in the subsequent periods, all components of owners' equity are restated by applying a general price index from the beginning of the period or the date of contribution, if later.

All items in the statement of cash flows are expressed in terms of the general price index at the end of the reporting period.

2.6 Property, plant and equipment

All property, plant and equipment is stated at historical cost less accumulated depreciation and accumulated impairment losses, except for land which is carried at historical cost and is not depreciated. Historical cost includes expenditure that is directly attributable to the acquisition or construction of the items, including borrowing costs attributable to qualifying assets, where appropriate. Subsequent costs are included in the asset's carrying value or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the period in which it is incurred. Major spare parts and stand by equipment which are expected to be used for more than one year are included in property, plant and equipment.

As the functional currency of the Group's subsidiary in Zimbabwe is a currency of a hyperinflationary economy, property, plant and equipment relating to these subsidiaries are restated by applying the change in the general price indices from the date of acquisition to the current reporting date (refer to accounting policy note 2.5).

Depreciation on property, plant and equipment is calculated using the straight-line method to allocate cost to residual values over their estimated useful lives. Items of property, plant and equipment are depreciated from the date that they are installed and/or available for use as determined by management. Leased assets are depreciated in a consistent manner over the shorter of their expected useful lives or lease term. Leasehold improvements are capitalised and depreciated over the term of the lease. The major categories of property, plant and equipment are depreciated at the following rates:

Furniture and fittings	10-20 years
Motor vehicles	4-6 years
Computer equipment	3-5 years
Buildings	20 years
Plant and equipment	10-25 years
Signage	10 years
Leasehold improvements	5 years

Depreciation is charged to profit or loss under operating expenses in the year in which it occurs.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss when the asset is derecognised.

The assets' residual values, useful lives and methods of depreciation are reviewed, and adjusted prospectively if appropriate as a change in accounting estimate, at the end of each reporting date. In determining residual values, the Group uses management's best estimate based on market prices of similar items. Useful lives of property, plant and equipment are based on management's estimates and take into account historical experience with similar assets, the expected usage of the asset, physical wear and tear, technical or commercial obsolescence and legal restrictions on the use of the assets. Impairment tests are performed for property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of plant, property 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.

2.7 Exploration and evaluation assets

Oil and natural gas exploration, evaluation and development expenditure are accounted for using the successful efforts method of accounting. Under the successful efforts method, only those costs that lead directly to the discovery, acquisition or development of mineral reserves are capitalised. Costs that fail to meet this criteria are charged to profit or loss as an expense in the period in which they are incurred.

Pre-licence costs

Pre-licence costs are expensed in the period in which they are incurred. These are cost incurred prior to the acquisition of the legal right to explore for oil and gas.

Licence and property acquisition costs

Exploration licence and leasehold property acquisition costs are capitalised in exploration and evaluation assets. Licence costs paid in connection with a right to explore in an existing exploration area are capitalised and amortised over the term of the permit. Licence and property acquisition costs are reviewed at each reporting date to confirm that there is no indication that the carrying amount exceeds the recoverable amount. This review includes confirming that exploration drilling is still under way or firmly planned, or that it has been determined, or work is under way to determine that the discovery is economically viable based on a range of technical and commercial considerations and sufficient progress is being made on establishing development plans and timing.

If no future activity is planned or the licence has been relinquished or has expired, the carrying value of the licence and property acquisition costs is written off through profit or loss. Upon recognition of proved reserves and internal approval for development, the relevant expenditure is transferred to oil and gas properties.

Exploration and evaluation costs

Exploration and evaluation activity involves the search for hydrocarbon resources, the determination of technical feasibility and the assessment of commercial viability of an identified resource. Once the legal right to explore has been acquired, costs directly associated with an exploration well are capitalised as exploration and evaluation intangible assets until the drilling of the well is complete and the results have been evaluated. These costs include directly attributable materials used, geological and geophysical costs, rig costs and payments made to contractors.

If no potentially commercial hydrocarbons are discovered, the exploration asset is written off through profit or loss as a dry hole. If extractable hydrocarbons are found and, subject to further appraisal activity (e.g. the drilling of additional wells), are likely to be capable of being commercially developed, the costs continue to be carried as exploration and evaluation intangible assets while sufficient or continued progress is made in assessing the commerciality of the hydrocarbons. Costs directly associated with appraisal activity undertaken to determine the size, characteristics and commercial potential of a reservoir following the initial discovery of hydrocarbons, including the costs of appraisal wells where hydrocarbons were not found, are initially capitalised as an intangible asset.

All such capitalised costs are subject to technical, commercial and management review, as well as review for indicators of impairment at least once a year. This is to confirm the continued intent to develop or otherwise extract value from the discovery. When this is no longer the case, the costs are written off through profit or loss.

When proved reserves of oil and natural gas are identified and development is sanctioned by management, the relevant capitalised expenditure is first assessed for impairment and (if required) any impairment loss is recognised, then the remaining balance is transferred to oil and gas properties. Other than licence costs, no amortisation is charged during the exploration and evaluation phase.

For exchanges or parts of exchanges that involve only exploration and evaluation assets, the exchange is accounted for at the carrying value of the asset given up and no gain or loss is recognised.

Development costs

Expenditure on the construction, installation or completion of infrastructure facilities such as platforms, pipelines and the drilling of development wells, including unsuccessful development or delineation wells, is capitalised within oil and gas properties.

2.8 Oil and gas properties

Initial recognition

Oil and gas properties are stated at cost, less accumulated depreciation and accumulated impairment losses.

The initial cost of an asset comprises its purchase price or construction cost, any costs directly attributable to bringing the asset into operation, the initial estimate of the decommissioning obligation where applicable and, for qualifying assets (where relevant), borrowing costs. The purchase price or construction cost is the aggregate amount paid and the fair value of any other consideration given to acquire the asset.

When a development project moves into the production stage, the capitalisation of certain construction or development costs ceases and costs are either regarded as part of the cost of inventory or expensed, except for costs which qualify for capitalisation relating to oil and gas property asset additions, improvements or new developments.

Depreciation/amortisation

Oil and gas properties are depreciated/amortised on a unit-of-production basis over the total proved plus probable developed and undeveloped reserves of the field concerned, except in the case of assets whose useful life is shorter than the lifetime of the field, in which case the straight-line method is applied. Rights and concessions are depleted on the unit-of-production basis over the total proved developed and undeveloped reserves of the relevant area. The unit-of-production rate calculation for the depreciation/amortisation of field development costs takes into account expenditures incurred to date, together with sanctioned future development expenditure.

The asset's residual values, useful lives and methods of depreciation/amortisation are reviewed at each reporting period and adjusted prospectively, if appropriate.

Major maintenance, inspection and repairs

Expenditure on major maintenance refits, inspections or repairs comprises the cost of replacement assets or parts of assets, inspection costs and overhaul costs. Where an asset, or part of an asset that was separately depreciated and is now written off is replaced and it is probable that future economic benefits associated with the item will flow to the Group, the expenditure is capitalised. Where part of the asset replaced was not separately considered as a component and therefore not depreciated separately, the replacement value is used to estimate the carrying amount of the replaced asset(s) and is immediately written off. Inspection costs associated with major maintenance programmes are capitalised and amortised over the period to the next inspection. All other day-to-day repairs and maintenance costs are expensed as incurred.

2.9 Intangible assets

Intangible assets include brands, customer relationships, computer software and petroleum reserves.

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation (calculated on a straight line basis over their useful lives) and accumulated impairment losses, if any.

The useful lives of intangible assets are assessed as either finite or indefinite. The Group does not have intangible assets with indefinite useful lives. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in profit or loss in "other operating expenses".

Useful lives of intangible assets are based on management's estimates and take into account historical experience with similar assets, as well as future events which may impact the useful lives. The useful lives of the Group's intangible assets are as follows:

Brands	5 years
Customer relationships	5 years
Computer software	3 years
Petroleum reserves	12 years

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss within other income or other operating costs when the asset is derecognised.

Impairment is discussed under section 2.11.

2.10 Financial instruments

Recognition and derecognition

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

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and initial measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

- amortised cost;
- fair value through profit or loss (FVTPL); and
- fair value through other comprehensive income (FVOCI).

The classification is determined by both:

- the entity’s business model for managing the financial asset; and
- the contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs and finance income, except for the impairment of financial assets which is presented within other operating costs.

For the year ended 29 February 2020, the Group does not have any financial assets categorised as FVOCI or FVTPL.

Subsequent measurement of financial assets

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Group’s cash and cash equivalents, trade and other receivables and loans and other receivables fall into this category of financial instruments. The Company's financial assets at amortised cost also include loans to Group companies.

Classification and measurement of financial liabilities

The Group's financial liabilities include borrowings, trade and other payables, financial liabilities, and loan from joint venture. The Company's financial liabilities also include loans from Group companies.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs. Subsequently, financial liabilities are measured at amortised cost using the effective interest method. All interest-related charges are reported in profit or loss within finance costs.

As at 29 February 2020, the Group does not have financial liabilities designated at FVTPL or derivative financial instruments.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

Fair value of financial instruments

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability; or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising, where possible, the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest-level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest-level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest-level input that is significant to the fair value measurement is unobservable

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities based on the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

2.11 Impairment of assets

2.11.1 Impairment of financial assets

IFRS 9's impairment requirements use more forward-looking information to recognise expected credit losses – the 'expected credit loss (ECL) model'. This replaced IAS 39's 'incurred loss model'. Specific to the Group, instruments within the scope of the new requirements include loans and other receivables, trade and other receivables and cash and cash equivalents measured at amortised cost. With respect to the Company this also includes loans to Group companies.

The recognition of credit losses is no longer dependent on the Group first identifying a credit loss event. Instead the Group considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument. In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1') and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').

'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date. Once there is objective evidence of impairment of a financial asset, interest on the financial asset is calculated on its net carrying amount after recognising ECLs, from the time the financial asset becomes credit impaired.

'12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second and third categories. Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Trade and other receivables

The Group makes use of a simplified approach in accounting for trade and other receivables and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating, the Group uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix. The Group assesses impairment of trade receivables on a collective basis as they possess shared credit risk characteristics they have been grouped based on the days past due. Refer to note 33(1)(b) for a detailed analysis of how the impairment requirements of IFRS 9 are applied.

2.11.2 Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

2.12 Inventories

Inventories are stated at the lower of cost or net realisable value. Net realisable value represents the estimated selling price in the ordinary course of business, less applicable variable selling expenses. The cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of consumables is determined using the first in, first out method. The cost of petroleum products is measured using the weighted average cost formula.

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

2.13 Trade receivables

The Group's trade receivables do not contain a significant financing component and are accounted for as disclosed in notes 2.10 and 2.11.1.

2.14 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position initially at fair value and subsequently at amortised cost using the effective interest method. In the consolidated and separate statements of financial position and cash flows, cash and cash equivalents comprise cash on hand, deposits held at call with banks and other short term highly liquid investments with original maturities of three months or less. The Group does not have overdraft facilities.

2.15 Stated capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.16 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of comprehensive income over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that all of the facility will be drawn down. Borrowings are classified as current liabilities unless the Group and Company have an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

2.17 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently at amortised cost using the effective interest rate method.

2.18 Revenue

To determine whether to recognise revenue, the Group follows a 5-step process:

1. Identifying the contract(s) with a customer;
2. Identifying the performance obligations in the contract;
3. Determining the transaction price;
4. Allocating the transaction price to the performance obligations in the contract; and
5. Recognising revenue when (or as) the entity satisfies a performance obligation

Revenue is represented by the oil sales made by the Group's Cyprus subsidiary Mena International Petroleum Company Limited ("Mena") and the sale of petroleum products by other Group entities in South Africa. The sales made by Mena to the Egyptian General Petroleum Company ("EGPC") are governed by the Lagia Concession Agreement ("LCA"). The sales by the other Group entities are governed by various customer contracts ("VCCs").

A performance obligation is either:

- a good or service (or a bundle of goods or services) that is distinct; or
- a series of distinct goods or services that are substantially the same and have the same pattern of transfer to the customer.

The performance obligation is the transfer of crude oil or petroleum products for the LCA and VCCs respectively. This performance obligation is distinct and separable.

The transaction price is the amount of consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer, excluding amounts collected on behalf of third parties. The transaction price for the LCA and VCC's is readily determinable as the oil price with respect to the Group's oil sales is determined by the EGPC or is otherwise regulated with respect to the sale of petroleum products.

The Group entities each have one performance obligation. As such the transaction price as established can be allocated to each of these performance obligations.

The Group only recognises revenue when it satisfies an identified performance obligation by transferring a promised good or service to a customer. A good or service is considered transferred when the customer obtains control. The Group recognises revenue as follows:

- Mena : when oil is delivered to the EGPC facilities; and
- Other Group entities: when petroleum products are delivered to customers or the customers pick the product up directly from the depot.

Invoices for products transferred are payable between 15 and 30 days depending on the credit terms granted to the customers. Payments are otherwise due immediately upon delivery for cash customers.

Refer note 6 for further detail regarding the disaggregation of revenue from contracts with customers.

2.19 Slate income

Slate income comprises the reimbursement of under recoveries realised by the Group in respect to daily changes between the Basic Fuels Price (BFP) of all grades of petrol and diesel and the BFP applicable in the petrol and diesel price structures as announced by the Department of Minerals and Energy in the monthly Fuel Price Media Release. An under recovery means that the actual BFP was higher than the BFP in the price structures for the period, hence the Group is reimbursed for the differential. Slate income is recognised in profit and loss under other income.

The Group does not consider slate income to be revenue in nature as the Department of Minerals and Energy is not considered to be a customer of the Group as defined by IFRS 15: Revenue, as it does not obtain goods or services that are an output of the Group's ordinary activities in exchange for consideration. Furthermore the Group does not consider this to be a reduction in cost of sales as the refund does not relate to the fuel purchases by the Group.

2.20 Finance income

Finance income is recognised using the effective interest method. Finance income comprises interest income on funds invested and interest on financial assets.

2.21 Taxation

The tax expense comprises current (where applicable) and deferred taxes. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in OCI or directly in equity. In this case, the tax is also recognised in OCI or directly in equity, respectively.

Current tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date in the countries where Group entities operate and generate taxable income.

Deferred tax

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax assets and liabilities are not recognised if they arise from the initial recognition of goodwill; deferred income tax is not accounted for if it arises from the initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

As the functional currency of subsidiary in Zimbabwe is a currency of a hyperinflationary economy, deferred income tax relating to these subsidiaries is recognised using the liability method, providing for temporary differences arising between the tax bases of assets and liabilities and their restated carrying amounts (refer to accounting policy note 2.5).

Off-setting

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.22 Share based payments

Employees (including senior executives) of the Company receive remuneration in the form of share-based payment transactions whereby employees render services as consideration for equity instruments (equity-settled transactions). The Group has no cash-settled share-based payment transactions.

Equity-settled transactions

Equity-settled transactions include share options granted to directors and employees of the Group and also include transactions that are equity-settled by the Group. The cost of equity-settled transactions is recognised on the grant date, together with a corresponding increase in other capital reserves in equity, over the period during which the performance and/or services are fulfilled. The cumulative expense recognised in employee benefit expenses for equity-settled transactions at each reporting period, reflects the extent to which the vesting period has expired, and the Group's best estimate of the number of equity instruments that will ultimately vest. The initial valuation of the expense at the grant date is not revalued and is credited to equity through profit or loss. On expiry of issued share options, the value of the share options is transferred from the share based payments reserve directly to retained earnings.

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the grant date. In estimating fair value, the Group uses the most appropriate valuation model which is dependent on the terms and conditions of each grant. The estimate also requires determining the most appropriate inputs to the valuation model, including the expected life of the share option, volatility and dividend yield, and making assumptions about them. The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings and headline earnings per share. Equity settled transactions are detailed in note 12.

2.23 Employee benefits

Defined contribution plan

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. Pension fund payments are ordinarily charged as an expense under "other operating costs" as they fell due.

Short term employee benefits

Short term employee benefits are employee benefits (other than termination benefits) that are expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service. These include salaries and wages, paid annual leave and paid sick leave and bonuses. Short term employee benefits are included under “other operating costs” in profit or loss. A liability for bonuses is recognised only when there is no realistic alternative other than to settle the liability, and at least one of the following conditions is met:

- there is a formal plan and the amounts to be paid can be reliably estimated; or
- achievements of previously agreed bonus criteria has created a valid expectation by employees that they will receive a bonus and the amount can be reliably estimated.

Salaries and wages including accumulated leave pay (remuneration), that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are recognised as a liability and are measured at the amounts expected to be paid when the liabilities are settled.

2.24 Leases

After 1 March 2019

The Group as a lessee

For any new contracts entered into on or after 1 March 2019, the Group considers whether a contract is, or contains a lease. A lease is defined as ‘a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration’. To apply this definition the Group assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Group.
- the Group has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract the Group has the right to direct the use of the identified asset throughout the period of use.
- whether it has the right to direct ‘how and for what purpose’ the asset is used throughout the period of use.

The Group used the following practical expedients when applying IFRS 16 to leases previously classified as operating leases under IAS 17 Leases:

- Applied the exemption not to recognise ROU assets and liabilities for leases with less than a 12-month lease term.
- All leases that meet the criteria of a lease of a low-value asset are accounted for on a straight-line basis over the lease term.
- Use of a single discount rate for a portfolio of leases with reasonably similar characteristics.

One of the Group's subsidiaries leases a workshop under a 10 year lease which commenced on 1 March 2017. This lease does not include a non-lease component and does not impose any covenants other than the security interests in the leased assets that are held by the lessor. The lease is fairly straightforward with fixed lease payments that vary annually based on an escalation of 8%. The lease does not contain other fixed payments, residual value guarantees or purchase or extension options. The Group does not anticipate early termination of this lease. Leased assets may not be used as security for borrowing purposes.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions. To determine the incremental borrowing rate, the Group, where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. Payments associated with short-term leases of other assets and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise assets with assets with values less than R80 000 per leased asset.

On or before 28 February 2019

Finance leases - as lessee

Assets held under finance leases are recognised in the statement of financial position at amounts equal to the fair value of the leased assets, or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease. The discount rate used to calculate the present value of minimum lease payments is the interest rate implicit in the lease. The corresponding liabilities, net of finance charges, on the finance leases are recorded as obligations under finance leases.

All assets held under finance leases are classified as property, plant and equipment. Minimum lease payments are apportioned between finance charges and the reduction of the outstanding liabilities. The finance charge are recognised in profit or loss over the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. The property, plant and equipment acquired under finance leases is depreciated over the asset's useful life.

Operating leases - lessee

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease. The Group leases various premises and sites under non-cancellable operating lease agreements. The leases have varying terms, escalation clauses and renewal rights. Penalties are charged on certain leases should they be cancelled before the end of the agreement.

2.25 Related parties

Related parties transactions constitute the transfer of resources, services or obligations between the Group and a party related to the Group, regardless of whether a price is charged. For the purposes of these annual financial statements, a party is considered to be related to the company if:

a. directly, or indirectly through one or more intermediaries, the party controls, is controlled by, or is under common control with, the company, has an interest in the company that gives it significant influence over the company, or has joint control over the company;
b. the party is an associate of the company;
c. the party is a joint venture in which the company is a venture;
d. the party is a member of the key management personnel of the company or its parent;
e. the party is a close member of the family of any individual referred to in (a) or (d);
f. the party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (d) or (e); or
g. the party is a post-employment benefit plan for the benefit of employees of the company, or of any entity that is a related party of the company.

3 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities at the date of the consolidated and separate annual financial statements. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. In particular, the Group has identified the following areas where significant judgements, estimates and assumptions are required. Further information on each of these areas and how they impact the various accounting policies are described below and also in the relevant notes to the consolidated and separate annual financial statements.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

3.1 Joint arrangements

Judgement is required to determine when the Group has joint control over an arrangement, which requires an assessment of the relevant activities and when the decisions in relation to those activities require unanimous consent. The Group has determined that the relevant activities for its joint arrangements are those relating to the operating and capital decisions of the arrangement, such as approval of the capital expenditure program for each year and appointing, remunerating and terminating the key management personnel or service providers of the joint arrangement. The considerations made in determining joint control are similar to those necessary to determine control over subsidiaries. Refer to note 2.2 for more details.

Judgement is also required to classify a joint arrangement. Classifying the arrangement requires the Group to assess their rights and obligations arising from the arrangement. Specifically, the Group considers:

- the structure of the joint arrangement – whether it is structured through a separate vehicle; and
- when the arrangement is structured through a separate vehicle, the Group also considers the rights and obligations arising from:
  - The legal form of the separate vehicle;
  - The terms of the contractual arrangement; and
  - Other facts and circumstances (when relevant).

This assessment often requires significant judgement, and a different conclusion on joint control and also whether the arrangement is a joint operation or a joint venture, may materially impact the accounting. The Group's joint arrangements are disclosed in notes 16 and 25.

3.2 Contingencies

By their nature, contingencies will only be resolved when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgement and the use of estimates regarding the outcome of future events. Contingencies are disclosed in note 35.

3.3 Going concern

Management's assessment of the entity's ability to continue as a going concern involves making a judgment, at a particular point in time, about inherently uncertain future outcomes of events or conditions. Any judgment about the future is based on information available at the time at which the judgment is made. Subsequent events may result in outcomes that are inconsistent with judgments that were reasonable at the time they were made. Management have taken into account the following:

- the Group's financial position;
- the risks facing the Group that could impact its business model and capital adequacy; and
- the matters identified in note 37.

Management consider it appropriate to continue to adapt the going concern basis in preparing the consolidated and separate annual financial statements of the Company. Judgements pertaining to going concern are disclosed in note 37.

3.4 Hyperinflation

The Group has a subsidiary which is incorporated in Zimbabwe, namely Afric Oil Petroleum Private Limited ("AOP").

Application of hyperinflation accounting

On 11 October 2019, the Public Accountants and Auditors Board of Zimbabwe classified Zimbabwe as a hyperinflationary economy in accordance with the provisions of IAS 29 Financial Reporting in Hyperinflationary Economies ("IAS 29"), applicable to entities operating in Zimbabwe with financial periods ended on or after 1 July 2019. The Group concurs with this classification, supported by the following factors:

- The significant deterioration of the interbank real time gross settlement ("RTGS") Dollar and Zimbabwe Dollar ("ZWL$") exchange rates, the official currencies adopted in Zimbabwe during the year.
- Based on the Reserve Bank of Zimbabwe ("RBZ") published Consumer Price Index ("CPI"), the inflation rate was 640.16% as at 29 February 2020.

The general price index, as published by the RBZ, was used in adjusting the historical cost local currency results, financial position and cash flows of AOP. The adjustment factors used to restate the financial statements of AOP as 29 February 2020, using 2019 as a base year are as follows:

Date	Indices	Adjusting factors
29 February 2020	640.16	1.00
28 February 2019	59.39	10.78

Exchange rate applied in translating the results, net assets and cash flows of the group's businesses in Zimbabwe

During the prior reporting period

Since the adoption of multiple currencies by the Zimbabwean government in 2009, entities in Zimbabwe were operating in a multi-currency regime. As a result of this regime, and prior to 1 October 2018, the US Dollar ("USD") was designated as the functional and presentation currency of AOP. The Group applied official average and closing USD to Rand ("ZAR") exchange rates during this period. On 1 October 2018, following the directive issued by the RBZ, the RTGS dollar was adopted as the functional and presentation currency of AOP. The application of the change in functional currency was applied prospectively and the prior year effect was considered immaterial.

During the current reporting period

On 24 June 2019, the RBZ introduced statutory instrument 142 of 2019 resulting in the renaming of the RTGS dollar to the ZWL$ and resulting in the ZWL$ being the only form of legal tender in the country. The ZWL$ was therefore adopted as the functional and presentation currency of AOP prospectively from this date.

The results, financial position and cash flows of AOP have been translated into the Group's presentation currency at the closing rate in accordance with the hyperinflationary accounting provisions of IAS 21 The Effects of Changes in Foreign Exchange Rates and consolidated in the Group results at this rate. The closing rate in this regard is the official exchange rate of ZWL$1: ZAR0.86925.

For purposes of a sensitivity analysis judgement was applied in the estimation and application of the ZWL$:ZAR exchange rate. Zimbabwe's ZWL$ officially floats against other international currencies on the Interbank Foreign Exchange Market, on a willing seller-willing-buyer basis, which is the basis for the determination of the official exchange rate mentioned above. However, a significant amount of transactions happen outside the official market, at an unofficial exchange rate. One of the few gauges of the Zimbabwe exchange rate is the so-called 'Old Mutual Implied Rate' (OMIR), a comparison of the price of shares of insurer Old Mutual Limited in London and Harare. Management assessed that the official interbank exchange rate is not available for immediate settlement as shortages of foreign currency result in the official exchange rate not being liquid. An estimate of ZWL$1:ZAR0.38246 was used as the exchange rate to provide a comparison for sensitivity purposes which was based on the OMIR. This estimate was calculated using the official USD:ZAR exchange rate divided by the OMIR.

Sensitivity analysis	Determined using the official rate ZWL$1:ZAR0.86925 R'000	Determined using OMIR ZWL$1:ZAR0.38246 R'000
Impact on the statement of financial position:		
Current assets	350	154
Total assets	19,565	8,608
Current liabilities	111,018	48,846
Total liabilities	154,220	67,855
Impact on statement of comprehensive income:		
Other income	975	429
Other operating costs	(5,134)	(2,259)
Net monetary loss	(39,151)	(17,226)
Loss for the year	(43,310)	(19,056)

3.5 Adoption of IFRS 16 Leases

The Group adopted the new standard using the modified retrospective approach. The impact of the IFRS 16 transition is reliant upon a number of key estimates and judgements, primarily applied in determining the appropriate discount rates (incremental borrowing rates).

The present value of lease payments is determined by using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Estimates and assumptions

3.6 Exploration and evaluation expenditures

The application of the Group's accounting policy for exploration and evaluation expenditure requires judgement to determine whether it is likely that future economic benefits are likely, from either future exploitation or sale, or whether activities have not reached a stage which permits a reasonable assessment of the existence of reserves. The determination of reserves and resources is itself an estimation process that requires varying degrees of uncertainty depending on how the resources are classified. These estimates directly impact on whether the Group capitalises exploration and evaluation expenditure. The capitalisation policy requires management to make certain estimates and assumptions as to future events and circumstances, in particular, whether an economically viable extraction operation can be established. Any such estimates and assumptions may change as new information becomes available. If, after expenditure is capitalised, information becomes available suggesting that the recovery of the expenditure is unlikely, the relevant capitalised amount is impaired in profit or loss in the period when the new information becomes available. Exploration and evaluation assets are detailed in note 13.

3.7 Hydrocarbon reserve and resource estimates

Hydrocarbon reserves are estimates of the amount of hydrocarbons that can be economically and legally extracted from the Group's oil and gas properties. The Group estimates its commercial reserves and resources based on information compiled by appropriately qualified persons relating to the geological and technical data on the size, depth, shape and grade of the hydrocarbon body and suitable production techniques and recovery rates. Commercial reserves are determined using estimates of oil and gas in place, recovery factors and future commodity prices, the latter having an impact on the total amount of recoverable reserves and the proportion of the gross reserves which are attributable to the host government under the terms of the production-sharing agreements. Future development costs are estimated using assumptions as to the number of wells required to produce the commercial reserves, the cost of such wells and associated production facilities, and other capital costs. The carrying amount of oil and gas properties at 29 February 2020 is shown in note 14.

The Group estimates hydrocarbon reserves in line with the principles contained in the SPE Petroleum Resources Management Reporting System ("PRMS") framework. As the economic assumptions used may change as additional geological information is obtained during the operation of a field, estimates of recoverable reserves may change. Such changes may impact the Group's reported financial position and results as follows:

- The carrying values of exploration and evaluation assets (note 13) and oil and gas properties (note 14) may be affected due to changes in estimated future cash flows.
- Depreciation and amortisation charges in the statement of profit or loss may change where such charges are determined using the Units of Production ("UOP") method, or where the useful life of the related assets change (notes 7 and 14).

3.8 UOP depreciation of oil and gas properties

Oil and gas properties are depreciated using the UOP method over total proved plus probable developed and undeveloped hydrocarbon reserves. This results in a depreciation/amortisation charge proportional to the depletion of the anticipated remaining production from the field.

The life of each item, which is assessed at least annually, has regard to both its physical life limitations and present assessments of economically recoverable reserves of the field at which the asset is located. These calculations require the use of estimates and assumptions, including the amount of recoverable reserves and estimates of future capital expenditure. The calculation of the UOP rate of depreciation/amortisation will be impacted to the extent that actual production in the future is different from current forecast production based on total proved reserves, or future capital expenditure estimates change. Changes to proved reserves could arise due to changes in the factors or assumptions used in estimating reserves, including:

- the effect on proved and probable reserves of differences between actual commodity prices and commodity price assumptions; and
- unforeseen operational issues.

The Group's depreciation of oil and gas properties is disclosed in notes 7 and 14.

3.9 Recoverability of oil and gas properties

The Group assesses its oil and gas properties at each reporting period to determine whether any indication of impairment exists. As part of this process, a formal estimate of the recoverable amount is made, which is considered to be the higher of the fair value less costs of disposal ("FVLCD") and value in use ("VIU"). The assessments require the use of estimates and assumptions such as long-term oil prices (considering current and historical prices, price trends and related factors), discount rates, operating costs, future capital requirements, decommissioning costs, exploration potential, reserves (see note 3.7 Hydrocarbon reserves and resource estimates above) and operating performance (which includes production and sales volumes). These estimates and assumptions are subject to risk and uncertainty. Therefore, there is a possibility that changes in circumstances will impact these projections, which may impact the recoverable amount of assets and/or CGUs. The estimates and assumptions used in carrying out the impairment assessment of oil and gas properties as at 29 February 2020 are disclosed in note 36.

3.10 Fair value measurement

Management uses valuation techniques to determine the fair value of financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible but this is not always available. In that case, management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date (see note 32).

3.11 Impairment of non-financial assets

Impairment exists when the carrying value of an asset or CGU exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value-in-use calculation is based on a DCF model. The cash flows are derived from the budget for the next three years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to intangibles recognised by the Group (see note 36).

3.12 Valuation of share-based payments

The Group has a share option scheme in place. The fair value of awards under this scheme is determined at inception using an appropriate valuation model which takes into account market conditions, discount rates, share price volatility and estimated forfeitures. The market conditions at inception may significantly differ from the eventual outcome. The assumptions and model used to determine the fair value of share-based payment transactions are disclosed in note 12.

3.13 Taxes

The Group is subject to income taxes in numerous jurisdictions. As a result, significant judgement is required in determining the Group's provision for income taxes. Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Differences could arise between actual results and the assumptions made, thereby necessitating future adjustments to income taxes.

3.14 Expected credit losses

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns. The provision matrix is initially based on the Group’s historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated with the assistance of an actuary and changes in the forward-looking estimates are analysed. The assessment of the correlation between historical observed default rates, forward looking information and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forward looking information. The Group’s estimation of ECLs may also not be representative of customer’s actual default in the future. The information about the ECLs on the Group’s trade receivables is disclosed in note 33(1)(b).

The Group also uses an actuary to assist with the estimation of default rates applicable to its other financial assets as disclosed in note 33(1)(b). Actual default rates for each of the attributed financial assets may differ significantly from the estimated default rates which may have a significant impact on the carrying amounts of financial assets and the expected credit losses recognised by the Group.

4 ADOPTION OF NEW AND REVISED STANDARDS

4.1 Standards, amendments and interpretations effective for the 2020 financial year

The following amendments became effective for the first time for annual periods beginning on or after 1 January 2019. The impact of the amendments on the consolidated and separate financial statements is outlined below.

- Amendments to IFRS 9 Financial Instruments – Regarding prepayment features with negative compensation (effective 1 January 2019)[1]

  The narrow-scope amendment allows companies to measure particular repayable financial assets with negative compensation at amortised cost or at fair value through other comprehensive income if a specified condition is met.

- IFRS 16 Leases (effective 1 January 2019)

  This standard introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. A lessee measures right of-use assets similarly to other non-financial assets (such as property, plant and equipment) and lease liabilities similarly to other financial liabilities. As a consequence, a lessee recognises depreciation of the right-of-use asset and interest on the lease liability, and also classifies cash repayments of the lease liability into a principal portion and an interest portion and presents them in the statement of cash flows. Refer to note 4.3 for the impact of the adoption of IFRS 16 on the consolidated and separate annual financial statements of the Company.

- Amendments to IAS 19 Employee Benefits – Plan Amendment, Curtailment or Settlement (effective 1 January 2019)[1]

  The amendments require an entity to use the updated assumptions from a remeasurement net defined benefit liability or asset resulting from a plan amendment, curtailment or settlement to determine current service cost and net interest for the remainder of the reporting period after the change to the plan.

- Amendments to IAS 28 Investments in associates and joint ventures – Long-term interest in Associates and Joint Ventures (effective 1 January 2019)[1]

  The amendments clarified that companies account for long-term interests in an associate or joint venture, to which the equity method is not applied, using IFRS 9.

- IFRIC 23 Uncertainty over Income Tax Treatments (effective 1 January 2019)[2]

  The interpretation specifies how an entity should reflect the effects of uncertainties in accounting for income taxes.

- Annual improvements cycle 2015–2017 (1 January 2019)

  Amendments to IFRS 3 Business combination[1] – a company remeasures its previously held interest in a joint operation when it obtains control of the business.

  Amendments to IFRS 11 Joint arrangements[1] – a company does not remeasure its previously held interest in a joint operation when it obtains joint control of the business.

  Amendments to IAS 12 Income taxes[1] – The amendment clarifies that the income tax consequences of dividends on financial instruments classified as equity should be recognised according to where the past transactions or events that generated distributable profits were recognised.

  Amendments to IAS 23 Borrowing costs[1] – a company treats as part of general borrowings any borrowing originally made to develop an asset when the asset is ready for its intended use or sale.

1 - Management assessed that these amendments are not applicable as the Group does not have transactions covered by the amendments.

2 - Management has assessed the impact of this amendment and foresee only minor disclosure changes.

4.2 Standards and amendments issued but not yet effective

The following standards have been issued and will become effective for annual periods beginning on or after 1 January 2020 as indicated below.

- Amendments to IFRS 3 Business Combinations – Regarding the definition of a business (effective 1 January 2020)[3]
- These amendments: (a) clarified that a business must include substantive inputs and a process and must together significantly contribute to creating outputs; (b) narrowed the definitions of a business by focusing the definition of outputs on goods and services provided to customers and other income from ordinary activities; and (c) added a test that makes it easier to conclude that a company has acquired a group of assets, rather than a business, if the value of the assets acquired is substantially all concentrated in a single asset or group of similar assets.
- Amendments to IFRS 7 Financial Instruments: Disclosures, IFRS 9 Financial Instruments and IAS 39 Financial Instruments: Recognition and Measurement (effective 1 January 2020)[3]
- Interest Rate Benchmark Reform: The amendments to IFRS 9, IAS 39 and IFRS 7 amend requirements for hedge accounting to support the provision of useful financial information during the period of uncertainty caused by the phasing out of interest-rate benchmarks such as interbank offered rates (IBORs) on hedge accounting.
- Amendments to IAS 1 Presentation of Financial Statements – Definition of Material (effective 1 January 2020)[4]
- The amendments clarify and align the definition of 'material' and provide guidance to help improve consistency in the application of that concept whenever it is used in IFRS Standards.
- Amendments to IAS 1 Presentation of Financial Statements – Classification of Liabilities as Current or Non-current (effective 1 January 2022)[4]

- Narrow-scope amendments to IAS 1 to clarify how to classify debt and other liabilities as current or non-current.
- Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors – Disclosure Initiative (effective 1 January 2020)[4]
- The amendments clarify and align the definition of 'material' and provide guidance to help improve consistency in the application of that concept whenever it is used in IFRS Standards.

3 - Management assessed that these amendments are not applicable as the Group does not currently have transactions covered by the amendments. The amendments will be adopted should transactions of this nature arise in future.

4 - Management assessed that these amendments are likely to result in minor disclosure changes.

4.3 Adoption of new accounting standards

2020

ADOPTION OF IFRS 16 LEASES ("IFRS 16")

IFRS 16, adopted by the Group effective 1 March 2019, is a new standard and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognise a right-of-use ("ROU") asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. A lessee measures ROU assets similarly to other non-financial assets (such as property, plant and equipment) and lease liabilities similarly to other financial liabilities. As a consequence, a lessee recognises depreciation of the ROU asset and interest on the lease liability, and also classifies cash repayments of the lease liability into a principal portion and an interest portion and presents them in the statement of cash flows.

The Group elected, as permitted by IFRS 16, not to restate comparative financial statements. The reclassifications and adjustments arising from the new leasing rules are therefore recognised in the opening balance sheet on 1 March 2019. The Group used the following practical expedients when applying IFRS 16 to leases previously classified as operating leases under IAS 17 Leases:

- Applied the exemption not to recognise ROU assets and liabilities for leases with less than a 12-month lease term
- All leases that meet the criteria of a lease of a low-value asset are accounted for on a straight-line basis over the lease term
- Use of a single discount rate for a portfolio of leases with reasonably similar characteristics

On transition to IFRS 16, the Group recognised the lease liabilities, at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate at transition date, and the corresponding ROU assets were measured on a retrospective basis as if the new rules had always been applied.

The impact on transition to IFRS 16 as at 1 March 2019 was as follows:	**1 March 2019 R'000**
Recognition of right-of-use of assets	8,972
Recognition of lease liabilities	(10,731)
Adjustment to accumulated loss due to initial application of IFRS 16	(1,759)
Equity holders of the Company	(1,249)
Non-controlling interest	(510)

Lease liabilities reconciliation as at 1 March 2019:	**1 March 2019 R'000**
Non-cancellable operating lease commitments as at 28 February 2019	(19,592)
Less: lease payments associated with short-term leases recognised on a straight-line basis as expense	2,835
	(16,757)
Less: effect of discounting using the incremental borrowing rate	6,027
Lease liabilities recognised at the date of transition	(10,730)

On transition to IFRS 16 the weighted average incremental borrowing rate applied to lease liabilities recognised under IFRS 16 was 11.1%.

5 SEGMENTAL REPORTING

The Group has identified reportable segments that are used by the Group Executive Committee (chief operating decision-maker) to make key operating decisions, allocate resources and assess performance. For management purposes the Group is organised and analysed by geographical locations. For the year under review the Group operated in the following locations: South Africa, Egypt, Nigeria, DRC, Zimbabwe, Zambia and Mauritius. The Group's externally reportable operating segments are shown below.

Head office activities include the general management, financing and administration of the Group. The Group's operations in Zambia, which were immaterial for the current year, did not meet the recognition criteria for externally reportable segments and have been aggregated under the South Africa segment as they meet the aggregation criteria permitted by IFRS.

2020	Notes	Egypt R'000	Nigeria R'000	DRC R'000	South Africa R'000	Zimbabwe R'000	Mauritius R'000	Headoffice R'000	Eliminations R'000	Consolidated R'000
Revenue										
External customers		3,091	-	-	1,954,218	-	-	-	-	1,957,309
Total revenue [1]	6	3,091	-	-	1,954,218	-	-	-	-	1,957,309
Cost of sales [2]		(7,239)	-	-	(1,893,984)	-	-	-	-	(1,901,223)
Gross (loss)/profit		(4,148)	-	-	60,234	-	-	-	-	56,086
Gain on derecognition of borrowings and other payables	7	-	-	-	10,263	-	-	-	-	10,263
Encha Refund	7	-	-	-	-	-	-	75,000	-	75,000
Recovery of past business development costs	7	-	-	-	-	-	-	11,814	-	11,814
Other income	7	-	556	-	16,215	975	-	1,028	(1,459)	17,315
Provision for impairment of financial assets	33.1(b)	-	(752)	-	(4,016)	-	-	1,063	-	(3,705)
Impairment of financial assets	18	-	(12,912)	-	-	-	-	(12,913)		(25,825)
Impairment of oil and gas properties	14, 36	(53,512)	-	-	-	-	-	-	-	(53,512)
Impairment of intangible assets	20, 36	(13,513)	-	-	(45,067)	-	-	-		(58,580)
Depreciation and amortisation	7	(4,174)	-	-	(20,323)	(2,945)	-	(901)	-	(28,343)
Net foreign exchange gains/(losses)	7	-	-	-	6,643	(869)	-	35,684	(6,818)	34,640
Employee benefit expense	7	(3,865)	-	-	(25,011)	(597)	-	(16,750)	-	(46,223)
Motor vehicle expense	7	-	-	-	(11,197)	-	-	-	-	(11,197)
Other operating costs		(1,784)	(345)	(766)	(30,186)	(1,119)	(218)	(21,244)	2,504	(53,158)
Share of profit from joint venture	16	-	-	-	-	-	-	-	-	-
Finance income	8	-	12,001	-	2,051	-	-	76,740	(12,367)	78,425
Finance costs	9	-	-	-	(38,890)	-	-	(1)	12,367	(26,524)
Net monetary loss	3.4	-	-	-	-	(39,151)	-	-	-	(39,151)
Taxation	10	-	-	-	289	-	-	4,488	-	4,777
(Loss)/profit for the year		(80,996)	(1,452)	(766)	(78,995)	(43,706)	(218)	154,008	(5,773)	(57,898)
Segment assets - non-current		40,265	127,845	110,857	57,643	20,569	45,686	498,194	(431,592)	469,467
Segment assets - current		9,618	3	27	264,310	350	63	137,775	(115,308)	296,838
Segment liabilities - non-current		(168,417)	-	(86,151)	(7,787)	(43,203)	(14,364)	-	313,488	(6,434)
Segment liabilities - current		(3,684)	(374)	(674)	(430,033)	(111,018)	(110)	(26,800)	226,572	(346,121)

5 SEGMENTAL REPORTING *(continued)*

2019		Egypt R'000	Nigeria R'000	DRC R'000	South Africa R'000	Zimbabwe R'000	Mauritius R'000	Headoffice R'000	Eliminations R'000	Consolidated R'000
Revenue										
External customers		3,848	-	-	2,576,581	18,940	-	-	-	2,599,369
Inter-segment		-	-	-	18,377	-	-	-	-	18,377
Total revenue [1]		3,848	-	-	2,594,958	18,940	-	-	-	2,617,746
Cost of sales [2]		(7,333)	-	-	(2,523,664)	(18,377)	-	-	-	(2,549,374)
Gross (loss)/profit		(3,485)	-	-	71,294	563	-	-	-	68,372
Other income		-	221	67,148	15,214	11,944	-	6,078	(6,406)	94,199
Impairment of financial assets		-	(11,678)	(270,593)	(11,992)	-	-	(80,510)	-	(374,773)
Impairment on intangible assets	20, 36	(30,739)	-	-	(143,522)	-	-	-	-	(174,261)
Impairment of joint venture	16, 36	-	(8,142)	-	-	-	-	-	-	(8,142)
Impairment on oil and gas properties	14, 36	(121,538)	-	-	-	-	-	-	-	(121,538)
Depreciation and amortisation	7	(6,113)	-	-	(22,685)	-	-	(445)	-	(29,243)
Other operating costs		(10,072)	(717)	(821)	(65,749)	(21,813)	(213)	(60,892)	6,406	(153,871)
Share of profit from joint venture	16	-	1,138	-	-	-	-	-	-	1,138
Finance income	8	-	11,194	23,862	2,538	-	-	36,683	(6,047)	68,230
Finance costs	9	-	-	(3,676)	(41,658)	-	-	(8,187)	6,047	(47,474)
Taxation	10	-	-	98,921	(1,417)	-	-	-	-	97,504
Loss for the year		(171,947)	(7,984)	(85,159)	(197,977)	(9,306)	(213)	(107,273)	-	(579,859)
Segment assets - non-current		97,235	115,075	99,275	100,596	32,259	-	468,027	(352,964)	559,503
Segment assets - current		9,732	2	25	256,578	5,695	61	15,111	(23,040)	264,164
Segment liabilities - non-current		(143,745)	-	(81,970)	(127,341)	-	-	-	352,930	(126)
Segment liabilities - current		(3,392)	(540)	(294)	(379,016)	(100)	(171)	(29,141)	23,074	(389,580)

[1]- Revenue	2020 R'000	2019 R'000
Total revenue for reportable segments	**1,957,309**	2,617,746
Elimination of intersegment revenue	**-**	(18,377)
Revenue	**1,957,309**	2,599,369
[2]- Cost of sales		
Total cost of sales for reportable segments	**(1,901,223)**	(2,549,374)
Elimination of intersegment cost of sales	**-**	18,377
Cost of sales	**(1,901,223)**	(2,530,997)

Details relating to the impairment of intangible assets disclosed under the South Africa segment are provided in note 36.

5 SEGMENTAL REPORTING *(continued)*

BUSINESS SEGMENTS

The operations of the Group comprise oil and gas exploration and production, crude trading and the sale of petroleum products.

REVENUE

The Group derives revenue from the following sources:

- The sale of crude oil from the Lagia Oil Field to the Egyptian General Petroleum Corporation ("EGPC"). This revenue is included under the Egypt segment.
- Sales of petroleum products to a diversified customer base which includes local government and mining, construction, transport, manufacturing, retail and agricultural customers. These revenues are included under the South Africa segment.

Inter-segment transactions are eliminated upon consolidation. The reconciliation of segment revenue to the Group reported revenue is provided above.

The disaggregation of revenue is provided in note 6.

TAXATION - EGYPT

No income or deferred tax has been accrued by Mena International Petroleum Company Limited ("Mena") as the Concession Agreement between the EGPC, the Ministry of Petroleum and Mena provides that the EGPC is responsible for the settlement of income tax on behalf of Mena, out of EGPC's share of petroleum produced. The Group has elected the net presentation approach in accounting for this deemed income tax. Under this approach Mena's revenue is not grossed up for income tax payable by EGPC on behalf of Mena. Consequently, no income tax or deferred tax is accrued.

6 REVENUE

Revenue from contracts with customers is disaggregated as follows:

	Group		Company	
	2020 R'000	**2019 R'000**	**2020 R'000**	**2019 R'000**
Sale of crude oil	**3,091**	3,848	-	-
Sale of petroleum products	**1,954,218**	2,595,521	-	-
	1,957,309	2,599,369	-	-

During the year ended 29 February 2020, R0.7 billion or 38% (2019: R1.0 billion or 40%) of the Group's revenue depended on the sale of petroleum products to one customer (2019: two customers) under the South Africa segment. The disaggregation of revenue by geographical location is provided in note 5.

7 (LOSS)/PROFIT FROM OPERATIONS

(Loss)/profit from operations for the year is stated after accounting for the following income and (expense) items:	Notes	Group 2020 R'000	Group 2019 R'000	Company 2020 R'000	Company 2019 R'000
Other income comprises:		**149,032**	94,199	**123,526**	25,356
Gain on de-recognition of cost carry liability		-	67,148	-	-
Gain on de-recognition of borrowings and other payables		**10,263**	11,030	-	-
Slate income		**9,782**	10,357	-	-
Net foreign exchange gains		**34,640**	-	**35,684**	20,502
Lease re-measurement		**2,271**	-	-	-
Management fees	31	**125**	144	**1,028**	2,060
Encha Refund	18	**75,000**	-	**75,000**	-
Recovery of past business development costs		**11,814**	101	**11,814**	101
Other		**5,137**	5,419	-	2,693
Expenses comprise:					
Provision for impairment of financial assets	33.1(b)	**(3,705)**	(75,067)	**(47,341)**	(219,819)
Impairment of financial assets	18	**(25,825)**	(299,867)	**(12,912)**	(17,681)
Provision for impairment of investments in subsidiaries	15, 36	-	-	**(323)**	(233,441)
Provision for impairment of brands, customer relationships and other intangible assets	20, 36	**(58,580)**	(38,821)	-	-
Impairment of goodwill	20, 36	-	(135,443)	-	-
Provision for impairment on joint venture	16, 36	-	(8,142)	-	(8,142)
Provision for impairment of oil and gas properties	14, 36	**(53,512)**	(121,538)	-	-
Net foreign exchange losses		-	(5,354)	-	-
Donations		**(133)**	(365)	**(32)**	-
Corporate costs [1]		**(2,199)**	(3,244)	**(1,854)**	(2,954)
External auditors' remuneration		**(6,465)**	(5,097)	**(2,728)**	(1,964)
Audit fees		**(4,408)**	(3,084)	**(2,176)**	(2,073)
Audit fees - prior year		**(2,057)**	(2,013)	**(552)**	109
Other services		-	-	-	-
Internal auditors' remuneration		-	-	-	-
Audit fees		-	(68)	-	(68)
Audit fees - prior-year overprovision		-	68	-	68
Employee benefit expense	11	**(46,223)**	(60,128)	**(16,750)**	(27,560)
Inventory write-down	21	-	(10,549)	-	-
Loss on disposal of property, plant and equipment		**(601)**	(4,920)	**(53)**	-
Consulting fees		**(9,444)**	(8,228)	**(2,543)**	(3,236)
Legal fees		**(4,490)**	(3,005)	**(2,355)**	(2,530)
Business development [2]		**(3,098)**	(16,913)	**(3,098)**	(16,913)
Travel and accommodation		**(1,799)**	(1,836)	**(1,194)**	(1,610)
Repairs and maintenance		**(612)**	(1,914)	**(1)**	(3)
Subscriptions		**(282)**	(1,188)	**(282)**	(263)
Motor vehicle expense		**(11,197)**	(10,975)	-	-
Depreciation, depletion and amortisation		**(29,389)**	(31,612)	**(900)**	(445)
Oil and gas properties	14	**(1,049)**	(2,370)	-	-
Property, plant and equipment	19	**(9,243)**	(11,895)	**(900)**	(375)
Right-of-use assets	19.1	**(1,827)**	-	-	-
Intangible assets	20	**(17,270)**	(17,347)	-	(70)
Lease expenses					
Short-term leases		**(2,879)**	(6,827)	**(1,220)**	(1,955)
Low value assets			-		-
Share-based payment expense	12	-	(141)	-	(141)

[1]- *Corporate costs comprise listing fees, company secretarial fees and investor relations and marketing costs.*

[2]- *Business development expenses comprise transaction costs (legal, finance and technical advisory) attributable to the various projects evaluated by the Group during the year in line with the growth strategy of the Group*

8 FINANCE INCOME

	Notes	Group 2020 R'000	Group 2019 R'000	Company 2020 R'000	Company 2019 R'000
Interest received on financial assets at amortised cost comprises:					
Interest received on cash and cash equivalents		**2,291**	3,951	**292**	2,111
Interest receivable on loans to Group companies		**-**	-	**12,367**	6,047
Interest receivable on trade and other receivables		**54**	3,161	**1**	2,462
Interest on loans and other receivables	18	**76,080**	61,118	**64,080**	26,063
		78,425	68,230	**76,740**	36,683

9 FINANCE COSTS

	Notes	Group 2020 R'000	Group 2019 R'000	Company 2020 R'000	Company 2019 R'000
Interest on borrowings at amortised cost	26	**25,420**	40,947	**-**	7,804
Interest paid on trade payables at amortised cost		**10**	2,210	**-**	124
Total interest expense on financial liabilities at amortised cost		**25,430**	43,157	**-**	7,928
Interest on leasing arrangements		**1,093**	383	-	-
Interest and penalties paid to the South African Revenue Service		**1**	-	**1**	-
Interest on carried cost reimbursement		**-**	3,676	-	-
Change in fair value of derivative asset		**-**	258	**-**	258
		26,524	47,474	**1**	8,186

10 TAXATION

Major components of the tax expense are detailed below:

	Group 2020 R'000	Group 2019 R'000	Company 2020 R'000	Company 2019 R'000
Current:				
Current tax				
Prior year	**4,777**	-	**4,488**	-
	4,777	-	**4,488**	-
Deferred:				
Relating to the origination and reversal of temporary differences	**-**	97,504	**-**	-
	-	97,504	**-**	-
	4,777	97,504	**4,488**	-

Reconciliation of the tax expense: Reconciliation between applicable tax rate and average effective tax rate	Group 2020 %	Group 2019 %	Company 2020 %	Company 2019 %
Applicable tax rate	**28.00**	28.00	**28.00**	28.00
Adjustment for tax-exempt income:				
Recovery of capital portion of loan previously written off	**33.51**	-	**(20.61)**	-
Discounting of financial assets	**10.72**	3.16	**(3.30)**	4.5
Adjustment for non-deductible expenses:				
Expenses relating to dividend income	**(5.15)**	(0.99)	**3.17**	(1.41)
Expenses to acquire income producing assets	**(1.38)**	(0.70)	**0.85**	(1.00)
Expenses relating to impairments of financial assets	**-**	(8.69)	**-**	(25.41)
Expenses paid on behalf of subsidiaries	**-**	-	**0.24**	(0.02)
Expenses relating to donations and impairments of subsidiaries	**(0.01)**	-	**0.10**	-
Foreign tax - subsidiaries	**-**	-	**-**	-
Assessed loss	**(65.69)**	(6.39)	**(8.45)**	(4.66)
Prior year income tax overprovision	**7.62**	-	**(4.40)**	-
Average effective tax rate	**7.62**	14.39	**(4.40)**	-

The Group's tax losses in the current year for which no deferred tax asset has been recognised amount to R65.1 million (2019: R187.5 million). These losses do not expire by the effluxion of time.

11 EMPLOYEE BENEFIT EXPENSE

	Group 2020 R'000	Group 2019 R'000	Company 2020 R'000	Company 2019 R'000
Salaries and wages	**43,519**	56,016	**16,136**	26,981
Pension costs - defined contribution plans	**2,704**	4,112	**614**	579
Total	**46,223**	60,128	**16,750**	27,560

12 SHARE-BASED PAYMENTS

The Group operates a share option scheme for directors and employees of the Group. Options are granted at the discretion of the Board taking into account various factors that promote improved performance within the Group. Options are issued at the 15 day volume weighted average price per share on the JSE on the grant date. The options expire after 10 years from the grant date if they remain unexercised and are forfeited (except at the discretion of the Board) if the director or employee leaves the Group. The Group has no legal or constructive obligation to repurchase or settle the share options in cash. Details of share options outstanding during the year are as follows:

Group and Company

	Weighted average exercise price (Rand)		Number of share options (000's)		Share based payment reserve (R'000) (note 24)	
	2020	**2019**	**2020**	**2019**	**2020**	**2019**
At 1 March	**3.86**	3.99	**4,432**	5,352	**10,493**	10,352
Share based payment expense [1]	**-**	-	**-**	-	**-**	141
Lapsed during the year	**(1.63)**	(0.13)	**(840)**	(920)	**-**	-
Share consolidation	**-**	-	**-**	-	**-**	-
At 28/29 February	**2.23**	3.86	**3,592**	4,432	**10,493**	10,493
Exercisable at 28/29 February						

[1]- Attributable to the annual expense over the vesting period of share based payment liabilities arising from the award of equity settled share options to executives in 2015 and 2016.

Share options outstanding at the end of the year have the following expiry dates and exercise prices:

		Exercise price (Rand)		Number of share options (000's)	
Grant date	**Expiry date**	**2020**	**2019**	**2020**	**2019**
21 November 2008	11 April 2020	**-**	8.22	**-**	840
8 July 2010	7 July 2020	**2.90**	2.90	**313**	313
20 June 2014	19 June 2024	**5.28**	5.28	**250**	250
10 June 2015	9 June 2025	**2.33**	2.33	**483**	483
10 October 2016	9 October 2026	**2.70**	2.70	**2,546**	2,546
				3,592	4,432

The fair value of the options issued was determined using the binomial option pricing model. The significant inputs into the model were the exercise price shown above, volatility of 65%, dividend yield of 0%, an expected option life of 10 years and spot price at the grant date. The risk free interest rates were taken from the swap curve as at the valuation date.

Share options issued before 12 September 2014 vested as follows:

- 50% on grant date;
- 25% on the first anniversary of the grant date; and
- 25% on the second anniversary of the grant date.

Share options issued after 12 September 2014 vest as follows:

- A third on the first anniversary of the grant date;
- A third on the second anniversary of the grant date; and
- A third on the third anniversary of the grant date.

There were no equity settled transactions during the year under review (2019: nil).

13 EXPLORATION AND EVALUATION ASSETS

Group	2020 Cost R'000	2020 Accumulated amortisation R'000	2020 Carrying value R'000	2019 Cost R'000	2019 Accumulated amortisation R'000	2019 Carrying value R'000
Exploration and evaluation assets	**110,857**	**-**	**110,857**	99,275	-	99,275

	Opening balance R'000	Exchange differences R'000	Total R'000
Reconciliation of exploration and evaluation assets - 2020			
Block III, DRC	**99,275**	**11,583**	**110,857**
	99,275	**11,583**	**110,857**
Reconciliation of exploration and evaluation assets - 2019			
Block III, DRC	95,860	3,415	99,275
	95,860	3,415	99,275

The Group owns a 42.5% interest in Block III in the DRC, located in the north-eastern part of the country bordering Uganda. The other participants on the block are the DRC government (15%) and Divine Inspiration Group (42.5%). The licence to Block III expired on 27 July 2020. The Group awaits feedback on the further renewal of the licence. Developments with covid-19 and the resultant lockdown in the DRC have had an impact on this process.

There were no costs incurred by the Group in relation to the block in the current year (2019: Rnil). In line with the Group's policy, the exploration and evaluation costs of R110.9 million (2019: R99.3 million) capitalised as part of Block III were not amortised. The assessment of impairment of Block III as at 29 February 2020 indicated that the asset is not impaired.

14 OIL AND GAS PROPERTIES

Group **Cost**	**Note**	**Total R'000**
At 1 March 2018		187,532
Additions		2,974
Exchange differences		28,499
At 28 February 2019		219,005
At 1 March 2019		219,005
Exchange differences		9,900
At 29 February 2020		**228,905**
Depletion and impairment		
At 1 March 2018		(18,289)
Provision for impairment	36	(121,538)
Depletion		(2,370)
At 28 February 2019		(142,197)
At 1 March 2019		(142,197)
Depletion		(1,049)
Provision for impairment	36	(53,512)
At 29 February 2020		**(196,758)**
Net book value		
At 28 February 2018		169,243
At 28 February 2019		76,808
At 29 February 2020		**32,147**

Details pertaining to the impairment of oil and gas properties are disclosed in note 36.

15 INVESTMENTS IN SUBSIDIARIES

A list of all the investments in subsidiaries, including the name, percentage interest, country of registration and principal place of business, is given below:

Name of Company	Note	Country of registration	Principal place of business	% holding 2020	% holding 2019	Carrying amount 2020 R'000	Carrying amount 2019 R'000
Directly held:							
SacOil Proprietary Limited		RSA	RSA	100	100	**19,818**	19,818
Pioneer Coal Proprietary Limited		RSA	RSA	100	100	**318**	318
Baltimore Manganese Mine Proprietary Limited		RSA	RSA	100	100	**1**	1
RDK Mining Proprietary Limited		RSA	RSA	100	100	**24,591**	24,591
Bushveld Pioneer Proprietary Limited		RSA	RSA	100	100	**1**	1
Transfer Holdings Proprietary Limited		Botswana	Botswana	100	100	**3**	3
SacOil Holdings Nigeria Limited		Nigeria	Nigeria	100	100	**1**	1
SacOil 281 Nigeria Limited		Nigeria	Nigeria	100	100	**1**	1
SacOil 233 Nigeria Limited		Nigeria	Nigeria	100	100	**1**	1
Mena International Petroleum Company Limited		Cyprus	Egypt	100	100	**151,725**	151,725
Afric Oil Holdings Proprietary Limited		RSA	RSA	100	100	**126,758**	126,758
						323,218	323,218
Provision for impairment	36					**(233,764)**	(233,441)
						89,454	89,777
Indirectly held:							
SacOil DRC SARL		DRC	DRC	100	100		
Afric Oil Proprietary Limited		RSA	RSA	71	71		
Boland Diesel Proprietary Limited		RSA	RSA	100	100		
Afric Oil Logistics Proprietary Limited		RSA	RSA	100	100		
Afric Oil Petroleum Private Limited		Zimbabwe	Zimbabwe	100	100		
Pallematic Freight Private Limited		Zimbabwe	Zimbabwe	100	100		
Afric Oil Mauritius Proprietary Limited		Mauritius	Mauritius	100	100		
Afric Oil Zambia Limited		Zambia	Zambia	100	100		
Afric Oil Congo SARL		DRC	DRC	100	100		

All entities within the Group are consolidated. There are no unconsolidated structured entities. Mena International Petroleum Company Limited has a December year end, however the consolidated annual financial statements include its results for the twelve months ended 29 February 2020.

In the prior financial year the Group's interest in Afric Oil Petroleum Private Limited increased to 100% from 65% in 2018 following an arbitration award. The increase in ownership was granted for no consideration.

Details pertaining to the impairments of investments in subsidiaries are provided in note 36. The impairment charge has been recognised under other operating costs in the statement of comprehensive income.

15 INVESTMENTS IN SUBSIDIARIES *(continued)*

Subsidiary with material non-controlling interest	NCI in subsidiary 2020 %	NCI in subsidiary 2019 %	Total comprehensive loss allocated to NCI 2020 R'000	Total comprehensive loss allocated to NCI 2019 R'000	Accumulated NCI 2020 R'000	Accumulated NCI 2019 R'000
Afric Oil Proprietary Limited ("Afric Oil")	**29**	29	**(31,912)**	(38,749)	**(36,235)**	(3,813)

Summarised statement of comprehensive income	2020 R'000	2019 R'000
Revenue	**1,954,218**	2,595,521
Cost of sales	**(1,893,985)**	(2,523,664)
Gross profit	**60,233**	71,857
Other income	**27,453**	24,113
Other operating costs	**(140,678)**	(200,116)
Net finance costs	**(36,838)**	(39,120)
Net monetary loss	**(39,151)**	-
Taxation	**289**	-
Loss for the year	**(128,692)**	(143,266)
Other comprehensive (loss)/income [1]	**18,648**	9,655
Total comprehensive loss for the year	**(110,044)**	(133,611)

[1] Exchange differences on translation of foreign operations

Summarised statement of financial position	2020 R'000	2019 R'000
Non-current assets	**62,494**	132,472
Current assets	**150,440**	239,188
Non-current liabilities	**(6,434)**	(126)
Current liabilities	**(430,167)**	(483,400)

Summarised cash flows	2020 R'000	2019 R'000
Cash flows from/(used in) operating activities	**116,918**	(78,210)
Cash flows used in investing activities	**(362)**	(2,329)
Cash flows used in financing activities	**(106,436)**	69,177
Net decrease in cash and cash equivalents	**10,120**	(11,362)

Afric Oil did not declare a dividend during the year under review (2019: nil). This note should be read together with note 34 which highlights developments with AfricOil which occurred subsequent to the reporting date.

16 INVESTMENT IN JOINT VENTURE

Group and Company	Country of registration	Principal place of business	Nature of activities	Participating interest 2020 %	Participating interest 2019 %
SacOil Energy Equity Resources Limited ("SEER")	Seychelles	Nigeria	Crude trading	**50%**	50%

Crude trading, Nigeria

Efora, jointly with Energy Equity Resources (Trading) Limited, through SEER, participates in crude trading in Nigeria. Efora's share of this arrangement is 50%. The interest in this joint venture is accounted for using the equity accounting method. SEER entered into an agreement with the Nigerian National Petroleum Corporation for the purchase of crude oil grades for onward sale. The agreement expired at the end of May 2020 and we are currently working on obtaining a renewal of the contract. Developments with covid-19 and the resultant lockdown in Nigeria have had an impact on this process.

Summarised financial statement information (100%) of the joint venture, based on its IFRS financial statements, is set out below:

	2020 R'000	2019 R'000
Summarised statement of comprehensive income		
Revenue	**961,149**	864,444
Cost of sales	**(956,305)**	(860,120)
Other operating costs	**(35,685)**	(2,047)
(Loss)/profit for the year	**(30,841)**	2,277
Group/Company's share of (loss)/profit for the year	**(15,420)**	1,138
Summarised statement of financial position		
Non-current assets	**3**	3
Current assets [1]	**5**	25,889
Current liabilities	**(14,885)**	(9,609)
Equity	**(14,877)**	16,283
Portion of the Group/Company's ownership	**(7,438)**	8,142
Provision for impairment	**-**	(8,142)
Portion of the Group/Company's ownership	**(7,438)**	-

[1]- Prior year includes loans to shareholders of R25.9 million.

The Group policy on accounting for its interest in joint ventures provides that when the Group's share of losses in a joint venture equal or exceed its interests in the joint ventures, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint venture. In this regard, the losses incurred by SEER for the year ended 29 February 2020 and its assets and liabilities have not been recognised in the Group's statements of comprehensive income and financial position.

Details pertaining to the prior year impairment of the investment in joint venture are provided in note 36. The impairment charge was recognised under other operating costs in the statement of comprehensive income.

Reconciliation of carrying amount	2020 R'000	2019 R'000
Balance at 1 March	-	5,847
Share of profit	-	1,138
Exchange differences	-	1,157
Gross carrying amount	-	8,142
Provision for impairment	-	(8,142)
Balance at 28/29 February	-	-

The joint venture had no contingent liabilities or capital commitments as at 29 February 2020. SEER cannot distribute its profits until it obtains the consent of the two joint venture partners. SEER is domiciled in Seychelles and is tax exempt.

17 LOANS TO/(FROM) GROUP COMPANIES

Company	Note	2020 R'000	2019 R'000
Loans to Group companies			
Non-current			
SacOil DRC SARL [1]		**45,907**	40,685
Mena International Petroleum Company Limited [1]		**168,729**	143,733
Baltimore Manganese Mine Proprietary Limited [2]		*****	*
Bushveld Pioneer Proprietary Limited [2]		*****	*
RDK Mining Proprietary Limited [1]		**32**	28
		214,668	184,446
Provision for impairment	33.1(b)	**(180,909)**	(155,671)
		33,759	28,775
Current			
AfricOil Proprietary Limited [3]		**114,553**	127,187
Provision for impairment	33.1(b)	**(114,553)**	(92,106)
		-	35,081
Total		**33,759**	63,856
Loan from Group company			
Current			
Pioneer Coal Proprietary Limited [4]		**(318)**	(318)
		(318)	(318)
		33,441	63,538

** -These loans are less than R1 000.*

1- These loans are interest free, unsecured and have no fixed repayment terms. These loans are denominated in US dollars.

2- These loans are interest free, unsecured and have no fixed repayment terms. The loans are denominated in Rands.

3- This loan incurs interest at the prime interest rate plus 2%, is unsecured and was repayable by 29 February 2020. The loan is denominated in Rands. Interest totalling R12.4 million (2019: R6.0 million) was recognised in finance income in the statement of comprehensive income. The Company is considering restructuring this loan.

4- This loan is interest free, unsecured and has no fixed repayment terms. The loan is denominated in Rands.

All remaining loans with no fixed repayment dates are payable by subsidiaries on demand from the Company. These loans are however not expected to be repaid within 12 months.

Note 33.1(b) includes disclosures relating to the credit risk exposures and analyses relating to the provision for impairment. The fair values of loans to/from Group companies as disclosed in note 32. The provision for impairment of loans to Group companies is based on lifetime expected credit losses.

Loans to/from Group companies are measured at amortised cost.

18 LOANS AND OTHER RECEIVABLES

	Note	Group 2020 R'000	Group 2019 R'000	Company 2020 R'000	Company 2019 R'000
Non-current					
Transcorp Refund [1]		**258,246**	231,203	**129,123**	115,601
Supplier development loans		**4,318**	3,818	**-**	-
		262,564	235,021	**129,123**	115,601
Provision for impairment	33.1(b)	**(6,375)**	(4,870)	**(1,278)**	(525)
		256,189	230,151	**127,845**	115,076
Current					
Encha Refund [2]		**128,009**	-	**128,009**	-
Loan due from EERNL [3]		**-**	69,970	**-**	69,970
Phembani Group Proprietary Limited		**827**	827	**-**	-
Deferred consideration on disposal of Greenhills Plant		**1,805**	1,805	**1,805**	1,805
		130,641	72,602	**129,814**	71,775
Provision for impairment	33.1(b)	**(6,454)**	(72,602)	**(5,627)**	(71,775)
		124,187	-	**124,187**	-
		380,376	230,151	**252,032**	115,076

1- Foreign exchange gains totalling R28.9 million and interest totalling R24.0 million were recognised during the year with respect to the Transcorp Refund. An impairment charge of R25.8 million (2019: R23.2 million) was also recognised which represents time value adjustments attributable to the deferral of the receipt of expected contractual cash flows due from Transcorp. Refer to note 34 for events after the reporting period relating to this receivable.

2- The Encha Refund was recognised pursuant to the arbitration award granted on 15 November 2019, wherein Encha was ordered to pay R75.0 million plus interest and costs with respect to the Group's claim against Encha. As at 29 February 2020 the amount due from Encha was R128.0 million inclusive of interest totalling R52.1 million and legal costs to be recovered totalling R0.9 million. The recovery of the principal amount of R75.0 million was recognised in other income whilst the interest thereon was accounted for under finance income in the statement of comprehensive income. The legal costs incurred by the Group for the year were reduced by the R0.9 million recoverable from Encha. Refer to note 34 for events after the reporting period relating to this receivable.

3- The liquidation of EERNL was finalised in December 2019 and the amount owed to the Group could not be recovered. In this regard, the Group utilised the provision for impairment previously recognised to write off the asset.

Movements in the significant loans and other receivable are as follows:

Group	Gross carrying amount at 29 February 2020[1] R'000	Specified impairments[2] R'000	Provision for impairment R'000	Write-down R'000	Net carrying amount at 29 February 2020 R'000
Transcorp Refund	**284,071**	**(25,825)**	**(2,557)**	**-**	**255,689**
Encha Refund	**128,009**	**-**	**(3,822)**	**-**	**124,187**
Loan due from EERNL	**78,134**	**-**	**-**	**(78,134)**	**-**
Supplier development loans	**4,318**	**-**	**(3,818)**	**-**	**500**
Deferred consideration on disposal of Greenhills Plant	**1,805**	**-**	**(1,805)**	**-**	**-**
Phembani Group Proprietary Limited	**827**	**-**	**(827)**	**-**	**-**
	497,164	**(25,825)**	**(12,829)**	**(78,134)**	**380,376**

1- Before impairments and write-downs
2- Time value adjustments attributable to the deferral of the receipt of expected contractual cash flows due from Transcorp

Company					
Transcorp Refund	**142,035**	**(12,912)**	**(1,278)**	**-**	**127,845**
Encha Refund	**128,009**	**-**	**(3,822)**	**-**	**124,187**
Loan due from EERNL	**78,134**	**-**	**-**	**(78,134)**	**-**
Deferred consideration on disposal of Greenhills Plant	**1,805**	**-**	**(1,805)**	**-**	**-**
	349,983	**(12,912)**	**(6,905)**	**(78,134)**	**252,032**

[1]- Before impairments and write-downs
[2]- Time value adjustments attributable to the deferral of the receipt of expected contractual cash flows due from Transcorp

Interest on loans and other receivables recognised in finance income comprises:	Note	Group 2020 R'000	Group 2019 R'000	Company 2020 R'000	Company 2019 R'000
Encha Refund		**52,079**	-	**52,079**	-
Transcorp Refund		**24,001**	22,387	**12,001**	11,194
Loan due from EERNL		**-**	14,853	**-**	14,853
Deferred consideration on disposal of Greenhills Plant		**-**	16	**-**	16
Contingent consideration		**-**	23,862	**-**	-
	8	**76,080**	61,118	**64,080**	26,063

Note 33.1(b) includes disclosures relating to the credit risk exposures, risk management policies and analysis relating to the provision for impairment. The fair values of loans and other receivables are disclosed in note 32. The provision for impairment of loans and other receivables is based on lifetime expected credit losses. Loans and other receivables are measured at amortised cost.

19 PROPERTY, PLANT AND EQUIPMENT

	Land and buildings R'000	Signage and leasehold improvements R'000	Plant and equipment R'000	Furniture and fittings R'000	Motor vehicles R'000	Computer equipment R'000	Total R'000
Group							
Cost							
At 1 March 2018	23,414	5,506	27,463	3,431	32,838	1,847	94,499
Exchange differences	2,671	870	3,016	46	322	2	6,927
Additions	-	-	-	21	-	19	40
Disposals	-	(5,797)	(1,928)	-	(1,017)	(201)	(8,943)
Write-off	-	-	-	-	-	(115)	(115)
At 28 February 2019	26,085	579	28,551	3,498	32,143	1,552	92,408
At 1 March 2019	26,085	579	28,551	3,498	32,143	1,552	92,408
Transfer to Right-of-use assets	-	-	-	-	(3,772)	-	(3,772)
Exchange differences	(4,076)	(56)	(16,878)	11,760	(503)	367	(9,386)
Additions	-	744	-	-	-	18	762
Disposals	-	-	-	(2,653)	(679)	(413)	(3,745)
Write-off	-	-	-	(174)	-	(1)	(175)
At 29 February 2020	**22,009**	**1,267**	**11,673**	**12,431**	**27,189**	**1,523**	**76,092**
Accumulated depreciation							
At 1 March 2018	341	761	3,842	1,001	4,109	1,159	11,213
Write-off	-	-	-	-	-	(115)	(115)
Disposals	-	(1,184)	(1,417)		(705)	(184)	(3,490)
Depreciation	468	819	4,018	893	5,297	400	11,895
At 28 February 2019	809	396	6,443	1,894	8,701	1,260	19,503
At 1 March 2019	809	396	6,443	1,894	8,701	1,260	19,503
Transfer to Right-of-use assets	-	-	-	-	(2,514)	-	(2,514)
Write-off	-	-	-	(121)	-	(1)	(122)
Disposals	-	-	-	(2,154)	(624)	(407)	(3,185)
Depreciation	467	871	1,176	2,407	4,021	301	9,243
At 29 February 2020	**1,276**	**1,267**	**7,619**	**2,026**	**9,584**	**1,153**	**22,925**
Net book value							
At 28 February 2018	23,073	4,745	23,621	2,430	28,729	688	83,286
At 28 February 2019	25,276	183	22,108	1,604	23,442	292	72,905
At 29 February 2020	**20,733**	**-**	**4,054**	**10,405**	**17,605**	**370**	**53,167**

Details of properties	Group 2020 R'000	Group 2019 R'000
Property 1: Land with buildings - Portion of Erf 1402 and Portion of Erf 1052, Moorreesburg, Western Cape	**608**	608
Property 2: Land - Portions 239, 380 and 381 of Farm Randfontein, Gauteng	**10,489**	10,489
	11,097	11,097

Land and buildings at Portion of Erf 1402 and Portion of Erf 1052, Moorreesburg, Western Cape have been pledged as security for the loan owed to the UIF.

The above property situated in Randfontein has recently been transferred into the Company's name and the registration of a bond in favour of the UIF, managed by the Public Investment Corporation is in progress.

Capital commitments

Boland Diesel has committed to carry out improvements to the value of R1.0m on the vacant land situated at Portion of Erf 5520, Moorreesburg, Western Cape.

19 PROPERTY, PLANT AND EQUIPMENT *(continued)*

Company	Furniture and fittings R'000	Motor vehicles R'000	Computer equipment R'000	Leasehold improvements R'000	Total R'000
PROPERTY, PLANT AND EQUIPMENT					
Cost					
At 1 March 2018	884	548	1,056	-	2,488
Write-off	-	-	(115)	-	(115)
Disposals	-	-	(31)	-	(31)
At 28 February 2019	884	548	910	-	2,342
At 1 March 2019	884	548	910	-	2,342
Additions	-	-	-	744	744
Write-off	(174)	-	(1)	-	(175)
At 29 February 2020	**710**	**548**	**909**	**744**	**2,911**
Accumulated depreciation					
At 1 March 2018	419	427	879	-	1,725
Write-off	-	-	(115)	-	(115)
Disposals	-	-	(14)	-	(14)
Depreciation	125	107	143	-	375
At 28 February 2019	544	534	893	-	1,971
At 1 March 2019	544	534	893	-	1,971
Write-off	(121)	-	(1)	-	(122)
Depreciation	126	13	17	744	900
At 29 February 2020	**549**	**547**	**909**	**744**	**2,749**
Net book value					
At 28 February 2018	465	121	177	-	763
At 28 February 2019	340	14	17	-	371
At 29 February 2020	**161**	**1**	**-**	**-**	**162**

With the exception of leasehold improvements, there is no change in the useful lives of the assets above, based on the assessment done at 29 February 2020. Due to the unexpected non-renewal of the lease for the rental of head office space, the Company had to accelerate the depreciation of leasehold improvements costs incurred during the year. The estimated useful lives of the Group's assets are indicated in note 2.6.

19 PROPERTY, PLANT AND EQUIPMENT *(continued)*

19.1 Right-of-Use of Assets and Lease Liabilities

19.1(a) RIGHT-OF-USE ASSETS

	Group		
	Building R'000	Motor vehicles R'000	Total R'000
Cost			
At 1 March 2019, on adoption of IFRS 16	8,972	-	8,972
Transfer from Property, plant and equipment	-	3,772	3,772
Lease re-measurement	(1,249)	-	(1,249)
At 29 February 2020	**7,723**	**3,772**	**11,495**
Accumulated depreciation			
At 1 March 2019, on adoption of IFRS 16	-	-	-
Transfer from Property, plant and equipment	-	2,514	2,514
Depreciation	1,072	755	1,827
At 29 February 2020	**1,072**	**3,269**	**4,341**
Net book value			
At 1 March 2019	8,972	1,258	10,230
At 29 February 2020	**6,651**	**503**	**7,154**

19.1(b) LEASE LIABILITIES

	Group	
	2020 R'000	2019 R'000
NON-CURRENT		
Lease liabilities	**6,434**	126
CURRENT		
Lease liabilities	**463**	585
	6,897	711

Movements in lease liabilities were as follows:

Group	At 1 March 2019, on adoption of IFRS 16	Transfer of existing finance leases	Interest	Repayments	Lease re-measurement	At 29 February 2020
Lease liabilities	10,731	711	1,093	(2,119)	(3,519)	6,897
	10,731	**711**	**1,093**	**(2,119)**	**(3,519)**	**6,897**

The Group leases a workshop and certain vehicles. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the statement of financial position as a right-of-use asset and a lease liability. The Group classifies its right-of-use assets in a consistent manner to its property, plant and equipment.

Each lease generally imposes a restriction that, unless there is a contractual right for the Group to sublet the asset to another party, the right-of-use asset can only be used by the Group. The Group is prohibited from selling or pledging the underlying leased assets as security. For the lease of the workshop, the Group must keep those properties in a good state of repair and return the property in its original condition at the end of the lease. Furthermore, the Group must incur maintenance fees in accordance with the lease contracts. The Group recognised depreciation and finance costs, instead of operating lease expenses in line with the requirements of IFRS 16.

The undiscounted maturity analysis of lease liabilities at 29 February 2020 is as follows:

29 February 2020	Within 1 year	2-3 years	4-5 years	5+ years	Total
Lease payments	**1,155**	**2,595**	**3,027**	**3,378**	**10,155**
Finance charges	**692**	**1,275**	**905**	**386**	**3,258**
Net present value	**463**	**1,320**	**2,122**	**2,992**	**6,897**

20 INTANGIBLE ASSETS

Group Cost	Note	Computer software R'000	Brand R'000	Customer relationships R'000	Goodwill R'000	Petroleum reserves R'000	Total R'000
At 1 March 2018		2,513	9,672	79,082	135,443	69,463	296,173
Additions		1,325	-	-	-	-	1,325
Disposals		(105)	-	-	-	-	(105)
Write-off		(721)	-	-	-	-	(721)
Exchange differences		(18)	-	-	-	9,013	8,995
At 28 February 2019		2,994	9,672	79,082	135,443	78,476	305,667
At 1 March 2019		2,994	9,672	79,082	135,443	78,476	305,667
Additions		60	-	-	-	-	60
Disposals		(131)	-	-	-	-	(131)
Write-off		-	-	-	(135,443)	-	(135,443)
Exchange differences		-	-	-	-	5,379	5,379
At 29 February 2020		**2,923**	**9,672**	**79,082**	**-**	**83,855**	**175,532**
Accumulated depreciation and impairment							
At 1 March 2018		(834)	-	(12,487)	-	(21,197)	(34,518)
Disposals		105	-	-	-	-	105
Amortisation		(230)	(3,869)	(7,135)	-	(6,113)	(17,347)
Write-off		721	-	-	-	-	721
Impairment	36	-	(719)	(7,363)	(135,443)	(30,739)	(174,264)
At 28 February 2019		(238)	(4,588)	(26,985)	(135,443)	(58,049)	(225,303)
At 1 March 2019		(238)	(4,588)	(26,985)	(135,443)	(58,049)	(225,303)
Disposals		131	-	-	-	-	131
Amortisation		(982)	(1,695)	(10,419)	-	(4,174)	(17,270)
Write-off		-	-	-	135,443	-	135,443
Impairment	36	-	(3,389)	(41,678)	-	(13,513)	(58,580)
At 29 February 2020		**(1,089)**	**(9,672)**	**(79,082)**	**-**	**(75,736)**	**(165,579)**
At 28 February 2018		1,679	9,672	66,595	135,443	48,266	261,655
At 28 February 2019		2,756	5,084	52,097	-	20,427	80,364
At 29 February 2020		**1,834**	**-**	**-**	**-**	**8,119**	**9,953**

The Group's brand and customer relationships arose from the acquisition of Forever Fuels by Afric Oil Proprietary Limited, as part of the identification of separately identifiable intangible assets acquired in a business combination.

The Group's petroleum reserves intangible asset arose from the acquisition of Mena in October 2014. Mena owns the Lagia oil field. The Petroleum Concession Agreement gives Mena the right to drill for petroleum reserves. Computer software includes costs incurred to date on the implementation of the ERP system.

Goodwill arose on the acquisition of Afric Oil Proprietary Limited (formerly known as Phembani Oil) and Forever Fuels. The goodwill which had been attributed to synergies expected from the integration of the Afric Oil and Forever Fuels businesses, was impaired at 28 February 2019 and subsequently written off in the current financial year.

Details pertaining to the impairments of intangible assets are provided in note 36. The impairment charge has been recognised under other operating costs in the statement of comprehensive income.

Company	Computer software R'000
Cost	
At 1 March 2018	817
Write off	(721)
At 28 February 2019	**96**
Accumulated depreciation	
At 1 March 2018	(747)
Amortisation	(70)
Write off	721
At 28 February 2019	**(96)**
At 28 February 2018	70
At 28 February 2019	**-**

The Group's intangible assets are not pledged as security for liabilities.

21 INVENTORIES

Group	2020 R'000	2019 R'000
Consumables	**6,050**	6,441
Petroleum products	**5,173**	7,303
	11,223	13,744

There was no inventory write-off in the current year (2019: R10.5 million). Inventories expensed under cost of sales in the statement of comprehensive income during the year amounted to R1.9 billion (2019: R2.5 billion). All petroleum products inventory is pledged as security for the loan from the UIF.

22 TRADE AND OTHER RECEIVABLES

	Group		Company	
	2020 R'000	2019 R'000	2020 R'000	2019 R'000
Trade receivables	**119,153**	229,781	**-**	-
Provision for impairment	**(32,151)**	(51,631)	**-**	-
	87,002	178,150	**-**	-
Other receivables	**5,819**	14,764	**3,170**	6,889
Provision for impairment	**(149)**	(5,787)	**(867)**	(5,786)
	92,672	187,127	**2,303**	1,103
Value-added tax	**568**	1,418	**160**	143
	93,240	188,545	**2,463**	1,246

Trade receivables are non-interest bearing (except in the event of default) and are generally on 30 days terms. Note 33.1(b) includes disclosures relating to the credit risk exposures, risk management policies and analysis relating to the provision for impairment. The carrying values of all trade and other receivables approximate their fair values (note 32). The provision for impairment of trade and other receivables is based on lifetime expected credit losses. Trade and other receivables are measured at amortised cost.

	Group		Company	
The carrying values of the Group's trade and other receivables are denominated in the following currencies:	2020 R'000	2019 R'000	2020 R'000	2019 R'000
US dollar	**5,075**	37,540	**-**	-
British pounds	**-**	191	**-**	191
South African Rand	**88,165**	150,814	**2,463**	1,055
	93,240	188,545	**2,463**	1,246

Engen Limited, The Group's supplier of petroleum products has a first cession over all trade receivables, second in line is the UIF and third in line is Lombard Insurance.

23 CASH AND CASH EQUIVALENTS

	Group		Company	
	2020 R'000	2019 R'000	2020 R'000	2019 R'000
Cash and cash equivalents consist of:				
Cash at banks and on hand	**45,863**	40,142	**10,254**	13,818
Short-term deposits	**3,725**	6,033	**23**	21
Total unrestricted cash	**49,588**	**46,175**	**10,277**	**13,839**
Restricted cash balances	**18,600**	15,700	**-**	-
Cash and cash equivalents	**68,188**	**61,875**	**10,277**	**13,839**

Cash at banks earns interest at floating rates. Short-term deposits are made for varying periods depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates. The restricted cash balances constitute cash guarantees issued in favour of creditors which are renewed annually.

A total of R0.5 million (2019: R3.1 million) is denominated in United States Dollar. At 29 February 2020, the Group had no undrawn committed borrowing facilities. Note 33.1(b) includes disclosures relating to the credit risk exposures and risk management policies relating to cash and cash equivalents. The Group's cash and cash equivalents are not considered to be impaired.

Cash and cash equivalents are measured at amortised cost. The carrying values of cash and cash equivalents approximate their fair values (note 32).

24 STATED CAPITAL AND RESERVES

		2020	2019
Group and Company			
Stated capital			
Authorised:			
Number of ordinary shares with no par value	(000's)	**5,000,000**	5,000,000
Allotted share capital:			
At 1 March	(R'000)	**1,668,354**	1,305,911
Share issue, rights issue	(R'000)	**-**	367,052
Share issue costs	(R'000)	**-**	(4,609)
As at 28/29 February	(R'000)	**1,668,354**	1,668,354
Reconciliation of number of shares issued:			
At 1 March	(000's)	**1,103,836**	369,733
Share issue, rights issue	(000's)	**-**	734,103
As at 28/29 February	(000's)	**1,103,836**	1,103,836

All issued shares are fully paid up.

Issued during the prior year for cash:

Date	Nature of transaction	Recipient	Number of shares issued (000's)	Issue price R	Value R'000
13 August 2018	Rights issue	Government Employees Pension Fund	728,593	0.50	364,297
13 August 2018	Rights issue	Other shareholders	5,510	0.50	2,755
			734,103	0.50	367,052

Reserves	Note	Share based payment reserve R'000	Foreign currency translation reserve R'000	Total R'000
Group				
At 1 March 2018		10,352	10,720	21,072
Share based payment expense	12	141	-	141
Foreign exchange gains arising on translation of foreign operations		-	81,621	81,621
As at 28 February 2019		10,493	92,341	102,834
At 1 March 2019		10,493	92,341	102,834
Foreign exchange gains arising on translation of foreign operations		-	34,038	34,038
As at 29 February 2020		**10,493**	**126,379**	**136,872**
Company				
At 1 March 2018		10,352	(1,070)	9,282
Share based payment expense	12	141	-	141
Foreign exchange gains arising on translation of foreign operations		-	1,156	1,156
As at 28 February 2019		10,493	86	10,579
As at 29 February 2020		**10,493**	**86**	**10,579**

The foreign currency translation reserve is used to recognise foreign exchange differences arising on the translation of the Group's foreign subsidiaries and joint venture with currencies other than the presentation currency.

The share-based payments reserve is used to recognise the value of equity-settled share-based payment transactions provided to employees, including key management personnel, as part of their remuneration. These transactions are disclosed in note 12.

25 INTEREST IN JOINT OPERATIONS

	Country of registration	Principal place of business	Nature of activities	Participating interest 2020	2019
SacOil DRC SARL	DRC	DRC	Exploration for oil and gas	**42.5%**	12.5%

SacOil DRC SARL

SacOil DRC SARL ("SacOil DRC") jointly with other participants, has an interest in Block III which is located on the DRC side of the Albertine Graben Basin. SacOil DRC's interest in Block III is 42.5%. The increase in the Group's interest was acquired for no consideration. Participation in Block III is governed by the Farm-in Agreements concluded in 2011 and 2012, the Joint Operating Agreement and Production Sharing Contract. Refer to notes 13 for more details on the Group's interest in the block.

26 BORROWINGS

	Group 2020 R'000	Group 2019 R'000	Company 2020 R'000	Company 2019 R'000
Current				
Unemployment Insurance Fund[1]	**185,352**	235,188	**-**	-
Redlex Investments Proprietary Limited[2]	**-**	5,152	**-**	-
Loan due to EERNL[3]	**710**	380	**710**	380
	186,062	240,720	**710**	380

Movements in borrowings were as follows:

Group	At 1 March 2019	Advances	Interest	Exchange differences	Repayments capital	Repayments interest	Other	At 29 February 2020
Unemployment Insurance Fund[1]	235,188	-	25,246	-	(75,082)	-	-	185,352
Redlex Investments Proprietary Limited[2]	5,152	-	174	-	(5,326)	-	-	-
Loan due to EERNL[3]	380	-	-	51	-	-	279	710
	240,720		25,420	51	(80,408)	-	279	186,062

Group	At 1 March 2018	Advances	Interest	Exchange differences	Repayments capital	Repayments interest	Gain on de-recognition	At 28 February 2019
Gemcorp Africa Fund I Limited	146,010	-	7,804	33,919	(180,370)	(7,363)	-	-
Unemployment Insurance Fund	209,994	-	31,067	-	(5,873)	-	-	235,188
Redlex Investments Proprietary Limited	13,308	-	975	-	(9,131)	-	-	5,152
Impact Trust	2,929	-	-	450	-	-	(3,379)	-
Loan due to EERNL	107	239	-	34	-	-	-	380
Turquoise Moon Proprietary Limited	21,699	-	1,101	-	(15,149)	-	(7,651)	-
	394,047	239	40,947	34,403	(210,523)	(7,363)	(11,030)	240,720

Movements in borrowings were as follows:

Company	At 1 March 2019	Advances	Interest	Exchange differences	Repayments capital	Repayments interest	Other	At 29 February 2020
Loan due to EERNL[3]	380	-	-	51	-	-	279	710
	380	-	-	51	-	-	279	710

Company	At 1 March 2018	Advances	Interest	Exchange differences	Repayments capital	Repayments interest	Gain on de-recognition	At 28 February 2019
Gemcorp Africa Fund I Limited	146,010	-	7,804	33,919	(180,370)	(7,363)	-	-
Loan due to EERNL	107	239	-	34	-	-	-	380
	146,117	239	7,804	33,953	(180,370)	(7,363)	-	380

1- The loan was granted to Afric Oil in February 2017 in order to purchase the business assets of Big Red Proprietary Limited, Turquoise Moon Trading 477 Proprietary Limited and Redlex Investments Proprietary Limited. The loan accrues interest on a monthly basis compounded quarterly at a rate of three-month Jibar plus 420 basis points (2019: three-month Jibar plus 420 basis points). The loan is secured by cession of inventories and trade receivables, bonds over moveable and immoveable properties, a cession of shares in or claims against all Afric Oil subsidiaries and the subordination of all claims. The loan is repayable in quarterly instalments and full payment is expected on 30 June 2022. Afric Oil is in breach of debt covenants relating to its loan arrangement with the Unemployment Insurance Fund (UIF) and subsequent to the year-end has fallen behind on loan repayments, a result of the impact on cash flows of the decreased demand for fuel products during the covid-19 lockdown. Further developments with respect to this loan are outlined in note 34. This loan is denominated in Rands.

2- The loan was granted to Afric Oil with respect to the acquisition of the business assets of Big Red Proprietary Limited, Turquoise Moon Trading 477 Proprietary Limited and Redlex Investments Proprietary Limited which occurred in March 2017. This loan accrued interest at 10.5% per annum and was secured by motor vehicles. The loan was denominated in Rands. The loan was fully settled during the year.

3- The loan due to EERNL is attributable to costs incurred on the Group's behalf pertaining to the operation of SEER. The loan is interest free, unsecured and has no fixed repayment terms. This loan is denominated in US dollar.

Borrowings are measured at amortised cost. The carrying values of borrowings approximate their fair values (note 32).

27 LOAN FROM JOINT VENTURE

	Group		Company	
	2020 R'000	2019 R'000	2020 R'000	2019 R'000
SacOil Energy Equity Resources Limited	**12,940**	11,969	**12,940**	11,969

This loan is unsecured, interest free and has no fixed terms of repayment. The loan from joint venture is measured at amortised cost. The carrying value of the loan approximates its fair value (note 32).

28 TRADE AND OTHER PAYABLES

Trade payables	**125,644**	98,579	**856**	328
Accruals	**7,354**	8,735	**3,472**	3,174
Other payables	**5,292**	16,037	**356**	283
	138,290	123,351	**4,684**	3,785

The carrying values of trade and other payables approximate their fair values (note 32). The carrying values of the Group's trade and other payables are denominated in the following currencies:

	2020 R'000	2019 R'000	2020 R'000	2019 R'000
US dollar	**5,194**	4,574	**-**	-
South African Rand	**133,096**	118,777	**4,684**	3,785
	138,290	123,351	**4,684**	3,785

29 (LOSS)/EARNINGS PER SHARE

		2020	2019
Group			
Basic	cents	**(1.86)**	(69.91)
Diluted	cents	**(1.86)**	(69.91)

Both the basic and diluted loss per share have been calculated using the loss attributable to shareholders of the Company as the numerator. No adjustments to the reported loss were necessary in 2020 and 2019.

Loss attributable to equity holders of the Company used in the calculation of the basic and diluted loss per share	R'000	**(20,578)**	(538,311)
Weighted average number of ordinary shares used in the calculation of basic loss per share	000's	**1,103,836**	769,968
Issued shares at the beginning of the year	000's	**1,103,836**	369,731
Effect of shares issued during the year (weighted)	000's	**-**	400,237
Add: Dilutive share options	000's	**-**	-
Weighted average number of ordinary shares used in the calculation of diluted loss per share	000's	**1,103,836**	769,968
Headline earnings/(loss) per share			
Basic	cents	**4.96**	(45.31)
Diluted	cents	**4.96**	(45.31)

Reconciliation of headline earnings/(loss)	**Notes**	2020 R'000	2019 R'000
Loss attributable to equity holders of the Company		**(20,578)**	(538,311)
Adjusted for:			
Provision for impairment of oil and gas properties	14, 36	**53,512**	121,538
Provision for impairment of brand, customer relationships and other intangible assets	20, 36	**58,580**	38,821
Impairment of goodwill	20, 36	**-**	135,443
Gain on settlement of property purchase price		**-**	(7,651)
Impairment of joint venture	16, 36	**-**	8,142
Loss on disposal of property, plant and equipment		**601**	4,920
Adjustments attributable to NCI		**(13,244)**	(49,744)
Tax effects of adjustments		**(24,159)**	(62,038)
Headline earnings/(loss)		**54,712**	(348,880)

30 CASH GENERATED FROM/(USED IN) OPERATIONS

	Notes	Group 2020 R'000	Group 2019 R'000	Company 2020 R'000	Company 2019 R'000
Profit/(loss) before taxation		**(62,675)**	(677,363)	**101,884**	(482,917)
Adjustments for:					
Depreciation, depletion and amortisation	7	**29,389**	31,612	**900**	445
Provision for impairment of financial assets	33.1(b)	**3,705**	75,067	**47,341**	219,819
Impairment of financial assets	18	**25,825**	299,867	**12,912**	17,681
Provision for impairment of investments in subsidiaries	15, 36	**-**	-	**323**	233,438
Provision for impairment of brand, customer relationships and other intangible assets	20, 36	**58,580**	38,821		-
Impairment of goodwill	20, 36	**-**	135,443	**-**	-
Provision for impairment of joint venture	16, 36	**-**	8,142	**-**	8,142
Provision for impairment of oil and gas properties	14, 36	**53,512**	121,538	**-**	-
Derecognition of cost carry liabilities		**-**	(67,148)	**-**	-
Gain on derecognition of borrowings	7	**(10,263)**	(11,030)	**-**	-
Finance income	8	**(78,425)**	(68,230)	**(76,740)**	(36,683)
Net monetary loss	3.4	**39,151**	-	**-**	-
Finance costs	9	**26,524**	47,474	**1**	8,186
Inventory write-down	21	**-**	10,549	**-**	-
Management fees	31	**(125)**	(144)	**(1,028)**	(2,060)
Share-based payment expense	12	**-**	141	**-**	141
Loss on disposal of property, plant and equipment		**601**	4,920	**53**	-
Net foreign exchange (gains)/losses		**(34,647)**	5,267	**(35,033)**	(20,607)
Bad debts		**1,759**	50	**-**	50
Share of profit of joint venture	16	**-**	(1,138)	**-**	(1,138)
Derecognition of financial liabilities		**-**	(2,681)	**-**	(2,681)
Provision for leave pay		**(351)**	(2,396)	**101**	(993)
Encha Refund	18	**(75,930)**	-	**(75,930)**	-
Lease remeasurement		**(2,271)**	-	**-**	-
Other non-cash items		**-**	4,584	**-**	-
Changes in working capital:					
Decrease/(increase) in inventories		**2,522**	(1,839)	**-**	-
Decrease/(increase) in trade and other receivables		**95,797**	(53,390)	**3,600**	891
Increase/(decrease) in trade and other payables		**14,949**	(45,399)	**777**	(5,358)
		87,627	(147,283)	**(20,839)**	(63,644)

31 RELATED PARTIES

Related parties of the Group include entities detailed in note 15 and note 16 and key management. Key management include directors (executive and non-executive), members of the Executive Committee and other senior employees.

The following transactions were carried out with related parties:	Group 2020 R'000	Group 2019 R'000	Company 2020 R'000	Company 2019 R'000
(a) Transactions with Group companies				
Management fees	**125**	144	**1,028**	2,060
Mena International Petroleum Company Limited	**-**	-	**460**	1,388
SacOil Energy Equity Resources Limited	**125**	144	**125**	144
SacOil DRC SARL	**-**	-	**443**	528
Interest income	**-**	-	**12,367**	6,047
Afric Oil Proprietary Limited	**-**	-	**12,367**	6,047
	122	144	**13,395**	8,107

Management fees consist of payroll costs incurred in running the financial or operating activities of the subsidiaries plus a mark-up of 10%. Interest income relates to interest charged on the loan to Afric Oil Proprietary Limited on the basis disclosed in note 17.

(b) Key management compensation ***Non-executive directors***	Group and Company 2020 R'000	Group and Company 2019 R'000
Boas Seruwe	**1,281**	1,363
Thuto Masasa	**847**	762
Vuyo Ngonyama	**722**	96
Patrick Mngconkola	**665**	980
Zanele Radebe	**672**	97
Ignatius Sehoole[1]	**-**	818
	4,187	4,116

[1]- Resigned on 31 December 2018

Executive directors	Salary R'000	Other benefits R'000	Bonus R'000	Total R'000
2020				
Damain Matroos	**3,076**	**746**	**-**	**3,822**
Tariro Gadzikwa	**2,024**	**553**	**-**	**2,577**
	5,100	**1,299**	**-**	**6,399**
2019				
Dr Thabo Kgogo[2]	3,710	81	1,573	5,364
Damain Matroos	3,107	110	1,230	4,447
Tariro Mudzimuirema[3]	209	6	-	215
	7,026	197	2,803	10,026

[2]- Resigned on 31 January 2019

[3]- Appointed as director on 7 February 2019

Other key management	Salary R'000	Other benefits R'000	Bonus R'000	Total R'000
2020				
Short term employee benefits	**1,893**	**64**	**-**	**1,957**
2019				
Short term employee benefits	6,740	544	576	7,860

(c) Year-end balances	**Notes**	Group 2020 R'000	Group 2019 R'000	Company 2020 R'000	Company 2019 R'000
Loans to Group companies	17	**-**	-	**68,125**	63,856
Loan from Group company	17	**-**	-	**(318)**	(318)
Loan from joint venture	27	**12,940**	11,969	**12,940**	11,969

31 RELATED PARTIES *(continued)*

(d) Share options

Name of holder	Grant date	Share price at grant date R	As at 28 February 2019 (000's)	Lapsed	As at 29 February 2020 (000's)	Exercise price after share consolidation R	Vesting date	Expiry date
Brian Christie*	21-Nov-08	0.57	420	(420)	-	8.22	21-Nov-08	11-Apr-19
	21-Nov-08	0.57	210	(210)	-	8.22	21-Nov-09	11-Apr-19
	21-Nov-08	0.57	210	(210)	-	8.22	21-Nov-10	11-Apr-19
	10-Oct-16	0.18	927	-	927	2.70	10-Oct-16	9-Oct-26
	10-Oct-16	0.18	463	-	463	2.70	10-Oct-17	9-Oct-26
	10-Oct-16	0.18	463	-	463	2.70	10-Oct-18	9-Oct-26
Gontse Moseneke*	8-Jul-10	0.40	157	-	157	2.90	8-Jul-10	7-Jul-20
	8-Jul-10	0.40	78	-	78	2.90	8-Jul-11	7-Jul-20
	8-Jul-10	0.40	78	-	78	2.90	8-Jul-12	7-Jul-20
	10-Oct-16	0.18	346	-	346	2.70	10-Oct-16	9-Oct-26
	10-Oct-16	0.18	173	-	173	2.70	10-Oct-17	9-Oct-26
	10-Oct-16	0.18	173	-	173	2.70	10-Oct-18	9-Oct-26
Tariro Gadzikwa**	20-Jun-14	0.50	125	-	125	5.28	20-Jun-14	19-Jun-24
	20-Jun-14	0.50	63	-	63	5.28	20-Jun-15	19-Jun-24
	20-Jun-14	0.50	63	-	63	5.28	20-Jun-16	19-Jun-24
Damain Matroos***	10-Jun-15	0.25	161	-	161	2.33	10-Jun-16	9-Jun-25
	10-Jun-15	0.25	161	-	161	2.33	10-Jun-17	9-Jun-25
	10-Jun-15	0.25	161	-	161	2.33	10-Jun-18	9-Jun-25
			4,432	(840)	3,592			

**- Past directors who were permitted to retain their share options under the provisions of the scheme*

*** - Share options lapsed on 30 September 2020*

**** - Share options lapsed on 4 May 2021*

(e) Directors shareholding in the Company	2020 Direct beneficial (000's)	2020 % of issued share capital	2019 Direct beneficial (000's)	2019 % of issued share capital
Damain Matroos	**73**	**0.007**	73	0.007

There were no changes between the end of the financial year and date of approval of Annual Financial Statements. Damain Matroos resigned as director on 5 February 2021 and left the Group on 4 May 2021.

(f) Borrowings

Borrowings from the UIF are disclosed in note 26.

32 FAIR VALUE MEASUREMENT

The fair values of cash and cash equivalents, trade and other receivables, trade and other payables, borrowings, loan from Group company and the loan from the joint venture approximate carrying values due to the short-term maturities of these instruments. Set out below is a comparison, by class, of the carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

		Carrying value		Fair value	
		2020	2019	2020	2019
Group	**Notes**	**R'000**	**R'000**	**R'000**	**R'000**
Financial assets at amortised cost					
Loans and other receivables	18	**380,376**	230,151	**394,369**	245,783
Company					
Financial assets at amortised cost					
Loans to Group companies [1]	17	**33,759**	63,856	**31,784**	56,800
Loans and other receivables	18	**252,032**	115,076	**259,028**	122,365

1- In terms of Efora's accounting policies these financial instruments are carried at amortised cost and not at fair value, given that Efora intends to collect the contractual cash flows from these instruments when they fall due over the life of the instrument.

Valuation techniques and assumptions applied to measure fair values

When the fair values of financial assets and financial liabilities disclosed above cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions relating to these factors could affect the disclosed fair value of financial instruments.

	Group	Company		
	Fair value at 29 February 2020			
Financial assets at amortised cost	R'000	R'000	Valuation technique	Significant inputs
Loans and other receivables	**394,369**	**259,028**	Discounted cash flow model	Weighted average cost of capital
Loans to Group companies	**-**	**31,784**	Discounted cash flow model	Weighted average cost of capital

Fair value hierarchy

The following table presents the Group's instruments for which the fair value is disclosed above. The different levels have been defined as follows:

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data

	Level 1	Level 2	Level 3	Total
Group	R'000	R'000	R'000	R'000
At 29 February 2020				
Loans and other receivables	**-**	**-**	**394,369**	**394,369**
At 28 February 2019				
Loans and other receivables	-	-	245,783	245,783
Company				
At 29 February 2020				
Loans and other receivables	**-**	**-**	**259,028**	**259,028**
Loans to Group companies	**-**	**-**	**31,784**	**31,784**
At 28 February 2019				
Loans and other receivables	-	-	122,365	122,365
Loans to Group companies	-	-	56,800	56,800

There were no transfers between levels during the year. The Group's own non-performance risk at 29 February 2020 is linked to the uncertainties identified in note 37.

33 FINANCIAL RISK MANAGEMENT

33.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Group's overall risk management is carried out by Group Finance which identifies, evaluates and mitigates risks in close cooperation with the Group's operating units. The Audit and Risk Committee under the mandate from the Board, provides principles for overall risk management.

(a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and other receivables, borrowings, loans to Group companies, loan from joint venture, trade and other receivables, trade and other payables and cash and cash equivalents.

(i) Foreign exchange risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities. The Group's financial instruments are not hedged and the Group continues to explore ways to introduce a hedging strategy as it adapts to changes in operations and within the currency market.

At 29 February 2020, if the Rand had weakened or strengthened by 11% against the US dollar with all other variables held constant, Group post-tax loss for the year would have been R30.8 million lower (2019: Group post-tax loss would have been R25.6 million lower) and R30.8 million higher (2019: Group post-tax loss would been R25.6 million higher) respectively, mainly as a result of foreign exchange gains or losses on translation of US dollar denominated loans and other receivables, trade and other receivables, loan from joint venture and trade and other payables (notes 18, 22, 27 and 28).

At 29 February 2020, if the Rand had weakened or strengthened by 11% against the US dollar, with all other variables held constant, Company post-tax profit for the year would have been R19.3 million higher (2019: Company post-tax loss would have been R15.9 million lower) and R19.3 million lower (2019: Company post-tax loss would have been R15.9 million higher) respectively, mainly as a result of foreign exchange gains and losses on the translation of loans and other receivables (note 18), loans to Group companies (note 17) and the loan from joint venture (note 27) which are denominated in US dollars.

Included in the statement of financial position are the following carrying values denominated in currencies other than the Rand:

Group US dollars	Notes	2020 R'000	2019 R'000
Loans and other receivables	18	**255,689**	230,151
Trade and other receivables	22	**5,075**	37,540
Cash and cash equivalents	23	**460**	3,083
Borrowings	26	**(710)**	(380)
Loan from joint venture	27	**(12,940)**	(11,969)
Trade and other payables	28	**(5,194)**	(4,574)
Company			
US dollars			
Loans and other receivables	18	**127,845**	115,076
Loans to Group companies	17	**33,759**	28,775
Borrowings	26	**(710)**	(380)
Loan from joint venture	27	**(12,940)**	(11,969)

Variations in exchange rates for the Pula have a minimal effect on the financial results of the Group and Company.

(ii) Cash flow and fair value interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's interest rate risk arises from cash and cash equivalents and borrowings. The Company's interest rate risk arises from the loan advanced to Afric Oil. Cash and cash equivalents deposited, loans advanced or borrowings acquired at variable rates expose the Group to cash flow interest rate risk. Cash and cash equivalents deposited, loans advanced or borrowings acquired at fixed rates expose the Group to fair value interest rate risk.

Cash and cash equivalents

The Group's cash and cash equivalents are deposited at fixed interest rates, thereby eliminating cash flow interest rate risk. The Group's fair value interest rate risk is considered to be minimal.

Borrowings

The Group's exposure to interest rate risk is on the UIF loan which incurs interest at a variable rate (see note 26). At 29 February 2020, if the interest rate had decreased or increased by 10% with all other variables held constant, Group post-tax loss for the year would have been R2.5 million lower (2019: Group post-tax loss would have been lower by R2.6 million) and R2.5 million higher (2019: Group post-tax loss would have been higher by R2.6 million), respectively.

Afric Oil loan

The Afric Oil loan is advanced at a variable rate. A 10% decrease or increase in the interest rate applicable to the loan would not have a material impact on the Company post-tax profit (2019: Also not material).

(iii) Price risk

The Group is exposed to the risk of fluctuations in prevailing market commodity prices on the oil it produces and trades. The Group's policy is to manage this risk through the use of contract-based prices with customers. The Group is not exposed to equity price risk.

(b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. Credit risk is managed on a Group basis in close cooperation with the various business units. Credit risk arises from trade and other receivables (note 22), cash and cash equivalents (note 23), including deposits with banks and financial institutions, and loans and other receivables (note 18). For the Company credit risk also arises from loans to Group companies. For banks and financial institutions, only independently rated parties with high credit ratings are accepted. With respect to trade and other receivables, it is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures which include an assessment of creditworthiness, short term liquidity and financial position. It is then the policy of the Group to manage credit risk on an ongoing basis through regular review of the age analysis and credit limits. In order to manage credit risk that arises from its loans and receivables, the Group aims to trade only with recognised and creditworthy third parties to minimise the risk of default on its various receivables.

The (reversal of impairment)/impairment of financial assets recognised in the statement of comprehensive income under other operating costs comprises:

	Note	Group 2020 R'000	Group 2019 R'000	Company 2020 R'000	Company 2019 R'000
Loans and other receivables		**5,327**	60,571	**4,575**	59,824
Loans to Group companies		**-**	-	**47,685**	154,748
Trade and other receivables		**(1,622)**	14,496	**(4,919)**	5,247
	7	**3,705**	75,067	**47,341**	219,819

Trade receivables

Trade receivables consist of a large number of customers in various industries and geographical areas. The credit terms are generally on 30 day terms. The Group applies the IFRS 9 simplified model of recognising lifetime expected credit losses for all trade receivables as these items do not have a significant financing component.

In measuring the expected credit losses, trade receivables that have similar credit risk profiles have been grouped and assessed on a collective basis as they possess shared credit risk characteristics. They have further been grouped based on the days past due.

The expected loss rates are based on the payment profile for trade receivables over a 2 year period as well as the corresponding historical credit losses during that period. The historical rates are adjusted to reflect current and forwarding looking factors affecting the customer's ability to settle the amount outstanding. Where credit ratings are available, such ratings are also taken into consideration.

Trade receivables are written-off (i.e. derecognised) when there is no reasonable expectation of recovery.

On the above basis the expected credit losses for trade receivables as at 29 February 2020 and 28 February 2019 were determined as follows:

	Current	> 30 days	> 60 days	>90 days	Total
29 February 2020					
Group 1					
Expected credit loss rate	**2.3%**	**2.3%**	**-**	**-**	
Gross carrying amount (R'000s)	**20,597**	**1,082**	**-**	**-**	**21,679**
Lifetime expected credit losses	**474**	**25**	**-**	**-**	**499**
Representing trade receivables that have independent credit ratings					
Group 2					
Expected credit loss rate	**3.8%**	**3.8%**	**94.5%**	**99.6%**	
Gross carrying amount (R'000s)	**59,256**	**8,274**	**13,932**	**16,012**	**97,474**
Lifetime expected credit losses	**2,252**	**314**	**13,758**	**15,329**	**31,653**
Representing trade receivables with similar credit profiles that do not have credit ratings					
28 February 2019					
Group 1					
Expected credit loss rate	0%	0%	0%	29%	
Gross carrying amount (R'000s)	64,561	19,558	12,432	12,133	108,684
Lifetime expected credit losses	-	-	-	3,462	3,462
Representing trade receivables that have independent credit ratings					
Group 2					
Expected credit loss rate	1%	1%	17%	69%	
Gross carrying amount (R'000s)	42,493	8,495	818	68,718	120,524
Lifetime expected credit losses	403	54	139	47,575	48,170

Representing trade receivables with similar credit profiles that do not have credit ratings

The closing balance of the trade receivables provision for impairment as at 29 February 2020 reconciles with the trade receivables provision for impairment opening balance as follows:

	Group Lifetime expected credit losses R'000	Company Lifetime expected credit losses R'000
At 1 March 2018	43,097	540
Exchange differences	443	-
Utilisation of provision	(618)	-
Arising during the year	14,496	5,247
Trade receivables	9,249	
Other receivables	5,247	5,247
At 28 February 2019	57,418	5,786
Trade receivables	51,631	-
Other receivables	5,787	5,786
At 1 March 2019	57,418	5,786
Exchange differences	(23,496)	-
Arising/(reversed) during the year	(1,622)	(4,919)
Trade receivables	4,016	-
Other receivables	(5,638)	(4,919)
At 29 February 2020	**32,300**	**867**
Trade receivables	32,151	-
Other receivables	149	867

Loans and other receivables

Loans and other receivables include amounts due from Encha, Transcorp and other smaller balances (see note 18). The Group monitors all financial assets that are subject to impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk the Group will measure the loss allowance based on lifetime rather than 12-month ECL. In measuring the expected credit losses, the Group considers the default risk applicable to each debtor with reference to independent credit ratings with respect to Transcorp and the financial health of the debtor in the case of Encha, as there is no payment history for these receivables.

Key inputs for measuring ECLs are provided below.

Probabilities of default (PDs)

Based on a high-level assessment of the financial health and performance of the debtor, the debtor is classified into one of three categories that drive the estimation methodology:

In default: The probability of default is set at 100% if the debtor is more than 90 days past due on financial obligations, or if any other event has occurred that represents a serious threat to the going-concern basis of the debtor.

Significant increase in credit risk: This reflects a scenario where there is evidence of a significant increase in credit risk since origination of the contracts that gave rise to the debtor. Appropriate default rates in such cases can vary significantly between 5% and 95%. The exact quantum of the estimate will depend on the severity of the financial conditions faced by the debtor. In severe cases, estimates of the probability of default are evaluated on a case-by-case basis taking into account credit ratings if available for such debtors, however, care is taken to ensure that the credit rating used is fully up to date.

Neither of the above two categories apply: In the absence of information that indicates financial difficulties of the debtors or a significant increase in credit risk, we attempt to make use of credit ratings assigned to the debtor by reputable, external credit rating agencies to guide appropriate assumptions for PDs. Such credit ratings, along with industry statistics regarding historical default behaviour and the term of the debt obligation, are used to estimate the PDs.

In the absence of credit ratings that are available from reputable, external credit rating agencies, the following options remain to estimate the PDs:

- The Group (or external consultants) performs its own internal assessment of the credit worthiness of the debtor to derive an estimate of the PD. This is a time consuming and expensive exercise that is typically only justified in the scenario where the debtor is highly material (recovery of amounts due may threaten the going concern of the Group).
- A subjective estimate of the PD is used. This is loosely based on the size and reputation of the debtor and industry statistics. For reputable companies of substantial size, default rates tend to be rather low (between 1% and 5% over a 3-5 year horizon). It is therefore more important to establish that such debtors do not fall into one of the other two categories above.

Loss given default (LGD)

The assessment of the LGD follows the approach used for PDs quite closely. Estimates of LGDs are influenced by credit ratings as well, however, these are additionally driven by seniority of the debt and any collateral or 3rd party guarantees. Industry statistics based on average recoveries post default are available from various reliable 3rd party sources which form the basis of estimates used.

Loans and other receivables are written off (i.e. derecognised) when there is no reasonable expectation of recovery.

The key factor that the Group considered with respect to Trancorp is its external credit rating. According to Moody's, the company holds a credit rating of A2, with a positive future outlook over the next three years, as at 28 February 2019. The credit rating remained unchanged relative to the prior year. With respect to Encha which does not have an independent credit rating, the Group has applied the standard industry assumptions for a 12-month ECL.

On the above basis the expected credit loss for loans and other receivables as at 29 February 2020 and 28 February 2019 was determined as follows:

Group	Transcorp	Encha	Other	Total
29 February 2020				
Expected credit loss rate	1.0%	3.0%	92.8%	
Gross carrying amount (R'000s)	258,246	128,009	6,950	393,205
Lifetime expected credit losses	2,557	3,822	6,450	12,829
28 February 2019				
Expected credit loss rate	0.46%	100%	100%	
Gross carrying amount (R'000s)	231,203	69,970	6,450	307,623
Lifetime expected credit losses	1,052	69,970	6,450	77,472
Company				
29 February 2020				
Expected credit loss rate	1.0%	3.0%	100.0%	
Gross carrying amount (R'000s)	129,123	128,009	1,805	258,937
Lifetime expected credit losses	1,278	3,822	1,805	6,905
28 February 2019				
Expected credit loss rate	0.46%	100%	100%	
Gross carrying amount (R'000s)	115,601	69,970	1,805	187,376
Lifetime expected credit losses	526	69,970	1,805	72,301

As referred to in note 18, the Group derecognised in the current year the receivables previously due from EERNL.

The closing balance of the loans and other receivables provision for impairment as at 29 February 2020 reconciles with the loans and other receivables provision for impairment opening balance as follows:

Group	Lifetime expected credit losses R'000	12 month expected credit losses R'000	Credit impaired financial assets (lifetime expected credit losses)[1] R'000	Total R'000
At 1 March 2018 under IFRS 9	132,726	-	-	132,726
Write-offs	(115,825)	-	-	(115,825)
Transfer to credit impaired	(9,941)	-	9,941	-
Changes in risk parameters	1,369	-	60,029	61,398
Other	(827)	-	-	(827)
At 28 February 2019	7,502	-	69,970	77,472
At 1 March 2019	**7,502**	**-**	**69,970**	**77,472**
Exchange differences	**-**	**-**	**8,164**	**8,164**
Write-offs	**-**	**-**	**(78,134)**	**(78,134)**
Changes in risk parameters	**1,505**	**3,822**	**-**	**5,327**
At 29 February 2020	**9,007**	**3,822**	**-**	**12,829**
Company				
At 1 March 2018 under IFRS 9	128,302	-	-	128,302
Write-offs	(115,825)	-	-	(115,825)
Transfer to credit impaired	(9,941)	-	9,941	-
Changes in risk parameters	84	-	60,029	60,113
Other	(289)	-	-	(289)
At 28 February 2019	2,331	-	69,970	72,301
At 1 March 2019	**2,331**	**-**	**69,970**	**72,301**
Write-offs	**-**	**-**	**(78,134)**	**(78,134)**
Exchange differences	**-**	**-**	**8,164**	**8,164**
Changes in risk parameters	**752**	**3,822**	**-**	**4,574**
At 29 February 2020	**3,083**	**3,822**	**-**	**6,905**

[1]- *Attributable to the loan due from EERNL which was derecognised during the year*

Loans to Group companies

The composition of loans to Group companies is provided in note 17. The Group monitors all financial assets that are subject to impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk the Group will measure the loss allowance based on lifetime rather than 12-month ECL. In measuring the expected credit losses, the Group considers the default risk applicable to each debtor with reference to the financial health of the debtor as there are no externally available credit ratings or past payment history.

Loans to Group companies are written off (i.e. derecognised) when there is no reasonable expectation of recovery. The Group has taken into account the underperformance of Afric Oil and Mena is assessing the ECLs. Estimated probabilities of default after taking into account these factors are outlined below.

Company	SacOil DRC	Mena	Afric Oil	Other	Total
29 February 2020					
Expected credit loss rate	**100%**	**80%**	**100%**	**60%**	
Gross carrying amount (R'000s)	**45,907**	**168,729**	**114,553**	**32**	**329,221**
Lifetime expected credit losses	**45,907**	**134,983**	**114,553**	**19**	**295,462**
28 February 2019					
Expected credit loss rate	100%	80%	72%	0%	
Gross carrying amount (R'000s)	40,685	143,733	127,187	28	311,633
Lifetime expected credit losses	40,685	114,986	92,106	-	247,777

The closing balance of the loans to Group companies provision for impairment as at 29 February 2020 reconciles with the loans to Group companies provision for impairment opening balance as follows:

	Lifetime expected credit losses
	R'000
At 1 March 2018	93,029
Arising during the year	154,748
SacOil DRC SARL	40,598
AfricOil Proprietary Limited	92,106
Mena International Petroleum Company Limited	22,044
At 28 February 2019	**247,777**
Balance at 1 March 2019	247,777
Arising during the year	47,685
SacOil DRC SARL	5,222
AfricOil Proprietary Limited	22,447
Mena International Petroleum Company Limited	19,997
RDK Mining Proprietary Limited	19
Balance at 29 February 2020	**295,462**

(c) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. Cash flow forecasting is performed for the operating entities of the Group and aggregated by Group Finance. Group Finance monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows which may differ from the carrying values of the liabilities at the reporting date.

Group	1-3 months R'000	4-6 months R'000	7-12 months R'000	13-24 months R'000	> 24 months R'001	Total R'000
At 29 February 2020						
Trade and other payables	**138,290**	**-**	**-**	**-**	**-**	**138,290**
Borrowings	**16,089**	**15,778**	**30,745**	**57,730**	**97,256**	**217,598**
Lease liabilities	**289**	**289**	**578**	**1,248**	**7,752**	**10,156**
Loan from joint venture	**-**	**12,940**	**-**	**-**	**-**	**12,940**
Total	**154,668**	**29,007**	**31,323**	**58,978**	**105,008**	**378,984**
At 28 February 2019						
Trade and other payables	123,351	-	-	-	-	123,351
Borrowings	2,283	38,190	35,777	66,067	180,696	323,013
Financial liabilities	-	-	104	-	-	104
Finance lease obligation	146	146	292	127	-	711
Loan from joint venture	-	-	11,969	-	-	11,969
Total	125,780	38,336	48,142	66,194	180,696	459,148
Company						
At 29 February 2020						
Loan from Group company	**-**	**-**	**318**	**-**	**-**	**318**
Trade and other payables	**4,684**	**-**	**-**	**-**	**-**	**4,684**
Borrowings	**-**	**-**	**710**	**-**	**-**	**710**
Loan from joint venture	**-**	**12,940**	**-**	**-**	**-**	**12,940**
Total	**4,684**	**12,940**	**1,028**	-	-	**18,652**
At 28 February 2019						
Loan from Group company	-	-	318	-	-	318
Trade and other payables	3785	-	-	-	-	3,785
Borrowings	-	-	380	-	-	380
Financial liabilities	-	-	104	-	-	104
Loan from joint venture	-	-	11,969	-	-	11,969
Total	3,785	-	12,771	-	-	16,556

The Group's ability to meet all its obligations is dependent on its ability to achieve the plans outlined in note 37. The Group's concentration of liquidity risk has been assessed as high with respect to the loan due the UIF. Collateral attributable to the Group's debt is disclosed in note 26.

33.2 Capital management

The Group manages its capital to ensure that it remains a going concern and is sufficiently funded to support its business strategy and maximise shareholder value. The Group's funding needs are met through a combination of debt and equity.

The capital structure of the Group consists of net debt, which includes financial liabilities and equity attributable to equity shareholders of the Company, comprising issued share capital, reserves and accumulated losses as disclosed in the statement of changes in equity, after deducting cash and cash equivalents.

The Group monitors capital on the basis of the net debt ratio, that is, the ratio of net debt to net debt plus equity. The Group aims to achieve a gearing ratio of between 30% and 40%. The net debt ratio at 29 February 2020 was as follow:

	Notes	2020	2019
Short and long term financial liabilities	26	**186,062**	240,720
Trade and other payables	28	**130,936**	114,616
Short and long term lease liabilities	19.1	**6,897**	711
Loan from joint venture	27	**12,940**	11,969
Less: Cash and cash equivalents	23	**(49,588)**	(46,175)
Net debt		**287,247**	321,841
Total equity		**449,985**	437,774
Total capital		**737,232**	759,615
Gearing ratio		**39%**	42%

34 EVENTS AFTER THE REPORTING PERIOD

The Directors are not aware of any material events that occurred after the reporting period and up to the date of this report, other than as disclosed below.

Covid-19

Not long after the 29 February 2020 South Africa reported its first case of covid-19 and the pandemic has had an unprecedented impact on the local and global economy. The economic consequences of covid-19 as it relates to the Group and the countries in which it operates emerged after the balance sheet date and as such the Board assessed that covid-19 and its effects are non-adjusting events.

Entities within the Group are classified as essential services and were able to operate even during the strict lockdown imposed by the government for the most part of the financial year, to help curb the spread of covid-19. Regrettably, although we were well prepared to serve our many customers in the public and private sectors, the demand for fuel products decreased significantly since the commencement of the lockdown in March 2020. Shortages of fuel products in during the financial year due to the shutdown of the refineries during the lockdown and sabotage on the Transnet multi-product pipeline further decreased the overall volumes sold by the Group. The Group's debtors have also been impacted by the pandemic and are struggling to fulfill the credit terms. The Board has therefore assessed that covid-19 has had a material impact on our business post the statement of financial position date.

Covid-19 is expected to continue to have a negative impact on the economy and in turn on the financial performance of the Group. In February 2020, having completed our strategic planning for the financial year ended 28 February 2021, we were confident that we were on a path to growth, especially given the new customers we had secured in the earlier months of that financial year. Like many, no one could have predicted our current operating context and we have had to adjust our plans in the face of this challenge in order to prevail in the existing market conditions. That said, whilst it is difficult to predict the short-term to long-term impact of the pandemic, we have analysed the projected performance of the Group and have highlighted material uncertainties that exist with respect to the viability of the Group as outlined in note 37.

The Group will keep a close eye on further developments as the impact of the covid-19 pandemic continues to unfold and will continue to assess the Group's responses to these developments to ensure the effectiveness of measures implemented to safeguard the sustainability of the Group.

Notice of demand from a lender

Afric Oil is in default of loan repayment obligations and is in breach of debt covenants on the UIF loan as mentioned in note 26. On 15 January it received a notice from the PIC, manager of the UIF, demanding settlement of R56.4 million in outstanding loan repayments by 12 February 2021. As at the date of this report, Afric Oil has been unable to make this payment due to continued cash flow constraints.

In an effort to seek recapitalisation of the business and further consideration of the loan restructuring proposal, Afric Oil called an extraordinary meeting with its shareholders, the Compensation Fund and Efora Energy Limited which hold 29% and 71% interests in the company, respectively. Afric Oil proposed for its shareholders to inject R380.0 million in the business and to reconsider the loan restructuring proposal. AfricOil could not obtain the 75% vote required for the resolution to pass. As such the recapitalisation of the business and loan restructuring could not be pursued further.

Interim court order issued against Afric Oil

On 14 April 2021, the Company announced that the UIF had obtained an interim court order against Afric Oil, a material subsidiary of the Company, the effect of which was to take possession of moveable and immoveable assets of Afric Oil pursuant to the terms of the loan agreement between the parties. Under the terms of this loan agreement, the UIF advanced R210.0 million to Afric Oil in February 2017 of which R196.1 million remains due and payable as 28 February 2021. Afric Oil is in breach of loan covenants and is also now in arrears on the loan repayments.

Notice of business rescue relating to Afric Oil

On 20 April 2021, the Company announced that its key subsidiary, Afric Oil, had been placed under business rescue on the basis of financial distress and the inability to operate the business with unrestricted access and use of assets. This followed the court order obtained by the UIF to perfect its security for the debt owed by Afric Oil as highlighted above. Mr. Phahlani Mkhombo and Mr Moses Singo were appointed as the business rescue practitioners. At this stage, it is uncertain which of Afric Oil's operations will continue and on what basis, following the conclusion of the business rescue process.

Transcorp

Following summarised judgements issued by the Nigeria Court of Appeal on 27 May 2020 which ordered SacOil 281 and EER 281 ("the Parties") to proceed with arbitration in their claim against Transcorp, and following further engagement with the latter, the Parties and Transcorp reached a settlement agreement on 9 November 2020 the terms of which are summarised below:

- The payment of US$500,000 by Transcorp to the Parties 10 business days after the execution of the settlement agreement (amount was received);
- 4 quarterly payments of US$1,250,000 each to be made by Transcorp to the Parties on the last business day of each quarter (based on calendar year) commencing on 31 March 2021;
- Transcorp reserves the right to defer the payment of US$500,000 of the last quarterly payment expected on 31 December 2021 to the first quarter of 2022;
- All such payments to be made to Efora pursuant to a prior settlement agreement reached between the Parties;
- Dismissal of all lawsuits and disputes by the Parties and Transcorp;
- All payments made as set out to represent full and final settlement of Transcorp's indebtedness to the Parties.

The settlement agreement has been treated as a non-adjusting event.

Compromise with Encha

During August 2020 the Company entered into a compromise with Encha, whereby Encha will now settle an agreed amount of R85.75 million over a 4 year period. R5.75 million of this amount was paid in August 2020 and September 2020. Thereafter, R20.0 million will become due and payable on 30 June of each year for a 4 year period.

Efora has reserved its rights to recover the full arbitration appeal award in the event that Encha fails to pay any amounts under the compromise as they become due and payable. Encha will be required to ensure that its auditors provide an audit certificate to Efora reflecting its net asset value by 30 April of each year, whilst any portion of the R85.75 million remains outstanding.

The compromise with Encha has been treated as a non-adjusting event.

Loss of a material contract

The Group was not able to obtain the renewal of a material contract with a key customer which accounted for 38% of the Group's revenue for the financial year ended 29 February 2020. The contract ended on 30 September 2020.

Approval of plan to dispose of the Group's interest in Mena International Petroleum Company Limited ("Mena")

On 29 June 2020, the Board approved a plan to dispose of the Group's 100% interest in Mena which owns the Lagia Oil Field. The Group has been unable to further develop the field in order to increase oil output due to funding constraints. In addition, the heavy oil reserves at the field continue to pose operational challenges, especially at the prevailing oil prices. The assets and liabilities of Mena are shown under the Egypt segment in note 5.

35 COMMITMENTS AND CONTINGENT LIABILITIES

Capital commitments

The Group has no capital commitments other than as disclosed in note 19.

Claimed transaction fees

Gem Capital issued summons against Afric Oil Proprietary Limited on 11 October 2017. The claim is twofold:

1. Gem Capital is claiming outstanding fees for assisting Afric Oil with the procurement of financing from the Public Investment Corporation to purchase Forever Fuels. The claim is for an outstanding amount of R0.5 million plus interest at 2% above prime rate from 22 May 2017. The claim is being opposed by the company's attorneys TGR Attorneys.
2. Gem Capital is claiming success fees for providing advice and assistance with the "SacOil" (now Efora) transaction, being the acquisition of Afric Oil by Efora for R200 million (correct purchase price is R126.8 million). The claim is for R6.8 million plus interest at 2% above prime rate from 31 May 2018. The claim is being opposed by the company's attorneys, TGR Attorneys.

Noble Company Proprietary Limited issued summons against Afric Oil Proprietary Limited claiming R1.4 million in capital raising fees. The claim is being opposed by the company's attorneys, TGR Attorneys.

The outcome of these matters cannot be estimated at this point in time and accordingly, no provision was recognised at 29 February 2020.

36 IMPAIRMENT OF NON-CURRENT ASSETS

2020

Group

Oil and gas assets and other intangible assets

A provision for impairment of R67.0 million (US$4.3 million) (2019: R152.3 million (US$10.9 million)) was recognised with respect to the Lagia oil and gas properties (R53.5 million) and petroleum reserves (R13.5 million) (see notes 14 and 20) under other operating costs within the Egypt segment. The carrying amounts of the Lagia oil and gas assets and petroleum reserves were compared to their recoverable amounts. The recoverable amounts were negatively impacted by (a) changes in the oil sales price forecast, (b) changes in the oil production forecast, (c) the effect of rolling the report forward by one year, while the end of the licence term remains fixed and (d) a change in the discount rate. The recoverable amount of the oil and gas assets and petroleum reserves of R40.3 million (US$2.6 million) was determined using value in use calculations where future cash flows were estimated and discounted at a weighted average cost of capital of 17.4% (2019: 10.0%).

Forever Fuels customer relationships and brand

The customer relationships with a carrying amount of R41.7 million and the brand with a carrying amount of R4.4 million allocated to the Forever Fuels CGU on acquisition were tested for impairment as at 29 February 2020 as a result of the decreased volumes generated by the business. The carrying amount of the CGU was compared to its recoverable amount which was determined through value-in-use calculations where future cashflows were estimated and discounted at the weighted average cost of capital. The recoverable amount of the Forever Fuels CGU as at 29 February 2020 was determined to be nil. The discount rate applied to the cash flow projections was 11.62%. As a result of the analysis, management recognised an impairment of R45.1 million for the Forever Fuels CGU of which R41.7 was allocated against customer relations and R3.4 million against the brand (see note 20).

Key assumptions used in determining the value in use are summarised below.

- Gross margins
- Discount rate
- Market share during the budget period
- Growth rates used to extrapolate cash flows beyond the budget period

Gross margins: Gross margins are based on average values achieved from current trading activities and are derived from regulated wholesale prices.

Discount rates: The discount rate calculation is based on the specific circumstances of the Group and is derived from its weighted average cost of capital ("WACC") as referred to below.

Market share: Management expects the Group's share of the petroleum products market to be stable over the forecast period.

Growth rates: Based on the estimated growth rate for the petroleum products sector.

The impairment above was due to loss-making operations mainly as a result of decreased volumes sold by the business. The impairment has been recognised in the statement of comprehensive income under other operating costs.

2019

Group

Goodwill

The goodwill of R62.8 million allocated to the Afric Oil cash generating unit ("CGU") on acquisition was tested for impairment as at 28 February 2019. The CGU was compared to its recoverable amount which was determined through value-in-use calculations where future cashflows were estimated and discounted at the weighted average cost of capital. The recoverable amount of the Afric Oil CGU as at 28 February 2019 was determined to be R104.4 million excluding the Group's share of debt. The discount rate applied to the cash flow projections was 12.05%. As a result of the analysis, management recognised an impairment of R62.8 million for the Afric Oil CGU which was allocated against goodwill. Key assumptions used in determining the value in use are summarised below:

- Gross margins
- Discount rate
- Market share during the budget period
- Growth rates used to extrapolate cash flows beyond the budget period

Gross margins: Gross margins were based on average values achieved from trading activities and were derived from regulated wholesale prices.

Discount rates: The discount rate calculation was based on the specific circumstances of the Group at the time and was derived from its weighted average cost of capital ("WACC").

Market share: Management expected that the Group’s share of the petroleum products market would be stable over the forecast period.

Growth rates: Based on the estimated growth rate for the petroleum products sector.

The projected cash flows were updated to reflect the decreased volumes generated by the business.

Oil and gas assets and other intangible assets

A provision for impairment of R152.3 million (US$10.9 million) (2018: Nil) was recognised with respect to the Lagia oil and gas properties (R121.5 million) and petroleum reserves (R30.7 million) (see notes 14 and 20) under other operating costs within the Egypt segment. The impairment was a result of the reduction in Lagia 2P reserves and therefore the recoverable amount as reported in the 2019 Competent Persons Report (CPR) relative to the 2018 CPR. The recoverable amount was negatively impacted by (a) changes in the oil sales price forecast, (b) changes in the oil production forecast and (c) the effect of rolling the report forward by one year, while the end of the licence term remains fixed. The oil sales price forecast in the 2019 CPR was 12.5% lower on average over the field life. The 2P production profile in the 2019 CPR was approximately 89% lower for the 2019 calendar year due to the fact that no new production wells were drilled in 2018. The assumption in the 2018 CPR was that 8 new production wells would be drilled. The production associated with these wells was therefore not included in the 2019 forecast. This difference was expected to continue at a reducing rate up to 2025 when production from the 8 wells would have terminated.

The recoverable amount of the oil and gas assets and petroleum reserves of R101.2 million (US$7.2 million) was determined using value in use calculations where future cash flows were estimated and discounted at a weighted average cost of capital of 10%.

Forever Fuels goodwill, customer relationships and brands

The goodwill of R68.1 million, customer relationships with a carrying amount of R59.5 million and brands with a carrying amount of R5.8 million allocated to the Forever Fuels CGU on acquisition were tested for impairment as at 28 February 2019. The CGU was compared to its recoverable amount which was determined through value-in-use calculations where future cashflows were estimated and discounted at the weighted average cost of capital. The recoverable amount of the Forever Fuels CGU as at 28 February 2019 was determined to be R57.2 million. The discount rate applied to the cash flow projections was 12.05%. As a result of the analysis, management recognised an impairment of R76.7 million for the Forever Fuels CGU of which R68.1 million was allocated against goodwill. The remainder of the impairment charge was allocated to brands and customer relationships on an apportionment basis as shown in note 20.

Key assumptions used in determining the value in use are similar to those applied for the Afric Oil CGU as both entities operate in a similar market. The projected cash flows have been updated to reflect the decreased volumes generated by the business.

Boland

The goodwill of R4.0 million allocated to the Boland CGU on acquisition was tested for impairment as at 28 February 2019. The CGU was compared to its recoverable amount which was determined through value-in-use calculations where future cashflows were estimated and discounted at the weighted average cost of capital. The recoverable amount of the Boland CGU as at 28 February 2019 was determined to be R6.5 million. The discount rate applied to the cash flow projections was 12.05%. As a result of the analysis, management recognised an impairment of R4.0 million for the Boland CGU which was allocated against goodwill. The impairments above were a result of loss making operations.

Investment in joint venture

The Company performed an impairment assessment of its investment in SEER by comparing the carrying amount of the investment to its recoverable amount of Rnil which resulted in the full impairment of the investment by R8.1 million.

Company

Investments in subsidiaries

Provisions for impairment of the following subsidiaries have been recognised in the statement of comprehensive income under other operating costs:

	2020 R'000	2019 R'000
SacOil 233 Nigeria Limited[1]	**1**	-
SacOil 281 Nigeria Limited[1]	**1**	-
SacOil Holdings Nigeria Limited[1]	**1**	-
Pioneer Coal Proprietary Limited[1]	**318**	-
Transfer Holdings Proprietary Limited[1]	**3**	-
Afric Oil Proprietary Limited	**-**	126,758
Mena International Petroleum Company Limited	**-**	79,283
SacOil Proprietary Limited	**-**	19,818
RDK Mining Proprietary Limited	**-**	7,582
	323	233,441

[1]- Subsidiaries are dormant and are in the process of being wound up. As a result these investments have been fully impaired.

2019

Afric Oil Proprietary Limited

The Company performed an impairment assessment of its investment in Afric Oil Proprietary Limited by comparing the carrying amount of the investment to the recoverable amount of R104.4 million excluding the Group's share of debt, calculated as highlighted above, which resulted in the full impairment of the investment.

Mena International Petroleum Limited

The Company performed an impairment assessment of its investment in Mena International Company Limited by comparing the carrying amount of the investment to the recoverable amount of R101.2 million calculated as highlighted under the oil and gas assets and other intangible assets section above, which resulted in an impairment of R79.3 million. Mena International Petroleum Company Limited's primary asset is the Lagia Oil Field which is represented in the Group's oil and gas properties and other intangible assets.

SacOil Proprietary Limited

The Company performed an impairment assessment of its investment in SacOil Proprietary Limited by comparing the carrying amount of the investment to its net asset value of Rnil, which resulted in the full impairment of the investment. The full impairment of SacOil Proprietary Limited's only asset, a loan and other receivable, resulted in its net asset value becoming Rnil.

RDK Mining

The Company performed an impairment assessment of its investment in SacOil Proprietary Limited by comparing the carrying amount of the investment to its net asset value of R17.0, which resulted in the impairment of the investment of R7.6 million. The full impairment of SacOil Proprietary Limited's only asset, a loan and other receivable, resulted in its net asset value becoming Rnil.

WACC

The WACC used in the Group's various impairment assessments takes into account both debt and equity, weighted at 20% and 80%, respectively. The cost of equity is derived from the expected return on investment by the Group's investors. The cost of debt is based on the interest-bearing borrowings the Group is obliged to service. Segment-specific risk is incorporated by applying individual beta factors. The beta factors are evaluated annually based on publicly available market data. Discount rates represent the current market assessment of the risks specific to each CGU.

37 GOING CONCERN

The Group was negatively impacted by the underperformance of its key subsidiaries, Afric Oil and Mena, and for the year ended 29 February 2020 generated cash totalling R6.2 million (2019: utilisation of R10.9 million). As disclosed in note 34, Afric Oil was subsequently placed under business rescue in April 2021 and in June 2020 the board made the decision to dispose of its interest in Mena. Management has therefore taken these developments into account in performing its going concern assessment for the Group.

The Group cash flow forecast ("Forecast") to September 2022 ("Forecast Period") includes expected cash receipts from Encha and Transcorp which form the primary income streams for the Forecast Period as there are no material cash inflows expected from either Afric Oil or Mena given the developments mentioned above. In addition, Efora will not be required to provide further financial assistance to Afric Oil by virtue of the nature of the business rescue process, which upon completion will result in the full discharge of Afric Oil's indebtedness to its creditors.

The Forecast therefore indicates that the Group will be adequately funded based on the funds expected from Encha and Transcorp, however, uncertainties exist with respect to the recovery, and extent thereof, of amounts owed to the Group by these parties.

Recovery of funds from Encha

Included in the Forecast is R40.0 million receivable from Encha during the Forecast Period pursuant to compromise arrangement reached in August 2020 (see note 34). One cannot say with certainty that the funds expected will be received as and when they become due.

Recovery of funds from Transcorp

Included in the Forecast is R52.1 million receivable from Transcorp during the Forecast Period arising from the settlement agreement concluded in November 2020 (see note 34) One cannot say with certainty that the funds expected will be received as and when they become due.

Conclusion

Whilst the uncertainties as highlighted above exist, management has prepared the financial statements on a going concern basis as it has considered that it is reasonable to conclude that the Group will be able to recover funds owed to the Group given the payment history over the past year relating to these counterparties.

In the event that the Group receives funds from either counterparty, it will still be able to meet its financial obligations in the ordinary course of business. Should both parties default and the expected cash inflows do not materialise, the Group will be unable to meet its financial obligations in the normal course of business from July 2021 and a deficit of R35.6 million will exist for the Forecast Period. The same will apply to the Company which is also dependent on the payments from Encha and Transcorp.

ANALYSIS OF REGISTERED SHAREHOLDERS

For the year ended 29 February 2020

Company: Efora Energy Limited
Issued Share Capital: 1,103,834,635

In accordance with the JSE Limited Listings Requirements the following table confirm that the spread of registered shareholders of the Company as at 28 February 2020 is as follows:

	Number of shareholdings	%	Number of shares	%
SHAREHOLDER SPREAD				
1 - 1 000 shares	1,721	51.86	432,566	0.04
1 001 - 10 000 shares	973	29.32	3,871,054	0.35
10 001 - 100 000 shares	496	14.94	16,959,169	1.54
100 001 - 1 000 000 shares	109	3.28	33,766,562	3.06
1 000 001 - 10 000 000 shares	17	0.51	46,078,965	4.17
10 000 001 shares and over	3	0.09	1,002,726,319	90.84
Total	**3,319**	**100.00**	**1,103,834,635**	**100.00**
DISTRIBUTION OF SHAREHOLDERS				
Banks/Brokers	139	4.19	18,837,056	1.71
Close Corporations	37	1.11	4,618,638	0.42
Endowment Funds	4	0.12	314,113	0.03
Individuals	2,994	90.21	62,469,378	5.66
Insurance Companies	2	0.06	4,461,674	0.40
Investment Companies	2	0.06	69,994	0.01
Mutual Funds	1	0.03	70,576	0.01
Other Corporations	29	0.87	1,018,910	0.08
Private Companies	46	1.39	51,946,219	4.71
Public Companies	13	0.39	4,720,448	0.43
Retirement Funds	1	0.03	953,078,829	86.34
Trusts	51	1.54	2,228,800	0.20
Total	**3,319**	**100.00**	**1,103,834,635**	**100.00**
PUBLIC / NON - PUBLIC SHAREHOLDERS				
Non - Public Shareholders	**2**	**0.06**	**953,152,027**	**86.35**
Directors	1	0.03	73,198	0.01
Strategic Holdings (more than 10%)	1	0.03	953,078,829	86.34
Public Shareholders	**3,317**	**99.94**	**150,682,608**	**13.65**
Totals	**3,319**	**100.00**	**1,103,834,635**	**100.00**
Beneficial shareholders holding 5% or more				
Government Employees Pension Fund			953,078,829	86.34
Total			**953,078,829**	**86.34**

DATES OF IMPORTANCE TO SHAREHOLDERS

Annual General Meeting	30 July 2021

CORPORATE INFORMATION

COMPANY NAME
Efora Energy Limited

COUNTRY OF INCORPORATION
The Republic of South Africa

LEGAL FORM
Public interest entity

REGISTRATION NUMBER
1993/000460/06

SHARE CODE
JSE code: EEL
ISIN: ZAE000248258
LEI: 213800Z9GDANDTE13745

REGISTERED OFFICE, DOMICILE AND PHYSICAL ADDRESS
2nd Floor, Building 11, Design Quarter District, Leslie Ave, Fourways, 2191

POSTAL ADDRESS
PostNet Suite 211, Private Bag X75, Bryanston, 2021

CONTACT DETAILS
Tel: +27 (0) 10 591 2260
Fax: +27 (0) 10 591 2268

General queries: info@eforaenergy.com
Investor and shareholder queries: investorrelations@eforaenergy.com
Media queries: media@eforaenergy.com
Twitter: @EforaEnergy
LinkedIn: Efora Energy Limited

ADVISERS

COMPANY SECRETARY
Fusion Corporate Secretarial Services Proprietary Limited

TRANSFER SECRETARIES
Link Market Services South Africa Proprietary Limited

JSE SPONSOR
PSG Capital Proprietary Limited

AUDITORS

EXTERNAL AUDITORS
SizweNtsalubaGobodo Grant Thornton Inc.

INTERNAL AUDITORS
BDO Advisory Services Proprietary Limited