Life Healthcare Funding Limited
(formerly Shiluvana Residential Facility Proprietary Limited)
(Registration number 2016/273566/06)

Audited annual and interim financial statements
for the period ended 31 March 2022

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Borrowing and/or lending of funds
Directors	A Myataza M Naidoo PP van der Westhuizen
Registered office	Building 2 Oxford Parks 203 Oxford Road Cnr Eastwood and Oxford Roads Dunkeld 2196
Registered office	Building 2 Oxford Parks 203 Oxford Road Cnr Eastwood and Oxford Roads Dunkeld 2196
Business address	Building 2 Oxford Parks 203 Oxford Road Cnr Eastwood and Oxford Roads Dunkeld 2196
Postal address	Private Bag X13 Northlands 2116
Holding company	Life Healthcare Group Holdings Limited incorporated in the Republic of South Africa
Auditors	Deloitte & Touche
Secretary	Life Healthcare Group Proprietary Limited
Company registration number	2016/273566/07

Preparation of the annual and interim financial statements

These audited annual and interim financial statements have been audited by our external auditors, Deloitte & Touche. The preparation of the audited annual and interim financial statements were supervised by J Reeves (Group Financial Controller).

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Directors' Responsibilities and Approval

The directors are responsible for the preparation, integrity and fair presentation of the audited annual financial statements of the company in accordance with International Financial Reporting Standards (IFRS) and the Companies Act, No 71 of 2008 (as amended) (Companies Act).

The directors consider that the most appropriate accounting policies, consistently applied (apart from the adoption of new accounting standards) and supported by reasonable and prudent judgements and estimates, have been used in the preparation of the financial statements and that all IFRS that they consider to be applicable have been followed. The directors are satisfied that the information contained in the financial statements fairly presents the financial position of the company at 31 March 2022 and 30 September 2021, and its financial performance and cash flows for the year then ended. The directors are also responsible for reviewing all information included in the financial statements and ensuring both its accuracy and its consistency.

The directors have the responsibility for ensuring that accounting records are kept. The accounting records disclose, with reasonable accuracy, the financial position of the company and enable the directors to ensure that the financial statements comply with the relevant legislation.

The company operated in a well-established control environment, which is well documented and regularly reviewed. This incorporates risk management and internal control procedures, which are designed to provide reasonable, but not absolute, assurance that assets are safeguarded and the risks facing the business are being controlled. Nothing has come to the attention of the directors to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the year under review, other than disclosed in the directors report.

The going concern basis has been adopted in preparing the financial statements. The directors have no reason to believe that the company will not be a going concern in the foreseeable future, based on forecasts, available cash resources and available group banking facilities.

The Code of Corporate Practices and Conduct has been adhered to.

The company's external auditors, Deloitte & Touche, audited the financial statements, and their audit report is presented on pages 5 to 6.

Approval of financial statements

The audited annual and interim financial statements set out on pages 4, and 7 to 16 were approved by the board on 1 June 2022 and were signed on their behalf by:

PP van der Westhuizen

Myataza
A Myataza

Statement of Company Secretary

In terms of the Companies Act, all returns submitted as required by the Companies Act are true, correct and up to date and have been lodged with the Registrar.

Directors' Report

The directors have pleasure in submitting their report on the audited annual and interim financial statements of Life Healthcare Funding Limited for the period ended 31 March 2022.

1. Nature of business

Life Healthcare Funding Limited was incorporated in South Africa and it is the company's business is to borrow and/or lending of funds .

2. Review of financial results and activities

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

Full details of the financial position, results of operations and cash flows of the company are set out in these audited annual and interim financial statements and do not in our opinion require any further comment.

3. Share capital

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

4. Dividends

No dividends were declared during the period under review.

5. Directorate

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

Directors	Changes
A Myataza	Appointed 11 May 2022
M Naidoo	
MTG Stafford	Resigned 11 May 2022
PP van der Westhuizen	Appointed 11 May 2022

6. Directors' interests in contracts

During the financial year, no contracts were entered into which directors or officers of the company had an interest in and which significantly affected the business of the company.

7. Holding company

The company's holding company is Life Healthcare Group Holdings Limited, incorporated in the Republic of South Africa.

8. Ultimate holding company

The company's ultimate holding company is Life Healthcare Group Holdings Limited, incorporated in the Republic of South Africa.

9. Special resolutions

The following special resolutions were passed in writing by the shareholders of the company:

- General authority was granted to the directors to enable them, subject to the provisions of sections 44 and 45 of the Companie Act, to authorise the company to provide financial assistance to related and inter-related companies of the company.
- The company name was changed from Shiluvana Residential Facility Proprietary Limited to Life Healthcare Funding Limited.
- The existing Memorandum of Incorporation was abrogated in its entirety and replaced with a new Memorandum of Incorporation

10. Events after the reporting period

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

12. Going concern

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

13. Auditors

Deloitte & Touche were appointed as auditors for the company for 2021, in accordance with section 90(1) of the Companies Act.

14. Secretary

The company secretary is Life Healthcare Group Proprietary Limited.

Postal address	Private Bag X13 Northlands 2116
Business address	Building 2 Oxford Parks 203 Oxford Road Cnr Eastwood and Oxford Roads Dunkeld 2196

15. Liquidity and solvency

The directors have performed the required liquidity and solvency test required by the Companies Act and are satisfied with the financial performance and position of the company.

Deloitte.

Private Bag X6
Gallo Manor 2052
South Africa

Deloitte & Touche
Registered Auditors
Audit & Assurance - Deloitte
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INDEPENDENT AUDITOR'S REPORT
To the Shareholders of Life Healthcare Funding Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Life Healthcare Funding Limited set out on pages 7 to 16, which comprise the statement of financial position as 31 March 2022 and the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the period then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Life Healthcare Funding Limited as at 31 March 2022, and its financial performance and cash flows for the period then ended in accordance with International Financial Reporting Standards (IFRSs) and the requirements of the Companies Act of South Africa.

Basis for Opinion

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

Other Information

The directors are responsible for the other information. The other information comprises the information which includes the Directors' Report as required by the Companies Act of South Africa. The other information does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDER OF LIFE HEALTHCARE FUNDING LIMITED
(CONTINUED)

Responsibilities of the Directors for the financial statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

DocuSigned by:
Deloitte & Touche
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Deloitte & Touche
Registered Auditor
Per: James Welch
Partner
5 Magwa Cresent
Waterfall City
Waterfall

Statement of Financial Position as at 31 March 2022

Figures in Rand	Note(s)	31 Mar 22	30 Sep 21	31 Mar 21
Assets				
Current Assets				
Loans to group companies	4	1	1	1
Total Assets		**1**	**1**	**1**
Equity and Liabilities				
Equity				
Stated capital	6	1	1	1
Retained income/ (Accumulated loss)		-	-	-
		1	**1**	**1**
Total Equity and Liabilities		**1**	**1**	**1**

Statement of Profit or Loss and Other Comprehensive Income

Figures in Rand	Note(s)	31 Mar 22	30 Sep 21	31 Mar 21
Revenue		-	-	-
Other expenses		-	-	-
Operating profit/(loss)		-	-	-
Finance income		-	-	-
Finance costs		-	-	-
Profit/(loss) before taxation		-	-	-
Tax expense		-	-	-
Profit/(loss) for the year		-	-	-
Other comprehensive income, net of tax		-	-	-
Total comprehensive income/(loss) for the period		-	-	-

Statement of Changes in Equity

Figures in Rand	Stated capital	Retained income / (Accumulated loss)	Total equity
Balance at 1 October 2020	1	-	1
Profit/(loss) after tax	-	-	-
Other comprehensive income	-	-	-
Total comprehensive (loss) for the year	-	-	-
Balance at 1 April 2021	1	-	1
Profit/(loss) after tax	-	-	-
Other comprehensive income	-	-	-
Total comprehensive (loss) for the year	-	-	-
Balance at 01 October 2021	1	-	1
Profit/(loss) after tax	-	-	-
Other comprehensive income	-	-	-
Total comprehensive income/(loss) for the year	-	-	-
Balance at 31 March 2022	1	-	1
Note	6		

Accounting Policies

1. Basis of preparation, critical judgements and accounting estimates and assumptions

1.1 Basis of preparation

The audited annual and interim financial statements present the financial position and changes therein, operating results and cash flow information of Life Healthcare Funding Limited, and have been prepared on a historical cost basis, unless otherwise stated.

These audited annual and interim financial statements have been prepared in accordance with:

- International Financial Reporting Standards (IFRS)(with the exceptio of going concern) and International Financial Reporting Interpretations Committee (IFRIC) interpretations effective for the company's financial year.
- SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council.
- South African Companies Act, No 71 of 2008 (as amended)

The audited annual and interim financial statements are presented in Rands, which is the company's functional and presentation currency.

1.2 Critical judgements, accounting estimates and assumptions

The preparation of audited annual and interim financial statements requires the use of critical accounting estimates and assumptions and requires management to exercise judgements in the process of applying the company's accounting policies.

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results.

1.3 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

The company has the following financial assets:

- Loans to group companies

Initial recognition and measurement

Financial assets in the company are classified at initial recognition and subsequently measured as either amortised cost or fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the company's business model managing it.

The company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

On initial recognition:

- Financial assets held at fair value through profit and loss are measured initially at fair value, excluding transaction cost.
- Trade receivables, which do not have a significant financing component, are initially measured at the transaction price determined under IFRS 15, including transaction costs.
- All other financial assets are initially measured at fair value, including transaction costs.

Subsequent measurement

Financial assets are subsequently measured at amortised cost.

The company's financial assets at amortised cost includes loans to group companies.

The company measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held with the objective to collect contractual cash flows, and
- The contractual terms of the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding. This assessment is referred to as the SPPI test (solely payments of principal and interest) and is performed at an instrument level.

If it fails the above criteria it will be classified as fair value through profit or loss.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial asset have expired or the company has transferred its rights to receive cash flows from the asset or has assumed the obligation and either:

- The company has transferred substantially all risks and rewards of the assets, or
- The company has neither transferred nor retained substantially all risks and rewards, but has transferred control of the asset.

When the company has transferred its rights to receive cash flows from an asset it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the company has retained.

Accounting Policies

1.3 Financial instruments (continued)

Impairment of financial assets

Further disclosures relating to the impairment of financial assets are also provided in the risk management note.

The company recognises an allowance for ECLs for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between contractual cash flows due in accordance with the contract and all the cash flows that the company expects to receive, discounted at an approximation of the original effective interest rate.

Loans are valued based on the risk of the counterparty on the comprehensive method. All loans are considered to be stage 1. The probability of default and loss given default are measured using Moody's Analytics RiskCalc solution which compares the company's financial information to an extensive database of company financial information. These are then converted to point in time measures taking into account forward looking macro-economic forecasts.

1.4 Capital and reserves

Stated capital comprises share capital.

Share capital issued by the company is recorded at the proceeds received, net of issue costs.

Incremental costs directly attributable to the issue of new shares or options, other than in connection with a business combination, are shown in equity as a deduction, net of tax, from the proceeds.

Notes to the Audited Annual Financial Statements

2. New Accounting standards and IFRIC interpretations

2.1 New and amended accounting standards adopted by the company

The company has applied the following standards, amendments and interpretations for the first time for the annual reporting period commencing 1 October 2020:

- Amendments to references to the reference to the Conceptual Framework in IFRS standards.
- Amendment to IAS 1 and IAS 8 - introduced a consistent definition of materiality throughout IFRS and the Conceptual Framework for Financial Reporting, clarifying when information is material and incorporates some of the guidance in IAS 1 about immaterial information.
- Amendments to IFRS 3 - amendment to the definition of a business.
- Amendments to IFRS 9, IAS 39 and IFRS 7 relating to interest rate benchmark reform phase 1.

Impact
The implementation of these standards and amendments had no material financial impact on the company.

2.2 New accounting standards, amendments and IFRIC interpretations not yet effective and not early adopted

The following amendments and IFRICs are effective for annual periods beginning on or after 1 January 2021

- Amendments to IFRS 3 to update and outdated reference to the Conceptual Framework in IFRS 3 without significantly changing the requirements in the standard. (1 January 2022)
- Amendments to IFRS 7, IFRS 9 and IAS 39 - interest rate benchmark reform phase 2. (1 January 2021)
- Amendments to IAS 16 - the amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. (1 January 2022)
- Amendments to IAS 37 Onerous contracts - the amendments specify that the cost of fulfilling a contract comprises the costs that relate directly to the contract. (1 January 2022)
- Amendments to IAS 1 - the amendments aim to promote consistency in applying the requirements by helping companies determine whether debt and other liabilities with an uncertain settlement date should be classified as current or non-current. (1 January 2023
- Amendment to IAS 1 and IFRS Practice Statement 2 - the amendments require that an entity discloses its material accounting policies, instead of its significant accounting policies. (1 January 2023)
- Amendment to IAS 8 - the amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. (1 January 2023)
- Amendment to IAS 12 - the amendments clarify that the initial recognition exemption does not apply to transactions in which equal amounts of deductible and taxable temporary differences arise on initial recognition. (1 January 2023)
- Annual improvements 2018-2020 cycle - amendments and clarifications to existing IFRS standards. (1 January 2022)

All the amendments and IFRICs listed above are not expected to have a material impact on the company in the current or future periods.

3. Risk management

The company forms part of the Life Healthcare Group of companies.

The Group's overall risk management programme focuses, inter alia, on the unpredictability of financial markets and seeks to minimise potential adverse effects of the Group's financial performance. The Group uses derivative financial instruments to hedge interest and foreign currency risk exposures.

Financial risk management is carried out by a central treasury department (treasury) of Life Healthcare Group Proprietary Limited under policies approved by the Group investment committee.

Treasury identifies, evaluates and economically hedges financial risks in close co-operation with the company. The Group has written principles for overall financial risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risks, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

Capital risk management

The company's capital structure is monitored and managed by Life Healthcare Group Proprietary Limited. Life Healthcare Group Proprietary Limited borrows mostly at group level.

The company's objective when managing capital is to safeguard the company's ability to continue as a going concern in order to provide returns to shareholders and to provide for sufficient capital expansion. The capital structure of the company consists of debt, which includes borrowings, and equity as disclosed in the statement of financial position. The Group uses the net debt to normalised EBITDA ratio, as defined in the debt agreements, to measure the funding requirements in the form of debt or equity. Normalised EBITDA is defined as earnings before interest, tax, depreciation and amortisation, adjusted for non recurring items.

In order to maintain or adjust the capital structure, the company may adjust the amount of distributions paid to shareholders, return capital to shareholders, issue new shares or sell assets to manage the debt level, in consultation with Life Healthcare Group Proprietary Limited.

There have been no changes to what the entity manages as capital, the strategy for capital maintenance or externally imposed capital requirements from the previous year.

Notes to the Audited Annual Financial Statements

3. Risk management (continued)

Financial risk management

The company's activities expose it to a variety of financial risks:

- Credit risk;
- Liquidity risk; and
- Market risk (including foreign exchange risk, fair value interest rate risk and cash flow interest rate risk).

Credit risk

Credit risk is managed by Life Healthcare Group Proprietary Limited by a central credit control department.

Credit risk arises mainly from other assets. Credit risk is the risk of financial loss due to counterparties to financial instruments not meeting their contractual obligations. The company mainly deposits cash with Life Healthcare Group Proprietary Limited. Life Healthcare Group Proprietary Limited deposits surplus cash with major banks with high quality credit standing and maintains an appropriate spread of cash deposits between various financial institutions to limit the exposure to any one counterparty. For banks and financial institutions, only independently rated parties with a minimum Moody rating "Baa+" for South African banks are accepted.

Financial assets exposed to credit risk at year end were as follows:

	Gross carrying amount	Credit loss allowance	Amortised cost/fair value
Loans to group companies - 31 March 2022	1	-	1
Loans to group companies - 30 September 2021	1	-	1
Loans to group companies - 31 March 2021	1	-	1

The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial asset disclosed in this note.

Liquidity risk

The company's exposure to liquidity risk is managed by Life Healthcare Group Proprietary Limited.

Liquidity risk is the risk that an entity will not be able to meet its obligations as they become due. Financial liabilities of the company with contractual cash flows and maturity dates are exposed to liquidity risk.

The company participates in the Life Healthcare Group Proprietary Limited's cash facilities and its liquidity requirements are managed by the central treasury department.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through adequate amount of committed credit facilities and the ability to close out market positions. The Group's liquidity risk is mitigated by the availability of funds to cover future commitments. The Group manages liquidity risk through an ongoing review of future commitments and credit facilities. Due to the dynamic nature of the underlying businesses, treasury maintains flexibility in funding by maintaining availability under committed credit lines.

Cashflow forecasts are prepared and utilised facilities are monitored on a daily basis. Longer-term cash flow forecasts are updated quarterly.

The Group maintains a varied maturity profile for non-current interest bearing borrowings in line with forecast profitability and cash flow. Acceptable profitability and gearing levels at the time of refinancing will meet lenders credit criteria and mitigate refinancing risk.

The Group ensures that a reasonable balance is maintained between the period over which assets generate funds and the period over which the assets are funded.

The Group maintains relationships with a broad range of financial institutions to avoid concentration risk and safeguard the availability of liquidity at all times. To further avoid market concentration risk, the Group diversifies its funding sources between traditional bank markets and debt capital markets, enabling it to target different lenders at different points in their credit cycles.

Amortising debt is budgeted to be repaid from cash resources or re-financed with available short term facilities.

Interest rate risk

The company's exposure to interest rate risk is managed by Life Healthcare Group Proprietary Limited.

The company has interest-bearing assets, that mainly consist of loans to group companies. The company's income and operating cash flows are substantially independent of changes in market interest rates.

Life Healthcare Group Proprietary Limited's policy is to borrow from or lend to the company so as to best utilise cash resources and to limit interest rate exposure.

Figures in Rand	Note(s)	31 Mar 22	30 Sep 21	31 Mar 21

3. Risk management (continued)
Interest rate risk (continued)

Cash flow interest rate risk

The Group manages its cash flow interest rate risk by using interest rate hedges. Such interest rate hedges have the economic effect of capping the exposure to floating rates to a maximum rate. Generally, the Group raises long-term borrowings at floating rates and then hedges floating rates to a known maximum exposure. Swaps are entered into to fix interest rates from floating rates.

The Group analyses its interest rate exposure on a dynamic basis.

31 March 2022 **Financial instrument**	**Current interest rate**	**Due in less than 1 year**	**Due in 1 to 2 years**	**Due in 2 to 5 years**	**Due in more than 5 years**	**Total**
Loans to group companies	0.00%	1	-	-	-	1
		1	-	-	-	1

30 September 2021 **Financial instrument**	**Current interest rate**	**Due in less than 1 year**	**Due in 1 to 2 years**	**Due in 2 to 5 years**	**Due in more than 5 years**	**Total**
Loans to group companies	0.00%	1	-	-	-	1
		1	-	-	-	1

31 March 2021 **Financial instrument**	**Current interest rate**	**Due in less than 1 year**	**Due in 1 to 2 years**	**Due in 2 to 5 years**	**Due in more than 5 years**	**Total**
Loans to group companies	0.00%	1	-	-	-	1
		1	-	-	-	1

4. Loans to group companies

	31 Mar 22	30 Sep 21	31 Mar 21
Holding company			
Life Healthcare Group Holdings Limited	1	1	1

The loan is unsecured, does not bear interest and is repayable on dehas not fixed terms of repayment.

Exposure to credit risk

Loans receivable inherently expose the company to credit risk, being the risk that the company will incur financial loss if counterparties fail to make payments as they fall due.

Credit loss allowances

The following tables set out the carrying amount, loss allowance and measurement basis of expected credit losses for group loans receivable. The loss allowance has been determined based on the 12 months expected credit loss:

31 March 2022	**Gross carrying amount**	**Loss allowance**	**Amortised cost**
Loans to holding companies			
Life Healthcare Group Holdings Limited	1	-	1

30 September 2021	**Gross carrying amount**	**Loss allowance**	**Amortised cost**
Loans to holding companies			
Life Healthcare Group Holdings Limited	1	-	1

31 March 2021	**Gross carrying amount**	**Loss allowance**	**Amortised cost**
Loans to holding companies			
Life Healthcare Group Holdings Limited	1	-	1

Fair value of loans to group companies

The fair value of loans to group companies approximate their carrying amounts.

Notes to the Audited Annual Financial Statements

Figures in Rand	Note(s)	31 Mar 22	30 Sep 21	31 Mar 21

5. Financial assets by category

The accounting policies for financial instruments have been applied to the line items below:

Amortised cost

Loans to group companies	1	1	1

6. Stated capital

Stated capital comprises:			
Ordinary shares	1	1	1

Share capital

Authorised:

1000 Ordinary shares of R1 each	1 000	1 000	1 000

Unissued ordinary shares are under the control of the directors in terms of a resolution of members passed at the last annual general meeting. This authority remains in force until the next annual general meeting.

Issued and fully paid			
1 Ordinary shares of R1	1	1	1

7. Contingencies

The company has no contingent liabilities.

8. Related parties

Relationships	
Holding company	Life Healthcare Group Holdings Limited
Fellow subsidiary	Life Healthcare Group Proprietary Limited

Related party balances

Loan accounts - Owing (to) by related parties			
Life Healthcare Group Holdings Limited	1	1	1

9. Directors' emoluments

30 September 2021

	Salary[1]	Other allowances	Retirement/Medical Benefits	Share based payments	Total
A Myataza*	2 033 264	-	83 656	-	2 116 920
M Naidoo*	4 531 295	90 000	133 743	-	4 755 038
MTG Stafford*	3 202 591	8 540	89 614	-	3 300 745
PP van der Westhuizen*	14 048 519	69 409	231 396	-	14 349 324
	23 815 669	167 949	538 409	-	24 522 027

* Directors' remuneration was paid by Life Healthcare Group Proprietary Limited and not to the individual.

[1] The director is employed by Life Healthcare Group Proprietary Limited and not the entity itself. The cost to company disclosed is for the full twelve month period.

Details of service contracts

No director has a notice period of more than a year. No director's service contract includes predetermined compensation as a result of termination that would exceed one year's salary and benefits.

Notes to the Audited Annual Financial Statements

Figures in Rand	Note(s)	31 Mar 22	30 Sep 21	31 Mar 21

10. Events after the reporting period

There are no significant events after the reporting period.

11. Going concern

The financial statements is prepared in accordance with IFRS, except for the going concern basis. The directors intend to deregister the company in due course and will consider distributing any remaining reserves to shareholders. The company is therefore no longer a going concern and in line with the requirements of IAS 1 Presentation of the financial statements, the annual financial statements have not been prepared on the going concern basis.

The company has, amongst other things, assessed the value of the assets for impairment and analysed the need to recognise a liability for contractual commitments that may have become onerous as a consequence of the decision to cease trading.

The directors are of the opinion that the company will be in a position to discharge all of its liabilities, due to the company's cash resources and to recover the assets at their carrying amounts.