Lenmed Investments Limited and its subsidiaries

(Registration Number 1980/003108/06)

Consolidated Annual Financial Statements

for the year ended 28 February 2025

Index

Company information

Country of incorporation
South Africa

Registered address
2nd Floor Fountainview House
Constatia Office Park,
Corner 14th Avenue and Hendrik Potgeter Road,
Constantia Kloof, Johannesburg, 1709

LEVEL OF ASSURANCE
These consolidated financial statements have been audited in compliance with the applicable requirements of the Companies Act of South Africa.

These financial statements were:
Prepared by: THS Miya CA(SA)
Supervised by: N Gany CA(SA)

Directors' Responsibilities and Approval

The directors are required by the Companies Act of South Africa to maintain adequate accounting records and are responsible for the content and integrity of the consolidated annual financial statements and related financial information included in this report. These consolidated annual financial statements have been prepared in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and it is their responsibility to ensure that the consolidated annual financial statements satisfy the financial reporting standards with regards to form and content and present fairly the consolidated statement of financial position, results of operations and business of the group, and explain the transactions and financial position of the business of the group at the end of the financial year. The consolidated annual financial statements are based upon appropriate accounting policies consistently applied throughout the group and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the group and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the directors set standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the group and all employees are required to maintain the highest ethical standards in ensuring the group's business is conducted in a manner that in all reasonable circumstances is above reproach.

The focus of risk management in the group is on identifying, assessing, managing and monitoring all known forms of risk across the group. While operating risk cannot be fully eliminated, the group endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the consolidated annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss. The going-concern basis has been adopted in preparing the financial statements. Based on forecasts and available cash resources the directors have no reason to believe that the group will not be a going concern in the foreseeable future. The consolidated annual financial statements support the viability of the group.

The consolidated financial statements have been audited by the independent auditing firm, PKF Durban, who have been given unrestricted access to all financial records and related data, including minutes of all meetings of the shareholders, the directors and committees of the directors. The directors believe that all representations made to the independent auditor during the audit were valid and appropriate. The external auditor's unqualified audit report is presented on pages 5 to 8.

The consolidated financial statements set out on pages 12 to 60 which have been prepared on the going concern basis, were approved by the directors and were signed on 12 June 2025 on their behalf by:

Mr A Devchand	Mr F J Meiring
Chief Executive Officer	Chief Financial Officer

Report of the Audit Committee

Report of the Audit Committee in terms of section 94(7)(f) of the Companies Act

The committee met on five occasions to carry out its function for the financial year and held further discussions with the external and internal auditors and management. Based on the information supplied at those meetings, the Audit Committee has no reason to believe that there were any material failures or breakdowns in the accounting practices and the system design and effectiveness of internal financial controls during the year.

The committee also satisfied itself on the independence of the external auditors that they were properly appointed in terms of the Companies Act and that the audit fees and non-audit services were appropriate.

The committee reviewed the consolidated annual financial statements as well as the significant judgements and reporting decisions with the assurance providers and management and came to the conclusions that:

- The going concern basis of reporting is appropriate.
- The consolidated annual financial statements comply in all material respects with statutory and IFRS Accounting Standards disclosure requirements.
- The consolidated annual financial statements should be approved by the board and circulated to shareholders.

Mr V E Firman CA(SA)
Chairman of the Audit Committee
12 June 2025

Statement of Compliance by the Company Secretary

I hereby certify, in my capacity as company secretary of Lenmed Investments Limited and its subsidiaries, that for the financial year ended 28 February 2025, the company has filed all required returns and notices in terms of the Companies Act of South Africa, with the Companies and Intellectual Property Commission and that all such returns and notices appear to the best of my knowledge and believe to be true, correct and up to date.

W.R. Somerville
Company Secretary
12 June 2025

To the Shareholders of Lenmed Investments Limited and its subsidiaries

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Lenmed Investments Limited and its subsidiaries (the group) set out on pages 12 to 60, which comprise the consolidated statement of financial position as at 28 February 2025, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Lenmed Investments Limited and its subsidiaries as at 28 February 2025, and its consolidated financial performance and consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board 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 Consolidated Financial Statements section of our report. We are independent of the group in accordance with the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

In terms of the IRBA Rule on Enhanced Auditor Reporting for the Audit of Financial Statements of Public Interest Entities, published in Government Gazette No. 49309 dated 15 September 2023 (EAR Rule), we report:

Final Materiality

The scope of our audit was influenced by our application of materiality. The amount we set as materiality represented a quantitative threshold used to evaluate the effect of misstatements to the financial statements as a whole based on our professional judgment. Qualitative factors were also considered in making final determinations regarding what is material to the financial statements.

The final materiality amount for the consolidated financial statements as a whole was R 65,677,000 which represented 1.25% of consolidated revenue. Consolidated revenue was chosen as it provided a consistent basis against which the performance of the group could be measured and the % applied was determined based on our professional judgement after consideration of qualitative factors that impacted the group.

Group Audit Scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the group, the accounting processes and controls, and the industry in which the group operates.

We performed risk assessment activities across the group and its components to identify risks of material misstatement. We then identified how the nature and size of the account balances of the components contribute to those risks and so determined which account balances required an audit response. We then considered for each component the degree of risk identified and the number of accounts requiring audit responses to assign either a full or specific scope (including specified procedures) to each component.

In our assessment of the residual account balances not covered by the audit procedures, we considered whether these could give rise to a risk of material misstatement of the consolidated financial statements. This assessment included taking into account that the remaining components not audited where independently reviewed.

A full scope audit was performed on the holding company and all the components which likely included risks of material misstatement of the consolidated financial statements. An audit of specific financial statement line items for 1 component were performed based on group audit risks identified. Independent reviews were performed on the remaining components considered to have low risks of material misstatement of the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

In terms of the EAR Rule, we are required to report key audit matters and the outcome of audit procedures or key observations with respect to the key audit matters, and these are included below.

Key Audit Matter	**How matter was addressed in the audit**
Valuation of goodwill	
As disclosed in note 10, the consolidated financial statements include goodwill. As required by IAS 36 Impairment of Assets, for the cashgenerating units to which goodwill has been allocated, management test the cash-generating units for impairment annually, and whenever there is an indication that the cash generating unit may be impaired. These tests are conducted by comparing the carrying amount of the cash-generating unit, including the goodwill, with the recoverable amount of the cash-generating-unit. The recoverable amounts are determined using the discounted cash flow valuation method which involves a number of key assumptions. The significant judgements applied by management include: • estimating the future cash inflows and outflows to be derived from continuing use of the asset; and • determining the key assumptions being the discount rates, growth rates and terminal growth rates. The annual impairment testing of these assets are considered to be a key audit matter due to the magnitude of the carrying value of these assets and the subjectivity of the key assumptions used.	Our audit procedures included: • we obtained an understanding of the impairment testing methods used through discussions with management, including familiarising ourselves with the process around preparing the budgets that drive the cash flows; • we assessed whether the approach adopted by management in using the discounted cash flow valuation method was in line with the applicable requirements of IAS 36 Impairment of Assets; • we have tested the mathematical accuracy of the results of the discounted cash flow valuation method through re-performing the calculations; • we made use of our internal valuation expertise, where necessary, to determine our own estimates of key assumptions in order to assess whether these were within a reasonable range; • we analysed the future projected cash flows used in the model to determine whether they were reasonable and supportable; • we subjected the key assumptions to sensitivity analyses; and • we evaluated the appropriateness of the disclosures including about those assumptions to which the outcome of the impairment test is most sensitive.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Lenmed Investments Limited and its subsidiaries Consolidated Annual Financial Statements for the year ended 28 February 2025 and in the document titled "Lenmed Investments Limited Separate Annual Financial Statements for the year ended 28 February 2025", which includes the Directors' Report, the Statement of Compliance by the Company Secretary, and the Report of the Audit Committee as required by the Companies Act of South Africa, which we obtained prior to the date of this report and the document titled “Lenmed Investments Limited Annual Integrated Report 2025”, which is expected to be made available to us after that date. The other information does not include the consolidated or the separate financial statements and our auditor's reports thereon.

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

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

Responsibilities of the Directors for the Consolidated Financial Statements

The directors are responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated 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 Financial Statements

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

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

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

We communicate with the 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.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated 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.

Audit Tenure

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that PKF Durban have been the auditors of Lenmed Investments Limited and its subsidiaries for 17 years.

Disclosure of Fee-related Matters

In terms of the EAR Rule, we disclose that the audit and non-audit fees paid to the firm and network firms was R5,762,050 and R405,950 respectively.

PKF Durban

PKF Durban
Partner: R.C. Boulle
Registered Auditor
Durban
Date: 12-06-2025

Directors' Report

The directors present their report for the year ended 28 February 2025.

1. Review of activities

Main business and operations

The principal activities of the Group during the year were the provision of private patient health care, through management and ownership of hospitals and other related health care services. There were no major changes in the nature of the business during the year under review.

The operating results and consolidated statement of financial position of the group are fully set out in the attached financial statements and further amplified in this report.

2. Group Financial Results

The Group's earnings before interest, taxation, depreciation and amortisation (EBITDA) and impairment amounted to R832.986 million (2024: R677.216 million).

Group's profit before taxation for the year amounted to R431.123 million (2024: R297.252 million) before taking into account taxation of R130.789 million (2024: R73.342 million), resulting in profit after taxation for the year of R300.335 million (2024: R223.910 million).

The results of the Group are set out in the attached consolidated annual financial statements. The separate annual financial statements of the company are presented apart from the consolidated annual financial statements and were approved by the directors on 12 June 2025, the same date as the consolidated annual financial statements. The consolidated annual financial statements have been prepared in accordance with IFRS Accounting Standards.

3. Authorised and issued share capital

Other than the share buyback referred to below, no changes were approved or made to the authorised or issued share capital of the company during the year under review.

4. Borrowings

In terms of the Memorandum of Incorporation of the company, the directors may exercise all the powers of the company to borrow money, as they consider appropriate.

The directors did not exceed any authorised levels of borrowings as required in the Memorandum of incorporation or the Companies Act during the year under review.

5. Dividend

A final gross cash dividend of 8.45 cents per share was declared by the Board on 10 June 2024 from profits accrued during the financial year ended 28 February 2024. The total cash dividend declared amounted to 8.45 cents per share. The dividend was paid on 11 July 2024 to shareholders who were on the register on 4 July 2024. This final dividend paid to shareholders amounted to R59.956 million.

Directors' Report

The company's dividend policy remained unchanged during the year:

a. A dividend of no less than 10% of headline earnings attributable to Lenmed shareholders will be declared annually.

b. Basis of dividend:

- Only a final dividend will be declared and no interim dividend is to be paid.
- The final dividend will be declared after the board has approved the audited consolidated annual financial statements for the year - normally in May or June in respect of the February financial year-end.
- Payment of the dividend will be made by EFT, prior to the Annual General Meeting, which is usually held in August.
- The declaration and payment of the dividend is subject to the Board completing the solvency and liquidity tests required in terms of Section 4 of the Companies Act and the approval of Lenmed’s bankers in accordance with the debt funding terms and conditions.

c. The Dividend policy shall be reviewed at least annually.

6. Directors

The directors of the company during the year and up to the date of this report are as follows:

Mr P Devchand	Executive Chairman
Mr A Devchand	Executive Director and Chief Executive Officer
Mr F J Meiring	Executive Director and Chief Financial Officer
Mr M G Meehan*	Lead independent non-executive Director
Ms N V Simamane^	Lead independent non-executive Director
Mr V E Firman	Independent non-executive Director
Ms B Harie	Independent non-executive Director
Dr G Goolab	Independent non-executive Director
Prof B D Goolab	Non-executive Director

** Mr M G Meehan retired on the 31st of July 2024*

^Ms N V Simamane was elected as the new Lead Independent non-executive Director

7. Share buyback programme

The Group bought back 1 291 343 shares at an average price of R1.89 per share.

8. Company Secretary

The group's designated company secretary is Mr. W.R. Somerville.

9. Independent auditors

PKF Durban, Registered Auditors, will continue in office as external auditors of the company in accordance with section 90(1) of the Companies Act of South Africa, subject to shareholder approval at the upcoming Annual General Meeting. H.Paruk will be the individual registered auditor who will undertake the 2026 audit following the rotation of R.C.Boulle.

10. Events after reporting date

All events subsequent to the date of the consolidated annual financial statements and for which IFRS Accounting Standards require adjustment or disclosure have been adjusted or disclosed.

Directors' Report

For the purpose of creating liquidity in the ordinary shares of the company, the directors approved a general ordinary share buy-back offer to all shareholders effective from 14th of May 2025. The share buy-back offer closed on the 4th of June 2025, in terms of which 32.4 million ordinary shares were repurchased at R3 per share, totalling R97.2 million.

The directors are not aware of any other matter or circumstance arising since the end of the financial year to the date of this report that could have a material effect on the financial position of the Group other than described above.

11. Going concern

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

12. Special resolutions

The following special resolutions were passed during the course of the year at the annual general meeting of shareholders:

- Approval of financial assistance in terms of section 44 and 45 of the Companies Act.
- Non-executive director fees for the 12 months following the annual general meeting.
- General authority to approve the acquisition of shares in the company.

Statement of Profit or Loss and Other Comprehensive Income

Figures in R `000	Notes	Group 2025	Group 2024
Revenue	4	5,254,157	4,669,628
Cost of sales		(1,651,740)	(1,458,762)
Gross profit		**3,602,417**	**3,210,866**
Other income	5	214,029	218,346
Expected credit losses raised	17.2	(96,297)	(105,089)
Operating costs	5	(3,100,110)	(2,843,546)
Profit from operating activities	5	**620,039**	**480,577**
Interest income	6	14,040	13,220
Finance costs	7	(204,847)	(196,714)
Share of profit from equity accounted investments	13.2	1,892	169
Profit before tax		**431,124**	**297,252**
Income tax expense	8	(130,789)	(73,342)
Profit for the year		**300,335**	**223,910**
Profit for the year attributable to:			
Owners of Parent		277,141	189,129
Non-controlling interest		23,194	34,781
		300,335	**223,910**
Other comprehensive income			
Profit for the year		**300,335**	**223,910**
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation reserve		(10,818)	29,214
Total other comprehensive income		**(10,818)**	**29,214**
Total comprehensive income		**289,517**	**253,124**
Total comprehensive income attributable to:			
Owners of parent		272,958	213,094
Non-controlling interests		16,559	40,030
		289,517	**253,124**
Earnings per share attributable to owners of the parent during the year			
Basic and diluted earnings per share (cents)	9	39.11	26.66

Statements of Financial Position

Figures in R `000	Notes	Group 2025	Group 2024
Assets			
Non-current assets			
Property, plant and equipment	11	3,744,690	3,635,557
Right-of-use assets	14	212,899	239,043
Goodwill	10	547,126	547,126
Intangible assets	12	31,871	42,803
Investments in and loans to associates	13	20,056	16,710
Deferred tax assets	15	109,293	96,482
		4,665,935	**4,577,721**
Current assets			
Inventories	16	122,620	119,064
Trade and other receivables	17	1,321,852	1,161,996
Current tax assets		-	4,392
Cash and cash equivalents	18	318,826	283,546
		1,763,298	**1,568,998**
Total assets		**6,429,233**	**6,146,719**
Equity and liabilities			
Equity			
Stated capital	19	423,563	426,006
Accumulated profits		2,208,647	1,943,507
Other reserves	20	238,678	290,816
Non-controlling interests		388,520	382,692
Total equity		**3,259,408**	**3,043,021**
Liabilities			
Non-current liabilities			
Deferred tax liabilities	15	284,481	251,063
Lease liabilities	14	246,477	272,482
Long-term liabilities	21	1,724,317	1,094,918
Loans from non-controlling interests	22	28,433	25,421
		2,283,708	**1,643,884**
Current liabilities			
Provisions	24	147,719	128,537
Trade and other payables	23	619,351	613,417
Current tax liabilities		3,006	-
Current portion of lease liabilities	14	17,683	16,767
Current portion of long-term liabilities	21	46,566	606,228
Loans from non-controlling interests	22	9,529	9,242
Bank overdraft	18	42,263	85,623
		886,117	**1,459,814**
Total equity and liabilities		**6,429,233**	**6,146,719**

Statements of Cash Flows

Figures in R `000	Notes	Group 2025	Group 2024
Cash flows from operations			
Profit for the year		**300,335**	**223,910**
Income tax		130,789	73,342
Interest income		(14,040)	(13,220)
Finance costs		204,847	196,714
Depreciation and amortisation		208,723	196,639
Impairment losses recognised in profit or loss		4,225	-
Income from associates		(1,892)	(169)
Bargain purchase		-	(12,543)
Loss on disposal of plant and equipment		1	(864)
Working capital changes:			
Increase in inventories		(4,613)	(10,045)
Increase in trade and other receivables		(243,458)	(54,350)
Increase in trade and other payables		84,787	41,223
Cash flows from operations		**669,704**	**640,637**
Finance costs		(197,600)	(191,609)
Interest income		14,040	13,222
Income taxes paid	*25.1*	(103,256)	(89,636)
Net cash flows from operating activities		**382,888**	**372,614**
Cash flows used in investing activities			
Cash flows used in obtaining control of subsidiaries or other businesses	*28.2*	-	(163,639)
Loans advanced to associates		(1,453)	(3,968)
Proceeds from sales of property, plant and equipment		3,796	20,905
Purchase of property, plant and equipment		(275,121)	(329,021)
- to maintain operating capacity*		(117,493)	(249,977)
- to expand operating capacity*		(157,628)	(79,044)
Purchase of intangible assets		(9,665)	(20,568)
Cash flows used in investing activities		**(282,443)**	**(496,291)**
Cash flows (used in) / from financing activities			
Share buyback		(2,443)	-
Loans advanced	*25.2*	100,738	168,076
Loans repaid	*25.2*	(32,535)	(90,399)
Lease liabilities	*14.3*	(17,576)	(16,394)
Dividend paid to non-controlling interests		(10,731)	(6,168)
Dividends paid to shareholders		(56,202)	(29,942)
Cash flows (used in) / from financing activities		**(18,749)**	**25,173**
Net increase / (decrease) in cash and cash equivalents before effect of exchange rate changes		**81,696**	**(98,504)**
Effect of exchange rate changes on cash and cash equivalents		(3,056)	7,395
Cash and cash equivalents at beginning of the year		197,923	289,032
Cash and cash equivalents at end of the year	*18*	**276,563**	**197,923**

Statements of Cash Flows

Figures in R `000	Notes	Group 2025	Group 2024

* To improve disclosure, the non-cash adjustment to purchase of property, plant and equipment of R49,064m disclosed in the prior year as a separate row, has now been incorporated into the “to maintain operating capacity” and “to expand operating capacity” rows.

Lenmed Investments Limited and its subsidiaries

(Registration Number 1980/003108/06)

Consolidated Annual Financial Statements for the year ended 28 February 2025

Statements of Changes in Equity

Figures in R `000	Stated capital	Foreign currency translation reserve	Accumulated profits	Attributable to owners of the parent	Non-controlling interests	Total
Balance at 1 March 2023	426,006	266,851	1,784,320	2,477,177	309,298	2,786,475
Profit for the year	-	-	189,129	189,129	34,781	223,910
Other comprehensive income	-	23,965	-	23,965	5,249	29,214
Dividend recognised as distributions to shareholders	-	-	(29,942)	(29,942)	-	(29,942)
Dividends paid to non-controlling interests	-	-	-	-	(6,121)	(6,121)
Acquisition of Beira	-	-	-	-	39,485	39,485
Balance at 1 March 2024	426,006	290,816	1,943,507	2,660,329	382,692	3,043,021
Profit for the year	-	-	277,141	277,141	23,194	300,335
Other comprehensive income	-	(52,138)	47,955	(4,183)	(6,635)	(10,818)
Dividend recognised as distributions to shareholders	-	-	(59,956)	(59,956)	-	(59,956)
Dividends paid to non-controlling interest	-	-	-	-	(10,731)	(10,731)
Share buyback	(2,443)	-	-	(2,443)	-	(2,443)
Balance at 28 February 2025	**423,563**	**238,678**	**2,208,647**	**2,870,888**	**388,520**	**3,259,408**
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Accounting Policies

1. Basis of preparation and summary of material accounting policies

These consolidated annual financial statements are prepared in accordance with IFRS Accounting Standards, the IFRS Interpretations issued by the IFRS Interpretations Committee (IFRS IC), comply with SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, Financial Reporting Announcements issued by the Financial Reporting Standards Council and the Companies Act of South Africa. These policies have been consistently applied to all years presented, unless otherwise stated. They have been prepared on the historical cost basis, unless otherwise stated. The principal accounting policies incorporated are listed below.

The preparation of financial statements in conformity with IFRS Accounting Standards requires management to make judgements, estimates and assumptions that may affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision only affects that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of IFRS Account Standards that have a significant effect on the financial statements, and critical estimates made in the preparation of these consolidated annual financial statements are disclosed in note 2.

The financial statements are presented in South African Rand (R), the functional currency of the Group and all amounts are rounded to the nearest thousand, except where otherwise indicated. Foreign currency exchange rates used in the preparation of converting into Rands are set out below:

	28/02/2025			29/02/2024		
	BWP Pula	USD Dollar	MZN	BWP Pula	USD Dollar	MZN
Closing rate	R 1.36	R 18.56	R 0.29	R 1.41	R 19.23	R 0.30
Average rate	R 1.36	R 18.28	R 0.29	R 1.40	R 18.69	R 0.30

1.1 Basis of consolidation

These financial statements are consolidated annual financial statements of Lenmed Investments Limited and its subsidiaries and associates. Control is achieved when the Group has powers over the investee, is exposed or has rights to variable returns from its investment with the investee and has the ability to use its power to affect its returns. If facts and circumstances indicate that there are changes to one or more elements of control, the Group shall reassess whether it controls the investee.

Subsidiaries

Subsidiaries are consolidated from the date on which the control is transferred to the Group and are no longer consolidated from the date that control ceases. The acquisition method of accounting is used to account for the acquisition of subsidiaries. The cost of an acquisition is measured as the fair value of the assets transferred, shares issued or liabilities assumed at the date of acquisition plus costs directly attributable to the acquisition. The excess of the cost of acquisition over the fair value of the net assets of the subsidiaries acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement. Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated.

Basis of preparation and summary of material accounting policies continued...

Non-controlling interests in subsidiaries are presented in the consolidated statement of financial position separately from the equity attributable to equity owners of the parent company. Non-controlling shareholders' interest may initially be measured at fair value or the non-controlling shareholders' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement basis is made on each acquisition individually. 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. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling having a deficit balance.

Associates

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. The investment in an associate is initially recognised at cost and adjusted for the Group’s share in the net assets of the investee after the date of acquisition. If the Group’s share of losses of an associate equals or exceeds its interest in the associate, the Group discontinues recognising its share of further losses.

1.2 Revenue from contracts with customers

Revenue for hospital and related services rendered and medical consumables sold in the ordinary course of business is recognised at the consideration received or expected to be received for providing the services or goods specified in the contract with the patient net of indirect taxes and trade discounts.

Performance obligations are measured from admission to the point when there are no further services required for the patient, which is the time of discharge.

The transaction price is determined based on gross charges for services provided.

Revenue is categorised into tariff and non-tariff revenue. Tariff revenue is from accommodation, equipment rental, theatre fees, professional and ward fees and is recognised over time as the patient receives and consumes the respective benefits during the patient’s stay. Non-tariff revenue is from ethicals and medical consumables and is recognised at a point in time when consumed by or delivered to the patient. Invoices raised are payable on presentation.

1.3 Other income

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

The Group provides management services for healthcare auxiliary operations. These services encompass a range of administrative and operational support functions. The management fees are based on the terms specified in the service agreements.

Dividends are recognised when the shareholders' right to receive payment is established.

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

Gains or losses on foreign currency translations of foreign subsidiary loans are recognised in profit and loss, where the loans do not form part of the net investment in the foreign operations, and in other comprehensive income when it does form part of the net investment.

Accounting Policies

Basis of preparation and summary of material accounting policies continued...

1.4 Cost of sales

Cost of sales includes all costs of purchase. Inventory write-downs are included in cost of sales when recognised. Trade discounts and similar costs are deducted in determining the costs of purchases. Where the Group employs doctors and recognises revenue on their professional services rendered, the cost of employing these doctors is recognised as a cost of sale.

1.5 Inventories

Inventory is stated at the lower of cost or net realisable value on a weighted average basis. Cost comprises all costs of purchase and other costs which are incurred in bringing the inventory to its present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale.

1.6 Tax

Current tax

The charge for current tax is based on the results for the year adjusted for items which are tax exempt or are not tax deductible. Tax is calculated using rates that have been enacted or substantively enacted by the reporting date.

Deferred tax

Deferred tax is provided on the liability method and is computed as the difference between the tax base and carrying amounts of assets and liabilities. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for deductible temporary differences as well as unused tax losses to the extent that it is probable that taxable profits will be available against which the deductible temporary difference can be utilised. The probability of taxable profits are calculated based on business plans which includes estimates and assumptions regarding economic growth, interest and competitive forecasts. The carrying amount of the deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are not recognised if they arise in the following situations: the initial recognition of goodwill; or the initial recognition of assets and liabilities that affect neither accounting nor taxable profit.

1.7 Leases

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short term leases (defined as leases with a lease term of 12 months or less), leases of low value assets and variable lease payments that do not depend on an index or rate. For these leases, the company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the lessee uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments; and
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date.

The lease liability is presented as a separate line in the statement of financial position. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

Basis of preparation and summary of material accounting policies continued...

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed;
- The lease payments change due to changes in an index or rate, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used); or
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

Right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term (ranging between 1 and 19 years) and useful life of the underlying asset (see note 1.9). If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. Depreciation is recorded from the commencement date of the lease.

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

Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs.

1.8 Goodwill

Goodwill on acquisitions comprises the excess of the aggregate of the fair value of the consideration transferred, the fair value of any previously held interests, and the recognised value of the non-controlling interest in the acquiree over the net identifiable assets acquired and liabilities assumed at acquisition date.

Goodwill is carried at cost less accumulated impairment losses. Goodwill is tested for impairment annually. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

To the extent that the fair value of the net identifiable assets of the entity acquired exceeds the cost of acquisition, the excess is recognised in profit and loss on acquisition date.

1.9 Property, plant and equipment

Property, plant and equipment are initially recorded at cost including any costs directly attributable to bringing the assets to the location and conditions necessary for them to be fully operational and, subsequently less accumulated depreciation and any impairment losses.

The residual value represents the best estimate of the current recoverable amount of the asset at the end of its useful life.

Property, plant and equipment is depreciated to estimated residual value on a straight line basis over the asset's expected useful lives. Land is not depreciated.

Accounting Policies

Basis of preparation and summary of material accounting policies continued...

The following are the current estimated useful lives:

Land	Indefinite
Buildings	50 years
Leasehold improvements	Written off over the period of lease
Plant & Equipment	5-20 years
Motor vehicles	5 years
Computer Equipment	3-8 years
Office Equipment	5-20 years
Furniture & Fittings	5-20 years

Gains or losses on disposal of assets are calculated as the fair value of the consideration received less the carrying amount at the date of sale and are recognised in profit and loss.

1.10 Impairment of a non-financial asset

The carrying amounts of the non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, or when annual impairment testing for an asset is required, the recoverable amount is estimated as the higher of the net selling price and value-in-use. For goodwill and intangible assets that have an indefinite useful life the recoverable amount is tested for impairment at least annually.

In assessing value-in-use, the expected future cash flows are discounted to present value using pre-tax discount rates that reflect current market assessments of the time value of money and the risk specific to the asset. An impairment loss is recognised whenever the carrying amount exceeds the recoverable amount. Impairment losses and reversals of impairment losses are separately disclosed in profit and loss.

A previously recognised impairment loss is reversed if there has been a change in the estimate used to determine the recoverable amount, however not to an amount higher than the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognised in prior years. An impairment loss in respect of goodwill is not reversed.

1.11 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, for which it is probable that an outflow of economic benefits will occur, and when a reliable estimate can be made of the amount of the obligation. Where the effect of discounting is material, provisions are discounted. The discount rate used is a pre-tax rate that reflect current market assumptions of the time value of money and are risk specific where appropriate.

1.12 Employee benefits

Short-term employee benefits

The cost of all short-term benefits is recognised during the period in which the employee renders the related service.

The provisions for employee entitlements to wages, salaries and annual leave represent the amount which the Group has a present obligation to pay as a result of the employees' services provided during the reporting date. The provisions have been calculated at undiscounted amounts based on current wage and salary rates.

The expected cost of profit-sharing and bonus payments is recognised when there is a present legal or constructive obligation to make such payments as a result of past events, and a reliable estimate of the obligation can be made. A present obligation exists when there is no realistic alternative but to make the payments.

Basis of preparation and summary of material accounting policies continued...

Retirement benefits

The Group contribute to defined contribution funds on behalf of its employees. Contributions are charged against profit or loss as incurred.

When an employee has rendered service to an entity during a period, the contribution payable to a defined contribution plan in exchange for that service is recognised:

- As a liability, after deducting any contribution already paid. Where the contribution already paid exceeds the contribution due for service before the end of the reporting period, the excess is recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.
- As an expense, except where the amount is allowed as an inclusion in the cost of an asset.

1.13 Financial instruments

The Group classifies financial instruments on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Financial instruments are recognised in the statement of financial position at fair value when the Group becomes a party to the contractual provisions of the instrument. Direct transaction costs are included in the initial carrying value of the financial instrument except in the case of financial instruments classified at fair value through profit and loss, in which case the transaction costs are expensed as they are incurred.

The Group has divided its financial instruments into the classes based on the manner in which the financial instruments are managed and reported on for internal management purposes.

Cash and cash equivalents

Cash and cash equivalents are initially measured at fair value and subsequently measured at amortised cost. In the statement of cash flows, bank overdrafts are offset against cash and cash equivalents.

Working capital balances

These include trade and other receivables and trade and other payables which arise in the normal course of the Group's business.

The constituents of the above classes of financial instruments are measured as follows:

Trade and other receivables

Trade receivables are initially recognised at the transaction price and subsequently measured at amortised cost using the effective interest rate method and reduced by impairment losses.

The Group recognises lifetime Expected Credit Losses "ECL" for trade and other receivables. Under the simplified approach, the loss allowance is calculated over the lifetime of the asset. Trade receivables is disaggregated into major categories and the credit risk is assessed for each category. The ECL on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate. Loss allowances are reviewed at the end of each reporting period.

Subsequent recoveries of amounts previously written off are recognised in profit and loss.

Trade and other payables

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

Accounting Policies

Basis of preparation and summary of material accounting policies continued...

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost, using the effective interest rate method. Any difference between proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings as interest.

1.14 Intangible assets

Intangible assets are initially recognised at cost and subsequently less accumulated amortisation and any impairment losses.

Intangible assets are considered for impairment if there is any reason to believe that impairment may be necessary. Factors taken into consideration include the economic viability of the asset itself and where it is a component of a larger cash-generating unit, the viability of the unit.

Intangible assets are amortised on a straight-line basis over their estimated useful lives. The amortisation methods and remaining useful lives are reviewed at least annually. The estimation of the useful lives of intangible assets is based on historic performance as well as expectations about future use and therefore requires a significant degree of judgement.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows. Amortisation is not provided for these intangible assets but they are tested for impairment annually.

Management agreement acquired as part of a business combination are recognised at their fair value at the date of acquisition, and are subsequently amortised on a straight-line based on the timing of projected cash flows of the contracts over the remaining period of the agreement. In other words, they have a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses.

The assumptions regarding estimated useful lives were as follows:

Computer software	5 years
Management agreement	61 months
Hospital licences	Indefinite

1.15 Contingencies and commitments

Contingent liabilities are a possible obligation whose existence will be confirmed by a future event or a present obligation which cannot be recognised because the probability of an outflow is remote or the amount cannot be measured reliably. Items are classified as commitments where the Group commits itself to future transactions, particularly in the acquisition of property, plant and equipment. Contingent liabilities are not recognised.

1.16 Share incentive scheme

The Group operates a cash-settled share incentive scheme, under which it receives services from employees as consideration for cash with the fair value of the employee services received being measured by reference to the estimated fair value at the grant date of equity instruments granted and is recognised as an expense over the vesting period. The estimated fair value of the option granted is calculated using the Black Scholes option pricing model. The total amount expensed is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied.

1.17 Foreign currency translation

Items included in the financial results of each entity are translated using the functional currency of that entity.

Accounting Policies

Basis of preparation and summary of material accounting policies continued...

Foreign currency transactions

Income and expenditure transactions are translated into the functional currency of the entity at the rate of exchange ruling at the transaction date. Monetary assets and liabilities are translated into the functional currency of the entity at the rate of the exchange ruling at the reporting date. Foreign exchange gains or losses resulting from the translation and settlement of monetary assets and liabilities are charged to profit or loss, except when they relate to cash flow hedging activities in which case these gains or losses are recognised in other comprehensive income and included in the cash flow hedge accounting reserve in equity.

Foreign operations

The financial results of all entities that have a functional currency different from the presentation currency of their parent entity are translated into the presentation currency. Income and expenditure transactions of foreign operations are translated at the average rate of exchange for the year. All assets and liabilities, including fair value adjustments arising on acquisition, are translated at the rate of exchange ruling at the reporting date. Differences arising on translation are recognised in other comprehensive income and included in the foreign currency translation reserve in equity.

On consolidation, differences arising from the translation of the net investment in a foreign operation are recognised in other comprehensive income and included in the foreign currency translation reserve in equity.

On disposal of part or all of the investment, the proportionate share of the related cumulative gains or losses previously recognised in the foreign currency translation reserve in equity are included in determining the profit or loss on disposal of that investment charged to profit or loss.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate at each reporting date.

1.18 Earnings per share

The Group presents basic and diluted earnings per share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to the ordinary shareholders by the weighted average number of outstanding shares during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the dilutive effect of all share options granted to employees.

1.19 Headline earnings per share

Headline earnings per share are calculated on the headline earnings attributable to ordinary shareholders divided by the weighted average number of ordinary shares in issue during the year. Headline earnings are determined in accordance with the Headline Earnings Circular issued by the South African Institute of Chartered Accountants from time to time and effective as at year end.

Accounting Policies

2. Critical accounting estimates and judgements

Estimates 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 Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Key sources of estimation uncertainty

2.1 Deferred tax

A deferred tax asset is recognised on unused tax losses adjusted for the current year to the extent that it is probable that future taxable income will be available against which the unused tax losses can be utilised. Estimates of future taxable income are based on cash flow forecasts, assumptions regarding economic growth, interest rates, inflation rates and the application of existing tax laws. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Group to realise the deferred tax assets recorded at the reporting date could be impacted.

2.2 *Financial instruments*

Impairment of financial assets

The Group recognises lifetime Expected Credit Loss (ECL) for trade and other receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and forward looking factors that could affect the ability of the debtor in settling their debts.

The key assumption in the ECL model is that the default definition can be applied when one or more of the following are applicable:

- Days past due are greater than 90 days;
- Default is considered likely as the accounts have been handed over to attorneys or under debt review or administration; or
- An account has been flagged as being high risk, but not yet formally handed over or placed under administration.

For trade receivables, given the nature of the main customer categories, it has been assumed that for these main customer categories they are unlikely to experience significant changes in economic conditions over the credit risk exposure period, therefore the forward-looking factors do not have a material impact on the Group. The Group uses judgement in making these various assumptions and selecting the inputs used in the impairment calculation.

2.3 *Determination of lease terms for determining lease liability*

The lease arrangements which one of the Group's subsidiaries is a party to, contain renewal clauses which depend on the future performance of the subsidiary at that location. In determining whether the subsidiary will exercise its renewal option, management makes judgements on whether the subsidiary is likely to meet the financial conditions required in order to extend the lease term.

2.4 *Goodwill*

Goodwill is tested for impairment at each statement of financial position date. The recoverable amounts of cash- generating-units have been determined based on value-in-use calculations. These calculations require the use of estimates and a level of judgement is required in estimating future activities, the related cash flows, economic growth, interest rates and inflation rates.

2.5 *Share-based payments*

The fair value is calculated using the Black Scholes option pricing model.

3. New standards and interpretations

New standards and interpretations not yet adopted

The following standards and interpretations were in issue but not yet effective.

Standard	Financial year applicable to Lenmed	Expected impact
Amendments to IFRS 7 Financial Instruments: Disclosures	28 February 2027	Unlikely to be material
Amendments to IFRS 9 Financial Instruments	28 February 2027	Unlikely to be material
Amendments to IFRS 10 Consolidated Financial Statements	28 February 2027	Impact not yet assessed
New IFRS 18 Presentation and Disclosure in Financial Statements	28 February 2028	Impact not yet assessed
New IFRS 19 Subsidiaries without Public Accountability: Disclosures	28 February 2028	Unlikely to be material
Amendments to IAS 7 Statement of Cash Flows	28 February 2027	Unlikely to be material
Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates	28 February 2026	Unlikely to be material

Standards and interpretations effective and adopted in the current year

In the current year, the group has adopted the following standards and interpretations that are effective for the current financial year:

Standard	Financial year applicable to Lenmed	Expected impact
Amendments to IFRS 16 Leases	28 February 2025	Not material
Amendments to IAS 1 Presentation of Financial Statements	28 February 2025	Not material
Amendments to IAS 7 Statement of Cash Flows	28 February 2025	Not material
Amendments to IFRS 7 Financial Instruments: Disclosures	28 February 2025	Not material

Notes to the Consolidated Financial Statements

Figures in R `000	Group 2025	Group 2024

4. Revenue

An analysis of revenue is as follows:

Private healthcare services		
Non-tariff	2,045,315	1,778,796
Tariff	3,208,842	2,890,832
Total revenue	**5,254,157**	**4,669,628**

There were no outstanding performance obligations at year end.

5. Profit before interest and taxation

Income		
Admin and management fees received	21,258	16,936
Bargain purchase arising on acquisition	-	12,543
Short term rental income - hospital space	112,025	105,254
Gain on foreign currency transactions	4,038	-
Expenses		
Bad debts written off	73,607	16,628
Depreciation and amortisation on intangible assets, plant and equipment	188,362	175,662
Depreciation on right-of-use assets	20,361	20,977
Employee expenses - direct	1,021,314	852,184
Employee expenses - indirect	565,599	580,734
Impairment loss	-	-
Loss on disposal of property, plant and equipment	1	(864)
Loss on foreign currency transactions	-	(2,328)
Short-term leases, low value leases and leases that do not depend on an index or rate		
Property	41,806	44,956
Equipment	9,742	6,743
Other	3,327	1,976
	54,875	53,675

In order to provide more useful information, employee expenses have been split into those employees that are involved in the provision of either direct or indirect medical services.

6. Interest income

Interest received	14,040	13,220

7. Finance costs

Long-term loans	180,753	166,671
Lease liabilities	17,662	18,683
Instalment sales agreements	135	266
Bank overdraft	6,297	11,094
Total finance costs	**204,847**	**196,714**

Notes to the Consolidated Financial Statements

Figures in R `000	Group 2025	Group 2024

8. Income tax expense

8.1 Income tax recognised in profit or loss:

Current tax		
Current year	111,349	84,065
Deferred tax		
Originating and reversing temporary differences	19,709	(11,421)
Under/(Over) provision in prior years	(269)	698
Total deferred tax	**19,440**	**(10,723)**
Total income tax expense	**130,789**	**73,342**

8.2 The income tax for the year can be reconciled to accounting profit as follows:

Income tax calculated at 27% (2024: 27%)	27.00%	27.00%
Tax effect of		
Under provision in prior year	2.27%	(2.83%)
Disallowed expenditure	(0.33%)	0.85%
Income not taxable	(2.20%)	(1.66%)
Foreign tax rate difference	(0.21%)	(1.08%)
Unrecognised deferred tax asset	4.97%	2.39%
Different tax rates	(0.83%)	0.00%
Effective tax rate	**30.67%**	**24.67%**

8.3 Estimated tax losses

Utilised in the deferred tax balance	340,526	383,126
Unused tax losses available for set-off against future taxable income	340,526	383,126

9. Earnings per share

9.1 Basic earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:		
Profit for the year attributable to owners of the company from continuing operations	277,141	189,129
Weighted average number of ordinary shares used in the calculation of basic earnings per share	708,622	709,534
Basic and diluted earnings per share (cents)	39.11	26.66

Notes to the Consolidated Financial Statements

Figures in R `000	Group 2025	Group 2024

Earnings per share continued...

9.2 Headline earnings per share

Headline earnings is calculated as follows:		
Profit for the year attributable to owners of the company from continuing operations	277,141	189,129
Adjusted for:		
(Profit)/Loss on disposal of property, plant and equipment	1	(864)
Bargain purchase arising on acquisition	-	(12,543)
Impairment loss	4,225	-
Total tax effects of adjustments	(1,141)	233
Headline earnings from continuing operations	**280,226**	**175,955**
Weighted average number of ordinary shares used in the calculation of headline earnings per share	708,622	709,534
Headline earnings per share (cents)	39.55	24.80

9.3 Dividends per share

The dividends and weighted average number of shares used in the calculation of dividends per share are as follows:		
Dividends to shareholders	59,956	29,942
Weighted average number of ordinary shares used in the calculation of dividends per share	708,622	709,534
Dividends per share (cents)	8,46	4,22

Notes to the Consolidated Financial Statements

Figures in R `000

10. Goodwill

10.1 Reconciliation of changes in goodwill

	Goodwill
Reconciliation for the year ended 28 February 2025	
Balance at 1 March 2024	
At cost	557,469
Accumulated impairment	(10,343)
Net book value	**547,126**
Closing balance at 28 February 2025	
At cost	557,469
Accumulated impairment	(10,343)
Net book value	**547,126**
Reconciliation for the year ended 29 February 2024	
Balance at 1 March 2023	
At cost	557,238
Accumulated impairment	(10,343)
Net book value	**546,895**
Movements for the year ended 29 February 2024	
Acquisitions through business combinations - Beira (refer to note 28)	231
Goodwill at the end of the year	**547,126**
Closing balance at 29 February 2024	
At cost	557,469
Accumulated impairment	(10,343)
Net book value	**547,126**

Notes to the Consolidated Financial Statements

Figures in R `000	Group 2025	Group 2024

Goodwill continued...

Goodwill relates to the excess of the purchase price consideration over the fair value of the assets and liabilities of the following cash-generating units:

Lenmed Health Laverna Private Hospital	5,125	5,125
Lenmed Health Shifa Private Hospital	6,939	6,939
Lenmed Health Kathu Private Hospital	10,378	10,378
Lenmed Ethekwini Hospital and Heart Centre	280,103	280,103
Howick Private Hospital	5,983	5,983
MMHS	238,367	238,367
Beira Private Hospital	231	231
	547,126	547,126

An annual impairment test is conducted on goodwill. Management determines the recoverable amounts of cash- generating-units as being the higher of net selling price or value-in-use. In the absence of an active market, value-in-use is used to determine the recoverable amount. A traditional method of discounting management's best estimate of future cash flows attributable to the cash-generating-unit, taking into account appropriate growth rates, has been used to determine the value-in-use. Cash flow projections cover a 5 year period.

Key assumptions used in the calculation of the discount rate:

- A risk free rate derived from the R213 SA Government bond which was yielding 9.42% as at 28 February 2025 (2024: 10.61%)
- A market risk premium of 6.7% (2024: 6.7%), given the unlisted nature of the Group.
- Beta of 0.67 (2024: 0.71) is appropriate in the current environment and based on the defensive nature of the Group.

Value-in-use calculations have been based on a subjective pre-tax discount rate of between 12.9% and 17.2% (2024: 14.1% and 18.3%) and terminal growth rates of between 2% and 5% (2024: 2% and 5%) depending on the type, location and the maturity of the cash-generating-unit business.

The net present value of these forecasts support the value of goodwill for each cash-generating-unit indicated above. Management has based their assumptions on past experience and external sources of information.

Sensitivity

The Group has made estimates and assumptions in respect of impairment testing of cash generating units as detailed above and had the pre-tax discount rate been increased by 1% (2024: 1%) or the terminal growth rate decreased by 0.5% (2024: 0.5%), the recoverable amounts of the goodwill of all of the cash generating units would still exceed their respective carrying values.

Notes to the Consolidated Financial Statements

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11. Property, plant and equipment

Balances at year end and movements for the year

	Land	Buildings	Leasehold improvements	Plant and equipment	Motor vehicles	Furniture and fittings	Office equipment	Computer equipment	Total
Reconciliation for the year ended 28 February 2025									
Carrying value at 1 March 2024	**314,066**	**2,489,920**	**245**	**723,805**	**2,661**	**80,112**	**2,276**	**22,472**	**3,635,557**
Movements for the year ended 28 February 2025									
Additions from acquisitions	-	126,438	1,285	160,854	1,483	19,972	414	7,090	**317,536**
Transfer between categories (see note 12)	-	(4,225)	-	-	-	-	-	-	**(4,225)**
Increase (decrease) through net exchange differences	(4,066)	(9,878)	-	(6,296)	(409)	(6,860)	(35)	688	**(26,856)**
Depreciation	-	(30,755)	(97)	(113,128)	(800)	(14,308)	(458)	(9,018)	**(168,564)**
Disposals	-	(2,839)	(2)	(5,198)	(272)	(20)	-	(427)	**(8,758)**
Property, plant and equipment at the end of the year	**310,000**	**2,568,661**	**1,431**	**760,037**	**2,663**	**78,896**	**2,197**	**20,805**	**3,744,690**
Closing balance at 28 February 2025									
At cost	310,000	2,751,561	1,617	1,540,680	6,981	169,810	10,513	109,695	**4,900,857**
Accumulated depreciation	-	(182,900)	(186)	(780,643)	(4,318)	(90,914)	(8,316)	(88,890)	**(1,156,167)**
Net book value	**310,000**	**2,568,661**	**1,431**	**760,037**	**2,663**	**78,896**	**2,197**	**20,805**	**3,744,690**

Notes to the Consolidated Financial Statements

Figures in R `000

Property, plant and equipment continued...

	Land	Buildings	Leasehold improvements	Plant and equipment	Motor vehicles	Furniture and fittings	Office equipment	Computer equipment	Total
Reconciliation for the year ended 29 February 2024									
Carrying value at 1 March 2023	**312,530**	**2,291,214**	**277**	**495,002**	**2,388**	**56,955**	**3,037**	**24,450**	**3,185,853**
Movements for the year ended 29 February 2024									
Additions from acquisitions	-	113,467	-	236,461	118	12,741	-	14,433	**377,220**
Acquisitions through business combinations	-	90,200	-	95,187	913	18,889	1,205	168	**206,562**
Increase/(decrease) through net exchange differences	1,536	23,544	-	10,760	(97)	3,961	(35)	184	**39,853**
Depreciation	-	(28,338)	(32)	(103,894)	(640)	(10,187)	(421)	(12,357)	**(155,869)**
Disposals	-	(167)	-	(9,711)	(21)	(2,247)	(1,510)	(4,406)	**(18,062)**
Property, plant and equipment at the end of the year	**314,066**	**2,489,920**	**245**	**723,805**	**2,661**	**80,112**	**2,276**	**22,472**	**3,635,557**
Closing balance at 29 February 2024									
At cost	314,066	2,645,295	332	1,452,378	6,467	149,998	10,973	105,051	**4,684,560**
Accumulated depreciation	-	(155,375)	(87)	(728,573)	(3,806)	(69,886)	(8,697)	(82,579)	**(1,049,003)**
Net book value	**314,066**	**2,489,920**	**245**	**723,805**	**2,661**	**80,112**	**2,276**	**22,472**	**3,635,557**

Certain property, plant and equipment have been used as security for financing facilities. Refer to note 21.

Figures in R `000

12. Intangible assets

Reconciliation of changes in intangible assets

	Computer software	Hospital licences	Management agreement	Total
Reconciliation for the year ended 28 February 2025				
Carrying value as at 1 March 2024	**25,077**	**2,479**	**15,246**	**42,802**
Movements for the year ended 28 February 2025				
Additions other than through business combinations	9,665	-	-	9,665
Transfer between categories (see note 11)	4,225	-	-	4,225
Increase (decrease) through net exchange differences	(799)	-	-	(799)
Amortisation	(13,896)	-	(5,902)	(19,798)
Impairment loss recognised in profit or loss	(4,225)	-	-	(4,225)
Intangible assets at the end of the year	**20,047**	**2,479**	**9,344**	**31,870**
Closing balance at 28 February 2025				
At cost or fair value	93,652	2,479	30,000	**126,131**
Accumulated amortisation	(73,605)	-	(20,655)	**(94,260)**
Net book value	**20,047**	**2,479**	**9,345**	**31,871**
Reconciliation for the year ended 29 February 2024				
Carrying value as at 1 March 2023	**14,048**	**2,479**	**21,148**	**37,675**
Movements for the year ended 29 February 2024				
Additions other than through business combinations	20,568	-	-	20,568
Acquisitions through business combinations	4,120	-	-	4,120
Increase (decrease) through net exchange differences	849	-	-	849
Amortisation	(13,890)	-	(5,902)	(19,792)
Disposals	(618)	-	-	(618)
Intangible assets at the end of the year	**25,077**	**2,479**	**15,246**	**42,802**
Closing balance at 29 February 2024				
At cost or fair value	84,732	2,479	30,000	**117,211**
Accumulated amortisation	(59,655)	-	(14,754)	**(74,409)**
Net book value	**25,077**	**2,479**	**15,246**	**42,802**

Intangibles are valued as per note 1.14. All intangibles are tested annually for impairment. The estimation of the indefinite useful life of hospital licences is based on historic performance as well as expectations about future use. Software relates to the Group's deployment of SAP software at its various facilities. Management agreement relates to a hospital management agreement acquired in the business combination with Halcom Management Services Limited.

The recoverable amount of the hospital licence is determined by projecting a future cash flow expected to be generated by the intangible asset. The present value of these cash flows is determined using an appropriate discount rate.

Notes to the Consolidated Financial Statements

Figures in R `000

13. Investment in subsidiaries and associates

13.1 Composition of the group

Information about the composition of the Group is as follows:

Name of subsidiary	% shareholding
Direct	
Lenmed Health (Pty) Ltd	100%
Lenmed Health Africa (Pty) Ltd	100%
Lenmed Health Finance Company (Pty) Ltd	100%
Lenmed International Holdings Limited	100%
Indirect	
Ahmed Kathrada Private Hospital (Pty) Ltd	100%
Lenmed Health Daxina Private Hospital (Pty) Ltd	100%
Lenmed Health Management Company (Pty) Ltd	100%
Lenmed Health Nursing College (Pty) Ltd	100%
Lenmed Health Properties (Pty) Ltd	100%
Lenmed Health Randfontein Private Hospital (Pty) Ltd	100%
Lenmed Health Shifa (Pty) Ltd	100%
Lenmed Health Zamokuhle (Pty) Ltd	100%
Maputo Private Hospital Limitada	100%
Mozambique Private Laboratory Limitada	100%
LMPH Real Estate, Lda	100%
Nu-Yale Trust	100%
Royal Hospital and Heart Centre (Pty) Ltd	100%
Halcom Management Services Limited	100%
Lenmed Howick Pharmacy (Pty) Ltd	100%
Cold Creek Investments 22 (Pty) Ltd	100%
Matlosana Medical Health Services (Pty) Ltd	100%
MMHS Properties (Pty) Ltd	100%
Caerus Nursing School (Pty) Ltd	100%
Wilmed Trading Trust	100%
Wilmed Property Trust	100%
Wilmed Equipment Trust	100%
Sunningdale Trust	100%
MooiMed Operating Company (Pty) Ltd	100%
MooiMed Apteek (Pty) Ltd	100%
K2022820006 (Pty) Ltd	100%
Lenmed International Consulting Limited	100%
Perlucia (Pty) Ltd	64%
Daleside Day Hospital (Pty) Ltd	51%
Tech4Green (Pty) Ltd	51%
Howick Private Hospital Holdings (Pty) Ltd	99%

Notes to the Consolidated Financial Statements

Figures in R `000

Investment in subsidiaries and associates continued...

Howick Private Hospital (Pty) Ltd	99%
Lenmed Health Laverna (Pty) Ltd	93%
Lenmed Ethekwini Hospital and Heart Centre (Pty) Ltd	77%
Lenmed Ethekwini Acute Rehabilitation Centre (Pty) Ltd	77%
Lenmed Health Bokamoso Private Hospital (Pty) Ltd	70%
Lenmed Health Kathu Private Hospital (Pty) Ltd	67%
Lenmed Health Kathu Properties (Pty) Ltd	60%
Beira Private Hospital Limitada	60%

All the subsidiaries have a place of business within the Republic of South Africa except for Lenmed Health Bokamoso Private Hospital (Pty) Ltd (Incorporated in Botswana), Maputo Private Hospital Limitada (Incorporated in Mozambique), Mozambique Private Laboratory Limitada (Incorporated in Mozambique), LMPH Real Estate, Lda (Incorporated in Mozambique), Beira Private Hospital Limitada (Incorporated in Mozambique) and Halcom Management Services Limited (Incorporated in Seychelles).

13.2.1 Summarised financial information for subsidiaries with material non-controlling interests before inter-company eliminations

	Lenmed Ethekwini Hospital and Heart Centre (Pty) Ltd	**Lenmed Health Bokamoso Private Hospital (Pty) Ltd**
% of interest and voting rights held by non-controlling interests	**23%**	**30%**
At 28 February 2025		
Extract from statement of financial position		
Non-current assets	1,200,055	265,064
Current assets	276,299	498,289
Non-current liabilities	(188,350)	(191,687)
Current liabilities	(123,506)	(268,659)
Accumulated non-controlling interests at the end of the reporting period	(267,835)	(90,902)
Extract from statement of comprehensive income		
Revenue	1,058,006	531,168
Profit or loss	130,710	(10,618)
Profit for the year allocated to non-controlling interests	30,063	(3,185)
Extract from statement of cash flows		
Cash inflow/(outflow) from operating activities	142,720	(62,731)
Cash (outflow) from investing activities	(107,905)	(7,613)
Cash (outflow) from financing activities	(41,047)	(11,116)
Net cash inflow	**(6,232)**	**(81,460)**

Notes to the Consolidated Financial Statements

Figures in R `000

Investment in subsidiaries and associates continued...

At 29 February 2024

Extract from statement of financial position		
Non-current assets	1,008,122	305,178
Current assets	235,538	451,750
Non-current liabilities	(189,615)	(225,981)
Current liabilities	(102,794)	(205,313)
Accumulated non-controlling interests at the end of the reporting period	(223,721)	(99,517)
Extract from statement of comprehensive income		
Revenue	975,867	606,786
Profit or loss	121,655	48,287
Profit for the year allocated to non-controlling interests	27,981	14,486
Extract from statement of cash flows		
Cash inflow from operating activities	220,515	14,238
Cash (outflow)/inflow from investing activities	(125,343)	60,403
Cash (outflow)/inflow from financing activities	(78,739)	5,809
Net cash (outflow)/inflow	**16,433**	**80,450**

Figures in R `000	Group 2025	Group 2024

Investment in subsidiaries and associates continued...

13.2 Investment in and loans to associates

The Group's investment in Lenasia Renal Care (Pty) Ltd, Renal Care Holdings (Pty) Ltd and Kitmar (Pty) Ltd are accounted for under the equity method of accounting.

Lenasia Renal Centre (Pty) Ltd.

The Group owns 30% of Lenasia Renal Care Centre (Pty) Ltd, a renal dialysis unit situated adjacent to Ahmed Kathrada Private Hospital.

	Group 2025	Group 2024
Opening balance	3,225	3,155
Share of associate earnings	102	70
Closing balance	**3,327**	**3,225**

Renal Care Holdings (Pty) Ltd

The Group owns 40% of Renal Care Holdings (Pty) Ltd, a renal dialysis holding company.

	Group 2025	Group 2024
Opening balance	9,517	9,418
Share of associate earnings	358	99
Closing balance	**9,875**	**9,517**

Kitmar (Pty) Ltd

The Group owns 45% of Kitmar (Pty) Ltd, a radiology business in South Africa.

	Group 2025	Group 2024
Share of associate earnings	1,432	-
Closing balance	**1,432**	**-**

Loans to Kitmar (Pty) Ltd

	Group 2025	Group 2024
Opening balance	3,968	-
Loans granted	1,454	3,968
Closing balance	**5,422**	**3,968**

The above loan is unsecured, interest free and will not be repaid within the next twelve months.

	Group 2025	Group 2024
Investment in and loans to associates	**20,056**	**16,710**

The loan to Kitmar (Pty) Ltd was previously included in trade and other receivables (note 17) but to improve disclosure it has been disclosed in investment in and loans to associates. The comparatives have been adjusted accordingly.

The directors are of the opinion that the fair value of the above investments exceeds their carrying value.

Notes to the Consolidated Financial Statements

Figures in R `000	Group 2025	Group 2024

14. Lease liabilities

14.1 Amounts recognised in the statements of financial position

Right-of-use assets		
Buildings	289,509	301,664
Accumulated depreciation	(76,610)	(62,621)
	212,899	**239,043**
Reconciliation of right-of-use asset:		
Opening carrying value	239,043	180,960
Additions	1,517	65,820
Depreciation	(20,361)	(20,977)
Foreign currency exchange difference	(7,300)	13,240
Carrying value	212,899	239,043

Lease liabilities		
Non-current lease liability	246,477	272,482
Current portion of lease liability	17,683	16,767
	264,160	**289,249**

Lease liabilities represent the present value of future minimum lease payments discounted at a rate of between 6.5% and 9.5% (2024: 6.5% and 9.5%) after taking the lease term ranging between 1 and 19 years into account.

Maturity analysis of future lease payments outstanding at the reporting date:

Total	**264,160**	**289,249**
Total future lease payments	421,345	472,383
Due within 1 year	33,415	35,710
Due between 2 and 5 years	117,030	100,631
Greater than 5 years	270,900	336,042
Total future finance costs	157,185	183,134
Due within 1 year	15,732	18,943
Due between 2 and 5 years	56,242	48,515
Greater than 5 years	85,211	115,676
Total lease liability	**264,160**	**289,249**
Due within 1 year	17,683	16,767
Due between 2 and 5 years	60,788	52,116
Greater than 5 years	185,689	220,366

Notes to the Consolidated Financial Statements

Figures in R `000	Group 2025	Group 2024
Lease liabilities continued...		
Reconciliation of lease liabilities		
Opening carrying value	289,249	225,448
Additions	1,517	65,820
Lease payments	(17,576)	(16,394)
Foreign currency exchange difference	(9,030)	14,375
Carrying value	264,160	289,249

14.2 Amounts recognised in the statements of profit or loss and other comprehensive income

	Group 2025	Group 2024
Depreciation		
Buildings	20,361	20,977
Other expenses and gains		
Interest expense	17,662	18,683
Short-term lease expenses	49,892	53,675

14.3 Amounts recognised in the statements of cash flows

	Group 2025	Group 2024
Cash flow from operations		
- Interest paid	(17,662)	(18,683)
Cash flow from financing activities		
- Lease liabilities	(17,576)	(16,394)

15. Deferred tax

15.1 The analysis of deferred tax assets and deferred tax liabilities is as follows:

	Group 2025	Group 2024
Deferred tax assets:		
- Deferred tax assets to be recovered	109,293	96,482
	109,293	96,482
Deferred tax liabilities:		
- Deferred tax liability to be paid	(284,481)	(251,063)
	(284,481)	(251,063)
Net deferred tax liabilities	**(175,188)**	**(154,581)**

Figures in R `000

Deferred tax continued...

15.2 ***Reconciliation of deferred tax asset***

	Property, plant and equipment	Provisions	Assessed losses	Other*	Lease liability	Prepaid expense	Cash flow hedging reserve	Total
Opening balance at 1 March 2024	(67,040)	59,055	90,077	6,623	11,270	(3,503)	-	**96,482**
(Charged) / credited to profit or loss	252	3,952	17,031	(6,964)	317	(1,777)	-	**12,811**
Closing balance at 28 February 2025	**(66,788)**	**63,007**	**107,108**	**(341)**	**11,587**	**(5,280)**	**-**	**109,293**
Opening balance at 1 March 2023	(62,527)	64,865	81,030	(13,718)	9,856	(6,234)	-	**73,272**
(Charged) / credited to profit or loss	(4,513)	(9,263)	9,047	20,341	1,414	2,731	-	**19,757**
Credited to other comprehensive income	-	-	-	-	-	-	-	**-**
Acquisition through business combinations	-	-	-	-	-	-	-	**-**
Exchange difference	-	3,453	-	-	-	-	-	**3,453**
Closing balance at 29 February 2024	**(67,040)**	**59,055**	**90,077**	**6,623**	**11,270**	**(3,503)**	**-**	**96,482**

Reconciliation of deferred tax liability

	Property, plant and equipment	Provisions	FV in Step acquisition	Lease smoothing adjustment	Assessed loss	Prepaid expense	Other*	Total
Opening balance at 1 March 2024	(233,801)	16,108	(46,817)	-	13,654	(623)	416	**(251,063)**
(Charged) / credited to profit or loss	(27,431)	4,533	1,672		(11,384)	144	(952)	**(33,418)**
Closing balance at 28 February 2025	**(261,232)**	**20,641**	**(45,145)**	**-**	**2,270**	**(479)**	**(536)**	**(284,481)**
Opening balance at 1 March 2023	(213,026)	12,895	(46,817)	-	10,620	(631)	(186)	**(237,145)**
Credited/ (charged) to profit or loss	(15,044)	2,366	-	-	3,034	8	602	**(9,034)**
Acquisition through business combinations	(5,731)	847	-	-			-	**(4,884)**
Closing balance at 29 February 2024	**(233,801)**	**16,108**	**(46,817)**	**-**	**13,654**	**(623)**	**416**	**(251,063)**

*Other comprises of foreign currency translation on loan.

Notes to the Consolidated Financial Statements

Figures in R `000	Group 2025	Group 2024

Deferred tax continued...

15.3 Deferred tax assets where utilisation is dependent on future taxable profits

Amount of the deferred tax asset raised where utilisation is dependent on future taxable profits	95,725	103,731

Deferred tax assets not recognised because of uncertainty of availability of future taxable profits amounts to nil (2024: nil)

16. Inventories

Inventories comprise:

Medical and pharmaceutical merchandise	125,368	122,631
Allowance for obsolete stock	(2,748)	(3,567)
	122,620	**119,064**

Allowance for obsolete stock		
Balance at beginning of year	3,567	1,047
Allowance raised	-	2,520
Allowance released	(819)	
Balance at end of year	**2,748**	**3,567**

17. Trade and other receivables

17.1 Trade and other receivables comprise:

Trade receivables	1,471,602	1,281,202
Allowance for expected credit loss	(300,531)	(282,930)
Trade receivables - net	**1,171,071**	**998,272**
Sundry debtors	70,588	78,173
Doctors rental	38,321	41,020
Allowance for expected credit loss	(21,550)	(15,287)
Sundry debtors - net	**87,359**	**103,906**
RAF prefunding	25,032	33,381
Allowance for expected credit loss	(9,507)	(9,917)
RAF prefunding - net	**15,525**	**23,464**
Prepaid expenses	32,308	23,977
Deposits	15,589	12,377
Total trade and other receivables	**1,321,852**	**1,161,996**

The loan to Kitmar (Pty) Ltd of R3,968m was previously included in trade and other receivables but to improve disclosure it has been disclosed in investment in and loans to associate (note 13.2). The comparatives have been adjusted accordingly.

The carrying value of trade and other receivables approximated their fair value due to the short-term nature of these receivables.

Notes to the Consolidated Financial Statements

Figures in R `000	Group 2025	Group 2024

Trade and other receivables continued...

17.2 Movements in allowance for expected credit loss

At the beginning of the year	308,134	225,280
Impairment raised	96,297	105,089
Written off during the year	(72,843)	(16,628)
Acquisition through business combination	-	(5,607)
At the end of the year	**331,588**	**308,134**

The Group determines the trade receivables and RAF prefunding expected credit loss allowance using the provision matrix approach. The provision rates are based on days past due for groupings of various customer categories with similar loss patterns (mainly by customer type). The customer types are Medical Aid funders, Government, Workmen's Compensation, Private patients and the Road Accident Fund. Credit risk per category is determined using past information and experience with debtors as well as expectations of the future recoverability of amounts due from debtors. The Group determines the sundry debtors expected credit loss using the simplified approach. The approach uses historical credit loss experience adjusting for forward looking information. Trade and other receivables are written off when there is no reasonable expectation of recovery. Debtors written off are subject to enforcement activities under the Group's debtor collection procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

The loss allowance is summarised as:

Group

Allowance for expected credit losses for trade receivables and RAF prefunding:

Less than 30 days	14,372	14,596
30-59 days	9,177	7,483
60-89 days	8,770	7,681
90-119 days	11,354	10,071
120 days and over	266,364	253,016
	310,037	292,847

Weighted average allowance for expected credit losses rate for trade receivables and RAF prefunding:

Less than 30 days	3 %	2 %
30-59 days	9 %	9 %
60-89 days	14 %	17 %
90-119 days	17 %	25 %
120 days and over	43 %	53 %
	21 %	24 %

18. Cash and cash equivalents

18.1 Cash and cash equivalents included in current assets:

Cash

Cash on hand	169	338
Balances with banks	318,657	283,208
	318,826	**283,546**

Notes to the Consolidated Financial Statements

Figures in R `000	Group 2025	Group 2024

Cash and cash equivalents continued...

18.2 Overdrawn cash and cash equivalents included in current liabilities

Bank overdrafts	(42,263)	(85,623)
Current assets	318,826	283,546
Current liabilities	(42,263)	(85,623)
	276,563	**197,923**

19. Issued capital

Authorised and issued share capital

Authorised

1 000 000 000 (2024: 1 000 000 000) ordinary shares at no par value.

Issued

708 242 566 ordinary shares at no par value (2024: 709 533 909 ordinary shares)	423,563	426,006

The directors are authorised, in terms of the company's Memorandum of Incorporation, to issue and allot any of the unissued share capital for any purpose and upon such terms and conditions as they deem fit.

A reconciliation of the number of shares issued at the beginning and the end of the period:

Number of shares at the beginning of the year	709,533,909	709,533,909
Shares bought back	(1,291,343)	-
Number of shares at the end of the year	**708,242,566**	**709,533,909**

Share buyback programme

The Group bought back 1 291 343 shares at an average price of R1.89 per share.

20. Reserves

Foreign currency translation reserve	238,678	290,816
Total reserves	**238,678**	**290,816**

Foreign currency translation reserve

This reserve exists due to exchange differences arising on translation of assets and liabilities of the Group's foreign subsidiaries. Refer to note 13.1 for the list of foreign subsidiaries.

Figures in R `000	Group 2025	Group 2024

21. Long term liabilities

21.1 Secured loans

Rand Merchant Bank (RMB), Absa Bank Limited, Ashburton Investments, and the International Finance Corporation (IFC). (2024: Rand Merchant Bank) *The loan is a five-year term facility maturing in March 2029. Interest is payable quarterly, while the capital is repayable in a single lump sum at the end of the loan term.*	1,703,977	1,630,000

The Group's long-term borrowings are secured by:

• A first-ranking mortgage bond over land and buildings with a carrying value of R2.435 billion (2024: R2.156 billion); and
• A notarial bond over movable assets with a carrying value of R618.413 million (2024: R684.756 million).
Interest on these borrowings is linked to the 3-month Johannesburg Interbank Average Rate (JIBAR).

During the year, the Group successfully refinanced its debt facilities. This refinancing not only extended the maturity profile of the debt but also increased the available funding, providing additional headroom to support the Group's ongoing growth strategy. The restructured facilities are as follows:

•A R1.7 billion term loan facility with a 5-year maturity, at an interest rate linked to the 3-month JIBAR;
• A R550 million revolving credit facility, also with a 5-year term and interest linked to the 3-month JIBAR; and
• R250 million in general banking facilities, renewable annually, at rates linked to the 3-month JIBAR.
The original lenders under the facility include Rand Merchant Bank (RMB), Absa Bank Limited, Ashburton Investments, and the International Finance Corporation (IFC).

First National Bank Limited	7,478	8,430

These loans from First National Bank are secured by land and buildings with a carrying amount of R60.711 million (2024: R47.585 million) (refer to note 11). Interest has been charged at rates linked to prime. This loan is repayable in monthly instalments of R0.146 million (2024: R0.151 million).

Rand Merchant Bank	27,150	-
The loan is unsecured, is expected be repaid within the next 12 months and bears interest of prime plus 0.70%.		
	1,738,605	1,638,430

Notes to the Consolidated Financial Statements

Figures in R `000	Group 2025	Group 2024
Long term liabilities continued...		
21.2 Instalment sales agreements		
Wesbank, a division of FirstRand Bank Ltd	32,278	62,716
Repayable in monthly instalments of R2.352 million (2024: R2.775 million). Interest has been charged at rates of interest linked to the prime lending rate. Secured by plant and equipment with a book value of R63.272 million (2024: R97.680 million).		
	1,770,883	1,701,146
Non-current portion of long term liabilities	1,724,317	1,094,918
Current portion of long term liabilities	46,566	606,228
	1,770,883	**1,701,146**

22. Loans from non-controlling interests

	Group 2025	Group 2024
Loans from non-controlling interests comprise:		
ATM Healthcare (Pty) Ltd	27,685	24,706
The loan is unsecured, has no fixed terms of repayment but will not be paid within the next 12 months and bears interest at prime rate.		
Howick Private Hospital non-controlling shareholders	748	715
The loan is unsecured, has no fixed terms of repayment but will not be paid within the next 12 months and bears no interest.		
Lenmed Ethekwini Hospital and Heart Centre (Pty) Ltd non-controlling shareholders	393	295
These loans are unsecured, bear no interest and are expected to be repaid within 12 months.		
Tech4Green (Pty) Ltd non-controlling shareholders	1,118	639
The loan is unsecured, has no fixed terms of repayment but are expected be repaid within the next 12 months and bears no interest.		
Beira Private Hospital non-controlling shareholders	8,018	8,308
The loan is unsecured, has no fixed terms of repayment but are expected be repaid within the next 12 months and bears no interest.		
	37,962	34,663
Non-current liabilities	28,433	25,421
Current liabilities	9,529	9,242
	37,962	**34,663**

Notes to the Consolidated Financial Statements

Figures in R `000	Group 2025	Group 2024

23. Trade and other payables

23.1 Trade and other payables comprise:

Trade creditors	540,939	539,800
Cash settled share based payments	25,707	9,016
Other payables	50,081	56,366
Value added tax	2,625	8,235
Total trade and other payables	**619,352**	**613,417**

Notes to the Consolidated Financial Statements

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Trade and other payables continued...

23.2 *Cash-settled share based payments*

This is made up of three allocations of share appreciation rights (SARs):

1) Nil (2024: 9.650 million) SARs

9.650 million SARs were issued on 1st of August 2021 to two executive directors and twenty three members of senior management, at a price of R2.77 each. As at 28 February 2025, the rights had vested (2024: 9.650 million SARs were in issue).

2) 12.650 million SARs (2024: 12.800 million) SARs

13.300 million SARs were issued on 1st of August 2022 to two executive directors and twenty three members of senior management, at a price of R3.18 each. As at 28 February 2025, 12.650 million (2024: 12.800 million) SARs were in issue. The reduction from the prior is due to the senior management attrition during the year.

3) 20.950 million SARs (2024: 21.100 million) SARs

21.100 million SARs were issued on 1st of August 2023 to two executive directors and twenty four members of senior management, at a price of R3.90 each. As at 28 February 2025, 20.950 million (2024: 21.100 million) SARs were in issue. The reduction from the prior is due to the senior management attrition during the year.

4) 21.400 million SARs

21.400 million SARs were issued on 1st of August 2024 to two executive directors and twenty four members of senior management, at a price of R3.59 each.

The Group has determined that the allocation should be accounted for as a cash-settled share-based payment transaction. The fair value of the SARs was calculated using the Black Scholes option pricing model. The amount recognised in the annual financial statements for the current year, in accordance with IFRS 2: Share-based payments, is an expense accrual of R16.991 million (2024: (2.923 million — expense accrual)).

The assumptions used in determining the fair value of the SARs granted are summarised below:

	2	*3*	*4*
Last determined price as at 28 February 2025	R 4.23	R 4.23	R 4.23
Last determined price as at 29 February 2024	R 3.23	R 3.23	R 3.23
Risk-free rate	9.42%	9.42%	9.42%
Volatility	12 %	12 %	12 %
Dividend yield	1 %	1 %	1 %
Long-term inflation	6 %	6 %	6 %

The risk-free rate of 9.42% (2024: 10.61%) has been assumed based on the prevailing return on a five-year RSA Government Bond as at year end.

The volatility of 12% (2024: 12%) was determined based on the historic volatility of the Group's share price over the previous year.

23.3 *Trade and other payables*

The carrying value of trade and other payables approximated their fair value due to the short-term nature of these payables.

Notes to the Consolidated Financial Statements

Figures in R `000	Group 2025	Group 2024

24. Provisions

24.1 Provisions comprise:

Provisions for employee benefits	99,118	84,548
Other provisions	48,601	43,989
	147,719	**128,537**

24.2 Reconciliation for provisions

	Leave pay provision	Bonus Provision	Other provisions	Total
Balance at 1 March 2024	**52,369**	**32,179**	**43,989**	**128,537**
Increase in existing provisions	74,118	93,115	40,586	207,819
Increase (decrease) through net exchange differences	(519)	(96)	1,523	908
Provisions utilised	(75,579)	(76,469)	(37,497)	(189,545)
Balance at 28 February 2025	**50,389**	**48,729**	**48,601**	**147,719**
Balance at 1 March 2023	**50,636**	**39,902**	**37,372**	**127,910**
Increase in existing provisions	169,764	51,354	42,298	263,416
Acquisitions through business combinations	696	-	-	696
Increase (decrease) through net exchange differences	835	375	15	1,225
Provisions utilised	(169,562)	(59,452)	(35,696)	(264,710)
Balance at 29 February 2024	**52,369**	**32,179**	**43,989**	**128,537**

Included in other provisions are provisions for medical legal claims of R33.482 million (2024: R33.300 million).

25. Notes to statement of cash flows

25.1 Income tax paid

Amounts (payable)/ receivable at the beginning of the year	4,392	(2,015)
Amounts (receivable)/ payable at the end of the year	3,006	(4,392)
Taxation (expense)/credit	(130,789)	(73,342)
Less deferred tax included in taxation expense	20,135	(10,723)
Foreign exchange movements	-	836
	(103,256)	(89,636)

25.2 Movement in long term loans

Opening balance	1,735,570	1,604,018
Loans advanced	100,738	168,076
Loans repaid	(32,535)	(90,399)
Non-cash item	7,249	54,585
FCTR	(2,417)	(710)
Closing balance	1,808,605	1,735,570

Notes to the Consolidated Financial Statements

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26. Related parties

26.1 Related parties transactions

Transactions and balances between the Group and its subsidiaries, which are related parties of the Group, have been eliminated on consolidation.

The Group paid rentals to a related party property company amounting to R1.587 million (2024: R1.517 million). The directors consider this rental to be market-related.

The remuneration and benefits received by the directors are disclosed in note 26.2

Entity name	Relationship	Transaction	2025	2024
Central City Investments (Pty) Ltd	Common director	Rental paid	1,587	1,517

Notes to the Consolidated Financial Statements

Figures in R `000

Related parties continued...

26.2 Compensation paid to or receivable by directors and prescribed officers

Name	**Fees paid**	**Salaries and guaranteed remuneration**	**Bonuses**	**Share appreciation rights**	**Consulting fees**	**Total remuneration**
2025						
Mr P Devchand	-	2,725	-	-	-	2,725
Mr A Devchand	-	7,431	7,431	2,050	-	16,912
Mr F J Meiring	-	4,793	4,793	1,230	-	10,816
Mr M G Meehan	324	-	-	-	-	324
Mr V E Firman	764	-	-	-	48	812
Ms B Harie	690	-	-	-	-	690
Prof B D Goolab	668	-	-	-	-	668
Ms N V Simamane	694	-			-	694
Dr G Goolab	569	-	-	-	-	569
Total compensation paid to or receivable by directors and prescribed officers	**3,709**	**14,949**	* **12,224**	**3,280**	**48**	**34,210**

Notes to the Consolidated Financial Statements

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Related parties continued...

2024

Mr P Devchand	-	2,558	-	-	-	2,558
Mr A Devchand	-	7,000	3,500	3,656	-	14,156
Mr F J Meiring	-	4,500	2,250	1,463	-	8,213
Mr M G Meehan	660	-	-	-	-	660
Mr V E Firman	549	-	-	-	483	1,032
Ms B Harie	684	-	-	-	-	684
Prof B D Goolab	663	-	-	-	-	663
Ms N V Simamane	642				-	642
Dr G Goolab	594	-	-	-	-	594
Total compensation paid to or receivable by directors and prescribed officers	**3,792**	**14,058**	# **5,750**	**5,119**	**483**	**29,202**

* The bonuses disclosed are based on the performance for the period ended 28 February 2025 but paid after the financial year end.

The bonuses disclosed are based on the performance for the period ended 29 February 2024 but paid after the financial year end.

Notes to the Consolidated Financial Statements

Figures in R `000	Group 2025	Group 2024

27. Contingent liabilities

Certain Compensation for Occupational Injuries and Diseases (COID) debtors are factored between 84% and 85% of their original value. The factoring houses have recourse should they not be able to recover the debt. The total funds received but still open to recourse amounted to R28.946 million as at reporting date (2024: R58.397 million).

Within the framework of the annual review of contingent liabilities, medical malpractice contingent liabilities for a total amount of R15.740 million (2024: R39.026 million) have been identified at 28 February 2025. The Group does not recognise contingent liabilities in the statement of financial position until future events indicate that it is probable that an outflow of resources will take place and a reliable estimate can be made, at which time a provision is raised. A provision has been created of R33.482 million (2024: R33.300 million) for current and pending legal cases and reflected within other provisions (note 24). The Group is not aware of any other current or pending legal cases that would have a material adverse effect on the Group.

28. Financial risk management

This note explains the group's exposure to financial risks and how these risks could affect the group's future financial performance. Current year profit and loss information has been included where relevant to add further context.

The Group’s financial liabilities comprise long-term liabilities, short-term liabilities, trade and other payables and bank overdrafts. These financial liabilities were used to raise finance for the Group’s operations. The Group has various financial assets such as trade receivables and cash and cash equivalents, which arise directly from its operations. The main risks arising from the Group’s financial instruments are interest rate risk, credit risk, liquidity risk and foreign currency risk. These risks are managed as follows:

28.1 Interest rate risk

Interest rate risk is the risk that changes in the interest rate will affect the Group’s income or value of its financial instruments. The Group is exposed to interest rate risk through its commitments in interest bearing borrowings, lease liabilities, cash and cash equivalents and instalment sale agreements.

Interest risk table

The following table demonstrates the sensitivity of profit before tax (through the impact on floating rate borrowings) to a possible change in interest rates, with all other variables held constant.

Group		
Interest bearing secured loans	1,738,605	1,638,430
Instalment sale liabilities	32,278	62,716
Loans from non-controlling interests	27,685	24,706
Bank overdraft	42,263	85,623
	1,840,831	**1,811,475**

Sensitivity analysis		
Increase of 100 basis points would result in a reduction in profit before tax of	(18,408)	(18,115)
Decrease of 100 basis points would result in an improvement in profit before tax of	18,408	18,115

Notes to the Consolidated Financial Statements

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Financial risk management continued...

28.2 Credit risk

Credit risk is the risk of financial loss due to counterparties to financial instruments not meeting their contractual obligations.

The Group deposits surplus cash with major reputable banks with high credit standing and between various financial institutions to limit the exposure to any one counterparty.

The Group evaluates credit risk relating to customers using credit verification and independent rating procedures. Individual risk limits are set for patients without medical aid insurance. Services to customers without medical aid insurance are settled in cash or using major credit cards on discharge date as far as possible.

The Group applies the IFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade and other receivables.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on the payment profiles of revenue over a period of more than 12 months and the corresponding historical credit losses experienced within the same period. The historical cost rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the patients to settle the receivables. The maximum exposure is the carrying amount as disclosed in trade and other receivables note 17.

28.3 Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due.

The Group manages liquidity risk by monitoring forecast cash flows and ensuring that adequate un-utilised borrowing facilities are available. In addition, the Group maintains a strong business relationship with its bankers.

Figures in R `000

Financial risk management continued...

28.3.1 Maturities of financial liabilities

The tables below analyses the group's financial liabilities into relevant maturity groupings based on their contractual maturities.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Contractual maturities of financial liabilities	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total contractual cash flows	Carrying amount
Year ended 28 February 2025						
Trade and other payables excluding non-financial liabilities (Note 23)	616,727	-	-	-	**616,727**	**616,727**
Lease liabilities (Note 14)	33,415	117,030	270,900	-	**421,345**	**264,160**
Secured loans (Note 21)	190,843	169,005	2,029,563	-	**2,389,411**	**1,738,605**
Instalment sale agreements (note 21)	19,416	13,257	-	-	**32,673**	**32,278**
Loans from non-controlling interests (Note 22)	9,529	28,633	-	-	**38,162**	**37,962**
Bank overdraft (Note 18)	42,263	-	-	-	**42,263**	**42,263**
Total	**912,193**	**327,925**	**2,300,463**	**-**	**3,540,581**	**2,731,995**

Notes to the Consolidated Financial Statements

Figures in R `000

Financial risk management continued...

year ended 29 February 2024						
Trade and other payables excluding non-financial liabilities (Note 23)	605,183	-	-	-	**605,183**	**605,183**
Lease liabilities (Note 14)	35,710	100,631	336,042	-	**472,383**	**289,249**
Secured loans (Note 21)	605,508	165,690	911,434	-	**1,682,632**	**1,638,430**
Instalment sale agreements (note 21)	720	918	61,763	-	**63,401**	**62,716**
Loans from non-controlling interests (Note 22)	9,242	-	-	25,421	**34,663**	**34,663**
Bank overdraft (Note 18)	85,623	-	-	-	**85,623**	**85,623**
Total	**1,341,986**	**267,239**	**1,309,239**	**25,421**	**2,943,885**	**2,715,864**

Notes to the Consolidated Financial Statements

Figures in R `000	Group 2025	Group 2024

Financial risk management continued...

28.4 Capital management

The Group's objectives when managing capital are to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefit for other stakeholders.

The Group manages the capital structure in light of changes in business activities and economic conditions. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

The Group monitors risk to capital on the basis of the interest bearing debt to capital ratio. This ratio is calculated as net interest bearing debt divided by capital. Net interest bearing debt is calculated as total bank interest bearing debt excluding lease liabilities less cash and cash equivalents. Capital comprises all components of equity (i.e. ordinary shares, minority interest, retained earnings and other reserves).

The debt to capital ratio at year end is as follows:

Secured loans	1,738,605	1,638,430
Instalment sale agreements	32,278	62,716
Total interest bearing debt	1,770,883	1,701,146
Cash and cash equivalents	(276,563)	(197,923)
Net interest bearing debt	**1,494,320**	**1,503,223**
Total capital	**3,259,409**	**3,043,021**
Debt to capital ratio	**46 %**	**49 %**

Notes to the Consolidated Financial Statements

Figures in R `000	Group 2025	Group 2024

Financial risk management continued...

28.5 Foreign currency risk

Currency exposure arising from the net assets of the Group's foreign operations is managed primarily through borrowings denominated in the relevant foreign currencies, as and when it is required. At 28 February 2025, foreign denominated borrowings to the equivalent of R66.517 million existed (2024: R66.977 million).

The Group is exposed to foreign currency risk through its offshore subsidiaries, Maputo Private Hospital Limitada (Maputo hospital), Lenmed Health Bokamoso Private Hospital (Pty) Ltd (Bokamoso hospital), Beira Private Hospital Limitada (Beira Hospital) and Halcom Management Services Limited (HMS) which have different functional currencies. The net assets of the foreign investments are exposed to foreign currency translation risk as the companies are subsidiaries of the Group which would impact the Group's foreign currency translation reserve. The Group does not formally hedge its foreign currency risk.

Foreign Currency Translation Reserve (FCTR)	**238,678**	**290,816**

Sensitivity analysis

The table below analyses the impact on the Group's revenue, profit after tax and the FCTR. The analysis is based on the assumption that the ZAR had strengthened/weakened by 10% (2024: 10%) against the BWP Pula, US$ and the MZN disclosed in Note 1 with all other variables held constant.

Impact on FCTR		
ZAR strengthened	(23,868)	(29,082)
ZAR weakened	23,868	29,082
Impact on revenue		
ZAR strengthened	(111,234)	(112,934)
ZAR weakened	111,234	112,934
Impact on profit after tax		
ZAR strengthened	(5,338)	(7,132)
ZAR weakened	5,338	7,132

Refer to Note 1 for the exchange rates used to translate its foreign operations.

Notes to the Consolidated Financial Statements

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29. Financial assets

29.1 Carrying amount of financial assets by category

	At amortised cost	Total
Year ended 28 February 2025		
Trade and other receivables excluding non-financial assets (Note 17)	1,289,515	**1,289,515**
Cash and cash equivalents (Note 18)	318,826	**318,826**
	1,608,341	**1,608,341**

	At amortised cost	Total
Year ended 29 February 2024		
Trade and other receivables excluding non-financial assets (Note 17)	1,138,019	**1,138,019**
Cash and cash equivalents (Note 18)	283,546	**283,546**
	1,421,565	**1,421,565**

30. Financial liabilities

Carrying amount of financial liabilities by category

	At amortised cost	Total
Year ended 28 February 2025		
Lease liabilities (Note 14)	264,160	**264,160**
Secured loans (Note 21)	1,738,605	**1,738,605**
Instalment sale agreements (Note 21)	32,278	**32,278**
Loans from non-controlling interests (Note 22)	37,962	**37,962**
Trade and other payables excluding non-financial liabilities (Note 23)	616,726	**616,726**
Bank overdraft (Note 18)	42,263	**42,263**
	2,731,994	**2,731,994**
Year ended 29 February 2024		
Lease liabilities (Note 14)	289,249	**289,249**
Secured loans (Note 21)	1,638,430	**1,638,430**
Instalment sale agreements (Note 21)	62,716	**62,716**
Loans from non-controlling interests (Note 22)	34,663	**34,663**
Trade and other payables excluding non-financial liabilities (Note 23)	605,183	**605,183**
Bank overdraft (Note 18)	85,623	**85,623**
	2,715,864	**2,715,864**

Notes to the Consolidated Financial Statements

Figures in R `000	Group 2025	Group 2024

31. Commitments

Capital commitments		
The construction, renovation and upgrading of hospital buildings	71,324	44,232
The acquisition of plant and equipment	73,134	96,363
	144,458	**140,595**

32. Segment information

32.1 General information

Consistent with the Group’s internal reporting, the chief operating decision maker, being the Executive Committee, views the Group's operating results as a single segment and makes decisions about resources to be allocated and assesses performance accordingly.

The IFRS 8 required information about the Group as a single segment for the profit or loss, including specified revenues and expenses, and assets and liabilities have already been disclosed elsewhere in these consolidated annual financial statements.

The revenue from external customers for groups of similar products and services are disclosed in note 4.

The following geographical information is reported on:

Revenues from external customers		
South Africa	(4,047,359)	(3,491,750)
Outside of South Africa	(1,206,798)	(1,177,878)
Group total revenues from external customers	**(5,254,157)**	**(4,669,628)**
Non-current assets other than financial instruments and deferred tax assets		
South Africa	3,591,730	3,507,521
Outside of South Africa	958,058	969,750
Group total non-current assets other than financial instruments and deferred tax assets	**4,549,788**	**4,477,271**

33. Events after the reporting date

All events subsequent to the date of the consolidated annual financial statements and for which the applicable financial reporting framework which require adjustment or disclosure have been adjusted or disclosed.

For the purpose of creating liquidity in the ordinary shares of the company, the directors approved a general ordinary share buy-back offer to all shareholders effective from 14th of May 2025. The share buy-back offer closed on the 4th of June 2025, in terms of which 32.4 million ordinary shares were repurchased at R3 per share, totalling R97.2 million.

The directors are not aware of any other matter or circumstance arising since the end of the financial year to the date of this report that could have a material effect on the financial position of the Group other than described above.