CURRO HOLDINGS LIMITED AND ITS SUBSIDIARIES

(Registration number 1998/025801/06)

Consolidated and Separate Financial Statements

for the year ended 31 December 2021

General information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Independent school and education services
Directors	SL Botha AJF Greyling JP Loubser TP Baloyi ZN Mankai T Molefe (resigned 19 November 2021) PJ Mouton SWF Muthwa DM Ramaphosa CR van der Merwe
Registered office and business address	38 Oxford Street Durbanville Cape Town South Africa 7550
Postal address	P O Box 2436 Durbanville Cape Town South Africa 7551
Holding company	PSG Financial Services Ltd, incorporated in South Africa
Ultimate holding company	PSG Group Ltd, incorporated in South Africa
Bankers	Absa Bank Ltd First National Bank Ltd Standard Bank of South Africa Ltd
Auditor	PricewaterhouseCoopers Inc. Registered Auditors
Secretary	M Lategan
Company registration number	1998/025801/06
Tax reference number	9159/070/02/9
Level of assurance	These financial statements have been audited in compliance with the applicable requirements of the Companies Act of South Africa, as amended.
Preparer	The financial statements were internally compiled by BC September CA(SA) under the supervision of the director and Chief Financial Officer, JP Loubser CA(SA).
Published	Wednesday, 23 February 2022

Index

The reports and statements set out below comprise the consolidated and separate financial statements presented to the shareholders:

Directors’ responsibilities and approval

The directors are required in terms of the Companies Act of South Africa, as amended (the Companies Act), to maintain adequate accounting records and are responsible for the content and integrity of the consolidated and separate financial statements and related financial information included in this report. It is their responsibility to ensure that the consolidated and separate financial statements fairly present the state of affairs of Curro Holdings Ltd and its subsidiaries (group) as at the end of the financial year and the results of its operations and cash flows for the year then ended, in conformity with International Financial Reporting Standards (IFRS) and the Companies Act. The external auditors are engaged to express an independent opinion on the consolidated and separate financial statements.

The consolidated and separate financial statements are prepared in accordance with IFRS, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, the Listings Requirements of the JSE Ltd (JSE) and the Companies Act. The consolidated and separate financial statements have been prepared using policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the group and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board of directors sets standards for internal control aimed at reducing the risk of error or loss in a cost-effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the 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 and separate financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the consolidated and separate cash-flow forecast for the year to 31 December 2022 and, in the light of this review and the current financial position, they are satisfied that the group and the company have or had access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the consolidated and separate financial statements. The consolidated and separate financial statements have been examined by the group's external auditors and their report is presented on pages 12 to 19.

Chief Executive Officer and Chief Financial Officer responsibility statement
The directors, whose names are stated below, hereby confirm that:

a) the annual financial statements set out on pages 20 to 91, fairly present in all material respects the financial position, financial performance and cash flows of the issuer in terms of IFRS;

b) no facts have been omitted or untrue statements made that would make the annual financial statements false or misleading;

c) internal financial controls have been put in place to ensure that material information relating to the issuer and its consolidated subsidiaries have been provided to effectively prepare the financial statements of the issuer; and

d) the internal financial controls are adequate and effective and can be relied upon in compiling the annual financial statements, having fulfilled our role and function within the combined assurance model pursuant to principle 15 of the King Code. Where we are not satisfied, we have disclosed to the audit committee and the auditors the deficiencies in design and operational effectiveness of the internal financial controls and any fraud that involves directors, and have taken the necessary remedial action.

Directors' responsibilities and approval

The consolidated and separate financial statements set out on pages 20 to 91, which have been prepared on the going concern basis, were approved by the board of directors on Wednesday, 23 February 2022 and were signed on their behalf by:

AJF Greyling	**JP Loubser**
Chief Executive Officer	Chief Financial Officer

Durbanville
Wednesday, 23 February 2022

Company secretary's certification

In terms of section 88(2)(e) of the Companies Act of South Africa, as amended, I certify to the best of my knowledge that the company has lodged with the Commissioner all such returns and notices as are required of a public company in terms of the Companies Act and that all such returns and notices are true, correct and up to date.

M. Lategan

M Lategan
Company Secretary

Durbanville
Wednesday, 23 February 2022

Audit and risk committee report

This report is provided by the audit and risk committee (the committee) appointed in respect of the 2021 financial year of Curro Holdings Limited (Curro) and its subsidiaries.

1. Members of the audit and risk committee

The members of the committee consist of independent non-executive directors.

The current members are ZN Mankai (chairperson), TP Baloyi and DM Ramaphosa (appointed 1 May 2021). The company secretary is the secretary of the committee.

T Molefe has resigned from the committee effective 19 November 2021.

The committee is satisfied that the members thereof have the required knowledge and experience as set out in section 94(5) of the Companies Act 71 of South Africa, as amended, and Regulation 42 of the Companies Regulations, 2011.

2. Purpose

The purpose of the committee is to:

- Review the effectiveness and appropriateness of Curro's financial reporting process.
- Review the effectiveness of Curro's assurance processes.
- Review the effectiveness of Curro's process for monitoring compliance with laws and regulations.
- Ensure the integrity of the integrated reporting for Curro.
- Assist the board in carrying out its risk responsibilities, including the review of the effectiveness of the management thereof. Management remains responsible for the design, implementation and monitoring of the risk management plan.
- Assist the board with its information technology (IT) governance responsibilities. Management remains responsible for the implementation of an IT governance framework.
- Report to the board of directors, even though the committee is appointed by shareholders. If differences of opinion arise between the committee and the board of directors where the committee's statutory functions are concerned, the committee's decision will prevail.
- Appoint external auditors, review their independence and approve audit fees.

3. Meetings held by the audit and risk committee

The committee performs the duties imposed upon it by Section 94(7) of the Companies Act of South Africa, as amended, by holding meetings with the key role players on a regular basis and by the unrestricted access granted to the external auditor.

The committee held two scheduled meetings during 2021, which were attended by all members of the committee.

4. External audit

The committee has nominated PricewaterhouseCoopers Inc. for re-election at the annual general meeting, as independent auditors and O Halenyane, who is a registered independent auditor, as the designated partner for the 2022 audit.

The committee satisfied itself through enquiry that the external auditors are independent as defined by the Companies Act of South Africa and as per the standards stipulated by the auditing profession. Requisite assurance was sought from the audit partner that internal governance processes within the firm support and demonstrate the claim to independence. The external auditor is thus suitable for reappointment by considering, inter alia, paragraphs 3.84(g)(iii) and 22.15(h) of the Listings Requirements of the JSE Limited.

The committee, in consultation with executive management, agreed to the terms of the engagement. The audit fee for the external audit has been considered and approved, taking into consideration such factors as the scope and extent of the work required and the timing of the audit.

The committee has considered and pre-approved all non-audit services provided by the external auditors and the fees thereof to ensure that the independence of the external auditors is maintained.

Audit and risk committee report

5. Internal audit

The committee has assessed and is satisfied with the expertise and experience of the internal audit function.

6. Consolidated and separate annual financial statements

The committee recommends board approval pursuant to the review of the consolidated and separate annual financial statements.

7. Accounting practices and internal control

Internal controls and systems have been designed to provide reasonable assurance of the integrity and reliability of the financial information presented in the annual financial statements and to safeguard, verify and maintain the assets of the group and the company.

Nothing has come to the attention of the committee to indicate that any material breakdown in the functioning of the group's key internal control systems has occurred during the year under review.

The committee reviewed the accounting policies and procedures adopted by the company and the group and ensured that the financial statements were prepared on the basis of appropriate accounting policies and IFRS, and that the group has appropriate financial reporting procedures (for the company and all group entities) and that those procedures operated effectively for the financial year (and that all relevant financial information has been taken into account in preparing and reporting effectively on the financial statements) in terms of the JSE Listings Requirements paragraph 3.84(g)(ii).

8. Evaluation of the chief financial officer and the group’s finance function

As required by paragraph 3.84(g)(i) of the JSE Listings Requirements and paragraph 7.3(e)(i) of the JSE Debt Listings Requirements, the committee has assessed and is satisfied with the expertise and experience of the group’s chief financial officer. The committee is also satisfied that the group established appropriate financial reporting procedures and that those procedures are operating effectively.

9. Complaints and/or concerns

No complaints or concerns were received by the committee on any matters relating to the accounting practices and internal audit of the group, the content or auditing of the consolidated and separate annual financial statements, the internal financial controls of the group or on any other related matter during the year under review.

On behalf of the committee

ZN Mankai
Chairperson of the Audit and Risk Committee

Durbanville
Wednesday, 23 February 2022

Directors' report

The directors have pleasure in submitting their report on the consolidated and separate annual financial statements of Curro and its subsidiaries for the year ended 31 December 2021.

1. Nature of business

Overview

Curro continues with its vision to make quality independent school education accessible to more learners in South Africa and beyond.

The company was established in 1998, and is the leading for-profit independent school provider in southern Africa. It develops, acquires and manages independent schools for learners from the age of three months to Grade 12. The different school models are Curro Castles (nursery schools), Curro, Curro Academy, Meridian, Select, Curro Assisted Learning, Curro DigiEd, Curro Private College and Curro Online.

Impact of COVID-19

Curro offered exceptional education during the year, despite COVID-19 related disruptions and the continued impact of the pandemic on our lives. Our focus on protecting learners and staff has been unwavering and we honour our teachers and staff for their passion, dedication and creativity in the course of another turbulent year.

Many of the challenges from 2020 remained in 2021:

- Extra-mural activities were disrupted and/or cancelled during the year;
- Ancillary revenue remained below that of pre-COVID levels;
- The ratios of discounts and expected credit losses to gross fees have improved but remain above pre-COVID levels;
- Municipal and energy costs increased again ahead of inflation; and
- Operating costs were higher because schools were open throughout 2021 without the same government relief in the form of TERS as in the previous year.

Management maintained operational discipline in response to the negative impact of these factors.

Business performance

Revenue increased by 14.5% to R3 543 million (2020: R 3 094 million). Tuition fees increased by 11.8% from the prior year due to the growth in learners, coupled with the annual inflationary fee increase.

Curro's headline earnings for the year ended 31 December 2021 recovered to R245 million, 43% and 14% respectively higher than the 2020 and 2019 financial years. The results were pleasing under the circumstances. In addition, the full dilutive effect of the rights issue in 2020 apply to earnings per share calculations for this year.

We continue to increase capacity utilisation at our existing facilities:

- Both organic and acquisitive growth contributed to a weighted average of 66 447 learners across 76 campuses attending a Curro school in 2021, an increase of 9.3% on the weighted average of 60 777 learners in 2020.
- We were delighted with learner growth for 2022 and exceeded 70 408 learners on 18 February 2022.

Curro invested R929 million in the business in 2021, which include the construction of a state-of-the-art new Durbanville High School campus.

The group is in an advantageous position as it has a strong balance sheet with cash reserves and reasonable levels of debt.

Directors' report

2. Share capital

No changes occurred to authorised and issued share capital during 2021.

The authorised ordinary share capital was increased from 600 million to 800 million no par value shares during the previous period and on 7 September 2020, 185.9 million shares were issued by way of a partially underwritten non-renounceable rights offer at a subscription price of R8.07 per Rights Offer Share, in the ratio of 45.10532 rights offer shares for every 100 ordinary shares.

3. Control over unissued shares

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

4. Dividends

On 23 February 2022, the company declared a dividend of 8.2 cents per share from income resources for the year ended 31 December 2021, which is payable on 22 March 2022.

No dividends were paid in respect of the year ended 31 December 2020.

5. Directorate

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

Directors	Gender	Office	Designation
SL Botha	Female	Chairperson of the board	Non-executive independent
AJF Greyling	Male	Chief executive officer	Executive
JP Loubser	Male	Chief financial officer	Executive
TP Baloyi	Male		Non-executive independent
ZN Mankai	Female		Non-executive independent
PJ Mouton	Male		Non-executive
SWF Muthwa	Female		Non-executive independent
DM Ramaphosa	Male		Non-executive independent
CR van der Merwe	Male		Non-executive

T Molefe ('Tsholo') resigned effective 19 November 2021. The Board sincerely thanks Tsholo for her long-standing service and valued contribution.

6. Interests in subsidiaries

Details of material interests in subsidiary companies are presented in the consolidated and separate annual financial statements in note 8.

7. Holding company

The holding company is PSG Financial Services Ltd, which holds 60.0% (2020: 60.0%) of the issued share capital. PSG Financial Services Ltd is incorporated in South Africa.

8. Ultimate holding company

The ultimate holding company is PSG Group Ltd, which is incorporated in South Africa and is listed on the JSE.

9. Special resolutions

No other special resolutions, the nature of which might be significant to the shareholders in their appreciation of the state of affairs of the group, were made by the company or any of its subsidiaries during the period covered by this report.

Directors’ report

10. Events after the reporting period

During the financial year, Curro commenced the process of acquiring HeronBridge College. As at the date of authorisation of the financial statements, the conditions precedent for the sale to be concluded were not met. This represents a non adjusting subsequent event.

On 23 February 2022, the company declared a dividend of 8.2 cents per share from income resources for the year ended 31 December 2021, which is payable on 22 March 2022.

Refer to note 32 for an acquisition effective after the reporting period. The directors are not aware of any other matter that is material to the group or the company that has occurred between the reporting date and the date of the approval of the annual financial statements.

11. Going concern

The group has performed a going concern review and assessed its liquidity and solvency position.

The group has responded well to the challenges brought about by the pandemic and the national lockdowns and showed its resilience. Management responded swiftly and effectively and, following a successful rights issue during the previous financial year, the group is in an advantageous position as it has a strong balance sheet with cash reserves and lower debt.

Curro furthermore offered exceptional education during the year, despite COVID-19 related disruptions and the continued impact of the pandemic on our lives. The COVID-related regulations generally impacted on the quality of learning outcomes in the education sector. Curro attracted families concerned about this effect through its predictable and dependable models, at different pricing points. Curro concluded its academic year successfully as a result of well-organised digital and safe physical channels. This has boasted Curro well in registered learners for 2022.

Under these conditions, the group is comfortable that it will be able to continue as a going concern for the foreseeable future.

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

12. Auditor

PricewaterhouseCoopers Inc., remains in office in accordance with section 90 of the Companies Act of South Africa, as amended.

13. Secretary

The company secretary is Mrs M Lategan (appointed 1 June 2021).

Postal address	P O Box 2436 Durbanville Cape Town South Africa 7551
Business address	38 Oxford Street Durbanville Cape Town South Africa 7550

Directors' report

14. Sponsor

PSG Capital acts as sponsor for the group and the company, providing advice on the interpretation of and compliance with the Equity and Debt Listings Requirements of the JSE and reviewing notices required in terms of the company's memorandum of incorporation and the JSE's Listings Requirements.

15. Joint sponsor

UBS South Africa acts as independent joint equity sponsor for the group and company in terms of the JSE's Listings Requirements.

16. Corporate governance

The directors subscribe to the principles incorporated in the King Code of Corporate Practices and Conduct as set out in King IV and have applied the principles contained therein throughout the reporting period. The directors recognise the need to conduct the enterprise with integrity and in accordance with generally accepted corporate practices. The board of directors has performed a detailed exercise to assess the company's compliance with King IV and the members are satisfied that sufficient compliance occurs, while they have instituted steps to ensure a constant monitoring of improvement where practically possible.

17. Corporate governance disclosures in accordance with the JSE Debt Listings Requirements

A brief CV of each director is included in the Curro Annual Integrated Report which is incorporated herein by reference. The Curro Annual Integrated Report is accessible at www.curro.co.za, and may be requested and obtained in person from the registered office of the Company during office hours.

As contemplated in paragraph 7.3(c)(iii) of the JSE Debt Listings Requirements, independent directors are determined holistically, in accordance with the indicators provided in section 94(4)(a) and (b) of the Companies Act and the King Code.

The company confirms that the audit committee has executed the responsibilities set out in paragraph 7.3(e) of the JSE Debt Listings Requirements.

In accordance with paragraph 7.3(f) of the JSE Debt Listings Requirements, the company has a current policy on the evaluation of the performance of its board of directors and that of its committees, its chair and its individual directors pursuant to the provisions of the King Code. The company will consider and apply the aforementioned policy when appointments to its board and committees are made.

The company's debt officer, as contemplated in paragraphs 6.39(a) and 7.3(g) of the JSE Debt Listings Requirements, is JP Loubser (Chief Financial Officer). The board of Curro duly considered and satisfied itself with the competence, qualifications and experience of JP Loubser before he was appointed as debt officer of the company.

The Company's Nomination and Appointment of Directors and Conflict of Interest Policy ("the Policy") is accessible at www.curro.co.za. The Policy deals, inter alia, with i) the conflicts of interest of the directors and the executive management of Curro and how such conflicting interests can be identified and managed or avoided; and ii) the process for the nomination and appointment of directors of the company.

Since publication of the Policy, there have been no amendments to the Policy.

Curro confirms that, as at Wednesday, 23 February 2022, there are no recorded conflicts of interest and/or personal financial interests of the directors and/or the executive management of Curro, as contemplated in the Policy and paragraphs 7.5 and 7.6 of the JSE Debt Listing Requirements (as read with section 75 of the Companies Act). Accordingly, as at Wednesday, 23 February 2022, there is no "register of any conflicts of interest and/or personal financial interests", as contemplated in paragraph 7.6 of the JSE Debt Listing Requirements.

18. Report of the audit and risk committee

The report of the audit and risk committee, as required in terms of section 94(7)(f) of the Companies Act of South Africa of 2008, is set out on pages 6 to 7 of the consolidated and separate annual financial statements.

Independent auditor's report

To the Shareholders of Curro Holdings Limited

Report on the audit of the consolidated and separate financial statements

Our opinion

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Curro Holdings Limited (the Company) and its subsidiaries (together the Group) as at 31 December 2021, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

What we have audited

Curro Holdings Limited's consolidated and separate financial statements set out on pages 20 to 90 comprise:

- the consolidated and separate statements of financial position as at 31 December 2021;
- the consolidated and separate statements of comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

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 and separate financial statements* section of our report.

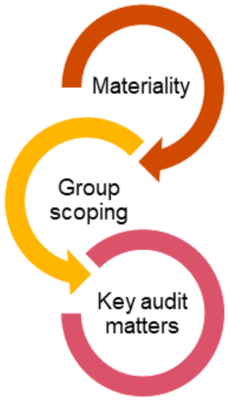
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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).*

Our audit approach

Overview



Overall group materiality

- *Overall group materiality: R28.2 million, which represents 0.8% of consolidated revenue.*

Group audit scope

- *We conducted a full scope audit for Curro Holdings Limited, the only significant component. All other components are considered financially insignificant. In order to ensure that sufficient work was performed over material line items in the consolidated financial statements, we scoped in two entities, for which statutory audits were performed.*

Key audit matters

- *Impairment assessment of goodwill and indefinite lived intangible assets; and*
- *Expected credit losses on trade receivables*

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated and separate financial statements. In particular, we considered where the directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Overall group materiality	*R28.2 million*
How we determined it	*0.8% of consolidated revenue.*
Rationale for the materiality benchmark applied	*We selected consolidated revenue as the benchmark because, in our view, it most appropriately reflects the size of the Group. It is a benchmark against which the performance of the Group can be consistently measured and thus would be most relevant to users of the consolidated financial statements, given the relatively low profit margins over the last five years, while the other key elements of the consolidated financial statements have remained constant. We chose 0,8% based on our professional judgement, after consideration of the range of quantitative materiality thresholds that would typically apply when using consolidated revenue to compute materiality.*

How we tailored our 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.

The Group comprises nine reporting components. A full scope audit has been performed for the Company, which is the only financially significant component within the Group. All other components are considered financially insignificant. In order to ensure that sufficient work was performed over material line items in the consolidated financial statements, we scoped in two entities, Meridian Operations Company (RF) NPC and Campus and Property Management Company Proprietary Limited, for which statutory audits were performed. We performed specified procedures on the Namibian and Botswana operations of the Company as a result of their contribution to consolidated assets and consolidated revenue specifically. For the remaining components, we performed analytical review procedures and audited the consolidation process in order to gain sufficient evidence over the consolidated balances and transactions.

Key audit matters

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

Key audit matter	*How our audit addressed the key audit matter*
Impairment assessment of goodwill and indefinite lived intangible assets *This key audit matter relates to the consolidated and separate financial statements.* *Intangible assets consist of goodwill and indefinite lived trademarks, which amount to R561 million and R93 million respectively in the Group financial statements and R174 million and R41 million, respectively, in the Company financial statements. (Refer to note 6 & 7 to the consolidated and separate financial statements in this regard). Goodwill acquired in business combinations and intangible assets with indefinite useful lives are tested for impairment annually, irrespective of whether any indications of impairment exist (refer to note 1.12 of the Accounting Policies in this regard). As disclosed in notes 6 & 7 to the consolidated and separate financial statements, the recoverable amounts of the cash generating units (CGU's) to which goodwill acquired in business combinations and trademarks are allocated, has been determined based on value- in-use calculations.* *The key assumptions used by management in determining value-in-use include discount rates, growth in learner numbers, tuition fees and terminal growth rates which require management to apply a degree of judgement and estimation. The impairment assessment of goodwill and indefinite-lived intangible assets was considered to be a matter of most significance to our current year audit due to the degree of judgement and estimation applied by management in their value in-use calculation.* *The Group and Company did not recognise impairments of goodwill and intangible assets in the current year (refer to note 6 & 7 to the*	*In testing management's impairment calculation:* • *We tested the mathematical accuracy of the value-in-use calculations for each CGU;* • *We challenged the key assumptions used in the calculation, such as growth in learner numbers, tuition fee and terminal growth rates, by comparing these to actual enrolment figures and increased tuition fees. The terminal growth rate was compared to inflation of the educational sector, historic increases in tuition fees and nominal learner number growth. The key assumptions were found to be consistent with the available independent source data and historical trends;* • *To test the robustness and reasonability of management's cash flow forecasts, we compared the actual cash flows for 2021 to the forecasted cash flows used in the prior year's forecast for 2021. The actual results were consistent with forecasted results;* • *We performed independent sensitivity calculations on the impairment assessments to assess the degree by which the key assumptions needed to change in order to trigger an impairment. The results of our sensitivity analyses were consistent with management's conclusions.* • *With the assistance of our internal valuation experts, we compared the discount rates used by management to our independently developed benchmarks, which are based on various economic indicators. The discount rates used by management were accepted as falling within a reasonable range; and* • *We assessed the presentation and disclosure included in the consolidated and separate financial statements against the requirements of*

consolidated and separate annual financial statements in this regard).	*International Accounting Standard (IAS) 36: Impairment of Assets and no material disclosure deficiencies were noted.*
Expected credit losses on trade receivables *This key audit matter relates to the consolidated and separate financial statements.* *Trade and other receivables consist of gross receivables and a loss provision which amount to R481 million and R246 million, respectively, in the consolidated financial statements and R392 million and R202 million, respectively, in the separate financial statements. (Refer to note 13 to the consolidated and separate financial statements).* *As described in the "Accounting policies, Significant judgements and estimates", section of the consolidated and separate financial statements, the impact of the COVID-19 pandemic as well as the nature of the trade debtor has increased the level of judgement and estimation applied by management in the measurement of the Expected Credit Losses (ECL).* *Impairment of trade receivables was considered to be a matter of most significance to our current year audit due to the magnitude of the ECL provided as at 31 December 2021 and the degree of judgement and estimation applied by management in determining the ECL.*	*In assessing management's expected credit losses:* • *We tested the mathematical accuracy of the ECL calculation;* • *We assessed the appropriateness of the ageing categorisation by testing a sample of customers to assess whether their outstanding debt was categorised correctly;* • *We analysed the collection of receivables in the respective ageing categorisations and independently calculated the historical loss rates, which were compared to management's loss rates. Based on our work performed, we accepted management's loss rates and the application of the loss rates in the various ageing categorisations;* • We *evaluated forward looking information by assessing the movement in inflation and gross domestic product for the current year and the expected movement for the forthcoming year. This was considered reasonable given the industry and economic climate; and* • *We assessed the presentation and disclosure included in the consolidated and separate financial statements against the requirements of IFRS 9 and did not note material disclosure deficiencies.*

Other information

The directors are responsible for the other information. The other information comprises the information included in the document titled "*Curro Holdings Limited and its subsidiaries Consolidated and Separate Financial Statements for the year ended 31 December 2021*", which includes the Directors' Report, the Audit Committee's Report and the Company Secretary's Certificate as required by the Companies Act of South Africa, which we obtained prior to the date of this auditor's report and the other sections of the document titled "*Curro Holdings Limited Annual Integrated Report 2021*". The other information does not include the consolidated or the separate financial statements and our auditor's report thereon.

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

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

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

Responsibilities of the directors for the consolidated and separate financial statements

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

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

Auditor's responsibilities for the audit of the consolidated and separate financial statements

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

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

- Identify and assess the risks of material misstatement of the consolidated and separate 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 and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and / or Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Report on other legal and regulatory requirements

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that PricewaterhouseCoopers Inc. has been the auditor of Curro Holdings Limited for 5 years.

PricewaterhouseCoopers Inc.

PricewaterhouseCoopers Inc.
Director: D de Jager
Registered Auditor
Stellenbosch, South Africa
23 February 2022

Consolidated and separate statements of financial position as at 31 December

	Note(s)	Group 2021 R million	Group 2020 R million	Company 2021 R million	Company 2020 R million
Assets					
Non-current assets					
Property, plant and equipment	4	**9 800**	9 120	**8 600**	7 911
Right-of-use assets	5	**305**	319	**304**	317
Goodwill	6	**561**	561	**174**	174
Intangible assets	7	**288**	271	**226**	207
Investments in subsidiaries	8	**-**	-	**351**	351
Loans to group companies	9	**-**	-	**308**	272
Other financial assets at amortised cost	10	**4**	1	**4**	1
Other financial assets at fair value	10	**5**	6	**5**	6
Deferred tax assets	11	**-**	8	**-**	-
		10 963	10 286	**9 972**	9 239
Current assets					
Inventories	12	**17**	17	**14**	12
Loans to group companies	9	**-**	-	**197**	199
Trade and other receivables	13	**351**	334	**303**	290
Other financial assets at amortised cost	10	**29**	27	**11**	11
Current tax receivable		**1**	3	**1**	1
Investment in money market funds	14	**90**	334	**82**	332
Cash and cash equivalents	14	**90**	99	**33**	63
		578	814	**641**	908
Non-current assets held for sale	41	**11**	14	**11**	14
		589	828	**652**	922
Total assets		**11 552**	11 114	**10 624**	10 161
Equity and liabilities					
Equity					
Equity attributable to owners of the parent					
Share capital	15	**6 205**	6 205	**6 356**	6 356
Reserves	17	**(4)**	(65)	**(5)**	(66)
Retained earnings		**909**	628	**344**	41
		7 110	6 768	**6 695**	6 331
Non-controlling interest		**(10)**	(2)	**-**	-
		7 100	6 766	**6 695**	6 331
Liabilities					
Non-current liabilities					
Other financial liabilities at amortised cost	18	**2 446**	2 774	**2 112**	2 436
Other financial liabilities at fair value	18 & 19	**41**	120	**41**	120
Lease liabilities	5	**330**	323	**328**	321
Deferred tax liabilities	11	**664**	551	**582**	466
Contract liabilities	21	**24**	13	**24**	12
		3 505	3 781	**3 087**	3 355
Current liabilities					
Trade and other payables	20	**294**	247	**264**	224
Contract liabilities	21	**263**	227	**229**	193
Lease liabilities	5	**35**	33	**35**	33
Other financial liabilities at amortised cost	18	**346**	59	**307**	25
Other financial liabilities at fair value	18 & 19	**7**	-	**7**	-
Current tax payable		**2**	1	**-**	-
		947	567	**842**	475
Total liabilities		**4 452**	4 348	**3 929**	3 830
Total equity and liabilities		**11 552**	11 114	**10 624**	10 161

Consolidated and separate statements of comprehensive income

		Group		Company	
		2021	2020	**2021**	2020
	Note(s)	**R million**	R million	**R million**	R million
Revenue from contracts with customers	22	**3 543**	3 094	**3 044**	2 648
Employee costs		**(1 830)**	(1 567)	**(1 578)**	(1 342)
Expected credit losses on financial assets		**(131)**	(146)	**(78)**	(120)
Other expenses	23	**(793)**	(695)	**(676)**	(607)
Earnings before interest, taxation, depreciation and amortisation (Adjusted EBITDA) [1]		**789**	686	**712**	579
Amortisation	7	**(57)**	(43)	**(55)**	(41)
Depreciation	4 & 5	**(224)**	(188)	**(203)**	(170)
Earnings before interest and taxation (Adjusted EBIT) [1]	23	**508**	455	**454**	368
Investment income	24	**72**	56	**110**	194
Impairment of property, plant and equipment	4	**-**	(250)	**-**	(237)
Impairment of goodwill	6	**-**	(9)	**-**	(9)
Impairment of intangible assets	7	**-**	(6)	**-**	(6)
Impairment of investments	8	**-**	-	**-**	(33)
Gain on bargain purchase	32	**14**	-	**14**	-
Finance costs	25	**(242)**	(279)	**(206)**	(237)
Profit / (loss) before taxation		**352**	(33)	**372**	40
Taxation	26	**(101)**	(10)	**(92)**	(105)
Profit / (loss) for the year		**251**	(43)	**280**	(65)
Other comprehensive income / (loss):					
Items that may be reclassified to profit or loss:					
Exchange differences on translating foreign operation	27	**-**	2	**-**	-
Effects of cash flow hedges	27	**72**	(93)	**72**	(93)
Taxation	27	**(20)**	26	**(20)**	26
Total items that may be reclassified to profit or loss		**52**	(65)	**52**	(67)
Total comprehensive income / (loss) for the year		**303**	(108)	**332**	(132)
Profit / (loss) attributable to:					
Owners of the parent		**259**	(31)	**280**	(65)
Non-controlling interests		**(8)**	(12)	**-**	-
		251	(43)	**280**	(65)
Total comprehensive income / (loss) attributable to:					
Owners of the parent		**311**	(96)	**332**	(132)
Non-controlling interests		**(8)**	(12)	**-**	-
		303	(108)	**332**	(132)
Earnings per share (cents)					
Basic	28	**43.3**	(6.5)		
Diluted	28	**43.3**	(6.5)		

1. The term "Adjusted EBITDA" and "Adjusted EBIT" are defined in note 2.

Consolidated and separate statements of changes in equity

	Share capital	Translation reserve	Hedging reserve	Share based payments reserve	Total reserves	Retained earnings	Total attributable to owners of the group	Non-controlling interest	Total equity
	R million	R million	R million	R million	R million	R million	R million	R million	R million
Group									
Balance at 1 January 2020	**4 733**	**(1)**	**(20)**	**17**	**(4)**	**676**	**5 405**	**11**	**5 416**
Loss for the year	-	-	-	-	-	(31)	(31)	(12)	(43)
Other comprehensive loss	-	2	(67)	-	(65)	-	(65)	-	(65)
Total comprehensive income for the year	**-**	**2**	**(67)**	**-**	**(65)**	**(31)**	**(96)**	**(12)**	**(108)**
Shares issued from rights issue	1 500	-	-	-	-	-	1 500	-	1 500
Share issue costs	(27)	-	-	-	-	-	(27)	-	(27)
Recognition of share-based payments	-	-	-	28	28	-	28	-	28
Vesting of share options	-	-	-	(24)	(24)	24	-	-	-
Dividends paid	-	-	-	-	-	(42)	(42)	-	(42)
Unbundling	(1)	-	-	-	-	1	-	-	-
Total contributions by and distributions to owners of the company recognised directly in equity	**1 472**	**-**	**-**	**4**	**4**	**(17)**	**1 459**	**-**	**1 459**
Balance at 31 December 2020	**6 205**	**1**	**(87)**	**21**	**(65)**	**628**	**6 768**	**(2)**	**6 766**
Profit / (loss) for the year	-	-	-	-	-	259	259	(8)	251
Other comprehensive income	-	-	52	-	52	-	52	-	52
Total comprehensive income / (loss) for the year	**-**	**-**	**52**	**-**	**52**	**259**	**311**	**(8)**	**303**
Recognition of share-based payments	-	-	-	32	32	-	32	-	32
Vesting of share options	-	-	-	(23)	(23)	23	-	-	-
Effect of exchange difference	-	-	-	-	-	(1)	(1)	-	(1)
Total contributions by and distributions to owners of the company recognised directly in equity	**-**	**-**	**-**	**9**	**9**	**22**	**31**	**-**	**31**
Balance at 31 December 2021	**6 205**	**1**	**(35)**	**30**	**(4)**	**909**	**7 110**	**(10)**	**7 100**
Refer to notes	*15*	*17 & 27*	*17 & 27*	*16 & 17*					

Consolidated and separate statements of changes in equity

	Share capital	Hedging reserve	Share based payments reserve	Total reserves	Retained earnings	Total attributable to owners of the company	Total equity
	R million	R million	R million	R million	R million	R million	R million
Company							
Balance at 1 January 2020	**4 883**	**(20)**	**17**	**(3)**	**124**	**5 004**	**5 004**
Loss for the year	-	-	-	-	(65)	(65)	(65)
Other comprehensive loss	-	(67)	-	(67)	-	(67)	(67)
Total comprehensive loss for the year	**-**	**(67)**	**-**	**(67)**	**(65)**	**(132)**	**(132)**
Shares issued from rights issue	1 500	-	-	-	-	1 500	1 500
Share issue costs	(27)	-	-	-	-	(27)	(27)
Recognition of share-based payments	-	-	28	28	-	28	28
Vesting of share options	-	-	(24)	(24)	24	-	-
Dividends paid	-	-	-	-	(42)	(42)	(42)
Total contributions by and distributions to owners of the company recognised directly in equity	**1 473**	**-**	**4**	**4**	**(18)**	**1 459**	**1 459**
Balance at 31 December 2020	**6 356**	**(87)**	**21**	**(66)**	**41**	**6 331**	**6 331**
Profit for the year	-	-	-	-	280	280	280
Other comprehensive income	-	52	-	52	-	52	52
Total comprehensive loss for the year	**-**	**52**	**-**	**52**	**280**	**332**	**332**
Recognition of share-based payments	-	-	32	32	-	32	32
Vesting of share options	-	-	(23)	(23)	23	-	-
Total contributions by and distributions to owners of the company recognised directly in equity	**-**	**-**	**9**	**9**	**23**	**32**	**32**
Balance at 31 December 2021	**6 356**	**(35)**	**30**	**(5)**	**344**	**6 695**	**6 695**
Refer to notes	*15*	*17 & 27*	*16 & 17*				

Consolidated and separate statements of cash flows

		Group		Company	
		2021	2020	**2021**	2020
	Note(s)	**R million**	R million	**R million**	R million
Cash flows from operating activities					
Cash generated from operations	29	**896**	717	**774**	611
Interest received	24	**71**	55	**68**	48
Interest paid	25	**(198)**	(255)	**(187)**	(234)
Tax paid	30	**(2)**	(3)	**-**	(1)
Net cash generated from operating activities		**767**	**514**	**655**	**424**
Cash flows from investing activities					
Purchase of property, plant and equipment	4	**(859)**	(632)	**(822)**	(585)
Proceeds on sale of property, plant and equipment	4 & 41	**4**	48	**4**	48
Purchase of intangible assets	7	**(74)**	(55)	**(73)**	(55)
Business combinations	32	**(1)**	(2)	**(1)**	(2)
Unbundling of subsidiaries		**-**	-	**-**	6
Development and acquisition investment		**1**	(9)	**1**	(9)
Loans to group companies repaid		**-**	-	**41**	53
Loans advanced to group companies		**-**	-	**(21)**	(114)
Investment in other financial assets		**(6)**	(2)	**(2)**	(2)
Proceeds from other financial assets		**1**	8	**-**	-
Investment in money market funds	14	**(1 712)**	(4 252)	**(1 653)**	(4 230)
Withdrawn from investments in money market funds	14	**1 957**	3 975	**1 903**	3 952
Net cash utilised in investing activities		**(689)**	**(921)**	**(623)**	**(938)**
Cash flows from financing activities					
Proceeds from shares issued pursuant to rights issue		**-**	1 500	**-**	1 500
Transaction cost pertaining to rights issue		**-**	(27)	**-**	(27)
Proceeds from other financial liabilities	33	**150**	1 150	**150**	1 150
Repayment of other financial liabilities	33	**(229)**	(2 083)	**(204)**	(2 065)
Principal elements of lease payments	33	**(8)**	(7)	**(8)**	(7)
Dividends paid to company shareholders		**-**	(42)	**-**	(42)
Net cash (utilised in)/generated from financing		**(87)**	**491**	**(62)**	**509**
Cash and cash equivalents movement for the year		**(9)**	84	**(30)**	(5)
Cash and cash equivalents at the beginning of the year		**99**	15	**63**	68
Total cash and cash equivalents at end of the year	14	**90**	**99**	**33**	**63**

Non-cash activities:
Refer to note 29 for more details regarding non-cash financing and investing activities.

Accounting policies

1. Presentation of consolidated and separate financial statements

Curro Holdings Limited (Curro) is a public company incorporated in the Republic of South Africa. The principal activities are the provision of independent education services within southern Africa.

Basis of accounting

The consolidated and separate financial statements have been prepared in accordance with, and in compliance with, International Financial Reporting Standards (IFRS), the IFRS Interpretations Committee Interpretations, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council and the requirements of the Companies Act of South Africa, as amended and the JSE Listings Requirements. The consolidated and separate financial statements have been prepared on the historical cost basis as modified by the revaluation of certain financial instruments, and incorporate the principal accounting policies set out below. They are presented in South African rands and rounded to the nearest million. These accounting policies are consistent with the previous year, except for standards included in note 3.

Going concern

The outbreak of the COVID-19 pandemic and the measures adopted to mitigate the pandemic's spread have impacted the group. The situation continues to evolve with changes in government regulations and evolving business and consumer reactions thereto within an already weakened consumer environment.

The group has performed a going concern review and assessed its liquidity and solvency position. Management responded swiftly and effectively and, following a successful rights issue during the previous financial year, the group is in an advantageous position as it has a strong balance sheet with cash reserves and lower debt.

Curro furthermore offered exceptional education during the year, despite COVID-19 related disruptions and the continued impact of the pandemic on our lives. The COVID-related regulations generally impacted on the quality of learning outcomes in the education sector. Curro attracted families concerned about this effect through its predictable and dependable models, at different pricing points. Curro concluded its academic year successfully as a result of well-organised digital and safe physical channels. This has boasted Curro well in registered learners for 2022.

The group manages liquidity risk through an ongoing review of future commitments and credit facilities. At year end, the group’s current liabilities exceed the current assets as evident from the statement of financial position. At 31 December 2021, R420 million of the new revolving credit facility was unutilised and available as set out in note 14.3 and the group is confident that it will be able to refinance the R215 million debt due for repayment in 2022.

Under these conditions, the group is comfortable that it will be able to continue as a going concern for the foreseeable future. The group has responded well to the challenges brought about by the pandemic and the national lockdown and showed its resilience. Nevertheless, the full long-term financial impact is largely unknown at this stage, and may continue to negatively impact the group, in the short and medium-term.

1.1 Significant judgements and sources of estimation uncertainty

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

The impact of COVID-19 has necessitated management to re-evaluate its selection criteria for purposes of impairment testing. The ongoing difficult economic conditions in South Africa due to low growth, negative consumer sentiment, policy uncertainty, as well as ongoing cost and margin pressures have been exacerbated by the COVID-19 pandemic.

Significant judgements include:

Indefinite intangible assets estimate useful lives

Trademarks are regarded as having an indefinite useful life as, based on all relevant factors, there is no foreseeable limit to the period over which these assets are expected to generate net cash inflows.

In determining that the school brand (included as part of trademarks) has an indefinite useful life, management has considered various factors such as the past and expected longevity of the brand, the impact of possible changes in technologies, the stability of the school industry and changes in the market demand, the current and expected actions by competitors, and management’s strategy to maintain the trademark. As of 31 December 2021, based on the analysis of these factors, there is no foreseeable limit to the period over which the brand is expected to generate cash inflows.

Accounting policies

1.1 Significant judgements and sources of estimation uncertainty (continued)
Significant judgements include (continued):

Useful lives and residual values

The estimated useful lives for property, plant and equipment and intangibles are set out in notes 1.5 and 1.6. Estimated useful lives and residual values are reviewed annually, taking cognisance of the forecasted commercial and economic realities and through benchmarking of accounting treatments in the education industry where property, plant and equipment and intangibles are used. It is management's view that its physical infrastructure and face-to-face education will remain relevant to younger learners, who require closer supervision and support, and to the holistic development of all learners across academic, cultural, social and sports elements. The pandemic's effect has accelerated our digital strategies to complement our physical offering. Given strong demand for education in South Africa, we do not expect a radical shift away from physical education. This also applies to internally generated intangible assets.

Capitalisation of curriculum material

Management capitalises curriculum development cost directly attributable to the development of new curriculum material, subjects and curriculum delivery methods as intangible assets as disclosed in Note 7. These costs incurred meet the definition to be capitalised as intangible assets because they can be clearly distinguished as a new subject or curriculum that is capable of being sold separately from the Curro group. Costs incurred to research a new subject or curriculum are expensed. Cost capitalisation commences from the development stage when approval for the curriculum development is received and when the requirements to capitalise development expenses in IAS 38 are met.

During the development phase, certain staff dedicate part of their time in developing the new curriculum material, subjects and curriculum delivery methods and the group also appoints external consultants who have experience in this regard. Only staff costs spent specifically on the development of the curriculum material, subjects and curriculum delivery methods and external consultant costs are capitalised.

The group's vision is to make independent education more accessible to more learners. In pursuit of this vision, the group has consistently developed new education models over the past 10 years. Examples of costs that have been capitalised per the above policy include:

- the initial Curro model;
- the Academy model in 2015;
- DigiEd in 2019; and
- Curro Online in 2020.

The group also improve and evolve the delivery of curriculum material to learners annually. The research to develop and improve the delivery of curriculum is expensed. Only costs incurred that provide additional future economic benefits to existing course material are capitalised, all other maintenance-type costs are expensed. Capitalisation ceases when the curriculum material is ready to be used which is also when amortisation commences.

Leases

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

For leases of school buildings, the following factors are normally the most relevant:

- The demand for our product in the area.
- If any leasehold improvements are expected to have a significant remaining value, the group is typically reasonably certain to extend (or not terminate).
- Otherwise, the group considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

For three significant leases the payments are structured as variable lease payments, but there are no genuine variability in those payments. Those payments contain variable clauses that do not have real economic substance. The lease payments of these leases are treated as in substance fixed and have been increased annually with a fixed inflation rate until the end of the lease terms. The discount rate was based on comparable lending rates and adjusted for lease specific factors. Refer to note 1.10 for further details.

All right-of-use assets have been assessed for impairment.

Accounting policies

1.1 Significant judgements and sources of estimation uncertainty (continued)

Significant estimates include:

Impairment of non-financial assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. However management also assesses property, plant and equipment on an annual basis. Impairment tests are performed at cash-generating unit (CGU) level and each school is seen as a CGU. These impairment calculations include the use of estimates of future cash flows as well as the determination of discount rates at which the cash flows are discounted. The maturity of a school is factored in when performing impairment assessments. Additional details regarding impairment test assumptions are included in note 4, 6 and 7.

In the current reporting period the key assumptions used in the cash flow calculations have been adjusted to reflect management's best estimate of the potential impact of COVID-19 on future earnings and cash flows, in particular the discount rates and the terminal growth rate.

Impairment of Trade receivables and Loans and receivables

The group and the company assess their trade receivables and loans and receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in profit or loss, the group and the company make judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

The expected loss rates are based on the payment profiles of fee income and sales over a period of 24 months before 31 December 2021 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The group and company have identified the GDP and inflation to be the most relevant factors, and accordingly adjust the historical loss rates based on expected changes in these factors.

Furthermore, key assumptions used in the calculations have been adjusted to reflect management's best estimate of the potential impact of COVID-19 on future earnings and cash flows and the expected credit loss matrix was adjusted accordingly.

Fair values in business combinations

Management uses valuation techniques to determine the fair value of assets and liabilities acquired in a business combination. Fair value of property, plant and equipment is determined by using external valuations as well as rental return on property. Client lists (learner enrolments) are valued through a net present value model of the contribution from the enrolments at the school, based on their estimated future enrolment period.

Although a comprehensive valuation exercise is performed for each business combination, the group applies initial accounting for its business combinations, which will allow the group a period of one year after the acquisition date to retrospectively adjust the provisional amounts recognised for a business combination.

Share-based payments

Management use the Black-Scholes Model to determine the value of the options at issue date. Additional details regarding the estimates are included in note 16.

Revenue from contracts with customers

Registration fees carry a separate stand-alone transaction price which is recognised over time as the services are rendered. In recognising the registration fees over time, management estimates the average tenure of learners and recognise the registration fee over this period.

The transaction price allocated to the unsatisfied portion of the performance obligation pertaining to registration fees, is represented by the contract liability balance at year end and as disclosed in note 21.

Accounting policies

1.2 Fair value

The fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the group and company takes into account the characteristics of the asset or liability if market participants were to take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2 *Share-based payments*, leasing transactions that are within the scope of IFRS 16 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 *Inventories* or value in use in IAS 36 *Impairment of Assets*.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to fair value measurement in its entirety. The levels are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

1.3 Consolidation

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the group and the company and all investees that are controlled by the group and the company.

The group and the company have control of an investee when they have power over the investee; they are exposed to or have rights to variable returns from involvement with the investee; and they have the ability to use their power over the investee to affect the amount of the investor's returns. The results of subsidiaries are included in the consolidated financial statements from the effective date of acquisition to the effective date of disposal.

Adjustments are made when necessary to the financial statements of subsidiaries to bring their accounting policies in line with those of the group and the company. All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Non-controlling interests in the net assets of consolidated subsidiaries are identified and recognised separately from the group's interest therein, and are recognised within equity. Losses of subsidiaries attributable to non-controlling interests are allocated to the non-controlling interest even if this results in a debit balance being recognised for non-controlling interest.

Accounting policies

1.4 Business combinations

The group and the company account for business combinations using the acquisition method of accounting. The cost of the business combination is measured as the aggregate of the fair values of assets given, liabilities incurred or assumed and equity instruments issued. Costs directly attributable to the business combination are expensed as incurred, except the costs to issue debt, which are amortised as part of the effective interest and costs to issue equity, which are included in equity.

Contingent consideration is included in the cost of the business combination at fair value as at the date of acquisition. Subsequent changes to the assets, liability or equity that arise as a result of the contingent consideration are not affected against goodwill, unless they are valid measurement period adjustments.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the recognition conditions of IFRS 3 *Business combinations* are recognised at their fair values at acquisition date, except for non-current assets (or disposal group) that are classified as held-for-sale in accordance with IFRS 5 *Non-current assets held-for-sale and discontinued operations*, which are recognised at fair value less costs to sell.

Contingent liabilities are only included in the identifiable assets and liabilities of the acquiree where there is a present obligation at acquisition date.

On acquisition, the group and the company assess the classification of the acquiree's assets and liabilities and reclassify them where the classification is inappropriate for group and company purposes. This excludes lease agreements and insurance contracts, whose classification remains as per their inception date.

Non-controlling interests arising from a business combination, that are present ownership interests, and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation, are measured either at the present ownership interests' proportionate share in the recognised amounts of the acquiree's identifiable net assets or at fair value. The treatment is not an accounting policy choice but is selected for each individual business combination, and disclosed in the note for business combinations. All other components of non-controlling interests are measured at their acquisition date fair values, unless another measurement basis is required by IFRS.

In cases where the group and the company held a non-controlling shareholding in the acquiree prior to obtaining control, that interest is measured at fair value as at acquisition date. The measurement at fair value is included in profit or loss for the year.

Goodwill is determined as the consideration paid, plus the fair value of any shareholding held prior to obtaining control, plus non-controlling interest and less the fair value of the identifiable assets and liabilities of the acquiree.

Goodwill is not amortised but is tested on an annual basis for impairment. If goodwill is assessed to be impaired, that impairment is not subsequently reversed.

Goodwill arising on acquisition of foreign entities is considered an asset of the foreign entity. In such cases the goodwill is translated to the functional currency of the group and the company at the end of each reporting period with, the adjustment recognised in equity through to other comprehensive income.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose.

Business combinations under common control are accounted for at book value at acquisition date, no new goodwill is recognised and is prospectively applied.

1.5 Property, plant and equipment

Property, plant and equipment are tangible assets that the group and the company hold for their own use and are expected to be used for more than one year. An item of property, plant and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the company, and the cost of the item can be measured reliably.

Property, plant and equipment are initially measured at cost. Cost includes all the expenditure that is directly attributable to the acquisition or construction of the asset, including the capitalisation of borrowing costs on qualifying assets and adjustments with respect to hedge accounting, where appropriate. Property, plant and equipment are subsequently stated at cost less accumulated depreciation and any accumulated impairment losses, except for land, which is stated at cost less any accumulated impairment losses.

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment is capitalised if it is probable that future economic benefits associated with the expenditure will flow to the group and the company and the cost can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. Day-to-day servicing costs are included in profit or loss in the year in which they are incurred.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the group and the company. Leased assets are depreciated in a consistent manner over the shorter of their expected useful lives and the lease term. Depreciation is not charged to an asset if its estimated residual value exceeds or is equal to its carrying amount. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or derecognised.

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

Item	Depreciation method	Average useful life
Land	Not depreciated	Not depreciated
Buildings	Straight line	75 to 99 years
Furniture and fixtures	Straight line	6 years
Office equipment	Straight line	6 years
Premises equipment	Straight line	5 years to 6 years
School equipment	Straight line	5 years to 6 years
Motor vehicles	Straight line	5 years
Computer equipment	Straight line	3 to 10 years

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate.

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

The recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

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

Accounting policies

1.6 Intangible assets

An intangible asset is recognised when:

- it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and
- the cost of the asset can be measured reliably.

Intangible assets are recognised at cost and carried at cost less any accumulated amortisation and any impairment losses. Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

- It is technically feasible to complete the asset so that it will be available for use or sale;
- there is an intention to complete and use or sell it;
- there is an ability to use or sell it;
- it will generate probable future economic benefits;
- there are available technical, financial and other resources to complete the development and to use or sell the asset; or
- the expenditure attributable to the asset during its development can be measured reliably.

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 and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight line basis over their useful life.

The amortisation period and the amortisation method for intangible assets are reviewed at every period-end.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indication that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Internally generated brands, mastheads, publishing titles, customer lists and items similar in substance are not recognised as intangible assets.

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values in profit or loss as follows:

Item	Useful life
Learner enrolments (client list)	1 to 14 years
Trademarks	Indefinite
Curriculum material	6 years
Computer software	2 to 3 years

1.7 Investment in subsidiaries

Company annual financial statements

In the company's separate financial statements, investments in subsidiaries are carried at cost less any accumulated impairment.

The cost of an investment in a subsidiary is the aggregate of:

- the fair value, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the company; plus
- any costs directly attributable to the purchase of the subsidiary.

An adjustment to the cost of a business combination contingent on future events is included in the cost of the combination if the adjustment is probable and can be measured reliably.

Accounting policies

1.8 Financial instruments

Classification of financial assets and financial liabilities

Financial assets

The group classifies its financial assets on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

The group classifies its financial assets into the following categories:

- Measured at amortised cost
- Fair value through other comprehensive income (OCI)
- Fair value through profit or loss

The group and company classify their financial assets as at amortised cost only if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cash flows, and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

The group and company classify their financial assets as at fair value through other comprehensive income only if both of the following criteria are met:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial liabilities

Financial liabilities include third-party liabilities, borrowings, derivative financial liabilities and trade and other payables, as well as standalone loans from subsidiaries.

The group and company classify their financial liabilities at amortised cost unless it relates to a hedge instrument, which is measured at fair value through other comprehensive income or fair value through profit or loss depending on the effectiveness of the hedge.

Financial liabilities are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Recognition and derecognition

Financial instruments are recognised when the group and the company become a party to the contractual provisions of the instruments.

Financial assets are derecognised when the rights to receive the cash flows from the financial assets have expired or have been transferred and the group has transferred substantially all the risks and rewards of ownership.

An entity shall remove a financial liability (or a part of a financial liability) from its statement of financial position when it is extinguished specifically when the obligation specified in the contract is discharged, cancelled or expires.

Measurement

Financial assets and financial liabilities are measured at fair value at initial recognition.

Transaction costs on financial assets and financial liabilities at fair value through profit or loss are recognised in profit or loss.

For financial assets and financial liabilities that are not at fair value through profit or loss, transaction costs are included in the initial measurement of the instrument.

Financial assets and financial liabilities are subsequently measured in accordance with the initial classification category, as indicated below.

Accounting policies

1.8 Financial instruments (continued)
Measurement (continued)

A gain or loss on a financial asset that is measured at fair value will be recognised in profit or loss unless it is a financial asset measured at fair value through other comprehensive income for which gains or losses are recognised in other comprehensive income.

Financial assets measured at amortised cost are subsequently measured at amortised cost.

Financial liabilities are subsequently measured at amortised cost, using the effective interest rate method.

Loans to and from group companies
These include loans to and from holding companies, fellow subsidiaries, subsidiaries, joint ventures and associates and are recognised initially at fair value plus direct transaction costs.

Loans to group companies are measured at amortised cost. Loans from group companies are measured as financial liabilities at amortised cost.

Loans to shareholders, directors, managers and employees
These financial assets are initially recorded at fair value and are subsequently measured at amortised cost.

Trade and other receivables
Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. The group and company holds trade receivables with the objective to collect the contractual cash flows. The group and company apply the IFRS 9 simplified approach to measuring expected credit losses that uses a lifetime expected loss allowance for trade receivables.

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

Cash and cash equivalents
Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially recorded at fair value and are subsequently measured at amortised cost.

Investment in money market funds
The company invests in local money market funds by way of investing in South African unit trusts managed by money market instruments of major South African banks. These instruments carry very low risk and provide daily liquidity, but cannot be classified as cash and cash equivalents as the individual instruments held by the funds do not meet the maturity criteria of IAS 7: Statement of Cash flows. These instruments are categorised as “financial assets at fair value through profit and loss.”

Bank overdrafts and borrowings
Bank overdrafts and borrowings are measured initially at fair value, and are subsequently measured at amortised cost, using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the group’s accounting policy for borrowing costs.

Impairment of financial assets
Financial assets measured at amortised cost comprise trade receivables for providing independent education and ancillary services, but also include other types of financial assets where the objective is to hold these assets in order to collect contractual cash flows, and the contractual cash flows are solely payments of principal and interest. Other types of financial assets are:

- Loans to group companies
- Loans to directors and employees for share options
- Investments in money market funds
- Cash and cash equivalents

Accounting policies

1.8 Financial instruments (continued)
Impairment of financial assets (continued)

Trade receivables
The group and company apply the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for trade receivables (Refer to note 13 for more details on Expected credit loss provision). Impairment provisions on loans to group companies are recognised based on a general model expected credit loss basis.

Trade receivables are written off when there is no reasonable expectation of recovery. Failure to make payments for a period of greater than 24 months is an indicator that there is no reasonable expectation of recovery. Write off does not happen by default after 24 months although the debtor would have been provided for at 90% for active debtors and 100% for inactive debtors after 24 months. The amounts written off during the period are not subject to further enforcement activities.

Impairment losses on trade receivables are presented as Expected credit losses on financial assets in the statements of comprehensive income. Subsequent recoveries of amounts previously written off are credited against the same line item.

Other financial assets
While cash and cash equivalents and investments in money market funds are also subject to the impairment requirements of IFRS 9, the identified impairment loss is insignificant. The loans to directors and employees are secured with shares held in a trade block account in favour of the company, and therefore the impairment loss is insignificant.

Where financial assets are impaired through use of a provision account, the amount is presented as Expected credit losses on financial assets in the statement of comprehensive income. When such assets are written off, the write off is made against the relevant allowance account. Subsequent recoveries of amounts previously written off are credited against Expected credit losses on financial assets.

Hedging activities
The group and company elected to continue with hedge accounting according to IAS 39 as permitted by IFRS 9. Designated and effective hedging instruments are excluded from the definition of financial instruments at fair value through profit or loss.

The group and the company designate derivatives as hedges of a particular risk associated with a recognised asset or liability or a highly probable forecast transaction (cash flow hedge).

The group and the company document at the inception of the transaction the relationship between hedging instruments and hedged items, as well as their risk management objectives and strategy for undertaking various hedging transactions. The group and the company also document their assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

The fair values of various derivative instruments used for hedging purposes are disclosed in note 19. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining hedged item is more than 12 months, and as a current asset or liability when the remaining maturity of the hedged item is less than 12 months.

Cash flow hedge
The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised to other comprehensive income and accumulated in equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss within other income.

Amounts accumulated in equity are reclassified from equity to profit or loss in the periods when the hedged item affects profit or loss (for example, when the forecast sale that is hedged takes place).

However, when the forecast transaction that is hedged results in the recognition of a non-financial item (for example, inventory or fixed assets), the gains and losses previously deferred in equity are transferred from equity and included in the initial measurement of the cost of the asset.

When a hedging instrument expires or is sold, or is terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time are immediately recognised in profit or loss.

1.9 Tax

Current income tax assets and liabilities

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

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

Deferred tax assets and liabilities

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

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

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

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

Tax expenses

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:

- a transaction or event that is recognised, in the same or a different period, to other comprehensive income, or
- a business combination.

Current tax and deferred taxes are charged or credited to other comprehensive income if the tax relates to items that are credited or charged, in the same or a different period, to other comprehensive income.

Current tax and deferred taxes are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly in equity.

1.10 Leases

The group leases a few school buildings. Rental contracts are typically concluded for an initial fixed period of 3 to 20 years with an extension option.

Contracts may contain both lease and non-lease components. The group and company have applied a practical expedient and do not separate lease and non-lease components. The group and company account for each lease component and any associated non-lease components as a single lease component.

Leases are recognised as a right-of-use asset with a corresponding liability at the date which the leased asset is available for use by the group. Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the in-substance fixed payments and fixed payments.

Property rates and taxes are considered to be variable lease payments that do not depend on an index or rate, therefore these payments have not been included in the measurement of the lease liability.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The group uses as the discount rate the interest rate implicit in the lease. If the implicit rate cannot be readily determined, the lease payments are discounted using the incremental borrowing rate that the group would have paid to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Accounting policies

1.10 Leases (continued)

To determine the incremental borrowing rate, the group considers the following:

- Property specific nature
- Group borrowing rate for similar financing arrangements
- The governmental bond rate
- Adjustments specific to the lease, eg term, country, currency and security

The group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

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

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

- the amount of the initial measurement of lease liability and
- any initial direct costs

Right-of-use assets are depreciated over the lease term on a straight-line basis. If the group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses.

Payments associated with short-term leases of equipment and all leases of low-value assets are recognised on a straight line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less and low-value assets with a cost value of one hundred thousand rand or less. Low-value assets comprise mainly IT equipment.

1.11 Inventories

Inventories are measured at the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. The cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories is assigned using the weighted average cost formula. The same cost formula is used for all inventories having a similar nature and use to the entity.

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

1.12 Impairment of non-financial assets

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

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

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

Accounting policies

1.12 Impairment of non-financial assets (continued)

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

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

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

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss.

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

The increased carrying amount of an asset other than goodwill attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods. A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation other than goodwill is recognised immediately in profit or loss.

1.13 Share capital and equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all liabilities. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, from the proceeds.

1.14 Share-based payments

Goods or services received or acquired in a share-based payment transaction are recognised when the goods or as the services are received. A corresponding increase in equity is recognised if the goods or services were received in an equity settled share-based payment transaction or a liability if the goods or services were acquired in a cash-settled share-based payment transaction.

When the goods or services received or acquired in a share-based payment transaction do not qualify for recognition as assets, they are recognised as expenses.

For equity-settled share-based payment transactions the goods or services received and the corresponding increase in equity are measured directly at the fair value of the goods or services received provided that the fair value can be estimated reliably.

If the fair value of the goods or services received cannot be estimated reliably, or if the services received are employee services, their value and the corresponding increase in equity is measured indirectly by reference to the fair value of the equity instruments granted.

For cash-settled share-based payment transactions, the goods or services acquired and the liability incurred are measured at the fair value of the liability. Until the liability is settled, the fair value of the liability is re-measured at each reporting date and at the date of settlement, with any changes in fair value recognised in profit or loss for the period. If the share-based payments granted do not vest until the counterparty completes a specified period of service, group and company accounts for those services as they are rendered by the counterparty during the vesting period, (or on a straight line basis over the vesting period).

If the share-based payments vest immediately, the services received are recognised in full.

For share-based payment transactions in which the terms of the arrangement provide either the entity or the counterparty with the choice of whether the entity settles the transaction in cash (or other assets) or by issuing equity instruments, the components of that transaction are recorded as a cash-settled share-based payment transaction if, and to the extent that, a liability to settle in cash or other assets has been incurred, or as an equity-settled share-based payment transaction if, and to the extent that, no such liability has been incurred.

Accounting policies

1.15 Employee benefits

Short-term employee benefits

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

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

1.16 Provisions and contingencies

Provisions are recognised when:

- The group and the company have a present obligation as a result of a past event;
- It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- A reliable estimate can be made of the obligation.

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

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

Provisions are not recognised for future operating losses.

If the entity has a contract that is onerous, the present obligation under the contract will be recognised and measured as a provision. A constructive obligation to restructure arises only when the entity:

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

After their initial recognition, contingent liabilities recognised in business combinations that are recognised separately are subsequently measured at the higher of:

- The amount that would be recognised as a provision; and
- The amount initially recognised less cumulative amortisation.

Contingent liabilities and contingent assets are not recognised. A contingent liability is disclosed, unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are disclosed when it is more likely than not that an inflow of benefits will occur. However, when the inflow of benefits is virtually certain an asset is recognised in the statement of financial position as the asset is no longer considered to be contingent.

Accounting policies

1.17 Revenue

Revenue from Contracts with Customers

Revenue is measured based on the transaction price in accordance with the school fee structure. The group provides independent education and ancillary services from group 1 (three months old babies) to Grade 12. Revenue from providing these services is recognised over time in the accounting period in which the services are rendered.

Revenue generated from registration and tuition fees, hostel fees, aftercare fees, bus income and rental income are recognised over time as the services are rendered. Each service represents a separate performance obligation with a separate transaction price.
The discounts on tuition and registartion fees represent variable consideration and are accounted for as a reduction of revenue in the same year that the revenue is recognised.
Textbook, uniform, stationery and tuckshop revenue, which are included in recovery income and other income, are recognised at a point in time as the performance obligation is satisfied.
The transaction price is determined in accordance with the school fee structure and each fee charged per performance obligation represents the stand-alone selling price of that service. Subsequently, no allocation of transaction prices to multiple performance obligations are required.

All of these services, excluding the services pertaining to registration fees, are satisfied within one year and consequently does not result in any unsatisfied performance obligations at year end.

Registration fees are paid to grant access to or to provide a right to use a school. Registration fees paid by customers are non-refundable. The existence of a non-refundable registration fee indicates that the arrangement includes a renewal option for future services (access to school facilities) at a reduced price (customer renews the agreement without the payment of an additional registration fee). By not requiring the customer to pay the enrolment fee again at renewal, the group and company are effectively providing a discounted renewal rate to the customer. Re-registration fees are paid annually and are therefore recognised in the year to which it relates to. Refer to note 21 for more detail.

Registration fees are billed upfront and represent a material right in terms of the contractual arrangement with the learner. The registration fee is recognised as a contract liability upon receipt and recognised as revenue over the expected period that a learner will remain with the school. The group determined that the renewal option is a material right because it provides a renewal option at a lower price than the range of prices typically charged, and therefore it is a separate performance obligation which is recognised over three years.

Tuition fees are billed on a monthly basis in advance with revenue being recognised in the same month.

Segment revenue relates to independent education services rendered. For further information refer to note 2, note 21 and note 22.

Other Revenue

Interest is recognised in profit or loss using the effective interest rate method. Dividends are recognised in profit or loss when the company’s right to receive payment has been established. Rental income is recognised when the company has a right to receive payment.

1.18 Borrowing costs

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

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

Accounting policies

1.18 Borrowing costs (continued)

The capitalisation of borrowing costs commences when:

- Expenditures for the asset have occurred;
- Borrowing costs have been incurred; and
- Activities that are necessary to prepare the asset for its intended use or sale are in progress.

Capitalisation is suspended during extended periods in which active development is interrupted.
Capitalisation ceases when all the activities necessary to prepare the qualifying asset for its intended use or sale are substantially complete. All other borrowing costs are recognised as an expense in the period in which they are incurred.

1.19 Financial guarantee contracts

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of:

- the amount determined in accordance with the expected credit loss model under IFRS 9 *Financial Instruments* and
- the amount initially recognised less, where applicable the cumulative amount of income recognised in accordance with the principles of IFRS 15 *Revenue from Contracts with Customers*.

The fair value of financial guarantees is determined based on the present value of the difference in cash flows between the contractual payments required under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.
Where guarantees in relation to loans or other payables of subsidiaries are provided for no compensation, fair values are accounted for as contributions and recognised as part of the cost of the investment.

1.20 Foreign currency translation

Items included in the financial statements of each of the group’s entities are measured using the currency of the primary economic environment in which the entity operates (‘the functional currency’). The group and company financial statements are presented in South African rand, being the company’s functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates, are recognised in the statement of comprehensive income.

Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the group’s presentation currency are translated into the presentation currency as follows:

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

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.

Notes to the consolidated and separate financial statements

2. Segmental information

The reportable segments, which represent the structure used by the chief operating decision makers, to make key operating decisions and assess performance, are set out below:

Reportable segment	**Product and service**
Curro	Independent education and ancillary service. Includes Select schools, Curro Academy schools and Curro Castle nursery schools
Meridian	Independent education and ancillary services with restricted funding

Segmental revenue and results

The executive committee (exco) assesses the performance of the operating segments based on the measure of adjusted EBITDA, adjusted EBIT and recurring headline earnings. Adjusted EBITDA takes a headline approach and represent earnings before interest, tax, depreciation, amortisation but excludes impairment, bargain purchase gains and profit or loss on sale of property, plant and equipment. Adjusted EBIT takes the same approach as for adjusted EBITDA. Recurring headline earnings is headline earnings adjusted to remove the effects of expenses that are unusual or one-time influences.

Transactions within the group and the company take place on an arm's length basis.

The segment information provided to the exco is presented below.

		2021			2020 Restated [1]	
	Curro R million	**Meridian R million**	**Total R million**	Curro R million	Meridian R million	Total R million
Total segment revenue	**3 207**	**341**	**3 548**	2 811	289	3 100
Inter-segment revenue	**(5)**	**-**	**(5)**	(6)	-	(6)
Revenue from external customers	**3 202**	**341**	**3 543**	2 805	289	3 094
Adjusted EBITDA	**729**	**60**	**789**	635	51	686
Depreciation and amortisation	**(272)**	**(9)**	**(281)**	(223)	(8)	(231)
Adjusted EBIT	**457**	**51**	**508**	412	43	455
Impairment of property, plant and equipment	**-**	**-**	**-**	(237)	(13)	(250)
Impairment of goodwill	**-**	**-**	**-**	(9)	-	(9)
Impairment of intangible assets	**-**	**-**	**-**	(6)	-	(6)
Gain on bargain purchase	**14**	**-**	**14**	-	-	-
Investment revenue	**63**	**9**	**72**	49	7	56
Finance cost	**(166)**	**(76)**	**(242)**	(207)	(72)	(279)
Taxation	**(93)**	**(8)**	**(101)**	(10)	-	(10)
Profit / (loss) after taxation	**274**	**(23)**	**251**	(8)	(35)	(43)
Recurring headline earnings						
Recurring headline earnings [2]	**260**	**(15)**	**245**	204	(25)	179
Recurring headline earnings per share (cents)	**43.4**	**(2.5)**	**40.9**	41.5	(3.5)	38.0
Revenue from external customers:	**3 202**	**341**	**3 543**	2 805	289	3 094
Registration and tuition fees	**3 313**	**292**	**3 605**	2 962	264	3 226
Hostel fees	**24**	**42**	**66**	26	41	67
Aftercare fees	**42**	**3**	**45**	51	5	56
Bus income	**36**	**-**	**36**	35	-	35
Recovery income	**46**	**3**	**49**	45	2	47
Rental income	**8**	**-**	**8**	4	-	4
Subsidy income	**-**	**4**	**4**	-	2	2
Other income	**45**	**13**	**58**	30	4	34
Discounts granted	**(312)**	**(16)**	**(328)**	(348)	(29)	(377)

1. *The segment report was restated to:*
   - *include both measures of segment profit/ loss used by the CODM, being adjusted EBIT and adjusted EBITDA, as opposed to the prior year where only adjusted EBITDA was presented.*
   - *include disaggregated revenue from external customers per reportable segment as required in accordance with IFRS 15 Revenue from Contracts with Customers.*
2. *Refer to note 28 for calculation of recurring headline earnings.*

Notes to the consolidated and separate financial statements

2. Segmental information (continued)

Segment assets and liabilities

The amounts provided to the exco with respect to total assets are measured in a manner consistent with that of the financial statements. These assets are allocated based on the operations of the segment and the physical location of the asset.

Capital expenditure reflects additions to non-current assets other than financial instruments and deferred tax assets.

The amounts provided to the exco with respect to total liabilities are measured in a manner consistent with that of the financial statements. These liabilities are allocated based on the operations of the segment.

The table below provides information on segment assets and liabilities

	2021			2020		
	Curro R million	**Meridian R million**	**Total R million**	Curro R million	Meridian R million	Total R million
Capital expenditure	**853**	**19**	**872**	631	23	654
Total assets	**10 820**	**732**	**11 552**	10 402	712	11 114
Total liabilities	**3 682**	**771**	**4 453**	3 621	727	4 348

Geographical information

The group operates in three principal geographical areas – South Africa, Namibia and Botswana.

The group's revenue from continuing operations from external customers by location of operations and non-current assets by location of assets is detailed below:

	2021		Restated[1] 2020	
	Revenue from external customers R million	**Non-current assets R million**	Revenue from external customers R million	Non-current assets R million
South Africa	**3 377**	**10 446**	2 932	9 775
Namibia	**121**	**416**	121	419
Botswana	**45**	**101**	41	92
Total	**3 543**	**10 963**	3 094	10 286

1. The prior year figures were restated to include all non-current assets by location, as opposed to limiting the disclosure to the inclusion of property, plant and equipment only.

Notes to the consolidated and separate financial statements

3. New and revised standards

3.1 Standards and amendments effective and adopted in the current year

In the current year, the group and the company have adopted the following standards and amendments that are effective for the current financial year and that are relevant to their operations:

Standard/Amendment:	Key requirements	Effective date:
• IFRS 9 Financial Instruments	Interest Rate Benchmark Reform Phase 2: The amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 amend requirements relating to changes in the basis for determining contractual cash flows of financial assets, financial liabilities and lease liabilities, hedge accounting and disclosures.	01 January 2021

The adoption of these standards and amendments did not have a significant impact on the amounts recognised or disclosed in the consolidated and separate annual financial statements.

3.2 Standards and amendments not yet effective

The group and the company have chosen not to early adopt the following standards and amendments, which have been published and are mandatory for the group and the company's accounting periods beginning on or after 01 January 2022 or later periods:

Standard/Amendment:	Effective date: Years beginning on or after	Executive summary:	Impact:
• IAS 1 Presentation of Financial Statements	1 January 2023	Classification of Liabilities as Current or Non-current: Narrow-scope amendments to IAS 1 to clarify how to classify debt and other liabilities as current or non-current. Disclosure of Accounting Policies: The amendments require companies to disclose their material accounting policy information rather than their significant accounting policies, with additional guidance added to the Standard to explain how an entity can identify material accounting policy information with examples of when accounting policy information is likely to be material.	The application is not expected to have a significant impact on the amounts recognised or disclosed in the consolidated and separate annual financial statements but are still being assessed.
• Property, Plant and Equipment — Proceeds before Intended Use (Amendments to IAS 16)	1 January 2022	The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the cost of producing those items, in profit or loss.	The application is not expected to have a significant impact on the amounts recognised or disclosed in the consolidated and separate annual financial statements.

Notes to the consolidated and separate financial statements

• Onerous Contracts — Cost of Fulfilling a Contract (Amendments to IAS 37)	1 January 2022	The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).	The application is not expected to have a significant impact on the amounts recognised or disclosed in the consolidated and separate annual financial statements.
• IFRS 3 Business Combinations	1 January 2022	*Reference to the Conceptual Framework:* The amendment updates a reference in IFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations.	The application is not expected to have a significant impact on the amounts recognised or disclosed in the consolidated and separate annual financial statements.
• IFRS 9 Financial Instruments	1 January 2022	*Annual Improvements to IFRS Standards 2018–2020:* The amendment clarifies which fees an entity includes when it applies the '10 per cent' test in assessing whether to derecognise a financial liability.	The application is not expected to have a significant impact on the amounts recognised or disclosed in the consolidated and separate annual financial statements.
• IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors	1 January 2023	*Definition of Accounting Estimates:* The amendments clarify how companies should distinguish changes in accounting policies from changes in accounting estimates, by replacing the definition of a change in accounting estimates with a new definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". The requirements for recognising the effect of change in accounting prospectively remain unchanged.	The application is not expected to have a significant impact on the amounts recognised or disclosed in the consolidated and separate annual financial statements.
• IAS 12 Income Taxes	1 January 2023	*Deferred Tax related to Assets and Liabilities arising from a Single Transaction:* The amendment clarifies how a company accounts for income tax, including deferred tax, which represents tax payable or recoverable in the future. In specified circumstances, companies are exempt from recognising deferred tax when they recognise assets or liabilities for the first time. The aim of the amendments is to reduce diversity in the reporting of deferred tax on leases and decommissioning obligations, by clarifying when the exemption from recognising deferred tax would apply to the initial recognition of such items.	The application is not expected to have a significant impact on the amounts recognised or disclosed in the consolidated and separate annual financial statements.

The group plans to adopt the standards and amendments on the applicable effective date.

Notes to the consolidated and separate financial statements

4. Property, plant and equipment

Group

	Land and buildings R million	Furniture and fixtures R million	Computer equipment R million	Motor vehicles R million	School equipment R million	Premises equipment R million	Office equipment R million	Total R million
As at 1 January 2020								
Cost	8 325	422	400	153	204	92	10	9 606
Accumulated depreciation and Impairment	(92)	(196)	(220)	(71)	(110)	(41)	(6)	(736)
Carrying value	8 233	226	180	82	94	51	4	8 870
For the year ended 31 December 2020								
Opening balance	8 233	226	180	82	94	51	4	8 870
Additions [1]	482	40	69	14	26	22	1	654
Additions through business combinations	38	-	-	-	-	-	-	38
Disposals	-	(2)	-	(3)	-	-	-	(5)
Depreciation	(17)	(53)	(47)	(16)	(30)	(11)	(1)	(175)
Exchange difference	2	-	-	-	-	-	-	2
Assets held for sale	(14)	-	-	-	-	-	-	(14)
Impairment provision	(250)	-	-	-	-	-	-	(250)
Closing balance	8 474	211	202	77	90	62	4	9 120
As at 31 December 2020								
Cost	8 833	459	467	161	230	113	11	10 274
Accumulated depreciation and Impairment	(359)	(248)	(265)	(84)	(140)	(51)	(7)	(1 154)
Carrying value	8 474	211	202	77	90	62	4	9 120
For the year ended 31 December 2021								
Opening balance	**8 474**	**211**	**202**	**77**	**90**	**62**	**4**	**9 120**
Additions [1]	**704**	**33**	**74**	**17**	**28**	**15**	**1**	**872**
Additions through business combinations	**19**	**1**	**1**	**-**	**-**	**-**	**-**	**21**
Disposals	**-**	**-**	**-**	**(2)**	**-**	**-**	**-**	**(2)**
Depreciation	**(56)**	**(47)**	**(52)**	**(12)**	**(28)**	**(15)**	**(1)**	**(211)**
Closing balance	**9 141**	**198**	**225**	**80**	**90**	**62**	**4**	**9 800**
As at 31 December 2021								
Cost	**9 559**	**493**	**542**	**173**	**257**	**128**	**12**	**11 164**
Accumulated depreciation and Impairment	**(418)**	**(295)**	**(317)**	**(93)**	**(167)**	**(66)**	**(8)**	**(1 364)**
Carrying value	**9 141**	**198**	**225**	**80**	**90**	**62**	**4**	**9 800**

1. Cash additions amounted to R859 million (2020: R632 million) which excludes new instalment sale agreements. Refer to note 33.

Notes to the consolidated and separate financial statements

4. Property, plant and equipment (continued)

Company

	Land and buildings R million	Furniture and fixtures R million	Computer equipment R million	Motor vehicles R million	School equipment R million	Premises equipment R million	Office equipment R million	Total R million
As at 1 January 2020								
Cost	6 716	376	348	138	183	83	8	7 852
Accumulated depreciation and Impairment	(74)	(172)	(186)	(65)	(99)	(41)	(5)	(642)
Carrying value	6 642	204	162	73	84	42	3	7 210
For the year ended 31 December 2020								
Opening balance	6 642	204	162	73	84	42	3	7 210
Additions [1]	450	38	64	13	23	18	1	607
Additions through business combinations	38	-	-	-	-	-	-	38
Disposals	-	(2)	-	(3)	-	-	-	(5)
Depreciation	(14)	(49)	(42)	(15)	(27)	(9)	(1)	(157)
Additions through unbundling	453	6	5	2	1	2	-	469
Assets held for sale	(14)	-	-	-	-	-	-	(14)
Impairment provision	(237)	-	-	-	-	-	-	(237)
Closing balance	7 318	197	189	70	81	53	3	7 911
As at 31 December 2020								
Cost	7 642	421	419	148	208	104	9	8 951
Accumulated depreciation and Impairment	(324)	(224)	(230)	(78)	(127)	(51)	(6)	(1 040)
Carrying value	7 318	197	189	70	81	53	3	7 911
For the year ended 31 December 2021								
Opening balance	**7 318**	**197**	**189**	**70**	**81**	**53**	**3**	**7 911**
Additions [1]	**682**	**31**	**68**	**16**	**24**	**13**	**1**	**835**
Additions through business combinations	**19**	**1**	**1**	**-**	**-**	**-**	**-**	**21**
Disposals	**-**	**-**	**-**	**(2)**	**-**	**-**	**-**	**(2)**
Depreciation	**(49)**	**(44)**	**(47)**	**(11)**	**(25)**	**(13)**	**(1)**	**(190)**
Additions through unbundling *(Note 31)*	**25**	**-**	**-**	**-**	**-**	**-**	**-**	**25**
Closing balance	**7 995**	**185**	**211**	**73**	**80**	**53**	**3**	**8 600**
As at 31 December 2021								
Cost	**8 369**	**453**	**488**	**159**	**231**	**117**	**10**	**9 827**
Accumulated depreciation and Impairment	**(374)**	**(268)**	**(277)**	**(86)**	**(151)**	**(64)**	**(7)**	**(1 227)**
Carrying value	**7 995**	**185**	**211**	**73**	**80**	**53**	**3**	**8 600**

1. Cash additions amounted to R822 million (2020: R585 million) which excludes new instalment sale agreements. Refer to note 33.

Notes to the consolidated and separate financial statements

4. Property, plant and equipment (continued)

Impairments

Current year ended on 31 December 2021

Impairment calculations were performed at school level (cash generating unit) and no impairments were identified in the current year.

The COVID-related regulations generally impacted on the quality of learning outcomes in the education sector. Curro attracted families concerned about this effect through its predictable and dependable models, at different pricing points.

The key assumptions for the value-in-use calculations are discount rates and terminal growth rates. Management estimates discount rates using rates that reflect current market data available and these rates are adjusted for risks specific to the CGU. The terminal growth rate is based on the tuition fee increases, growth in learner numbers and reflects past experience. The average learner number growth used in the calculation ranges from nil to 5% (2020: nil to 5%), while the average price increases for tuition fees ranges from 5% to 9% (2020: 5% to 9%).

The group and the company prepare five year cash flow forecasts based on the CGU's budgeted results as approved by the board of directors and extrapolate cash flows beyond this period based on the terminal growth rate of 5% (2020: 5%). In determining the growth rate, consideration is given to the growth potential of the respective CGU. Volume growth assumptions are based on management's best estimates of known strategies and future plans to grow the business. These growth plans were generally adjusted downwards to take into account the impact of COVID-19.

If the discount rate used in the value-in-use calculation for all the CGUs had been 1% higher than management's estimate at 31 December 2021, the group and company would have to recognise an additional impairment of R31 million (2020: R56 million) and R30 million (2020: R54 million) respectively against the carrying amount of property, plant and equipment and R 2 million (2020: R2 million) for both group and company against the carrying amount of intangible assets.

If the terminal growth rate used in the value-in-use calculation for all the CGUs had been 1% lower than management's estimate at 31 December 2021, the group and company would have to recognise an additional impairment of R11 million (2020: R37 million) and R9 million (2020: R35 million) respectively against the carrying amount of property, plant and equipment and R2 million (2020: R1 million) for both group and company against the carrying amount of intangible assets.

Prior year ended on 31 December 2020

In the prior year seven schools and certain land erven in the Curro segment as well as one school in the Meridian segment grew at weaker growth rates than expected since opening and had muted prospects, which led to impairments of R237 million and R13 million respectively in 2020.

Goodwill of R9 million and other intangible assets of R6 million were also impaired in the prior year that were applicable to the cash generating units. Refer to note 6 and note 7 for more details. The recoverable amount of the properties is based on their value in use calculation. The remaining recoverable amount for the schools impaired in the prior year in the Curro and Meridian segment were R577 million and R21 million respectively.

Pledged as security

The following assets have been pledged as security for the secured long-term borrowings as disclosed in note 18.

	Group		Company	
	2021	2020	**2021**	2020
	R million	R million	**R million**	R million
Land and buildings	**7 102**	6 570	**6 757**	6 570
Motor vehicles	**50**	47	**50**	47

Borrowing cost capitalised [1]

Borrowing costs capitalised to qualifying assets	**29**	63	**29**	60
Capitalisation rate used	**5.6%**	7.9%	**5.6%**	7.9%

1. Borrowing cost capitalised is included as part of the additions in the book value reconciliations included in this note.

Registers containing the information required by Regulation 25(3) of the Companies Regulations, 2011 are available for inspection at the registered office of Curro Holdings Limited.

Notes to the consolidated and separate financial statements

5. Leases

	Group		Company	
	2021	2020	**2021**	2020
	R million	R million	**R million**	R million
Amounts recognised in the statement of financial position				
Right-of-use assets: Land and buildings				
Opening balance	**319**	200	**317**	200
Additions	**-**	132	**-**	130
Remeasurements	**(2)**	-	**(1)**	-
Depreciation	**(12)**	(13)	**(12)**	(13)
Closing balance	**305**	319	**304**	317
Lease liabilities				
Non-current liabilities	**(330)**	(323)	**(328)**	(321)
Current liabilities	**(35)**	(33)	**(35)**	(33)
	(365)	(356)	**(363)**	(354)
Amounts recognised in the statement of comprehensive income				
Depreciation charge: Land and buildings	**12**	13	**12**	13
Interest expense (included in finance cost)	**43**	41	**43**	41
Low value lease expenses (included in operating expenses)	**6**	5	**5**	4
Short term lease expenses (included in operating expenses)	**1**	3	**-**	19
Variable lease expenses (included in operating expenses)	**4**	4	**4**	4
Cash outflow				
The capital portion	**(8)**	(7)	**(8)**	(7)
Total interest portion	**(26)**	(25)	**(26)**	(25)
	(34)	(32)	**(34)**	(32)

The right-of-use asset in the statement of financial position consists of eight schools and an admin building and/or land that are leased over various periods.

The remeasurements primarily relate to the annual escalation of three lease contracts, linked to the annual inflation rate.

At the end of the year, potential future cash outflows of R99 million (2020: R101 million) (undiscounted) have not been included in the lease liability because it is not reasonably certain that the leases will be extended.

Notes to the consolidated and separate financial statements

6. Goodwill

	Group R million	Company R million
As at 1 January 2020		
Cost	571	114
Accumulated impairment	(6)	(6)
Carrying value	565	108
Year ended 31 December 2020		
Opening balance	565	108
Changes through business combinations	5	5
Changes through unbundling	-	70
Impairment provisions	(9)	(9)
Closing balance	561	174
As at 31 December 2020		
Cost	**576**	**189**
Accumulated impairment	**(15)**	**(15)**
Carrying value	**561**	**174**
As at 31 December 2021		
Cost	**576**	**189**
Accumulated impairment	**(15)**	**(15)**
Carrying value	**561**	**174**

Impairment of goodwill

The goodwill acquired in a business combination is allocated, at acquisition, to the cash-generating unit (CGU) that is expected to benefit from that business. Goodwill is tested for the impairment annually, irrespective of whether or not there is any indication of impairment, or more frequently if there are indicators that goodwill might be impaired.

There was no goodwill impaired during the year under review (2020: Goodwill of R9 million impaired). Refer to note 4 for further detail and recoverable amounts.

When testing goodwill for impairment, the recoverable amounts of the CGUs, which are mostly represented by a school or campus, are determined using value-in-use calculations. Intangibles are included in this test for impairment. The key assumptions for the value-in-use calculations are discount rates and terminal growth rates. Management estimates discount rates using rates that reflect current market data available and these rates are adjusted for risks specific to the CGU. However all current CGUs with goodwill are mature schools and have been operating for more than 7 years. The terminal growth rate is based on the tuition fee increases, growth in learner numbers and reflects past experience. The average learner number growth used in the calculation ranges from nil to 5% (2020: nil to 5%), while the average price increases for tuition fees ranges from 5% to 9% (2020: 5% to 9%).

The group and the company prepare five year cash flow forecasts based on the CGU's budgeted results as approved by the board of directors and extrapolate cash flows beyond this period based on the terminal growth rate of 5% (2020: 5%). In determining the growth rate, consideration is given to the growth potential of the respective CGU. Volume growth assumptions are based on management's best estimates of known strategies and future plans to grow the business. These growth plans were generally adjusted downwards to take into account the impact of COVID-19.

As all schools operate in the same industry, the environment and the areas they operate in are similar, no additional risk premium is added to the discount rates.

Notes to the consolidated and separate financial statements

6. Goodwill (continued)

Impairment tests for CGUs containing goodwill are based on the following assumptions:

Group	Discount rate 2021	Discount rate 2020	Forecast period 2021	Forecast period 2020	Goodwill 2021 R million	Goodwill 2020 R million
Curro schools	**13.6% p.a**	13.7% p.a	**5 years**	5 years	**115**	115
Aurora College	**13.6% p.a**	13.7% p.a	**5 years**	5 years	**15**	15
Curro Midrand	**13.6% p.a**	13.7% p.a	**5 years**	5 years	**32**	32
Woodhill College	**13.6% p.a**	13.7% p.a	**5 years**	5 years	**59**	59
Waterstone College	**13.6% p.a**	13.7% p.a	**5 years**	5 years	**58**	58
Cooper College	**13.6% p.a**	13.7% p.a	**5 years**	5 years	**69**	69
Northriding College	**13.6% p.a**	13.7% p.a	**5 years**	5 years	**27**	27
Land of Oz	**13.6% p.a**	13.7% p.a	**5 years**	5 years	**11**	11
Campus and Property Management Company (Pty) Ltd	**13.6% p.a**	13.7% p.a	**5 years**	5 years	**96**	96
Curro Education Namibia (Pty) Ltd	**13.6% p.a**	13.7% p.a	**5 years**	5 years	**59**	59
Curro Education Botswana (Pty) Ltd	**13.6% p.a**	13.7% p.a	**5 years**	5 years	**20**	20
					561	561
Company						
Curro schools	**13.6% p.a**	13.7% p.a	**5 years**	5 years	**174**	174

Curro schools consist of the following: Durbanville, Langebaan, Helderwyk, Hermanus, Serengeti, Nelspruit, Heritage House, Hillcrest, Bloemfontein, Krugersdorp, Rosen Castle, Curro Academy Pretoria, Mount Richmore, Sagewood and The King's School Linbro Park.

Aurora College, Curro Midrand, Woodhill College, Waterstone College, Cooper College, Northriding College, Land of Oz, Campus and Property Management Company (Pty) Ltd, Curro Education Namibia (Pty) Ltd and Curro Education Botswana (Pty) Ltd represent the CGUs that have been assessed as significant by management in terms of International Accounting Standard 36 – *Impairment of Assets* ("IAS 36") paragraph 134.

All other CGUs have been presented in aggregate as Curro Schools in accordance with IAS 36 paragraph 135. All the goodwill relates to the Curro segment except for the R96 million of Campus and Property Management Company (Pty) Ltd which relates to the Meridian segment.

If the discount rate used in the value-in-use calculation for the CGUs had been 1% higher than management's estimate at 31 December 2021, the group and company would have to recognise R7 million and R6 million respectively of impairment against the carrying amount of goodwill (2020: Rnil).

If the terminal growth rate used in the value-in-use calculation for the CGUs had been 1% lower than management's estimate at 31 December 2021, the group and company would not have to recognise an additional impairment against the carrying amount of goodwill (2020: Rnil).

Notes to the consolidated and separate financial statements

7. Intangible assets

Intangible assets with indefinite useful lives are assessed for impairment annually, irrespective of whether or not there is any indication of impairment, or more frequently if there are indicators that intangibles may be impaired.

The useful life of trademarks is considered indefinite as it relates to acquired schools that operate under an existing brand. It is not bound by any expiry period and there is no foreseeable limit to the period over which the asset is expected to generate net cash flows for the group and the company except for a specific trademark of R2 million which is amortised over 3 years.

Curriculum materials are educational resources that provide curriculum and instructional experiences for learners. It is internally generated and amortised over 6 years.

Internally generated software relates to the implementation of a new accounting software system and other internal software development.

Learner enrolments were all acquired as part of business combinations.

Group

	Trademarks R million	Curriculum material R million	Learner enrolments R million	Software R million	Total R million
As at 1 January 2020					
Cost	98	112	61	108	379
Accumulated amortisation and impairment	(1)	(12)	(32)	(69)	(114)
Carrying value	97	100	29	39	265
Year ended 31 December 2020					
Opening balance	97	100	29	39	265
Additions through business combinations	1	-	-	-	1
Internally generated	-	21	-	24	45
Additions	-	-	-	9	9
Impairment provision	(4)	-	(2)	-	(6)
Amortisation	-	(12)	(5)	(26)	(43)
Closing balance	94	109	22	46	271
As at 31 December 2020					
Cost	99	133	61	140	433
Accumulated amortisation and impairment	(5)	(24)	(39)	(94)	(162)
Carrying value	94	109	22	46	271
Year ended 31 December 2021					
Opening balance	**94**	**109**	**22**	**46**	**271**
Internally generated	**-**	**14**	**-**	**26**	**40**
Additions	**-**	**-**	**-**	**34**	**34**
Amortisation	**(1)**	**(20)**	**(4)**	**(32)**	**(57)**
Closing balance	**93**	**103**	**18**	**74**	**288**
As at 31 December 2021					
Cost	**99**	**147**	**61**	**200**	**507**
Accumulated amortisation and impairment	**(6)**	**(44)**	**(43)**	**(126)**	**(219)**
Carrying value	**93**	**103**	**18**	**74**	**288**

Notes to the consolidated and separate financial statements

7. Intangible assets (continued)

Company

	Trademarks R million	Curriculum material R million	Learner enrolments R million	Software R million	Total R million
As at 1 January 2020					
Cost	19	112	28	104	263
Accumulated amortisation and impairment	(1)	(12)	(16)	(66)	(95)
Carrying value	18	100	12	38	168
Year ended 31 December 2020					
Opening balance	18	100	12	38	168
Additions through business combinations	1	-	-	-	1
Internally generated	-	21	-	25	46
Additions	-	-	-	9	9
Additions through unbundling	27	-	3	-	30
Impairment provision	(4)	-	(2)	-	(6)
Amortisation	(1)	(12)	(2)	(26)	(41)
Closing balance	41	109	11	46	207
As at 31 December 2020					
Cost	47	133	31	138	349
Accumulated amortisation and impairment	(6)	(24)	(20)	(92)	(142)
Carrying value	41	109	11	46	207
Year ended 31 December 2021					
Opening balance	**41**	**109**	**11**	**46**	**207**
Internally generated	**-**	**14**	**-**	**26**	**40**
Additions	**-**	**-**	**-**	**33**	**33**
Amortisation	**-**	**(20)**	**(2)**	**(32)**	**(54)**
Closing balance	**41**	**103**	**9**	**73**	**226**
As at 31 December 2021					
Cost	**47**	**147**	**31**	**197**	**422**
Accumulated amortisation and impairment	**(6)**	**(44)**	**(22)**	**(124)**	**(196)**
Carrying value	**41**	**103**	**9**	**73**	**226**

When testing trademarks for impairment, the recoverable amounts of the intangibles are determined based on the CGU's to which the trademarks relate using value-in-use calculations. The key assumptions for the value-in-use calculations are discount rates and terminal growth rates. Management estimates discount rates using rates that reflect current market assumptions of the time value of money and the risks specific to the respective CGU to which intangibles have been allocated. The terminal growth rate is based on the tuition fee increases, growth in learner numbers and reflects past experience.

The group and the company prepare cash flow forecasts based on the CGU's to which the intangibles relates, consider budgeted results as approved by the board of directors and extrapolate cash flows beyond this period based on the estimated terminal growth rate. Impairment tests for intangibles are based on a discount rate of 13.6% (2020: 13.7%) per annum and forecasted cash flow of 5 years (2020: 5 years) with a 5% (2020: 5%) terminal growth rate.

There were no impairments during the current year (2020: Trademark of R4 million and learner enrolments of R2 million impaired). Refer to note 4 for recoverable amounts and sensitivity analysis.

In the current and prior reporting period the key assumptions used in the cash flow calculations have been adjusted to reflect management's best estimate of the potential impact of COVID-19 on future earnings and cash flows, in particular discount rates and the terminal growth rate. The terminal growth rate was decreased from 8% in 2019 to 5% in 2020 and maintained at this lower rate in 2021.

Notes to the consolidated and separate financial statements

7. Intangible assets (continued)

The trademarks relate to the following CGU's:

	Trademarks 2021 R million	Trademarks 2020 R million
Group		
Curro schools	**42**	43
Aurora College	**1**	1
Woodhill College	**14**	14
Campus and Property Management Company (Pty) Ltd	**12**	12
Waterstone College (Pty) Ltd	**13**	13
Curro Education Namibia (Pty) Ltd	**2**	2
Curro Education Botswana (Pty) Ltd	**9**	9
	93	94
Company		
Curro schools	**41**	41

8. Investment in subsidiaries

The following table lists the entities that are controlled by the company, either directly or indirectly through subsidiaries.

Name of company	% holding 2021	% holding 2020	Carrying amount 2021 R million	Carrying amount 2020 R million
Building Blocks Prep School (Pty) Ltd	**100%**	100%	**-**	-
Campus and Property Management Company (Pty) Ltd	**65%**	65%	**102**	102
Curro Education Botswana (Pty) Ltd	**100%**	100%	**-**	-
Curro Education Namibia (Pty) Ltd	**100%**	100%	**249**	249
Curro Financial Services (Pty) Ltd	**100%**	100%	**-**	-
Curro Funding Company (Pty) Ltd	**100%**	100%	**-**	-
Curro Holdings Limited Share Incentive Trust	**100%**	100%	**-**	-
De Jager Kids (Pty) Ltd	**100%**	100%	**-**	-
Lilac Moon Trade and investments 189 (Pty) Ltd [1]	**100%**	100%	**-**	-
Meridian Operations Company (RF) NPC	**65%**	65%	**-**	-
Meridian College Schools NPC	**100%**	100%	**-**	-
Waterstone College (Pty) Ltd	**100%**	100%	**-**	-
Cooper College (Pty) Ltd	**100%**	100%	**-**	-
Irvcor Properties (Pty) Ltd	**100%**	100%	**-**	-
Magic Beings Creche (Pty) Ltd	**100%**	100%	**-**	-
Northriding College (Pty) Ltd	**100%**	100%	**-**	-
Northriding Property Holdings (Pty) Ltd	**100%**	100%	**-**	-
Woodhill College Property Holdings (Pty) Ltd	**100%**	100%	**-**	-
			351	351

1. *Unbundled into Curro during the year.*

Notes to the consolidated and separate financial statements

8. Investment in subsidiaries (continued)

The carrying amounts of subsidiaries are shown net of impairment losses. All subsidiaries are incorporated in the Republic of South Africa with the exception of Curro Education Namibia (Pty) Ltd, which is incorporated in Namibia, with the principal place of business being Namibia, and Curro Education Botswana (Pty) Ltd, incorporated in Botswana, with the principal place of business being Botswana.

Subsidiaries with material non-controlling interests

The following information is provided for subsidiaries with non-controlling interests that are material to the group. The summarised financial information is provided prior to intercompany eliminations.

Subsidiary	Principal place of business	% Ownership and voting interest held by non-controlling interest	
		2021	2020
Campus and Property Management Company (Pty) Ltd	South Africa	**35%**	35%
Meridian Operations Company (RF) NPC	South Africa	**35%**	35%

Campus and Property Management Company is a property holding company under the Meridian brand, for Meridian Operations Company, which in turn provides Independent school and education services.

No dividends were declared or paid to non-controlling interests during the year.

Restrictive funding arrangements:

Campus and Property Management Company (Pty) Ltd and Meridian Operations Company (RF) NPC

The funding provided by the Schools and Education Investment Impact Fund of South Africa (SEIIFSA) and the Old Mutual Assurance Group South Africa (Pty) Ltd is subject to restrictive funding arrangements. The arrangements restrict the use of funding and cash to the operations of Meridian Operations Company (RF) NPC and Campus and Property Management Company (Pty) Ltd, collectively referred to as the Meridian schools. The restricted cash balance on 31 December 2021 amounted to R51 million.

Impairment of investments

Investments in group companies are considered for an impairment loss allowance by assessing the company’s financial position.

Lilac Moon Trade and Investments (Pty) Ltd was unbundled into Curro Holdings Ltd during the year (refer to note 31).

The impairment for 2021 was Rnil (2020: R33 million). Refer to note 31 for more details.

Notes to the consolidated and separate financial statements

8. Investment in subsidiaries (continued)

Summarised statement of financial position

	Campus and Property Management Company (Pty) Ltd		Meridian Operations Company (RF) NPC		Total	
	2021 R million	2020 R million	**2021 R million**	2020 R million	**2021 R million**	2020 R million
Assets	**660**	659	**72**	53	**732**	712
Non-current assets	**639**	637	**-**	-	**639**	637
Current assets	**21**	22	**72**	53	**93**	75
Liabilities	**734**	697	**37**	30	**771**	727
Non-current liabilities	**668**	631	**-**	-	**668**	631
Current liabilities	**66**	66	**37**	30	**103**	96
Total net assets	**(74)**	(38)	**35**	23	**(39)**	(15)
Non-controlling interest per statement of financial position					**(10)**	(2)

Summarised statement of comprehensive income

	Campus and Property Management Company (Pty) Ltd		Meridian Operations Company (RF) NPC		Consolidated total	
	2021 R million	2020 R million	**2021 R million**	2020 R million	**2021 R million**	2020 R million
Revenue	**113**	92	**229**	197	**342**	289
Expected credit losses financial assets	**(9)**	(8)	**(10)**	(15)	**(19)**	(23)
Operating expenses	**(56)**	(46)	**(216)**	(177)	**(272)**	(223)
Earnings before interest and taxation	**48**	38	**3**	5	**51**	43
Net finance (costs) income	**(76)**	(72)	**9**	7	**(67)**	(65)
Impairment	**-**	(13)	**-**	-	**-**	(13)
Taxation	**(8)**	-	**-**	-	**(8)**	-
(Loss) / profit for the year	**(36)**	(47)	**12**	12	**(24)**	(35)
(Loss) / profit allocated to non-controlling interest					**(8)**	(12)

Summarised statement of cash flows

	Campus and Property Management Company (Pty) Ltd		Meridian Operations Company (RF) NPC		Total	
	2021 R million	2020 R million	**2021 R million**	2020 R million	**2021 R million**	2020 R million
Cash flows from operating activities	**42**	33	**25**	-	**67**	33
Cash flows from investing activities	**(19)**	(23)	**(6)**	1	**(25)**	(22)
Cash flows from financing activities	**(21)**	(7)	**-**	-	**(21)**	(7)
Net increase (decrease) in cash	**2**	3	**19**	1	**21**	4

Notes to the consolidated and separate financial statements

9. Loans to group companies

	Group		Company	
	2021 R million	2020 R million	**2021 R million**	2020 R million
Subsidiaries				
Campus and Property Management Company (Pty) Ltd The loan bears interest at a variable interest rate ranging between zero and 3-month JIBAR plus 10% per annum and is repayable after all Senior Debt has been paid. The loan has been discounted to its fair value at initial recognition based on the expected interest and capital repayments. The nominal value of the loan is R 304 million.	**-**	-	**308**	272
Campus and Property Management Company (Pty) Ltd The loan is interest free and unsecured, and there are no fixed terms of repayment.	**-**	-	**9**	9
Curro Education Botswana (Pty) Ltd The loan bears interest at variable rates, is unsecured and there are no fixed terms of repayment.	**-**	-	**80**	66
Curro Education Namibia (Pty) Ltd The loan bears interest at variable rates, is unsecured and there are no fixed terms of repayment. The loan was settled during the year under review.	**-**	-	**-**	14
Curro Financial services (Pty) Ltd The loan bears interest at variable rates, is unsecured and there are no fixed terms of repayment.	**-**	-	**1**	-
Curro Funding Company (Pty) Ltd The loan bears interest at variable rates, is unsecured and there are no fixed terms of repayment.	**-**	-	**107**	110
	-	-	**505**	471
Disclosed as follows:				
Non-current assets	**-**	-	**308**	272
Current assets	**-**	-	**197**	199
	-	-	**505**	471

The loans receivable from group companies were assessed for impairment by applying the expected credit loss model. The company also considered the financial performance, external debt and future cash flows of the loans receivable and concluded that there is some credit risk relating to these loans and loss exposure exists.

The general impairment model has been applied to the Campus and Property Management Company (Pty) Ltd loan of R308 million. This model requires recognising expected credit losses in line with the stage in which the financial asset is recognised. At the reporting date there has not been a significant increase in credit risk since initial recognition and therefore the loss allowance is based on a 12 month ECL. The expected credit loss is limited to the effect of discounting the amount due on the loan at the effective interest rate. Since the loan is disclosed at the net present value, the effect of discounting would have no impact on the ECL. Other strategies considered, indicated that the company would fully recover the outstanding loan. Expected credit loss on this loan is therefore not material. The senior debt has a 15 year repayment period payable in 36 equal quarterly instalments that commenced on 1 April 2019.

For intercompany loans that are repayable on demand, expected credit losses are based on the assumption that repayment of the loan is demanded at reporting date. The borrower's availability of highly liquid assets was considered as part of this assessment and it was concluded that all counter parties except, Curro Education Botswana (Pty) Ltd and Curro Financial Services (Pty) Ltd, had access to sufficient highly liquid assets to repay loans if demanded at reporting date. Expected credit losses on these loans are therefore not material.

Notes to the consolidated and separate financial statements

9. Loans to group companies (continued)

If the borrower did not have access to sufficient highly liquid assets, the company would allow the subsidiaries a "repayment over time" strategy to recover loans due. Following this assessment it was concluded that Curro Education Botswana (Pty) Ltd would be able to raise sufficient cash over a period of time to recover the loans due. Curro Financial Services (Pty) Ltd was found not to be able to raise sufficient cash in order to repay the loan and the probability of default on the loan was therefore determined to be 100%.

Loans to group companies were impaired as follows:

Company

	R million
Opening loss allowance as at 1 January 2020	35
Increase in loss allowance recognised in profit and loss during the year	1
Opening loss allowance as at 1 January 2021	**36**
Decrease in loss allowance recognised in profit and loss during the year	**(13)**
Decrease in loss allowance due to unbundling	**(17)**
Closing loss allowance as at 31 December 2021	**6**

Refer to the table below for a summary of the expected credit loss provisions:

	2021		2020	
	Gross loan amount R million	**Expected credit loss provision R million**	Gross loan amount R million	Expected credit loss provision R million
Campus and Property Management Company (Pty) Ltd - Senior	**308**	**-**	272	-
Campus and Property Management Company (Pty) Ltd	**9**	**-**	9	-
Curro Education Botswana (Pty) Ltd	**84**	**(4)**	83	(17)
Curro Education Namibia (Pty) Ltd	**-**	**-**	14	-
Curro Financial services (Pty) Ltd	**3**	**(2)**	2	(2)
Curro Funding Company (Pty) Ltd	**108**	**-**	110	-
Lilac Moon Trade and investments 189 (Pty) Ltd	**-**	**-**	17	(17)
	512	**(6)**	507	(36)

Notes to the consolidated and separate financial statements

10. Other financial assets

	Group		Company	
	2021	2020	**2021**	2020
	R million	R million	**R million**	R million
At fair value				
Investment in SA SME Fund	**5**	6	**5**	6
At amortised cost				
S'Cool Concepts	**11**	11	**11**	11
The loan is secured by inventory, interest free and is repayable within 12 months.				
C2R Cycling Development (Pty) Ltd	**4**	1	**4**	1
The loan is secured by assets and inventory, interest free and is repayable in monthly payments starting March 2025.				
Loans to directors and employees	**-**	1	**-**	-
The loans bear interest at the SARS fringe benefit rate, currently 4.75%, and are repayable within three years from issue. The loans are granted in terms of the Curro Holdings Limited Share Incentive Trust trust deed for the acquisition of qualifying vested shares.				
Brandburry 13 (Pty) Ltd	**15**	14	**-**	-
The loan is secured, bears interest and has no fixed payment terms.				
TT Mabena	**1**	1	**-**	-
The loan is secured, bears interest and has no fixed payment terms.				
Prosperity Education (Pty) Ltd	**2**	-	**-**	-
The loan is unsecured, interest free and has no fixed payment terms.				
	33	28	**15**	12
Total other financial assets	**38**	34	**20**	18
Non-current assets				
At fair value	**5**	6	**5**	6
At amortised cost	**4**	1	**4**	1
	9	7	**9**	7
Current assets				
At amortised cost	**29**	27	**11**	11
	38	34	**20**	18

The company has applied the general impairment model to loans and other financial assets. The company has considered the financial performance, external debt and future cash flows of the other financial assets, as well as securities offered for loans. It was concluded that the credit risk relating to these loans are limited and that no significant credit loss exposure exists as a result. No expected credit loss provision was therefore provided for on these loans.

Notes to the consolidated and separate financial statements

11. Deferred tax (liability) / asset

	Group		Company	
	2021	2020	**2021**	2020
	R million	R million	**R million**	R million
Deferred tax asset	**-**	8	**-**	-
Deferred tax liability	**(664)**	(551)	**(582)**	(466)
Net deferred tax liability	**(664)**	(543)	**(582)**	(466)
Deferred tax				
Property, plant and equipment	**(818)**	(743)	**(705)**	(631)
Interest rate swaps	**13**	34	**13**	34
Intangible assets	**(37)**	(38)	**(20)**	(21)
Contract liability	**17**	13	**17**	13
Expected credit losses on financial assets	**36**	32	**34**	30
Provision for bonuses	**19**	7	**17**	6
Donations	**17**	17	**-**	-
Leases	**17**	10	**17**	10
Tax losses available for set off against future taxable income	**72**	125	**45**	93
Total deferred tax	**(664)**	(543)	**(582)**	(466)
Reconciliation of net deferred tax liability				
Balance at the beginning of the year	**(543)**	(549)	**(466)**	(378)
Originating temporary differences on:				
Property, plant and equipment	**(75)**	(29)	**(74)**	(128)
Prepaid expenditure	**-**	(1)	**-**	-
Intangible assets	**1**	(2)	**1**	(9)
Contract liability	**4**	1	**4**	3
Expected credit losses on financial assets	**4**	22	**4**	20
Provision for bonuses	**12**	4	**11**	3
Interest rate swaps	**(21)**	27	**(21)**	27
Leases	**7**	6	**7**	6
Increase / (decrease) in tax losses available for set off against future taxable income	**(53)**	(22)	**(48)**	(10)
Balance at the end of the year	**(664)**	(543)	**(582)**	(466)

The statutory companies within the group are individually in a net deferred tax liability position except for Campus and Property Management Company (Pty) Ltd which is disclosed separately.

Recognition of deferred tax asset

Deferred tax asset is recognised for unused tax losses to the extent that probable future taxable profit will be available against which the unused tax losses can be utilised. Management has assessed the future profitability based on the current positive earnings before interest and tax in recognising the deferred tax asset.

Notes to the consolidated and separate financial statements

12. Inventories

	Group		Company	
	2021 R million	2020 R million	**2021 R million**	2020 R million
Stationery, uniforms, textbooks	**17**	17	**14**	12

The amount of inventories recognised as an expense during the period is R39 million (2020: R28 million), being the net amount of stock balances and purchases.

13. Trade and other receivables

	Group		Company	
	2021 R million	2020 R million	**2021 R million**	2020 R million
Financial instruments:				
Gross receivables	**481**	447	**392**	371
Expected credit loss provision	**(246)**	(215)	**(202)**	(178)
Trade receivables	**235**	232	**190**	193
Other receivables	**16**	26	**22**	30
	251	258	**212**	223
Non-financial instruments:				
Prepayments	**73**	41	**68**	38
Deposits[1]	**24**	30	**22**	29
Value added taxation	**3**	5	**1**	-
Total trade and other receivables	**351**	334	**303**	290

1. Non-refundable supplier deposits

Interest is charged on overdue accounts at 15% per annum. Credit periods may vary based on special payment agreements reached with parents of learners, but normal payment terms are that all fees should be settled within 30 days.

The net carrying values of receivables are considered to be a close approximation of their fair values. No credit insurance is taken out by the group or the company.

The debtors aging as at 31 December 2021:

	Current R million	31 - 60 days R million	61 - 90 days R million	>90 days R million	Total R million
Group	**77**	**44**	**36**	**324**	**481**
Company	**62**	**37**	**30**	**263**	**392**

The debtors aging as at 31 December 2020:

	Current R million	31 - 60 days R million	61 - 90 days R million	>90 days R million	Total R million
Group	66	45	38	298	447
Company	55	37	32	247	371

13. Trade and other receivables (continued)

A key strategy for the business is to retain learners for as long as possible. The company has become less tolerant of overdue accounts and has been vigilant in rehabilitating or terminating long outstanding accounts.

The company's provision methodology considers the overall aging of each account. The provision methodology also considers the impact of COVID-19 on the debtors' book with the expected credit loss rates increasing as the debtor's aging deteriorates. The full outstanding balance of a debtor account is allocated under its oldest aging category. This categorisation better recognise the risk that the full balance may not be collected even though a portion of the balance may be in the current aging category.

The expected loss provision considers the forward-looking view for GDP growth and inflation outlook. GDP growth is expected to remain less than 2% in 2022 and inflation to increase slightly.

The lifetime expected loss provision for the group and company trade receivables is as follows:

Group - 2021	<90 days	91 - 180 days	181 - 360 days	361 - 540 days	>540 days	Total
Expected loss rate	**3.2%**	**9.4%**	**31.8%**	**58.5%**	**93.5%**	**51.1%**
Gross carrying amount	**93**	**53**	**85**	**65**	**185**	**481**
Loss provision	**3**	**5**	**27**	**38**	**173**	**246**

Group - 2020	<90 days	91 - 180 days	181 - 360 days	361 - 540 days	>540 days	Total
Expected loss rate	4.4%	14.5%	36.7%	60.3%	92.9%	48.1%
Gross carrying amount	68	55	139	58	127	447
Loss provision	3	8	51	35	118	215

Company - 2021	<90 days	91 - 180 days	181 - 360 days	361 - 540 days	>540 days	Total
Expected loss rate	**2.6%**	**11.6%**	**32.4%**	**57.4%**	**94.0%**	**51.5%**
Gross carrying amount	**76**	**43**	**68**	**54**	**151**	**392**
Loss provision	**2**	**5**	**22**	**31**	**142**	**202**

Company - 2020	<90 days	91 - 180 days	181 - 360 days	361 - 540 days	>540 days	Total
Expected loss rate	3.5%	15.2%	37.5%	59.2%	91.6%	48.0%
Gross carrying amount	57	46	112	49	107	371
Loss provision	2	7	42	29	98	178

Notes to the consolidated and separate financial statements

13. Trade and other receivables (continued)

Movement in the loss allowance for trade receivables is as follow:

Group	Total provision R million
Opening loss allowance as at 1 January 2020	69
Increase in loss allowance recognised in profit and loss during the year	147
Receivables written off during the year as uncollectable	(1)
Opening loss allowance as at 1 January 2021	**215**
Increase in loss allowance recognised in profit and loss during the year	**131**
Receivables written off during the year as uncollectable	**(100)**
Closing loss allowance as at 31 December 2021	**246**

Company	Total provision R million
Opening loss allowance as at 1 January 2020	57
Increase in loss allowance recognised in profit and loss during the year	121
Opening loss allowance as at 1 January 2021	**178**
Increase in loss allowance recognised in profit and loss during the year	**109**
Receivables written off during the year as uncollectable	**(85)**
Closing loss allowance as at 31 December 2021	**202**

Curro has rebutted the presumption that there is a significant increase in credit risk after 30 days. Based on historic information, collections deteriorate where the period of indebtedness lengthens and the debtor is no longer an active client of the business at which point there is a significant increase in risk.

Other receivables mainly comprise of prepayments and deposits. The risk that it will become unlikely for the group and the company to receive that benefit of the prepaid supply is unlikely and impairment loss is therefore insignificant.

Trade receivables impaired
Group
As of 31 December 2021, trade and other receivables of R246 million (2020: R215 million) had recognised expected credit losses.

Company
As of 31 December 2021, trade and other receivables of R202 million (2020: R178 million) had recognised expected credit losses.

Notes to the consolidated and separate financial statements

14. Cash

14.1 Cash and cash equivalents

	Group		Company	
	2021	2020	**2021**	2020
	R million	R million	**R million**	R million
Cash and cash equivalents consist of:				
Bank balances	**90**	99	**33**	63

At year-end, the group's cash was invested at financial institutions with Moody's credit rating of Ba1 (2020: Ba2).

Cash and cash equivalents are also subject to the impairment requirements of IFRS 9. Curro considered the expected credit losses on its investments in cash and cash equivalents and concluded that those losses would be negligible.

The funding provided by the Schools and Education Investment Impact Fund of South Africa (SEIIFSA) and the Old Mutual Assurance Group South Africa (Pty) Ltd is subject to restrictive funding arrangements. The arrangements restrict the use of funding and cash to the operations of Meridian Operations Company (RF) NPC and Campus and Property Management Company (Pty) Ltd, collectively referred to as the Meridian schools. The restricted cash balance on 31 December 2021 amounted to R51 million.

14.2 Investment in money market

Investments in money market funds relate to investments in shares of liquidity funds. The shares in these funds are callable on a daily basis.

Money market fund investments are held in the following currencies:

	Group		Company	
	2021	2020	**2021**	2020
	R million	R million	**R million**	R million
SA Rand	**90**	334	**82**	332

Local money market funds relate to investments in South African unit trusts offered by Nedgroup Collective Investments, PSG Asset Management and ABSA Asset Management mandated to invest only in money market instruments of major South African banks. These instruments carry very low risk and provide daily liquidity, but cannot be classified as cash and cash equivalents as as the maturity period of individual instruments held by the funds are in excess of 3 months. These instruments are categorised as "financial assets at fair value through profit and loss."

Total of cash and investment in money market	**180**	433	**115**	395

14.3 Facilities

The value of facilities available to the group includes a Standard Bank Revolving Credit Facility of R500 million entered into the current financial year, a First National Bank Ltd sharing facility of R10 million between Campus and Property Management Company (Pty) Ltd and/or Curro Holdings Ltd.

Undrawn Facilities:

	Group		Company	
	2021	2020	**2021**	2020
	R million	R million	**R million**	R million
Amount of undrawn facilities available as at 31 December	**426**	106	**420**	-

Notes to the consolidated and separate financial statements

15. Share Capital

	Group		Company	
	2021	2020	**2021**	2020
	R million	R million	**R million**	R million
Issued				
Ordinary shares with no par value	**6 205**	6 205	**6 356**	6 356
Authorised				
Ordinary number of shares with no par value ('million)	**800**	800	**800**	800
Reconciliation of number of shares issued:				
Reported as at 1 January ('million)	**598**	412	**598**	412
Issue of shares ('million)	**-**	186	**-**	186
Total number of shares in issue ('million)	**598**	598	**598**	598

There were no changes to authorised ordinary share capital in the period under review. During the previous year:

- Authorised ordinary share capital increased from 600 million to 800 million no par value shares; and
- Effective 7 September 2020, 185.9 million shares were issued by way of a partially underwritten non-renounceable rights offer at a subscription price of R8.07 per Rights Offer Share, in the ratio of 45.10532 rights offer shares for every 100 ordinary shares.

Unissued ordinary shares of 20 604 399 are under the control of the directors in terms of a shareholders resolution passed at the last annual general meeting. This authority remains in force until the next annual general meeting.

16. Share based payments

16.1 Details of the employee option plans of the company

Curro first established a share incentive plan for certain key members of management in 2011. Subsequently, it adopted a new long term incentive scheme during the year under review. For ease of reference, the previous scheme shall be referred to as the *Old LTI scheme* and the newly implemented incentive scheme will be referred to as the *New LTI scheme*.

All management who qualify to partake in the New LTI scheme have waived their rights in terms of the Old LTI scheme. However, there are employees who will not be eligible to receive options under the New LTI scheme and they will continue to hold options in terms of the Old LTI scheme and same would remain in place until the Old LTI scheme comes to an end in September 2024, whereafter the Old LTI scheme will be terminated.

The Old LTI Scheme

Each employee's share option converts into one ordinary share of the company upon exercise and payment of the exercise price. No amounts are paid or payable by the recipient on receipt of the option. The exercise price is determined by the 30 day volume weighted average share price preceding the option issue date.

The trustees can elect to net settle the options at the trustees' sole discretion. The options carry neither rights to dividends nor voting rights. The options only vest if the recipient is still in employment on the vesting date. Options may be exercised at any time from the date of vesting to the date of its expiry, which is a 30-day period.

Options awarded vest over a five-year period from the grant date, namely:
- 25% thereof as at the second anniversary of the option grant date;
- 25% thereof as at the third anniversary of the option grant date;
- 25% thereof as at the fourth anniversary of the option grant date; and
- 25% thereof as at the fifth anniversary of the option grant date.

Notes to the consolidated and separate financial statements

16. Share based payments (continued)

16.1 Details of the employee option plans of the company (continued)

The New LTI Scheme

The proposed New LTI scheme consist of nil-paid options, which means that there is no strike price upon exercise of the option. No amounts are paid or payable by the recipient on receipt of the option.

The trustees can elect to net settle the options at the trustees' sole discretion. The options carry neither rights to dividends nor voting rights. The options only vest if the recipient is still in employment on the vesting date. Options may be exercised at any time from the date of vesting to the date of its expiry, which is a 6-month period.

Options awarded are subject to performance conditions and vest over a five-year period from the grant date, namely:

- 25% thereof as at the second anniversary of the option grant date;
- 25% thereof as at the third anniversary of the option grant date;
- 25% thereof as at the fourth anniversary of the option grant date; and
- 25% thereof as at the fifth anniversary of the option grant date.

As a further qualifying vesting condition, participants have to retain a minimum number of shares over the vesting periods.

16.2 Movements in share options during the year

The following reconciles the share options outstanding at the beginning and end of the year:

	2021		2020	
	Number of options	**Weighted average exercise price (Rand)**	Number of options	Weighted average exercise price (Rand)
The Old LTI Scheme:				
Outstanding at the beginning of the year	**10 404 100**	**23.99**	12 499 100	25.35
Awarded during the year	**-**	**-**	-	-
Vested during the year	**(2 220 650)**	**26.61**	(1 777 375)	33.55
Forfeited during the year	**(3 320 350)**	**29.18**	(317 625)	24.25
Outstanding at end of the year	**4 863 100**	**23.14**	10 404 100	23.99
The New LTI Scheme:				
Outstanding at the beginning of the year	**-**	**-**		
Awarded during the year	**4 983 135**	**Nil**		
Vested during the year	**-**	**-**		
Forfeited during the year	**(249 157)**	**Nil**		
Outstanding at end of the year	**4 733 978**	**Nil**		
Total	**9 597 078**			

Notes to the consolidated and separate financial statements

16. Share based payments (continued)

16.2 Movements in share options during the year (continued)

Details of share options granted to and exercised by directors:

Director	Opening balance of share options awarded at 1 January 2021	Number of options awarded/ (forfeited) during the year	Number of share options vested during the year	Exercise price per share option (Rand)	Share options award date	Closing balance of share options as at 31 December 2021
CR van der Merwe	35 050	-	(35 050)	36.21	2016/09/29	**-**
AJF Greyling	23 950	(23 950)	-	36.21	2016/09/29	**-**
	136 850	(136 850)	-	37.53	2017/09/29	**-**
	81 975	(81 975)	-	30.54	2018/09/29	**-**
	474 400	(474 400)	-	19.81	2019/09/29	**-**
	-	996 627	-	NIL	2021/07/01	**996 627**
JP Loubser [1]	-	747 470	-	NIL	2021/07/01	**747 470**
	-	747 470	-			**747 470**
	752 225	1 026 922	(35 050)			**1 744 097**

1. *JP Loubser was appointed as director effective 1 January 2021.*

The 2016, 2017, 2018 and 2019 vestings had no gain during 2021.

Vesting year	Number of options outstanding	Weighted average strike price (Rand)
29 September 2022	1 990 150	25.42
29 September 2023	1 618 625	22.59
29 September 2024	1 254 325	20.23
	4 863 100	23.14

16.3 Share option expense for the year

Total expense of R32.0 million (2020: R27.5 million) relating to equity-settled share-based payment transactions were recognised in other expenses within profit or loss during the year.

16.4 Assumptions used in fair value

Awards were only made during the year under the New LTI Scheme (2020: No new awards).

The Black-Scholes Model is used to calculate the estimated theoretical fair value of options awarded. The volatility is derived from the movement in the volume weighted average share price for a period of 365 calendar days prior to the share options award date.

The company used the following assumptions in determining the fair value of options awarded in the current period:

	2021	2020
Strike price (Rand)	**NIL**	-
Current share price (Rand)	**11.53**	-
Fair value (Rand)	**10.59**	-
Volatility (%)	**42.66**	-
Risk free rate (%)	**3.50**	-
Dividend yield (%)	**-**	-

Notes to the consolidated and separate financial statements

17. Reserves

17.1 Share based payments reserve

The share-based payments reserve is used to recognise:

- the grant date fair value of options issued to employees but not exercised over the vesting period
- the grant date fair value of shares issued to employees
- the grant date fair value of deferred shares granted to employees but not yet vested
- the issue of shares held by the Curro Holdings Limited Share Incentive Trust to employees.

	Group		**Company**	
	2021	2020	**2021**	2020
	R million	R million	**R million**	R million
Balance as at the beginning of the year	**21**	17	**21**	17
Recognition of share-based payment expense	**32**	28	**32**	28
Vesting of share options	**(23)**	(24)	**(23)**	(24)
Balance at the end of the year	**30**	21	**30**	21

17.2 Hedging reserve

The cash flow hedging reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of hedging instruments entered into for cash flow hedges. The cumulative gains or losses that are recognised and accumulated under the heading of cash flow hedging reserve will be reclassified to profit or loss only when the hedged transaction affects the profit or loss, or included as a basis adjustment to the non-financial hedged item, consistent with the relevant accounting policy. The effective portion of the hedge instrument is recognised in other comprehensive income.

Balance as at the beginning of the year	**(87)**	(20)	**(87)**	(20)
Recognition of fair value movement	**72**	(93)	**72**	(93)
Taxation	**(20)**	26	**(20)**	26
Balance at the end of the year	**(35)**	(87)	**(35)**	(87)

17.3 Translation reserve

Exchange differences arising on translation of the foreign controlled entity are recognised in other comprehensive income and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed of.

Balance as at the beginning of the year	**1**	(1)	**-**	-
Exchange differences on translating foreign operations	**-**	2	**-**	-
Balance at the end of the year	**1**	1	**-**	-

Total reserves	**(4)**	(65)	**(5)**	(66)

Notes to the consolidated and separate financial statements

18. Other financial liabilities

	Group		Company	
	2021	2020	**2021**	2020
	R million	R million	**R million**	R million
At fair value through profit or loss				
Interest rate swap	**24**	57	**24**	57
Swap on a notional amount of R512.5 million with a termination date of 14 August 2024 at a fixed interest rate of 7.33%.				
Interest rate swap	**7**	19	**7**	19
Swap on a notional amount of R212.5 million with a termination date of 15 December 2022 at a fixed interest rate of 8.21%.				
Interest rate swap	**6**	15	**6**	15
Swap on a notional amount of R150 million with a termination date of 22 March 2024 at a fixed interest rate of 7.32%.				
Interest rate swap	**5**	14	**5**	14
Swap on a notional amount of R150 million with a termination date of 29 November 2023 at a fixed interest rate of 7.28%.				
Interest rate swap	**6**	15	**6**	15
Swap on a notional amount of R150 million with a termination of 13 December 2023 at a fixed interest rate of 7.32%.				
Total at fair value through profit or loss	**48**	120	**48**	120

	Group 2021	Group 2020	Company 2021	Company 2020
Held at amortised cost				
ABSA Bank Ltd - Instalment sale agreements	**20**	24	**20**	24
The secured loans bear interest at various prime linked rates, payable in monthly instalments ranging from R2,515 to R29,260. Secured by fixed assets as disclosed in note 4.				
Development Bank of South Africa	**-**	114	**-**	114
The secured loan bore interest at fixed 12.11% per annum, payable in bi-annual instalments. Repayable during the period August 2015 to June 2028, but loan was settled in full during the year under review.				
Development bonds	**1**	2	**1**	2
Development bonds are refunded when the learner leaves the school, or after three years have elapsed since its payment, whichever is the later date. The development bonds bear interest.				
Investec Bank of South Africa	**151**	151	**151**	151
The secured loan bears interest at three-month JIBAR plus 1.75%, payable in November 2023.				
Investec Bank of South Africa	**856**	855	**856**	855
The secured loan bears interest at three-month JIBAR plus 1.75%, payable in August 2024.				
Old Mutual Assurance Group South Africa (Pty) Ltd - Liquidity Facility	**5**	4	**-**	-
The loan bears interest at 3-month JIBAR plus 8% per annum. The loan has no fixed terms of repayment.				
Old Mutual Assurance Group South Africa (Pty) Ltd	**27**	31	**-**	-
The loan bears interest at 3-month JIBAR plus 4% per annum. The loan has a 15 year repayment period repayable in 36 equal quarterly instalments that commenced on 1 April 2019. Refer to restrictive funding arrangement disclosure below.				

Notes to the consolidated and separate financial statements

18. Other financial liabilities (continued)

	Group		Company	
	2021	2020	**2021**	2020
	R million	R million	**R million**	R million
Held at amortised cost (continued)				
Old Mutual Assurance Group South Africa (Pty) Ltd - Junior The loan bears interest at a variable interest rate ranging between zero and 3-month JIBAR plus 10% per annum and is repayable after all Senior Debt has been paid. Refer to restrictive funding arrangement disclosure below.	**62**	54	**-**	-
Schools and Education Investment Impact Fund of South Africa (SEIIFSA) - Liquidity Facility The loan bears interest at 3-month JIBAR plus 8% per annum. The loan has no fixed terms of repayment.	**9**	7	**-**	-
Schools and Education Investment Impact Fund of South Africa (SEIIFSA) The loan bears interest at 3-month JIBAR plus 4% per annum. The loan has a 15 year repayment period repayable in 36 equal quarterly instalments that commenced on 1 April 2019. Refer to restrictive funding arrangement disclosure below.	**166**	186	**-**	-
Schools and Education Investment Impact Fund of South Africa (SEIIFSA) - Junior The loan bears interest at a variable interest rate ranging between zero and 3-month JIBAR plus 10% per annum and is repayable after all Senior Debt has been paid. Refer to restrictive funding arrangement disclosure below.	**104**	92	**-**	-
Standard Bank of South Africa Ltd - Instalment Sale The secured loans bear interest at various prime linked rates, payable in monthly instalments ranging from R3,488 to R30,512. Secured by fixed assets as disclosed in note 4.	**2**	7	**2**	7
Standard Bank of South Africa Ltd - 5 year bullet loan The secured loan bears interest at three-month JIBAR plus 2.05%, payable in September 2022.	**215**	215	**215**	215
Standard Bank of South Africa Ltd - 5 year bullet loan The secured loan bears interest at three-month JIBAR plus 1.78%, payable in November 2023.	**150**	150	**150**	150
Standard Bank of South Africa - Funding Facility The secured loan bears interest at three-month JIBAR plus 1.75%, payable December 2024.	**502**	502	**502**	502
Standard Bank of South Africa - RCF with bullet profile The secured loan bears interest at three-month JIBAR plus 1.43%, payable in December 2023.	**80**	-	**80**	-
Sanlam The secured loans bear interest at three-month JIBAR plus 2.05% payable in July 2023 (R150 million) and three-month JIBAR plus 1.8% payable in March 2024 (R300 million).	**451**	451	**451**	451
Transaction cost incurred	**(9)**	(12)	**(9)**	(10)
Total at amortised cost	**2 792**	2 833	**2 419**	2 461
Total other financial liabilities	**2 840**	2 953	**2 467**	2 581

Notes to the consolidated and separate financial statements

18. Other financial liabilities (continued)

	Group 2021 R million	Group 2020 R million	Company 2021 R million	Company 2020 R million
Disclosed as follows:				
Non-current liabilities				
At amortised cost	**2 446**	2 774	**2 112**	2 436
Fair value through profit or loss (note 19)	**41**	120	**41**	120
	2 487	2 894	**2 153**	2 556
Current liabilities				
Fair value through profit or loss	**7**	-	**7**	-
At amortised cost	**346**	59	**307**	25
	2 840	**2 953**	**2 467**	**2 581**

Restrictive funding arrangements

The funding provided by the Schools and Education Investment Impact Fund of South Africa (SEIIFSA) and the Old Mutual Assurance Group South Africa (Pty) Ltd is subject to restrictive funding arrangements. The arrangements restrict the use of the funding and cash to the operations of Meridian Operations Company (RF) NPC and Campus and Property Management Company (Pty) Ltd, collectively referred to as the Meridian schools. The restricted cash balance on 31 December 2021 amounted to R51 million.

Securities

The securities for banking facilities and long-term funding are as follows:

- Majority of land and buildings are pledged as security. The full list of properties pledged as security is available for inspection at the registered office of the company.
- The Schools and Education Investment Impact Fund of South Africa and Old Mutual Assurance Group South Africa (Pty) Ltd.

As part of the conditions of the facilities agreement, Campus and Property Management Company (Pty) Ltd has ceded and pledged to the Meridian Security SPV (Pty) Ltd as security for the company's obligations under the company indemnity, the company's right, title and interest in and to:

- All amounts of any nature now or from time to time owing to the company by any person whosoever including, but without limitation, any amounts owing to the company by any bank with whom the company maintains any bank account (including, without limitation, the advances account and the collections account), and any parent in terms of any learner admission contract, and Meridian Operations Company (RF) NPC under the working capital facility agreement, and by any approved insurer with whom the company maintains any required insurance;
- Each transaction document to which it is a party;
- The working capital facility agreement and the working capital security; and
- Any property lease agreement held by it in respect of any school property or any boarding house property, provided that such property lease agreement is capable of being ceded, and if the consent of the landlord under a property lease agreement is required for its cession, the company will use commercially reasonable endeavours to obtain that consent.

As part of the conditions, the company registered a general notarial bond over all its movable assets (including, but without limitation, the required equipment in respect of each school) and each boarding house.

If the company acquires ownership of any school property or any boarding house property, the company will, against registration of transfer of ownership of that property into its name in the office of the applicable registry, register a first mortgage bond over that property in favour of the Meridian Security SPV (Pty) Ltd as security for the company's obligations arising under the company indemnity.

19. Derivative financial instruments and hedging information

The following information relates to derivative financial instruments included in other financial assets and liabilities:

Group and company	2021 Liabilities R million	2020 Liabilities R million
Interest rate swaps - cash flow hedges (note 18)	**48**	120

The fair value of a hedging derivative is classified as a non-current asset or liability if the remaining maturity of the hedged item is more than 12 months from the reporting date.

No ineffective portion of the cash flow hedges was recognised during the year (2020: Rnil).

The notional principal amounts of the outstanding interest rate swap contracts at 31 December 2021 were R1.2 billion (2020: R1.2 billion). The total value of the loans are R2.3 billion (2020: R2.3 billion). Refer to note 18 for the interest-bearing loans. The maturity dates for the interest rate swaps are 15 December 2022 (R212.5 million), 29 November 2023 (R150 million), 13 December 2023 (R150 million), 22 March 2024 (R150 million) and 14 August 2024 (R512.5 million) respectively. The hedge ratio for the current year is 0.5:1 (2020: 0.5:1).

At 31 December 2021, the fixed interest rates vary from 7.28% to 8.21% (2020: 7.28% to 8.21%), and the main floating rates are JIBAR. Gains and losses recognised in the hedging reserve in equity on interest rate swap contracts as of 31 December 2021 will be continuously released to the statement of comprehensive income until the repayment of the borrowings.

20. Trade and other payables

	Group		Company	
	2021 R million	2020 R million	**2021 R million**	2020 R million
Financial instruments:				
Trade payables	**148**	76	**137**	70
Development and acquisition payables	**41**	41	**41**	41
Accrued expense	**101**	118	**82**	103
Entrance deposits and other payables	**4**	9	**4**	7
	294	244	**264**	221
Non-financial instruments:				
Value added taxation	**-**	3	**-**	3
Total trade and other payables	**294**	247	**264**	224

Credit periods vary, but ordinarily the group and the company do not make use of trade credit facilities. Unpaid amounts are accrued for until settled. The carrying values of trade and other payables approximate their fair values due to the close proximity between when these balances are initially recognised to when they are paid. The group and the company have credit risk policies in place to ensure that all payables are paid within the agreed terms.

Included in development and acquisition payables is outstanding consideration for the King's School of R29 million (note 32) and additional contingent consideration of R10 million for a Curro school when the school reaches 900 learners.

Notes to the consolidated and separate financial statements

21. Contract liability

	Group		Company	
	2021	2020	**2021**	2020
	R million	R million	**R million**	R million
21.1 Registration fees				
Opening balance	**41**	42	**37**	37
Revenue recognised that was included in the contract liability balance at the beginning of the period	**(28)**	(29)	**(25)**	(25)
Increases due to cash received, excluding amounts recognised as revenue during the period	**41**	28	**40**	25
Closing balance	**54**	41	**52**	37

Registration fees carry a separate stand-alone transaction price which is recognised over time as the services are rendered, based on management's estimate of the average tenure of learners. Currently the average tenure of learners is deemed to be three years and therefore the registration fees are recognised evenly over three years. The transaction price allocated to the unsatisfied portion of the performance obligation pertaining to registration fees, is represented by the contract liability year end balance.

In 2022, R30 million and R28 million of the balance for group and company respectively is expected to be recognised as revenue, while in 2023, R17 million and R17 million respectively is expected to be recognised as revenue. In 2024, R7 million and R6 million is expected to be recognised as revenue.

	Group		Company	
	2021	2020	**2021**	2020
	R million	R million	**R million**	R million
21.2 Income received in advance				
Opening balance	**199**	186	**168**	152
Revenue recognised in Statement of Comprehensive Income	**(199)**	(186)	**(168)**	(152)
School and other fees received in advance	**233**	199	**201**	168
Closing balance	**233**	199	**201**	168

Income received in advance carry a separate stand-alone transaction price which is recognised over time as the services are rendered. The transaction price allocated to the unsatisfied portion of the performance obligation pertaining to income received in advance is represented by the contract liability balance at year end, which will be recognised as revenue in the following financial year. Income received in advance is repayable to parents if the learner were to leave the school.

	Group		Company	
	2021	2020	**2021**	2020
	R million	R million	**R million**	R million
Total	**287**	240	**253**	205
Current liability	**263**	227	**229**	193
Non current liability	**24**	13	**24**	12

Notes to the consolidated and separate financial statements

22. Revenue from contracts with customers

	Group		Company	
	2021	2020 Restated [1]	**2021**	2020 Restated [1]
	R million	R million	**R million**	R million
Included in revenue from contracts with customers:				
Registration and tuition fees	**3 605**	3 226	**3 144**	2 796
Hostel fees	**66**	67	**21**	23
Aftercare fees	**45**	56	**41**	51
Bus income	**36**	35	**36**	34
Recovery income	**49**	47	**46**	46
Rental income	**8**	4	**7**	4
Subsidy income	**4**	2	**-**	-
Other income	**58**	34	**49**	30
Discounts granted [2]	**(328)**	(377)	**(300)**	(336)
Personnel	**(89)**	(83)	**(77)**	(71)
Bursaries	**(79)**	(73)	**(73)**	(67)
Enrolments	**(3)**	(6)	**(3)**	(6)
COVID-19	**(1)**	(81)	**(1)**	(66)
Other discounts	**(156)**	(134)	**(146)**	(126)
	3 543	3 094	**3 044**	2 648
Time of revenue recognition				
Over time	**3 510**	3 065	**3 015**	2 623
At a point in time	**33**	29	**29**	25
	3 543	3 094	**3 044**	2 648

1. *The prior year figures were restated to include the revenue amounts recognised at a point in time and over time in accordance with IFRS 15: Revenue from Contracts with Customers.*
2. *Discounts are granted on registration and tuition fees.*

The group and company's principal activities to generate their revenue are to provide independent education and ancillary services. Refer to note 2 for segmental information that also discloses the revenue disaggregation.

These ancillary services and products are sold at stand-alone selling prices which do not require allocation to separate performance obligations. There is no significant financing component within the payment terms of school fees and other fees. School fees and other fees for services already delivered are non-refundable and hence no obligation to provide for refunds exists.

Revenue generated from registration and tuition fees, hostel fees, aftercare fees, bus income and rental income are recognised over time. Textbook, uniform, stationery and tuckshop revenue, which are included in recovery income and other income, are recognised at a point in time as the performance obligation is satisfied.

Special once-off discounts were given during the previous year relating to the COVID-19 pandemic. Depending on the school phase, a specific percentage discount was given to all customers for some of the months during the lockdown period. A relief fund was also launched during the same period where customers could apply for relief based on a required criteria.

Other discounts mainly comprise of discretionary discounts, financial assistance and Ruta Sechaba Bursaries

Notes to the consolidated and separate financial statements

23. Earnings before interest and taxation

Earnings before interest and taxation for the year is stated after accounting for the following:

	Group		Company	
	2021	2020	**2021**	2020
		Represented[1]		Represented[1]
	R million	R million	**R million**	R million
Facility costs	**311**	292	**281**	277
Cost of ancillary services [2]	**127**	90	**84**	65
Marketing	**35**	36	**33**	34
Repairs and maintenance	**40**	33	**35**	28
Bad debt and collection costs	**27**	17	**23**	15
Operating costs [3]	**253**	227	**220**	188
	793	695	**676**	607

1. The operating costs were disaggregated to provide further information on the nature of the items included in the total. The comparative figures were represented accordingly.
2. Cost of ancillary services comprise mainly of hostel, aftercare, sport and culture expenses.
3. Operating costs mainly comprise of curriculum costs, security, travel, printing and stationery, system and communication costs and vehicle expenses.

24. Investment income

	Note	Group		Company	
		2021	2020	**2021**	2020
		R million	R million	**R million**	R million
Dividend received					
Subsidiaries - local [1]		**-**	-	**1**	90
Interest received [2]					
Bank and Money Market		**16**	24	**15**	16
Interest charged on trade and other receivables		**56**	32	**47**	32
Related parties	34	**-**	-	**47**	56
		72	56	**109**	104
		72	56	**110**	194

1. Refer to note 31 for more details regarding the dividend received.
2. For the group, interest of R1 million (2020: R1 million) were only accrued and not received by year end. For the company, interest of R41 million (2020: R56 million), which relates to related party interest, was only accrued and not received by year end.

25. Finance cost

Borrowings	**222**	294	**186**	255
Bank	**4**	6	**5**	-
Lease liabilities	**43**	41	**43**	41
Other interest paid	**2**	1	**1**	1
Less: Interest capitalised	**(29)**	(63)	**(29)**	(60)
	242	279	**206**	237

Note: Non-cash interest was added back to determine interest paid. For group R44 million (2020: R24 million) was added back and company R19 million (2020: R3 million).

The capitalisation rate used for the group and the company during the period was 5.56% (2020: 7.89%) on general borrowings for capital projects.

Finance costs relate to financial liabilities that are not designated as at fair value through profit or loss. Finance costs included in the statements of cash flows represent net finance costs incurred for the year and exclude interest capitalised to property, plant and equipment.

26. Taxation

Major components of tax expenses

	Group		Company	
	2021	2020	**2021**	2020
	R million	R million	**R million**	R million
Current taxation				
Local income tax - current period	**6**	-	**1**	1
Deferred taxation				
Temporary differences - current period	**95**	10	**91**	104
	101	10	**92**	105

Reconciliation of the tax expense

Reconciliation between applicable tax rate and effective tax rate

	%	%	**%**	%
Applicable tax rate	**28.0**	28.0	**28.0**	28.0
Non-deductible expenditure - Impairment losses	**(0.1)**	(44.7)	**(2.4)**	60.5
Non-deductible expenditure - Share-based payment	**2.5**	(23.7)	**2.4**	19.3
Non-deductible expenditure - Notional finance charge	**1.6**	(14.8)	**-**	-
Non-deductible expenditure - Other	**-**	(5.8)	**-**	-
Non-taxable income - Dividend in specie received	**-**	-	**(0.1)**	(62.9)
Non-taxable income - Tax exempt subsidiaries	**(2.5)**	31.0	**-**	-
Non-taxable income - Notional finance income	**-**	-	**(2.7)**	(22.5)
Non-taxable income - Gain on bargain purchase	**(1.1)**	-	**(1.0)**	-
Loss / (profit) on exchange differences	**-**	(0.1)	**-**	(1.3)
Deferred tax recognised through unbundlings	**0.2**	(0.5)	**0.4**	241.6
Deferred tax assets not recognised	**0.1**	(2.8)	**-**	-
Prior year tax adjustments	**0.2**	(0.6)	**-**	-
Lower foreign tax rate	**(0.2)**	(0.3)	**-**	-
Other	**-**	1.5	**0.1**	(0.6)
Effective tax rate	**28.7**	(32.8)	**24.7**	262.1

Group

The estimated tax loss available for set off against taxable income is R292.94 million (2020: R484.02 million).

Company

No provision has been made for 2021 tax as the company has no taxable income. The estimated tax loss available for set off against future taxable income is R159.99 million (2020: R333.14 million).

27. Other comprehensive income

Components of other comprehensive income	Group		Company	
	2021	2020	**2021**	2020
	R million	R million	**R million**	R million
Items that may be reclassified to profit or loss				
Exchange differences on translating foreign operation	**-**	2	**-**	-
Effects of cash flow hedges				
Gross	**72**	(93)	**72**	(93)
Tax	**(20)**	26	**(20)**	26
	52	(65)	**52**	(67)

Notes to the consolidated and separate financial statements

28. Earnings, headline earnings and recurring headline earnings per share

	Group 2021 R million	Group 2020 R million
Weighted average number of ordinary shares ('million)	**598**	471
Weighted average number of diluted ordinary shares ('million)	**598**	471

28.1 Earnings per share

	2021	2020
Profit / (loss) for the year attributable to owners of the parent	**259**	(31)
Basic earnings per share (cents)	**43.3**	(6.5)
Diluted earnings per share (cents)	**43.3**	(6.5)

28.2 Headline earnings per share

	2021	2020
Reconciliation of headline earnings:		
Profit / (loss) for the year attributable to owners of the parent	**259**	(31)
Adjusted for:		
Loss on impairment	**-**	202
Gross amount	**-**	265
Non-controlling interest	**-**	(5)
Tax effect	**-**	(58)
Gain on bargain purchase	**(14)**	-
Headline earnings	**245**	171
Basic headline earnings per share (cents)	**40.9**	36.4
Diluted headline earnings per share (cents)	**40.9**	36.4

28.3 Recurring headline earnings per share

	2021	2020
Reconciliation of recurring headline earnings:		
Headline earnings	**245**	171
Adjusted for:		
Acquisition cost on business combinations [1]	**-**	(8)
Gross amount	**-**	(11)
Tax effect	**-**	3
Recurring headline earnings	**245**	179
Recurring headline earnings per share (cents)	**40.9**	38.0

1. *The acquisition costs comprise of once off professional fees and other expenses relating to business combinations.*

Notes to the consolidated and separate financial statements

29. Cash generated from operations

	Group		Company	
	2021	2020	**2021**	2020
	R million	R million	**R million**	R million
Profit / (loss) before taxation	**352**	(33)	**372**	40
Adjustments for:				
Depreciation and amortisation	**281**	231	**258**	211
Net profit on disposal of property, plant and equipment [1]	**-**	-	**-**	-
Dividends received	**-**	-	**(1)**	(90)
Interest received	**(72)**	(56)	**(109)**	(104)
Finance costs	**242**	279	**206**	237
Impairments	**-**	265	**-**	285
Share based payment expense	**32**	28	**32**	28
Gain on bargain purchase	**(14)**	-	**(14)**	-
Expected credit losses on group loans	**-**	-	**(30)**	1
Profit/loss on exchange differences	**-**	-	**-**	(2)
Changes in working capital:				
Decrease / (increase) decrease in inventories	**1**	(4)	**(2)**	(3)
Increase in trade and other receivables	**(17)**	(24)	**(11)**	(26)
Increase in trade and other payables	**47**	20	**28**	20
Increase in contract liabilities	**44**	11	**45**	14
	896	717	**774**	611

1. *The value of profit on disposal is less than R500 000 and therefore displayed as nil.*

Non-cash investing and financing activities disclosed in other notes are:
- Purchase of property, plant and equipment - *Note 4*
- Movements in other financial liabilities - *Note 33*
- Principle elements of lease payments - *Note 33*

30. Taxation paid

	Group		Company	
	2021	2020	**2021**	2020
	R million	R million	**R million**	R million
Balance at beginning of the year	**2**	1	**1**	1
Current tax for the year recognised in profit or loss	**(6)**	-	**(1)**	(1)
Non-cash adjustments	**1**	(2)	**1**	-
Balance at end of the year	**1**	(2)	**(1)**	(1)
	(2)	(3)	**-**	(1)

31. Unbundling of subsidiaries

Lilac Moon Trade and Investments 189 (Pty) Ltd was unbundled into Curro on 1 August 2021 in accordance with the provisions of section 47 of the Income Tax Act, No 58 of 1962, as amended. The assets and liabilities were distributed to Curro as a liquidation dividend. This transaction was recognised at the book values from the highest level of consolidation.

Below table set out certain amounts applicable to the unbundling process:

	Property plant and equipment R million
Lilac Moon Trade and Investments 189 (Pty) Ltd	24

31. Unbundling of subsidiaries (continued)

In the prior year Cooper College (Pty) Ltd, Magic Beings Creche (Pty) Ltd, Northriding College (Pty) Ltd, Northriding College Property (Pty) Ltd and Irvcor Properties (Pty) Ltd were wholly owned subsidiaries of Curro that were unbundled into Curro on 1 January 2020. Woodhill College Property Holdings (Pty) Ltd was unbundled into Curro on 31 December 2020. Total dividends of R90 million were declared as part of the unbundling and restructuring transactions.

32. Business combinations

32.1 Business combinations in the year

Group and company	St George's Preparatory School R million
The following assets and liabilities were recognised:	
Property, plant and equipment	**21**
Trade and other receivables	**1**
Cash and cash equivalents	**2**
Deferred tax liability	**(5)**
Contract liability	**(2)**
Total identifiable net assets	**17**
Gain on bargain purchase	**(14)**
Purchase consideration paid in cash	**3**
Net cash outflow on acquisition	
Cash paid	**(3)**
Cash and cash equivalents acquired	**2**
	(1)

Amounts are determined based on their acquisition date fair values. Acquired receivables are expected to be collected in full. Goodwill from the business combination above is not deductible for income tax purposes. There is no contingent consideration applicable in any of the business combinations.

St George's Preparatory School

Effective 1 January 2021, the group acquired the entire business operations and properties of St George's Preparatory School for a purchase consideration of R3 million in order to continue the expansion of the group. St George's Preparatory School is principally involved in the independent school industry in Gqeberha, Eastern Cape.

A gain on bargain purchase of R14 million arising from the acquisition was recognised. The bargain purchase is due to Curro being able to unlock value from the business which was not possible as a stand-alone school.

Since acquisition date the revenue and loss after tax recognised from this acquisition amounted to R18.5 million and R4.5 million respectively.

32.2 Business combinations in the prior year

During 2020 the group acquired The King's School Linbro Park. Goodwill of R5 million was recognised as part of the acquisition. Purchase consideration of R29 million is still outstanding on the acquisition. Refer to note 20.

Notes to the consolidated and separate financial statements

33. Reconciliation of liabilities arising from financing activities

Group	Other financial liabilities R million	Lease liabilities R million	Total R million
Balance as at 31 December 2019	3 737	215	3 952
New loans	1 150	-	1 150
Repayments	(2 083)	(7)	(2 090)
Non cash movements:			-
New lease liabilities recognised	-	132	132
New instalment sale agreements	9	-	9
Interest capitalised	-	13	13
Interest accrued	21	3	24
Other	(1)	-	(1)
Balance as at 31 December 2020	**2 833**	**356**	**3 189**
New loans	**150**	**-**	**150**
Repayments	**(233)**	**(8)**	**(241)**
Non cash movements:			**-**
Lease liability remeasurements	**-**	**(2)**	**(2)**
New instalment sale agreements	**13**	**-**	**13**
Interest accrued	**26**	**18**	**44**
Other	**3**	**-**	**3**
Balance as at 31 December 2021	**2 792**	**364**	**3 156**

Company	Other financial liabilities R million	Lease liabilities R million	Total R million
Balance as at 31 December 2019	3 367	215	3 582
New loans	1 150	-	1 150
Repayments	(2 065)	(7)	(2 072)
New lease liabilities recognised	-	130	130
New instalment sale agreements	9	-	9
Interest capitalised	-	13	13
Interest accrued	-	3	3
Balance as at 31 December 2020	**2 461**	**354**	**2 815**
New loans	**150**	**-**	**150**
Repayments	**(208)**	**(8)**	**(216)**
Non cash movements:			**-**
Lease liability remeasurements	**-**	**(1)**	**(1)**
New instalment sale agreements	**13**	**-**	**13**
Interest capitalised	**-**	**-**	**-**
Interest accrued	**1**	**18**	**19**
Other	**3**	**-**	**3**
Balance as at 31 December 2021	**2 420**	**363**	**2 783**

Notes to the consolidated and separate financial statements

34. Related parties

Relationships

Ultimate holding company and controlling party	PSG Group Ltd
Holding company	PSG Financial Services Ltd
Fellow subsidiaries of ultimate holding company	Brandburry 13 (Pty) Ltd
	PSG Corporate Services (Pty) Ltd
	PSG Wealth Financial Planning (Pty) Ltd
	Stadio Corporate Services (Pty) Ltd
	Western National Insurance Company Ltd
	Optimi Classroom (Pty) Ltd
	Energy Partners Holdings (Pty) Ltd
Subsidiaries	Refer note 8

	Group		Company	
	2021 R million	2020 R million	**2021 R million**	2020 R million
Related party balances				
Loan accounts - owing by / (to) related parties				
Campus and Property Management Company (Pty) Ltd	**-**	-	**317**	281
Curro Financial Services (Pty) Ltd	**-**	-	**-**	2
Brandburry 13 (Pty) Ltd	**15**	14	**-**	-
Curro Funding Company (Pty) Ltd	**-**	-	**107**	110
Curro Education Botswana (Pty) Ltd	**-**	-	**80**	83
Curro Education Namibia (Pty) Ltd	**-**	-	**-**	14
Lilac Moon Trade and Investments 189 (Pty) Ltd	**-**	-	**-**	17
Lease liabilities				
Stadio Corporate Services (Pty) Ltd	**24**	23	**24**	23
Amounts included in trade and other receivables regarding related parties				
Campus and Property Management Company (Pty) Ltd	**-**	-	**-**	3
Lilac Moon Trade and Investments 189 (Pty) Ltd	**-**	-	**-**	10
Meridian Operations Company (RF) NPC	**-**	-	**-**	1
Related party transactions				
Interest (received) / paid from related parties				
Campus and Property Management Company (Pty) Ltd	**-**	-	**(36)**	(32)
Curro Education Namibia (Pty) Ltd	**-**	-	**-**	(1)
Curro Funding Company (Pty) Ltd	**-**	-	**(7)**	(3)
Curro Education Botswana (Pty) Ltd	**-**	-	**(4)**	(14)
Stadio Corporate Services (Pty) Ltd	**3**	3	**3**	3
Woodhill College Property Holdings (Pty) Ltd	**-**	-	**-**	(6)
Operating expenses paid to related parties				
PSG Corporate Services (Pty) Ltd	**1**	1	**1**	1
Optimi Classroom (Pty) Ltd	**3**	-	**4**	-
Stadio Corporate Services (Pty) Ltd	**1**	-	**1**	-
Energy Partners Holdings (Pty) Ltd	**1**	-	**1**	-
Share issue costs paid to related parties				
PSG Corporate Services (Pty) Ltd	**-**	27	**-**	27

Notes to the consolidated and separate financial statements

34. Related Parties (continued)

	Group		Company	
	2021	2020	**2021**	2020
	R million	R million	**R million**	R million
Insurance fees paid to related parties				
PSG Wealth Financial Planning (Pty) Ltd	**4**	2	**4**	2
Western National Insurance Company Ltd	**1**	-	**1**	-
Management fees received from related parties				
Campus and Property Management Company (Pty) Ltd	**-**	-	**(6)**	(5)
Meridian Operations Company (RF) NPC	**-**	-	**(2)**	(1)
Rent paid to related parties				
Woodhill College Property Holdings (Pty) Ltd	**-**	-	**-**	19
Compensation to directors				
Short-term employee benefits (refer note 36)	**8**	9	**8**	9

The loans to group companies generally have no fixed terms of repayment and bears interest at variable market related interest rates except for the long term loan with Campus and Property Management Company (Pty) Ltd which bears interest at 3-month JIBAR plus 10% per annum and is repayable after all Senior Debt has been paid. Refer to note 9.

Other amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received. No expense has been recognised in the current or prior year for expected credit losses in respect of the amounts owed by related parties.

Management fees from related parties are calculated quarterly and are calculated as 2.65% of the net cash collections for each quarter.

Other related party transactions were on terms equivalent to those that prevail in arm's length transactions.

35. Commitments and guarantees

Authorised future capital commitments

	Group		Company	
	2021	2020	**2021**	2020
	R million	R million	**R million**	R million
Authorised and contracted	**360**	240	**360**	232
Authorised, but not yet contracted	**790**	860	**710**	827
	1 150	1 100	**1 070**	1 059

The authorised future capital commitments relate mainly to property, plant and equipment. Any capital expenditure will be financed through internal cash generation and borrowing facilities where necessary.

Guarantees

Guarantees were provided in favour of the City of Tshwane and the Ethekwini Municipality of R1.4 million and R2.4 million respectively relating to construction of infrastructure at Curro Monaghan and Curro Hillcrest.

Notes to the consolidated and separate financial statements

36. Directors' and prescribed officers' emoluments

36.1 Executive

2021	Basic salary R'000	Expense allowances R'000	Pension contributions paid R'000	Bonuses R'000	Gains on exercise of options R'000	Total R'000
AJF Greyling	**3 180**	**124**	**95**	**1 394**	**-**	**4 793**
JP Loubser	**3 100**	**72**	**93**	**-**	**-**	**3 265**
	6 280	**196**	**188**	**1 394**	**-**	**8 058**

2020	Basic salary R'000	Expense allowances R'000	Pension contributions paid R'000	Bonuses R'000	Gains on exercise of options R'000	Total R'000
AJF Greyling	2 779	108	83	2 134	-	5 104
JP Loubser	517	12	15	-	-	544
B van der Linde [1]	2 158	101	65	1 273	-	3 597
	5 454	221	163	3 407	-	9 245

1. Resigned as director effective 31 December 2020.

36.2 Non-executive

	Other fees 2021 R'000	Directors' fees 2021 R'000	Directors' fees 2020 R'000
SL Botha	**-**	**643**	630
ZL Combi [1]	**-**	**-**	394
ZN Mankai	**-**	**408**	480
T Molefe [2]	**-**	**297**	330
PJ Mouton	**-**	**337**	330
SWF Muthwa	**-**	**357**	363
DM Ramaphosa	**225**	**361**	330
C van der Merwe	**-**	**255**	250
T Baloyi	**-**	**439**	57
	225	**3 097**	3 164

1. ZL Combi resigned as director effective 30 November 2020.
2. T Molefe resigned as director effective 19 November 2021.

PJ Mouton is a non-executive director of Curro Holdings Ltd and has a standard service contract with PSG Corporate Services (Pty) Ltd (“PSGCS”). His remuneration for services rendered as executive director within the PSG group for its financial year ending 28 February 2022 is R12.4 million (2021: R12.4 million), of which 30% is deferred for a period of 12 months subject to him remaining in PSGCS’s employment, malus/claw back provisions and him meeting non-financial personal key performance objectives. PJ Mouton's gain on vesting of PSG Group Ltd share options during May 2021 amounted to R5.3 million (2021: during August 2020 amounted to R0.7 million).

36. Directors' and prescribed officers' emoluments

36.3 Shareholding of directors

The shareholding of directors, excluding the participation in the share incentive plans (as set out in note 16), in the issued share capital of the company as at 31 December was as follows:

	2021				2020			
Directors	**Direct**	**Indirect**	**Number**	**%**	**Direct**	**Indirect**	**Number**	**%**
SL Botha	**396 030**	**-**	**396 030**	**0.07**	396 030	-	396 030	0.07
AJF Greyling	**-**	**961 057**	**961 057**	**0.16**	-	1 004 987	1 004 987	0.17
PJ Mouton	**-**	**2 336 415**	**2 336 415**	**0.39**	-	2 285 809	2 285 809	0.38
B van der Linde [1]	**-**	**-**	**-**	**0.00**	191 876	580 266	772 142	0.13
CR van der Merwe	**-**	**3 011 677**	**3 011 677**	**0.50**	-	3 011 677	3 011 677	0.50
JP Loubser	**-**	**2 000 000**	**2 000 000**	**0.33**	-	2 000 000	2 000 000	0.33
	396 030	**8 309 149**	**8 705 179**	**1.46**	587 906	8 882 739	9 470 645	1.58

1. *B van der Linde resigned as director effective 31 December 2020.*

The register of interests of directors and others in shares of the company is available to the shareholders on request.

There have been no changes in the shareholding of directors between the reporting date and the date of approval of the annual financial statements.

36.4 Directors shareholding subject to debt

The shareholding of directors served as security for personal debt not related to the group or company as at 31 December as detailed in the table below:

Directors	**Type of debt facility**	**Redemption date**	**Amount of debt facility R million**	**Amount owed against facility R million**	**Number of shares pledged as security**	**Value of security R million**
AJF Greyling	Secured loan - shares and property	Jun 2022	10	10	907 631	11
JP Loubser	Secured loan over shares	Sep 2027	20	21	2 000 000	25
			30	**31**		**36**

Notes to the consolidated and separate financial statements

37. Categories of financial instruments

Group - 2021	Notes	Financial assets at fair value through profit or loss R million	Financial assets at amortised cost R million	Financial liabilities at fair value through profit or loss R million	Financial liabilities at amortised cost R million	Total R million
Assets						
Non-current assets						
Other financial assets at amortised cost	10	-	4	-	-	4
Other financial assets at fair value	10	5	-	-	-	5
		5	4	-	-	9
Current assets						
Other financial assets	10	-	29	-	-	29
Trade and other receivables	13	-	251	-	-	251
Cash and cash equivalents	14	-	90	-	-	90
Investment in money market funds	14	90	-	-	-	90
		90	370	-	-	460
Liabilities						
Non-current liabilities						
Financial liabilities at amortised cost	18	-	-	-	2 446	2 446
Other financial liabilities at fair value through profit or loss	18	-	-	41	-	41
		-	-	41	2 446	2 487
Current liabilities						
Financial liabilities at amortised cost	18	-	-	-	346	346
Other financial liabilities at fair value through profit or loss	18	-	-	7	-	7
Trade and other payables	20	-	-	-	294	294
		-	-	7	640	647

Group - 2020	Notes	Financial assets at fair value through profit or loss R million	Financial assets at amortised cost R million	Financial liabilities at fair value through profit or loss R million	Financial liabilities at amortised cost R million	Total R million
Assets						
Non-current assets						
Other financial assets at amortised cost	10	-	1	-	-	1
Other financial assets at fair value	10	6	-	-	-	6
		6	1	-	-	7
Current assets						
Other financial assets	10	-	27	-	-	27
Trade and other receivables	13		258	-	-	258
Cash and cash equivalents	14	-	99	-	-	99
Investment in money market funds	14	334	-	-	-	334
		334	384	-	-	718
Liabilities						
Non-current liabilities						
Other financial liabilities at amortised cost	18	-	-	-	2 774	2 774
Other financial liabilities at fair value through profit or loss	18	-	-	120	-	120
		-	-	120	2 774	2 894
Current liabilities						
Other financial liabilities	18	-	-	-	59	59
Trade and other payables	20	-	-	-	244	244
		-	-	-	303	303

Notes to the consolidated and separate financial statements

37. Categories of financial instruments (continued)

	Notes	Financial assets at fair value through profit or loss	Financial assets at amortised cost	Financial liabilities at fair value through profit or loss	Financial liabilities at amortised cost	Total
Company - 2021		R million	R million	R million	R million	R million
Assets						
Non-current assets						
Loans to group companies	9	**-**	**308**	**-**	**-**	**308**
Other financial assets at amortised cost	10	**-**	**4**	**-**	**-**	**4**
Other financial assets at fair value	10	**5**	**-**	**-**	**-**	**5**
		5	**312**	**-**	**-**	**317**
Current assets						
Loans to group companies	9	**-**	**197**	**-**	**-**	**197**
Other financial assets	10	**-**	**11**	**-**	**-**	**11**
Trade and other receivables	13	**-**	**212**	**-**	**-**	**212**
Cash and cash equivalents	14	**-**	**33**	**-**	**-**	**33**
Investment in money market funds	14	**82**	**-**	**-**	**-**	**82**
		82	**453**	**-**	**-**	**535**
Liabilities						
Non-current liabilities						
Financial liabilities at amortised	18	**-**	**-**	**-**	**2 112**	**2 112**
Other financial liabilities at fair value through profit or loss	18	**-**	**-**	**41**	**-**	**41**
		-	**-**	**41**	**2 112**	**2 153**
Current liabilities						
Financial liabilities at amortised	18	**-**	**-**	**-**	**307**	**307**
Other financial liabilities at fair value through profit or loss	18	**-**	**-**	**7**	**-**	**7**
Trade and other payables	20	**-**	**-**	**-**	**264**	**264**
		-	**-**	**7**	**571**	**578**

	Notes	Financial assets at fair value through profit or loss	Financial assets at amortised cost	Financial liabilities at fair value through profit or loss	Financial liabilities at amortised cost	Total
Company - 2020						
Assets						
Non-current assets						
Loans to group companies	9	-	272	-	-	272
Other financial assets at amortised cost	10	-	1	-	-	1
Other financial assets at fair value	10	6	-	-	-	6
		6	273	-	-	279
Current assets						
Loans to group companies	9	-	199	-	-	199
Other financial assets	10	-	11	-	-	11
Trade and other receivables	13	-	222	-	-	222
Cash and cash equivalents	14	-	63	-	-	63
Investment in money market funds	14	332	-	-	-	332
		332	495	-	-	827
Liabilities						
Non-current liabilities						
Financial liabilities at amortised	18	-	-	-	2 436	2 436
Other financial liabilities at fair value through profit or loss	18	-	-	120		120
		-	-	120	2 436	2 556
Current liabilities						
Other financial liabilities	18	-	-	-	25	25
Trade and other payables	20	-	-	-	221	221
		-	-	-	246	246

Notes to the consolidated and separate financial statements

38. Risk management

Capital risk management

The group's objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the group consists of debt, which includes the borrowings (excluding derivative financial liabilities) disclosed in notes 9, 18, cash and cash equivalents disclosed in note 14; and equity, as disclosed in the statement of financial position.

In order to maintain or adjust the capital structure, the group may return capital to shareholders, decrease or increase borrowings or issue new shares or sell assets to reduce the proportion of debt.

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

Debt covenants

The debt covenant triggers applicable to the secured borrowings are as follows:

- Net debt to EBITDA ratio of not more than 4:1
- Interest Cover Ratio of at least 2.5:1

The Group was able to comfortably meet all the covenant requirements and the directors are confident that the group has sufficient funding headroom available relative to its funding requirements.
No potential breaches were noted during the current year.

The gearing ratio at 2021 and 2020 respectively was as follows and is well within the debt funding covenant requirements:

		Group		Company	
		2021	2020	**2021**	2020
		R million	R million	**R million**	R million
Total borrowings					
Other financial liabilities	18	**2 792**	2 833	**2 420**	2 461
		2 792	2 833	**2 420**	2 461
Less: Cash	14	**(180)**	(433)	**(115)**	(395)
Net debt		**2 612**	2 400	**2 305**	2 066
Total equity		**7 100**	6 766	**6 695**	6 331
Total capital		**9 712**	9 166	**9 000**	8 397
Gearing ratios					
- Net debt as % of total equity		**36.8%**	35.5%	**34.4%**	32.6%
- Net debt as % of total capital		**26.9%**	26.2%	**25.6%**	24.6%

Liquidity risk

The group’s risk to liquidity is a result of funds being available to cover future commitments. The group manages liquidity risk through an ongoing review of future commitments and credit facilities. At year end, the group’s current liabilities exceed the current assets by R370 million, as evident from the statement of financial position. At 31 December 2021, R420 million of the new revolving credit facility was unutilised and available as set out in note 14.3 and the group is confident that it will be able to refinance the R215 million debt due for repayment in 2022.

The following table analyses the group’s financial liabilities and net-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Included in the liquidity analysis on the following page are three lease liabilities with 89 year lease contracts of land in Gauteng. The lease payments are subject to perpetual annual increases of 6% which also contributed to the high undiscounted cash flows being disclosed over 5 years.

Notes to the consolidated and separate financial statements

38. Risk management (continued)

Liquidity risk (continued)

Group At 31 December 2021	Less than 1 year R million	Between 2 and 5 years R million	Over 5 years R million
Assets			
Other financial assets	**29**	**9**	**-**
Cash and cash equivalents	**90**	**-**	**-**
Investment in money market funds	**90**	**-**	**-**
Trade and other receivables	**251**	**-**	**-**
Liabilities			
Borrowings	**(464)**	**(2 503)**	**(204)**
Interest rate swaps	**(7)**	**(41)**	**-**
Trade and other payables	**(294)**	**-**	**-**
Lease liabilities	**(35)**	**(142)**	**(55 113)**
At 31 December 2020			
Assets			
Other financial assets	27	7	-
Cash and cash equivalents	99	-	-
Investment in money market funds	334	-	-
Trade and other receivables	258	-	-
Liabilities			
Borrowings	(191)	(2 850)	(266)
Interest rate swaps	-	(120)	-
Trade and other payables	(244)	-	-
Lease liabilities	(33)	(142)	(52 463)
Overdraft	-	-	-

Company At 31 December 2021			
Assets			
Other financial assets	**11**	**9**	**-**
Loans to subsidiaries	**197**	**308**	**-**
Trade and other receivables	**212**	**-**	**-**
Cash and cash equivalents	**33**	**-**	**-**
Investment in money market funds	**82**	**-**	**-**
Liabilities			
Borrowings	**(426)**	**(2 336)**	**-**
Interest rate swaps	**(7)**	**(41)**	**-**
Trade and other payables	**(264)**	**-**	**-**
Lease liabilities	**(35)**	**(141)**	**(55 112)**
At 31 December 2020			
Assets			
Other financial assets	11	7	-
Loans to subsidiaries	199	272	-
Trade and other receivables	223	-	-
Cash and cash equivalents	63	-	-
Investment in money market funds	332	-	-
Liabilities			
Borrowings	(158)	(2 725)	(50)
Interest rate swaps	-	(120)	-
Loans from subsidiaries	-	-	-
Trade and other payables	(221)	-	-
Lease liabilities	(33)	(141)	(52 463)

38. Risk management (continued)

Interest rate risk

As the group has no significant interest-bearing assets, the group’s income and operating and investing cash flows are substantially independent of changes in market interest rates.

The group’s interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the group to cash flow interest rate risk. The interest and related terms of the group's interest-bearing loans are disclosed in note 18.

The group analyses its interest rate exposure on a dynamic basis. Various scenarios are simulated taking into consideration refinancing, renewal of existing positions, alternative financing and hedging. Based on these scenarios, the group calculates the impact on profit or loss of a defined interest rate shift.

Interest rate sensitivity analysis

The scenarios are run only for liabilities that represent the major interest-bearing positions. Based on the simulations performed, the impact on pre-tax loss for group and profit for company of an increase of 100 basis points in the interest rate would result in an increase in loss or decrease in profit of R16 million (2020: R16 million) for the group and R12 million (2020: R13 million) for the company. A 100 basis points decrease in the interest rate would have an equal but opposite effect on profit or loss.

Interest rate swap contracts

Under interest rate swap contracts, the group and the company agree to exchange the difference between fixed and floating rate interest amounts calculated on agreed notional principal amounts. Such contracts enable the group and the company to mitigate the risk of changing interest rates on the fair value of issued fixed rate debt and the cash flow exposure on the issued variable rate debt. The fair value of interest rate swaps at the end of the reporting period is determined by discounting the future cash flows using the curves at the end of the reporting period and the credit inherent in the contract, and is disclosed in note 18.

All interest rate swap contracts exchanging floating rate interest amounts for fixed rate interest amounts are designated as cash flow hedges in order to reduce the group and the company's cash flow exposure resulting from variable interest rates on borrowings. The interest rate swaps and the interest payments on the loan occur simultaneously and the amount accumulated in equity is reclassified to profit or loss over the period that the floating rate interest payments on debt affect profit or loss.

The group’s and the company's exposure to interest rate risk at the end of the year is R1.6 billion and R1.2 billion respectively (2020: R1.6 billion and R1.3 billion respectively), after taking into consideration the notional amounts of the interest rate hedge of R1.2 billion (2020: R1.2 billion) for the group and the company.

Credit risk

Credit risk consists mainly of cash deposits, cash and cash equivalents, trade receivables and loans to group companies (for the company). The group and the company only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Trade receivables comprise a widespread customer base but credit risk is evaluated on an individual customer basis. Management evaluates credit risk relating to customers on an ongoing basis, considering credit quality analysis of customers and targeted credit risk management for non-paying accounts particularly when older than three months. The risk control process assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Due to the long-term nature of the service provided, the threat of suspension of said services prove to be a strong factor in encouraging customers to settle their dues. At 31 December 2021, the group and the company did not consider there to be any significant concentration of credit risk which had not been adequately provided for.

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

	Group		Company	
	2021	2020	**2021**	2020
Financial instrument	**R million**	R million	**R million**	R million
Other financial assets	**38**	34	**20**	18
Loans to group companies	**-**	-	**505**	471
Cash	**90**	99	**33**	63
Investment in money market funds	**90**	334	**82**	332
Trade receivables	**251**	256	**212**	222

Notes to the consolidated and separate financial statements

38. Risk management (continued)

Foreign exchange risk

The group and the company do not trade in foreign currency or incur any expenditure in foreign currency, except for the Namibian and Botswana operations, which had an exchange rate of 1:1 and 1:0.73 respectively to the Rand.

The group is therefore primarily exposed to the currency of the Botswana Pula. Based on the simulations performed, if the Rand had weakened/strengthened with 10% against the Botswana Pula, the impact on the post-tax loss would be R0.5 million higher/lower.

The group's exposure to foreign currency risk at the end of the reporting period, expressed in Rand, was as follows:

	2021 BWP R million	2020 BWP R million
Trade and other receivables	**2**	2
Cash and cash equivalents	**8**	4
Trade and other payables	**(3)**	(2)

39. Fair value information

Levels of fair value measurements

Refer to accounting policy 1.2 for details of the fair value measurement.

Recurring fair value measurements

		Group		**Company**	
	Note(s)	**2021 R million**	2020 R million	**2021 R million**	2020 R million
Assets					
Financial assets at fair value through profit or loss					
Investment in money market - Level 1	14	**90**	334	**82**	332
Investment in SA SME Fund - Level 3	10	**5**	6	**5**	6
Liabilities					
Financial liabilities at fair value through profit or loss - held for trading					
Interest rate swaps - Level 2	18	**48**	120	**48**	120

Valuation techniques used to derive level 1 fair values

The fair value of the investment in money market funds is based on quoted market prices.

Valuation techniques used to derive level 2 fair values

The discounted cash flow valuation technique is used to calculate level 2 fair values. Future cash flows are estimated based on forward interest rates and contract interest rates, discounted at a rate that reflects the credit risk of various counterparties.

Valuation techniques used to derive level 3 fair values

The Fund is a registered standalone investment vehicle managed by an executive management team, which reports to an independent board of directors. The fundamental purpose of the Fund is to create a solution to SA's low growth environment and unemployment crisis with greater entrepreneurial activity and small and medium size enterprise (SME) growth. The Fund has the nature of a venture capital fund and given that the Fund is in an early stage of investment in various enterprises, we did not make an impairment assessment.

Notes to the consolidated and separate financial statements

40. Events after the reporting date

During the financial year, Curro commenced the process of acquiring HeronBridge College. As at the date of authorisation of the financial statements, the conditions precedent for the sale to be concluded were not met. This represents a non adjusting subsequent event.

On 23 February 2022, the company declared a dividend of 8.2 cents per share from income resources for the year ended 31 December 2021, which is payable on 22 March 2022.

The directors are not aware of any other matter, that is material to the group or the company, that has occurred between the reporting date and the date of the approval of the consolidated and separate annual financial statements.

41. Non-current assets held for sale

Two of the properties acquired through the Building Blocks acquisition has been sold during the year for R2.9 million.

The rest of the land and properties reclassified in the prior year as available for sale has not been sold but it is still in the process of being sold.

The delay in the closure of the disposal of land and buildings that remain classified as held for sale at the reporting date remains appropriate as steps are being taken to ensure that the necessary approvals for the sale are obtained. Management are of the view that the IFRS 5 criteria for the assets to be classified as held for sale still continue to be met at the year-end.

Shareholder analysis

Range of shareholding	Number of shares held in range 2021	%	Number of shares held in range 2020	%
1 to 500	**1 016 948**	**0.2%**	979 950	0.2%
501 to 1 000	**1 158 032**	**0.2%**	1 301 405	0.2%
1 001 to 5 000	**6 952 153**	**1.2%**	7 919 860	1.3%
5 001 to 10 000	**5 241 851**	**0.9%**	5 911 820	1.0%
10 001 and over	**583 592 611**	**97.6%**	581 848 560	97.3%
	597 961 595	**100.0%**	597 961 595	100.0%

Public and non-public shareholding	Number of shares held 2021	%	Number of shares held 2020	%
PSG Financial Services Ltd	**358 776 958**	**60.0%**	358 776 958	60.0%
Directors	**8 705 179**	**1.5%**	9 470 645	1.6%
Total non-public shareholding	**367 482 137**	**61.5%**	368 247 603	61.6%
Total public shareholding	**230 479 458**	**38.5%**	229 713 992	38.4%
	597 961 595	**100.0%**	597 961 595	100.0%

Number of public and non-public shareholders	Number of shareholders 2021	%	Number of shareholders 2020	%
Non-public	**6**	**0.0%**	7	0.0%
Public	**18 415**	**100.0%**	15 407	100.0%
	18 421	**100.0%**	15 414	100.0%

Individual shareholders holding more than 5%	Number of shares held 2021	%	Number of shares held 2020	%
PSG Financial Services Ltd	**358 776 958**	**60.0%**	358 776 958	60.0%
Allan Gray	**32 203 820**	**5.4%**	32 203 820	5.4%
	390 980 778	**65.4%**	390 980 778	65.4%