Stadio Holdings Limited
(Registration number 2016/371398/06)
Consolidated and Separate Financial Statements
for the year ended 31 December 2022

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	STADIO Holdings facilitates the widening of access to quality and relevant higher education programmes in southern Africa through its three registered private higher education institutions
Directors	**Executive** CPD Vorster S Totaram D Singh **Non-Executive** TV Maphai CR van der Merwe PN de Waal* * A Mellet (alternative to PN de Waal) MG Mokoka CB Vilakazi TH Brown
Registered office and business address	Office 101, The Village Square c/o Queen and Oxford Streets Durbanville South Africa 7550
Postal address	PO Box 2161 Durbanville South Africa 7551
Bankers	Standard Bank of South Africa Limited First National Bank Limited Nedbank Limited ABSA Bank Limited Bank Windhoek Limited Standard Bank Nambia Limited
Auditors	PricewaterhouseCoopers Incorporated
Company secretary	Stadio Corporate Services Proprietary Limited

General Information

Independent sponsor	PSG Capital Proprietary Limited
Company registration number	2016/371398/06
Level of assurance	These consolidated and separate financial statements have been audited in compliance with the applicable requirements of the Companies Act of South Africa.
Preparer	The financial statements were internally compiled under the supervision of: Ms. S Totaram CA(SA), CFA

Contents

Audit and Risk Committee Report

The Audit and Risk Committee (ARC) is pleased to present its report in terms of section 94 of the Companies Act, 71 of 2008 as amended (the Companies Act), The King Code of Governance of South Africa (King IV TM) and the Johannesburg Stock Exchange (JSE) Listings Requirements for Stadio Holdings Limited and its subsidiaries (the Group) in respect of the financial year ended 31 December 2022.

1. Members of the Audit and Risk Committee

There were no changes in the composition of the ARC during the year. The members of the ARC are all independent non-executive directors of the Group and include:

Name
MG Mokoka (Chairperson)
TH Brown
CB Vilakazi

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

2. Frequency and attendance of Meetings

The ARC performs the duties laid upon it by Section 94(7) of the Companies Act and its Charter, by holding a minimum of two meetings a year with the key role players, and by the unrestricted access granted to the external and internal auditors.

During the year under review, the ARC held two scheduled meetings, which were attended by all members of the ARC. All Board members were invited to attend these meetings as invitees.

3. Purpose and responsibilities

The ARC has an independent role whose purpose is to assist the Board by providing an objective and independent view on the Group's financial, accounting and control mechanisms, including risk management, and ensuring the effectiveness of the internal and external assurance providers. The ARC is governed by its Charter which is approved by the Board and updated as necessary.

4. ARC Activities during the year

In line with its designated responsibilities, the ARC considered the following during the year ended 31 December 2022:

4.1. Risk Governance

The Board has assigned oversight of the risk management function to the ARC, who reports back to the Board accordingly.

In assessing the implementation of the Group's risk strategy and framework, the ARC considered

- the Group's risk register and associated reports;
- the Group's top ten strategic risks (including the impacts of the South African energy crisis, change management on the Group; and any likely impact of climate-related risks on the Group); and
- the adequacy of the mitigation strategies in place.

The ARC has no reason to believe that any risks identified fall outside the agreed Group's risk tolerance levels and the mitigation strategies in place ensure the Group remains operationally and financially sound.

4.2. Internal Audit

The main function of internal audit is to provide an independent review of, and provide assurance on, the effectiveness of the Group's internal controls, including its corporate governance and accounting processes, whilst noting any control weaknesses that exist. BDO Advisory Services Proprietary Limited (BDO) was appointed as the Group's internal auditors during 2021, for a three-year period. In 2022, BDO commenced the execution of its internal audit plan, as approved by the ARC and assessed the effectiveness of the payroll, accounts receivable, procurement, fixed assets and treasury processes. The internal audit plan is reviewed annually ensuring the full internal control environment is assessed and operating effectively.

Audit and Risk Committee Report

4.3. External auditor

The ARC nominated and recommended to shareholders the re-appointment of PricewaterhouseCoopers Inc. (PwC) as the independent external auditor. Mr Viresh Harri was re-appointed as the designated partner for the 2022 year-end audit.

The ARC satisfied itself, through enquiry, that PwC are independent as defined by the Companies Act and as per the standards stipulated by the auditing profession. Requisite assurance was sought and provided, as required by the Companies Act, that internal governance processes within PwC support and demonstrate the claim to independence.

The external auditor is thus suitable for reappointment by considering inter alia, paragraph 3.84(g)(iii) of the Listing Requirements of the JSE and the information stated in paragraph 22.15(h) of the Listing Requirements of the JSE.

The ARC, in consultation with executive management, approved the terms of the engagement, as well as the associated audit fees to be paid, taking into consideration such factors as the timing of the audit, the extent of the work required and the scope.

The ARC further considered, and approved, the nature and extent of any non-audit services to be performed by PWC.

4.4. Internal controls

The ARC reviewed reports from both the internal and external auditors, in respect of their audits of the internal control environment. The ARC noted any concerns or suggestions arising from these audits and considered the appropriateness of the responses from management. Based on the extent of the audit work carried out by both the internal and external auditors, nothing was brought to the ARC's attention which would suggest a material breakdown of any internal control system. The ARC is therefore satisfied that the internal financial control environment continued to function effectively for the year ended 31 December 2022.

4.5. Financial reporting procedures, accounting practices and internal control

As required by JSE Listings Requirement 3.84(g)(ii), the ARC has ensured that appropriate financial reporting procedures exist and are working, which includes consideration of all the entities in the consolidated Group financial statements.

Financial reporting procedures, 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.

The ARC, through consultation with the external auditors, ensures that management's processes and procedures are adequate to identify; assess; manage; and monitor group-wide risks.

The ARC considers the financial reporting procedures and practices of all entities within the Group and deem these, as well as the accounting policies, and consolidated annual financial statements, to be appropriate.

4.6. Consolidated and Separate Financial Statements

The ARC reviewed and assessed the fairness and accuracy of the financial information and disclosures and recommended the approval of the annual financial statements of the Group, to the board, taking into account:

- whether the actual information varied significantly from budgeted or projected information;
- whether generally accepted accounting principles were applied;
- any actual or proposed changes in accounting or financial reporting practices;
- any significant or unusual events or transactions; and
- whether the Group's financial and operating controls are functioning effectively; and whether financial information contains adequate and appropriate disclosures.

In addition, the ARC assessed the reasonableness of any areas requiring judgement and supported management's assumptions and conclusions in this regard.

Audit and Risk Committee Report

4.7. Key audit matters

The ARC applied its mind to the key audit matters identified by PwC and is comfortable that they have been adequately addressed and disclosed. These items require significant judgment and include the assessment of assumptions and estimates used in assessing:

- the impairment of indefinite useful life intangible assets; and
- the impairment of goodwill.

4.8. Evaluation of Chief Financial Officer

As required by paragraph 3.84(g)(i) of the JSE Listings Requirements, the ARC has assessed, and continues to be satisfied with, the experience and expertise of the Group's Chief Financial Officer, Ms S Totaram CA(SA) CFA, and the finance function.

4.9. Complaints and/or concerns

No complaints or concerns were received by the ARC on any matters relating to the accounting practices of the Group, the content or auditing of the 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 ARC

MG Mokoka (CA)SA
Audit and Risk Committee Chairperson
14 March 2023

Directors' Responsibilities and Approval

The directors are required in terms of the Companies Act of South Africa 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 the Group as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards (IFRS). 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 Pronouncements as issued by the Financial Reporting Standards Council, the Listings Requirements of the JSE Limited and the Companies Act. The consolidated and separate financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments 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 Group’s cash flow forecast for the year to 31 December 2023 and, in light of this review and the current financial position, they are satisfied that the Group has 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 Group's 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 14 to 20.

The consolidated and separate financial statements set out on pages 21 to 104, which have been prepared on the going concern basis, were approved and authorised for issue by the board of directors on 14 March 2023 and were signed on their behalf by:

CPD Vorster	**S Totaram**
Chief Executive Officer	**Chief Financial Officer**

Chief Executive Officer and Chief Financial Officer responsibility statement

Each of the directors, whose names are stated below, hereby confirm that:

a) The annual financial statements set out on pages 21 to 104, fairly present in all material respects the financial position, financial performance and cash flows of the issuer in terms of IFRS;

b) To the best of our knowledge and belief, 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;

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 as executive directors with primary responsibility for implementation and execution of controls;

e) Where we are not satisfied, we have disclosed to the Audit committee and the auditors any deficiencies in design and operational effectiveness of the internal financial controls and have taken steps to remedy the deficiencies; and

f) We are not aware of any fraud involving directors.

CPD Vorster
Chief executive officer

S Totaram
Chief financial officer

Company Secretary's Certification

In terms of Section 88(2)(e) of the Companies Act of South Africa, as amended, we certify to the best of our knowledge the Group has lodged with the Companies and Intellectual Properties Commission (CIPC) all such returns as are required of a public company in terms of the Companies Act and that all such returns are true, correct and up to date.

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Stadio Corporate Services Proprietary Limited
Company Secretary
14 March 2023

Directors' Report

The directors have pleasure in submitting their report on the consolidated and separate financial statements of Stadio Holdings Limited and its subsidiaries (STADIO Holdings or the Group) for the year ended 31 December 2022.

1. Nature of business

STADIO Holdings is incorporated in the Republic of South Africa and is a public company listed on the JSE.

STADIO Holdings facilitates the widening of access to quality and relevant higher education programmes in southern Africa through its three prestigious higher education institutions (HEIs), namely STADIO Proprietary Limited (STADIO Higher Education), The South African School of Motion Picture Medium and Live Performance Proprietary Limited (AFDA) and Milpark Education Proprietary Limited (Milpark). The institutions offer a diverse range of undergraduate and postgraduate programmes on the contact learning and distance learning modes of delivery.

2. Review of financial results and activities

The operating results and the performance of the Group and Company are set out in the statements of comprehensive income, statements of financial position, statements of changes in equity, statements of cash flows and notes thereto. The profit attributable to owners of the parents for the year under review recorded a net profit of R166 million (2021: R126 million). Overall student enrolments for the year ended 31 December 2022 increased by 8% to 41 296 (2021: 38 262).

3. Share capital

Refer to Note 15 of the consolidated and separate financial statements for detail of the movement in authorised and issued share capital.

4. 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 of South Africa. As this general authority remains valid only until the next Annual General Meeting (AGM), the shareholders will be asked at that meeting to consider an ordinary resolution placing the said unissued ordinary shares, up to a maximum of 5% of the Company's issued share capital, under the control of the directors until the following AGM.

5. Dividends

The directors have pleasure in declaring the Group's second annual dividend of 8.9 cents per ordinary share from income reserves which is payable on 17 April 2023.

In the prior year, the Group declared its maiden dividend of 4.7 cents per ordinary share which was paid on 16 May 2022.

6. Directorate

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

Directors	Office	Designation
TV Maphai	Chairperson	Independent Non-executive
CPD Vorster	Chief Executive Officer	Executive
S Totaram	Chief Financial Officer	Executive
D Singh	Chief Academic Officer	Executive
CR van der Merwe		Non-executive
PN de Waal		Non-executive
A Mellet (alternate for PN de Waal)		Non-executive
MG Mokoka		Independent Non-executive
CB Vilakazi		Independent Non-executive
TH Brown		Independent Non-executive

7. Directors' interests in shares

The following directors were interested in the Company's issued shares:

2022

Ordinary shares	Direct '000	Indirect '000	Total '000
CPD Vorster	-	15 669	15 669
S Totaram	1 172	-	1 172
D Singh	1 049	21	1 070
CR van der Merwe	-	8 500	8 500
PN de Waal	154	1 987	2 141
A Mellet (alternate for PN de Waal)	4	2 031	2 035
TV Maphai	385	-	385
MG Mokoka	174	-	174
CB Vilakazi	1	-	1
TH Brown	100	-	100
	3 039	**28 208**	**31 247**

2021

Ordinary shares	Direct '000	Indirect '000	Total '000
CPD Vorster	-	14 819	14 819
S Totaram	716	-	716
D Singh *	566	21	587
CR van der Merwe	-	4 735	4 735
PN de Waal	154	-	154
A Mellet (alternate to PN de Waal)	-	88	88
TV Maphai	220	-	220
MG Mokoka	174	-	174
TH Brown	100	-	100
	1 930	**19 663**	**21 593**

* *Prior year figures restated to reclassify shares held as indirect*.

There were no changes to the directors interests in shares between the year end date and the date of approval of these financial statements.

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

There have been no changes in beneficial interests that occurred between the end of the reporting period and the date of this report.

8. Interests in subsidiaries

Details of material interests in subsidiary companies are presented in the consolidated and separate financial statements in Note 7.

There were no significant acquisitions or divestitures during the year ended 31 December 2022.

Directors' Report

9. Special resolutions

A general authority was given to the board to repurchase shares in the Company subject to the requirements of the Companies Act of South Africa. This authority was given in terms of a special resolution passed at the annual general meeting (AGM) held on 22 June 2022.

The Group, through the STADIO Group Share Incentive Trust (Share Incentive Trust), repurchased 4 million shares (0.5%) (2021: nil) during the year to fulfil its obligations under Group's long term share incentive scheme. As at 31 December 2022, the Share Incentive Trust held 0.2 million shares (2021: nil).

The following special resolutions were approved by shareholders at the AGM held on 22 June 2022:

- Non-executive directors' remuneration for their services rendered to the Company for 2022;
- the Board of the Company, in terms of section 45(3)(a)(ii) of the Companies Act, to approve any direct or indirect financial assistance that the Board may deem fit to any director, prescribed officer or Company that is related or interrelated to the Company on the terms and conditions and for amounts that the Board of the Company may determine until the next AGM;
- the Board of the Company, in terms of section 44(3)(a)(ii) of the Companies Act, to approve any direct or indirect financial assistance that the board may deem fit to any director, prescribed officer or Company that is related or interrelated to the Company, for the purpose of the subscription of any options or shares issued or to be issued by the Company or a related or interrelated Company, on the terms and conditions and for the amounts that the Board of the Company may determine until the next AGM; and
- the Company and its subsidiaries are hereby authorised, as a general approval, to repurchase a maximum of 10% of the shares issued by the Company, upon such terms and conditions and in such amounts as the Directors may from time to time determine, but subject to the provisions of sections 46 and 48 of the Companies Act, the Memorandum of Incorporation of the Company and the JSE Listings Requirements.

10. Energy Crisis

The Group is cognisant of the negative impact that loadshedding, coupled with the after-effects of COVID-19, has on the economy and more specifically on the ability of cash strained consumers to afford higher education offerings. Notwithstanding the economic headwinds, the Group, with its affordable distance learning offerings, is well positioned to cater for the needs of the South African higher education market.

From a service delivery perspective, the Group has sufficient alternative power solutions to ensure it can continue to offer a quality teaching and learning experience. The Group is investigating other alternative power solutions to not only alleviate the impact of loadshedding on the business, but to reduce its overall carbon footprint too.

11. Going concern

The Group currently has a strong balance sheet with no external debt funding and continues to generate strong profits and cash flows for the year ended 31 December 2022.

At 31 December 2022, the Company is in a loss making position. The current assets exceed the current liabilities and the Company has access to additional cash resources within the Group to meet its cash obligations as they fall due in the next 12 months.

In assessing the ability of the Group to continue as a going concern, management has considered the following:
- the Group and Company's ability to settle its obligations as they become due and payable in the next 12 months;
- the solvency and liquidity position of the Group and Company (including an assessment before and after any dividend declaration);
- the cash generation ability of the Group and Company, including a review of projected cash flows over the next 5 years; and
- the current and forecast debt utilisation of the Group and Company.

During 2022 the Group renegotiated its debt funding facilities after reassessing the Group's capital needs. The Group currently has access to a revolving credit facility of R 100 million. At 31 December 2022, the Group did not draw down on any external debt funding.

Based on the above the Board is satisfied that the Group and the Company are in a sound financial position and have adequate cash resources and access to borrowings to continue to operate as a going concern in the foreseeable future.

Refer to Note 42 of the annual financial statements.

Directors' Report

12. Events after the reporting period

On 14 March 2023, the Group declared a second annual dividend of 8.9 cents per share (R76 million) from income reserves for the year ended 31 December 2022, which is payable on 17 April 2023. The dividend amount, net of South African dividends tax of 20%, is 7.12 cents per share.

Save as set above, the directors are not aware of any further material events which occurred after the reporting date and up to the date of this report.

13. Auditor

PricewaterhouseCoopers Incorporated continued in office in accordance with Section 90 of the Companies Act of South Africa.

Mr Viresh Harri continued as the designated partner for the year ended 31 December 2022.

14. Secretary

The Company Secretary is Stadio Corporate Services Proprietary Limited.

Postal address:	PO Box 2161 Durbanville South Africa 7551
Business address:	Office 101, The Village Square c/o Queen and Oxford Streets Durbanville South Africa 7550

15. Sponsors

The Group’s sponsors provide advice on the interpretation of and compliance with the JSE Listings Requirements and review notices required in terms of the Company's Memorandum of Incorporation and the JSE. In accordance with the JSE Listing Requirements, all listed entities are required to have an independent sponsor appointed at all times.

On 12 September 2022, PSG Group Limited unbundled 25.16% of the Company's total issued share capital, to PSG Group shareholders (PSG Restructuring). Upon implementation of this PSG Restructuring, PSG Capital Proprietary Limited (PSG Capital), a subsidiary of the PSG Group, was deemed to be independent of STADIO Holdings in terms of the JSE Listings Requirements.

PSG Capital remained the Group's sponsor throughout the year, initially as joint sponsor from 1 January 2022 until 12 September 2022, and subsequently as independent sponsor following the PSG Restructuring.

UBS South Africa Proprietary Limited was the Group's independent joint sponsor for the period 1 January 2022 until 1 March 2022, with Tamela Holdings Proprietary Limited appointed as the independent joint sponsor from 2 March 2022 until 12 September 2022.

Directors' Report

16. Corporate Governance

The directors endorse the King IV (TM) and are committed to applying the principles of transparency, integrity, fairness and accountability in the conduct of its business and affairs. The board has satisfied itself that appropriate principles of corporate governance were applied throughout the year under review.

The directors are responsible for ensuring that the Group and Company comply with all of its statutory and regulatory obligations. The board of directors oversees and ensures, amongst other things:

- an effective compliance framework;
- the integrity of the Group's financial reporting and risk management;
- accurate, timely and transparent disclosure to shareholders.

17. 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, is set out on pages 4 to 6 of the annual financial statements.

Independent auditor's report

To the Shareholders of Stadio 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 Stadio Holdings Limited (the Company) and its subsidiaries (together the Group) as at 31 December 2022, 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

Stadio Holdings Limited's consolidated and separate financial statements set out on pages 21 to 104 comprise:

- the consolidated and separate statements of financial position as at 31 December 2022;
- 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)*.

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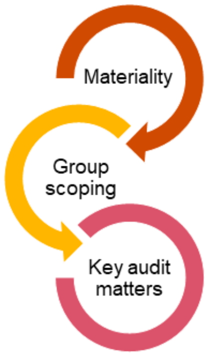
Our audit approach

Overview



Overall group materiality

- Overall group materiality: R 12.9 million, which represents 4.8% of profit before taxation.

Group audit scope

- The Group consists of twenty components, of which nineteen operate in the Republic of South Africa and one in Namibia.
- All operating locations of the group were visited by the group audit team.
- Full scope audits were performed for six components due to their financial significance. Analytical procedures were performed on the remaining components.

Key audit matters

- Impairment assessment of goodwill and other indefinite life intangible assets

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	R 12.9 million
How we determined it	4.8% of profit before taxation
Rationale for the materiality benchmark applied	We chose consolidated profit before taxation as the benchmark because, in our view, it is the benchmark against which the performance of the Group is most commonly measured by users, and is a generally accepted benchmark. We chose 4.8% based on our professional judgement, after consideration of the range of quantitative materiality thresholds that we would typically apply for listed profit-oriented companies.

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 consists of twenty components, with the main components being Stadio Corporate Services (Corporate Services), The South African School of Motion Picture Medium and Live Performance (AFDA), Milpark Education (Milpark) and Stadio Proprietary Limited. Stadio Proprietary Limited consists of three operating components namely Stadio Higher Education Distance Learning Cluster (SHE DL), Stadio Shared Services (SSS) and Stadio Higher Education Contact Learning Cluster (SHE CL). We conducted full scope audits on six components namely SHE DL, SSS, SHE CL, AFDA, Milpark and Corporate Services due to their financial significance to the group or specific risks. We performed analytical procedures on the remaining components.

This, together with additional procedures performed at the group level, including testing of consolidation journals and intercompany eliminations, gave us sufficient appropriate audit evidence regarding the financial information of the Group. All of the work was performed by the group audit team.

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.

We have determined that there are no key audit matters to communicate in our report in respect of the separate financial statements.

Key audit matter	How our audit addressed the key audit matter
Impairment assessment of goodwill and other indefinite life intangible assets ***This key audit matter relates to the consolidated financial statements only.*** The Group’s net assets include a significant amount of goodwill, trademarks and curriculum material classified as indefinite life intangible assets amounting to R 851 million. Refer to notes 1.2, 5 and 6 to the consolidated financial statements for disclosure regarding significant judgements and sources of estimation uncertainty - Goodwill and other indefinite life intangible assets, Goodwill and Intangible Assets. As required by IAS 36 - Impairment of Assets, management conducts an annual impairment test, or more frequently if there is an indication of impairment, to assess the recoverability of the carrying value of goodwill and the indefinite life intangible assets. These tests are subjective in nature due to management’s judgements and assumptions relating to the Cash Generating Units (“CGUs”). During the year under review management reallocated goodwill to reflect the new business and internal reporting structure of the business. Refer to note 5 to the consolidated financial statements for more disclosure on the reallocation. Management estimated the recoverable amount of the CGUs using the value in use method. This is performed by using a discounted cash flow model. Management applied the following key assumptions in determining the recoverable amount: ● Discount rate; ● Terminal growth rate; ● Cash flow assumptions relating to tuition fee increases, student number growth and operating expenses growth.	We performed the following audit procedures: ● We evaluated the valuation methodology used by management to determine the estimated value in use and whether the discounted cash flow model used by management is an appropriate valuation methodology applied in the circumstances and as required by IAS 36 - Impairment of assets. Based on our work performed, we accepted management’s use of the discounted cash flow model as a valuation methodology; ● We assessed, with the use of our valuation expertise, the principles of management’s calculations and we challenged key inputs in the calculations such as the discount rate, terminal growth rate and future cash flow assumptions with reference to the board approved business plan and external market data. We did not note any aspects requiring further consideration; ● In assessing management’s forecasts, we considered the historical accuracy of the underlying businesses’ forecasts to assess the reliability thereof, by comparing the actual results for the year with the original forecasts; and ● We compared the discount and terminal growth rates used by management to our independently developed benchmarks, which are based on various economic indicators. The rates used by management were found to be within an acceptable range of our independently determined range of discount and terminal growth rates. ● In terms of the goodwill reallocation we assessed management's rationale for the reallocation of the goodwill by gaining an understanding of the new business and reporting structure in the group as well as reviewing the internal reporting. We assessed the effective date of the reallocation and assessed the impairment considerations and calculations at this date.

Key audit matter	*How our audit addressed the key audit matter*
Impairment assessment of goodwill and other indefinite life intangible assets (continued) Based on results of the assessment performed, indefinite useful life intangible assets to value of R 3.7 million were derecognised in the Group's consolidated statement of comprehensive income. No impairment was recognised for goodwill. We considered the impairment assessment of goodwill and indefinite life intangible assets to be a matter of most significance in our current year audit due to the following: ● The judgement and estimates applied by management in performing the impairment assessment; and ● The magnitude of these balances in relation to the consolidated financial statements.	● We assessed the reallocation of the Goodwill with the assistance of our accounting technical specialists. 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. Based on the outcome of our procedures, we did not note any aspect requiring further consideration.

Other information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Stadio Holdings Limited Consolidated and Separate Financial Statements for the year ended 31 December 2022", which includes the Directors' Report, the Audit and Risk Committee 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 "Stadio Holdings 2022 Integrated Report", which is expected to be made available to us after that date. The other information does not include the consolidated or the separate financial statements and our auditor's 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 on the other information that we obtained prior to the date of this auditor's report, 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 Stadio Holdings Limited for 7 years.

PricewaterhouseCoopers Inc.

PricewaterhouseCoopers Inc.
Director: V Harri
Registered Auditor
Cape Town, South Africa
14 March 2023

The examination of controls over the maintenance and integrity of the Group's website is beyond the scope of the audit of the financial statements. Accordingly, we accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

Consolidated and Separate Statements of Financial Position as at 31 December 2022

		Group		Company	
	Notes	2022 R '000	2021 R '000	2022 R '000	2021 R '000
Assets					
Non-Current Assets					
Property, plant and equipment	3	866 846	810 319	-	-
Right-of-use assets	4	84 533	97 185	-	-
Goodwill	5	751 082	751 082	-	-
Intangible assets	6	141 147	151 931	-	-
Investments in subsidiaries	7	-	-	979 040	979 039
Trade and other receivables	8	19 377	18 285	-	-
Other financial assets	9	14 740	9 190	-	-
Deferred tax asset	10	86 783	82 639	-	-
Loans to related parties	12	-	-	529 549	-
		1 964 508	**1 920 631**	**1 508 589**	**979 039**
Current Assets					
Trade and other receivables	8	158 858	114 943	-	-
Loans to related parties	12	-	-	75 248	636 212
Current tax receivable		9 592	15 479	-	-
Cash and cash equivalents	13	148 207	65 592	-	22
		316 657	**196 014**	**75 248**	**636 234**
Non-current assets held for sale	14	-	52 000	-	-
Total Assets		**2 281 165**	**2 168 645**	**1 583 837**	**1 615 273**
Equity and Liabilities					
Equity					
Equity Attributable to Equity Holders of Parent					
Share capital	15	1 628 517	1 618 817	1 628 517	1 618 817
Treasury shares	15	(145)	-	-	-
Reserves	16	16 960	31 942	-	-
Accumulated profit/(loss)		126 853	1 190	(52 631)	(11 223)
		1 772 185	1 651 949	1 575 886	1 607 594
Non-controlling interest	15	109 517	99 228	-	-
Total equity		**1 881 702**	**1 751 177**	**1 575 886**	**1 607 594**
Liabilities					
Non-Current Liabilities					
Lease liabilities	4	127 455	148 782	-	-
Deferred tax liability	10	43 320	39 186	-	-
Trade and other payables	19	2 676	-	-	-
		173 451	**187 968**	**-**	**-**
Current Liabilities					
Lease liabilities	4	42 325	35 575	-	-
Borrowings	17	68	15 065	-	-
Loans from group companies	18	96	96	7 201	7 201
Trade and other payables	19	67 133	91 073	750	478
Contract liabilities	20	96 270	76 780	-	-
Current tax payable		20 120	10 911	-	-
		226 012	**229 500**	**7 951**	**7 679**
Total Liabilities		**399 463**	**417 468**	**7 951**	**7 679**
Total Equity and Liabilities		**2 281 165**	**2 168 645**	**1 583 837**	**1 615 273**

Consolidated and Separate Statements of Comprehensive Income

		Group		Company	
	Notes	2022 R '000	2021 R '000	2022 R '000	2021 R '000
Revenue	21	1 213 812	1 097 768	-	-
Other income	22	6 165	9 543	-	-
Loss allowance		(79 494)	(82 047)	-	-
Fair value gain (losses) on financial instruments	23	127	(697)	-	-
Employee costs	24	(515 254)	(478 080)	-	-
Operating expenses	24	(274 219)	(236 990)	(1 427)	(1 279)
Earnings/(loss) before interest, taxation,depreciation and amortisation (EBITDA)		**351 137**	**309 497**	**(1 427)**	**(1 279)**
Depreciation and amortisation	25	(68 353)	(66 707)	-	-
Impairment	25	(6 456)	(29 969)	-	-
Earnings/(Loss) before interest and taxation (EBIT)		**276 328**	**212 821**	**(1 427)**	**(1 279)**
Investment income	26	12 038	8 573	-	1
Finance costs	27	(18 650)	(20 730)	(6)	-
Profit/(loss) before taxation		**269 716**	**200 664**	**(1 433)**	**(1 278)**
Taxation	28	(83 228)	(63 224)	-	-
Profit/(loss) for the year		**186 488**	**137 440**	**(1 433)**	**(1 278)**
Other comprehensive income		-	-	-	-
Total comprehensive income/(loss) for the year		**186 488**	**137 440**	**(1 433)**	**(1 278)**
Profit/(loss) attributable to:					
Owners of the parent		165 638	126 005	(1 433)	(1 278)
Non-controlling interest		20 850	11 435	-	-
		186 488	**137 440**	**(1 433)**	**(1 278)**
Total comprehensive income/(loss) attributable to:					
Owners of the parent		165 638	126 005	(1 433)	(1 278)
Non-controlling interest		20 850	11 435	-	-
		186 488	**137 440**	**(1 433)**	**(1 278)**
Earnings per share (cents)					
Per share information					
Basic earnings per share	29	19,5	14,9	-	-
Diluted earnings per share	29	19,1	14,5	-	-

Consolidated and Separate Statements of Changes in Equity

	Share capital	Treasury shares	Share-based payment reserve	Accumulated profit/(loss)	Total attributable to equity holders of the Group / Company	Non-controlling interest	Total equity
	R '000	R '000	R '000	R '000	R '000	R '000	R '000
Group							
Balance at 1 January 2021	**1 597 512**	**-**	**21 159**	**(125 299)**	**1 493 372**	**(7 381)**	**1 485 991**
Profit for the year	-	-	-	126 005	126 005	11 435	137 440
Total comprehensive income for the year	**-**	**-**	**-**	**126 005**	**126 005**	**11 435**	**137 440**
Issue of shares	21 371	-	-	-	21 371	-	21 371
Share issue costs	(66)	-	-	-	(66)	-	(66)
Share-based payment charge	-	-	10 783	-	10 783	-	10 783
Capital contribution from non-controlling shareholder in subsidiary (Refer to Note 19)	-	-	-	-	-	15 361	15 361
Transaction with non-controlling interest (Refer to Note 19)	-	-	-	-	-	100 000	100 000
Changes in ownership interest - control not lost	-	-	-	484	484	(8 494)	(8 010)
Dividends paid to non-controlling shareholders	-	-	-	-	-	(11 693)	(11 693)
Total contributions by and distributions to owners of company recognised directly in equity	**21 305**	**-**	**10 783**	**484**	**32 572**	**95 174**	**127 746**

Consolidated and Separate Statements of Changes in Equity

	Share capital	Treasury shares	Share-based payment reserve	Accumulated profit/(loss)	Total attributable to equity holders of the Group / company	Non-controlling interest	Total equity
	R '000	R '000	R '000	R '000	R '000	R '000	R '000
Balance at 1 January 2022	**1 618 817**	**-**	**31 942**	**1 190**	**1 651 949**	**99 228**	**1 751 177**
Profit for the year	-	-	-	165 638	165 638	20 850	186 488
Total comprehensive income for the year	**-**	**-**	**-**	**165 638**	**165 638**	**20 850**	**186 488**
Issue of shares	9 757	-	-	-	9 757	-	9 757
Settlement of employee share incentive scheme	-	14 717	(23 427)	-	(8 710)	-	(8 710)
Share issue costs	(57)	-	-	-	(57)	-	(57)
Share-based payment charge	-	-	8 445	-	8 445	-	8 445
Acquisition of treasury shares (Refer to Note 15)	-	(14 862)	-	-	(14 862)	-	(14 862)
Capital contribution from non-controlling shareholder in subsidiary (Refer to Note 19)	-	-	-	-	-	10 383	10 383
Transaction with non-controlling interest (Refer to Note 19)	-	-	-	-	-	(2 022)	(2 022)
Dividends	-	-	-	(39 975)	(39 975)	(18 922)	(58 897)
Total contributions by and distributions to owners of company recognised directly in equity	**9 700**	**(145)**	**(14 982)**	**(39 975)**	**(45 402)**	**(10 561)**	**(55 963)**
Balance at 31 December 2022	**1 628 517**	**(145)**	**16 960**	**126 853**	**1 772 185**	**109 517**	**1 881 702**
Notes	15	15	16				

Consolidated and Separate Statements of Changes in Equity

	Share capital	Treasury shares	Share-based payment reserve	Accumulated profit/(loss)	Total attributable to equity holders of the Group / company	Non-controlling interest	Total equity
	R '000	R '000	R '000	R '000	R '000	R '000	R '000
Company							
Balance at 1 January 2021	**1 597 512**	**-**	**-**	**(9 945)**	**1 587 567**	**-**	**1 587 567**
Loss for the year	-	-	-	(1 278)	(1 278)	-	(1 278)
Total comprehensive loss for the year	**-**	**-**	**-**	**(1 278)**	**(1 278)**	**-**	**(1 278)**
Issue of shares	21 371	-	-	-	21 371	-	21 371
Share issue costs	(66)	-	-	-	(66)	-	(66)
Total contributions by and distributions to owners of company recognised directly in equity	**21 305**	**-**	**-**	**-**	**21 305**	**-**	**21 305**
Balance at 1 January 2022	**1 618 817**	**-**	**-**	**(11 223)**	**1 607 594**	**-**	**1 607 594**
Loss for the year	-	-	-	(1 433)	(1 433)	-	(1 433)
Total comprehensive loss for the year	**-**	**-**	**-**	**(1 433)**	**(1 433)**	**-**	**(1 433)**
Issue of shares	9 757	-	-	-	9 757	-	9 757
Share issue costs	(57)	-	-	-	(57)	-	(57)
Dividends	-	-	-	(39 975)	(39 975)	-	(39 975)
Total contributions by and distributions to owners of company recognised directly in equity	**9 700**	**-**	**-**	**(39 975)**	**(30 275)**	**-**	**(30 275)**
Balance at 31 December 2022	**1 628 517**	**-**	**-**	**(52 631)**	**1 575 886**	**-**	**1 575 886**
Notes	15	15	16				

Consolidated and Separate Statements of Cash Flows

		Group		Company	
	Notes	2022 R '000	2021 R '000	2022 R '000	2021 R '000
Cash flows from operating activities					
Cash generated from/(used in) operations	31	307 696	265 920	(16)	(1 528)
Investment income received	34	9 022	4 780	-	1
Finance costs paid	35	(18 650)	(21 185)	(6)	-
Taxation paid	32	(68 142)	(59 978)	-	-
Net cash from/(used in) operating activities		**229 926**	**189 537**	**(22)**	**(1 527)**
Cash flows from investing activities					
Purchase of property, plant and equipment	3	(85 028)	(178 139)	-	-
Proceeds from disposal of property, plant and equipment		52 669	166	-	-
Purchase of internally generated intangible assets	5&6	(7 838)	(3 720)	-	-
Proceeds received from loans to related parties		-	591	-	296
Acquisition of other financial assets	9	(5 000)	(16 360)	-	-
Proceeds from disposal of other financial assets	9	-	19 000	-	-
Net cash (used in)/from investing activities		**(45 197)**	**(178 462)**	**-**	**296**
Cash flows from financing activities					
Share issue costs	15	(57)	(66)	-	(66)
Issue of shares	15	997	1 275	-	1 275
Capital contribution from non-controlling shareholder in subsidiary	19	10 383	15 361	-	-
Proceeds from borrowings	33	68	122 065	-	-
Repayment of borrowings	33	(15 065)	(152 079)	-	-
Payment of principal portion of lease liabilities	33	(31 567)	(29 139)	-	-
Dividends paid to non-controlling shareholders	15	(18 922)	(11 693)	-	-
Dividends paid to shareholders		(39 975)	-	-	-
Acquisition of additional shares in subsidiary from non-controlling interest		-	(8 010)	-	-
Cash received on exercise of share options by employees		6 886	-	-	-
Share repurchase	15	(14 862)	-	-	-
Net cash (used in)/from financing activities		**(102 114)**	**(62 286)**	**-**	**1 209**
Total cash movement for the year		**82 615**	**(51 211)**	**(22)**	**(22)**
Cash at the beginning of the year		65 592	116 803	22	44
Total cash at end of the year	13	**148 207**	**65 592**	**-**	**22**

Accounting Policies

1. Presentation of consolidated and separate financial statements

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

1.1 Basis of preparation

The consolidated and separate financial statements have been prepared on the going concern basis in accordance with, and in compliance with, International Financial Reporting Standards ("IFRS") and International Financial Reporting Interpretations Committee ("IFRIC") interpretations issued and effective at the time of preparing these consolidated and separate financial statements and the Companies Act of South Africa of South Africa, as amended.

These consolidated and separate financial statements comply with the requirements of the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and the Financial Pronouncements as issued by the Financial Reporting Standards Council.

The consolidated and separate financial statements have been prepared on the historic cost convention, unless otherwise stated in the accounting policies which follow and incorporate the principal accounting policies set out below. They are presented in Rands, rounded to the nearest thousand Rand, and which is the Group and Company's functional currency.

These accounting policies are consistent with the previous period.

1.2 Significant judgements and sources of estimation uncertainty

The preparation of consolidated and separate financial statements in conformity with IFRS requires management, from time to time, to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances. Actual results in the future could differ from these estimates which may be material to the annual financial statements. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and for any future periods affected.

Critical judgements in applying accounting policies

The critical judgements made by management in applying accounting policies, apart from those involving estimations, that have the most significant effect on the amounts recognised in the financial statements, are outlined as follows:

Internally generated curriculum material

Management capitalise curriculum development costs directly attributable to the development of new curricula as intangible assets as disclosed in Note 1.5 and Note 6. Significant judgement is exercised in differentiating between research and development costs, technical feasibility to complete the development, assessment of the probability that the development of the curriculum will be able to generate future economic benefits and assessment of whether expenditure attributable to the development of the asset can be measured reliably.

The research phase consists mainly of the search for potential programmes to offer (which may include programmes on different modes of delivery and including alternative assessment practices to yield the best academic results). The costs related to the research phase are clearly distinguished from development costs and are expensed as incurred. Once a programme has been identified for development and offer within the Group, authorised senior management internally approve of the development and the academic team then commences with the development process. The capitalisation of costs pertaining to curriculum development only commence at this point. The development phase consists mainly of developing the learning programme and curriculum framework (which includes the processes relating to the design, delivery, assessment moderation and quality assurance of the programme), in accordance with the stringent criteria as set out by the Council on Higher Education (CHE). Once a programme has been approved for development, management dedicates enough resources (technical, financial, and other resources such as existing staff and external consultants) to complete the programmes, which will ultimately be used by the Group to deliver qualifications to students and thereby generating economic benefits for the Group.

The development and design of the learning programme and curriculum framework spans between 8-12 months and consists of various activities to align the programme to the Group's academic quality criteria to ensure student success. During the development phase, certain staff dedicate part of their time in developing the curriculum framework. The Group has controls in place to track the time spent solely on curriculum development. The Group may also appoint external consultants who have experience in the specific fields of the related programmes being developed. Only staff costs and external consultant costs spent specifically on the development of the programmes are capitalised.

1.2 Significant judgements and sources of estimation uncertainty (continued)

In assessing the technical feasibility to complete the programmes, management applies judgement on whether or not the development is sufficient to meet the relevant requirements of the various regulators. This is based on the expertise of the staff and external consultants used (i.e. industry and knowledge specific experts) in development of the programme as well as oversight by senior and experienced staff within the Groups' quality control and assurance division. Whilst regulatory approval of the CHE, the Department of Higher Education and Training (DHET) and the South African Qualifications Authority (SAQA) is required prior to offer of any formal programme, the process of regulatory approval allows for the engagement with the development staff and consultants on programmes submitted for accreditation. This engagement allows for rectifications and revisions of the curriculum framework, within parameters, to ensure compliance with the relevant regulations required for approval.

Curriculum and trademarks useful lives

Curriculum and 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.

Curriculum material, once accredited, do not have significant cost associated with the maintenance of the core curriculum.

Trademarks may be renewed at little or no cost to the Group. Trademarks are assessed as having an indefinite useful life.

Incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate to measure lease liabilities.

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received; or
- if the lessee does not have recent third-party financing, use the group debt facility financing rate, as a starting point adjusted to reflect risk factors specific to the lessee; and
- makes adjustments specific to the lease, e.g. term and security

Lease term

Determining the lease term requires judgement. Management consider all facts and circumstances that create an economic incentive or otherwise to exercise a lease extension or termination option.

For leases of office, administration buildings and land, the following factors are considered:

- If there are significant penalties to terminate, the Group would extend if it makes commercial and operational sense to do so
- If any leasehold improvements are expected to have a significant remaining value, the Group is typically reasonably certain to extend
- Otherwise, the Group considers other factors including historical lease durations and the costs and operational disruption required to replace the leased asset

The lease term is reassessed if an option is exercised or the Group becomes obliged to exercise it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee. The Group is reasonably certain to extend the lease term where the operational disruption to students is significant should the leased asset be replaced. During the current financial year, the financial effect of revising lease terms to reflect the effect of exercising extension options was an increase in recognised lease liabilities and right-of-use assets of R3.3 million (2021: R7.5 million).

Accounting Policies

1.2 Significant judgements and sources of estimation uncertainty (continued)

Key sources of estimation uncertainty

Impairment of trade receivables

The impairment provisions for trade receivables are based on estimates to determine the expected credit loss of trade receivables. In making these assumptions and selecting the inputs utilised in the impairment calculation, the Group uses judgement based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. For details of key assumptions and inputs used, refer to Note 1.6 and Note 8.

Fair value estimation

The Group measured the consideration payable at fair value.

Information about the specific techniques and inputs utilised to determine fair value of this payable is disclosed in Note 41.

Estimated useful lives assessment

The Group estimates the useful lives of property, plant and equipment, right-of-use assets and intangible assets in line with the current policy and applicable IFRS. The useful lives for property, plant and equipment and intangibles are set out in Note 1.4 and Note 1.5. Useful lives are determined upon acquisition and subsequently reviewed annually. These assessments are based on management's historic analysis, anticipation of future pattern of use of the asset which may impact their life and other reliable information. In addition, the useful life estimates take into account the risk of obsolescence due to advances in technology. Indefinite useful lives are allocated to intangible assets if there is no foreseeable limit to the period over which the group expects to consume the future economic benefits embodied in the intangible asset.

When the estimated useful life of an asset differs from previous estimates, the change is applied prospectively in the determination of the depreciation or amortisation charge.

Goodwill and other indefinite life intangible assets

The Group tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill and other indefinite life intangible assets have suffered any impairment, in accordance with the accounting policy stated in Note 5 and Note 6. The recoverable amounts of cash-generating units (CGUs) have been determined based on value-in-use calculations. These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows.

Deferred tax asset

The Group has determined that it will be possible to utilise deferred tax assets through future taxable profits. This is based on financial forecasts which require the use of assumptions. Refer to Note 28 for further information.

1.3 Consolidation

Basis of consolidation

The consolidated and separate financial statements incorporate the separate financial statements of the company and all subsidiaries. Subsidiaries are entities (including structured entities) which are controlled by the Group.

The Group has control of an entity when it is exposed to or has rights to variable returns from involvement with the entity and it has the ability to affect those returns through using its power over the entity.

The results of subsidiaries are included in the consolidated and separate financial statements from the effective date of acquisition to the effective date of disposal.

Adjustments are made when necessary to the consolidated and separate financial statements of subsidiaries to bring their accounting policies in line with those of the Group.

All inter-company transactions, balances, and unrealised gains on transactions between Group companies are eliminated in full on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Accounting Policies

1.3 Consolidation (continued)

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.

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions and are recognised directly in the Consolidated and Separate Statements of Changes in Equity .

The difference between the fair value of consideration paid or received and the movement in non-controlling interest for such transactions is recognised in equity attributable to the owners of the company.

Where a subsidiary is disposed of and a non-controlling shareholding is retained, the remaining investment is measured to fair value with the adjustment to fair value recognised in profit or loss as part of the gain or loss on disposal of the controlling interest. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

Investments in subsidiaries in the separate financial statements

In the Company's separate financial statements, investments in subsidiaries are carried at cost less any accumulated impairment losses. This excludes investments which are held for sale and are consequently accounted for in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations.

Business combinations

The Group accounts 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.

Any 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 which arise as a result of the contingent consideration are not affected against goodwill, unless they are valid measurement period adjustments. Otherwise, all subsequent changes to the fair value of contingent consideration that is deemed to be an asset or liability is recognised in either profit or loss or in other comprehensive income, in accordance with relevant IFRS standards. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

The acquiree's identifiable assets, liabilities and contingent liabilities which 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 groups) 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 acquiree's assets and liabilities are reassessed in terms of classification and are reclassified where the classification is inappropriate for Group purposes. This excludes lease agreements and insurance contracts, whose classification remains as per their inception date.

Non-controlling interests in the acquiree are measured on an acquisition-by-acquisition basis either at fair value or at the non-controlling interests' proportionate share in the recognised amounts of the acquiree's identifiable net assets. This treatment applies to non-controlling interests which are present ownership interests, and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation. All other components of non-controlling interests are measured at their acquisition date fair values, unless another measurement basis is required by IFRS standards.

In cases where the Group held a non-controlling shareholding in the acquiree prior to obtaining control, that interest is measured to fair value as at acquisition date. The measurement to 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. If, in the case of a bargain purchase, the result of this formula is negative, then the difference is recognised directly in profit or loss.

Accounting Policies

1.3 Consolidation (continued)

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 at the end of each reporting period with the adjustment recognised in equity through to other comprehensive income.

1.4 Property, plant and equipment

Property, plant and equipment are tangible assets which the Group holds for its own use or for rental to others and which 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 Group, and the cost of the item can be measured reliably.

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

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

Property, plant and equipment is 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.

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

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

Item	Depreciation method	Average useful life
Buildings	Straight line	75 years
Furniture and fixtures	Straight line	6 - 10 years
Motor vehicles	Straight line	5 years
Audio, camera and edit equipment	Straight line	6 years
Computer equipment	Straight line	3 years
Leasehold improvements	Straight line	shorter of lease term or useful life
Costume, make-up and styling	Straight line	5 years

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

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

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

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

Accounting Policies

1.5 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 initially recognised at cost.

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.
- the expenditure attributable to the asset during its development can be measured reliably.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

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.

Curriculum material, requiring CHE accreditation, includes a portion of the asset with an indefinite useful life since there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows for the entity. The balance having a useful life of six years, taking into account the average period over which the curriculum is reviewed and updated, in order to keep the curriculum relevant with any technological, regulatory, or other changes that do not constitute a redesign of the curriculum framework. The useful life of non-accredited courses were determined to be 3 years, as these relate to short courses. The nature of short courses are dependent on current trends and require more frequent assessment of the coursework to ensure that they remain relevant.

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

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator 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.

Internally generated intangible assets comprises computer software and curriculum material.

The cost of an internally generated intangible asset comprises all directly attributable costs necessary to create, produce, and prepare the asset to be capable of operating in the manner intended by management. Directly attributable costs include employee development costs and external consulting fees.

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

Item	Depreciation method	Average useful life
Trademarks	Straight line	Indefinite
Curriculum material - accredited	Straight line	Indefinite / 6 years
Curriculum material - non-accredited courses	Straight line	3 years
Computer software	Straight line	3 - 10 years
Client lists	Straight line	4 - 7 years

Accounting Policies

1.6 Financial instruments

Classification

Financial assets:

The Group and Company classify their 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 assets.

The Group and Company classify their financial assets at amortised cost only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is met by holding the instrument to collect contractual cash flows.

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

Financial liabilities:

The Group and Company classify their financial liabilities into the following specified categories:
- Amortised cost; or
- Fair value through profit and loss

Recognition and measurement

Financial instruments are recognised when the Group and the Company become a party to the contractual provisions of the instruments.
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.

Subsequent measurement

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

Derecognition

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

The Group derecognises financial liabilities when, and only when, the Group obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Loans to related parties

Classification

Loans to related parties (Note 12) are classified as financial assets subsequently measured at amortised cost.

Accounting Policies

1.6 Financial instruments (continued)

Trade and other receivables

Classification

Trade and other receivables, excluding, when applicable, VAT and prepayments, are classified as financial assets subsequently measured at amortised cost (Note 8).

They have been classified in this manner because their contractual terms give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the Group's business model is to collect the contractual cash flows on trade and other receivables.

The Group and Company apply the IFRS 9 simplified approach to measure the loss allowance for trade and other receivables (excluding net investment in lease) at an amount equal to lifetime expected credit losses (ECL), which represents the expected credit losses that will result from all possible default events over the expected life of the receivable.

Other financial assets

Classification

Other financial instruments comprise of unit trusts and are presented in Note 9. They are mandatorily classified at fair value through profit or loss. The unit trusts are long term investments held to earn interest and are classified as non-current financial assets.

Borrowings and loans from related parties

Classification

Loans from related parties (Note 18) and borrowings (Note 17) are classified as financial liabilities subsequently measured at amortised cost.

Trade and other payables

Classification

Trade and other payables (Note 19) are classified as financial liabilities subsequently measured at amortised cost with the exception of the contingent consideration liability. When a financial liability is a contingent consideration in a business combination, the Group classifies it as a financial liability at fair value through profit or loss.

Cash and cash equivalents

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

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.

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment loss is insignificant.

Impairment of financial assets

Simplified model

The ECL on trade receivables is calculated on a collective basis for all trade receivables as students are perceived to have a similar risk profile. The ECL is determined using a provision based calculation which is based on the Group's historical credit loss, adjusted for forward-looking general economic conditions and specific student conditions, such as failure to make payment. Historical credit losses are determined based on the credit losses experienced over the previous two financial years. The forecast of economic conditions, such as the GDP and unemployment rate, are used to determine the impact on the recoverability, at year end. The Group defines default on trade receivables when there is a balance outstanding in relation to the prior academic year and the student has not entered into payment plan arrangements.

Accounting Policies

1.6 Financial instruments (continued)

Other receivables (excluding net investment in lease) has been assessed based on individual characteristics, nature of the counterparty and history with the counterparty in order to determine the credit risk and lifetime credit allowance. The ECL calculated is a function of the loss given default, which is calculated based on the exposure at default and the probability of default. Default occurs when the amount outstanding is greater than 90 days past due and there is evidence indicating that the amount is credit impaired such as the counter party entering liquidation.

General Model

The ECL on loans to related parties and net investment in lease is determined through the application of the General Model. The Group assesses which stage of the three-stage model the financial asset falls into.

The stages applied are:
1) A performing asset – a 12 month expected credit loss is calculated;
2) Increased credit risk – lifetime expected credit loss is calculated; or
3) Credit impaired – lifetime expected credit loss is calculated

The ECL calculated is a function of the loss given default, which is calculated based on the exposure at default and the probability of default.

The Group considers the probability of default upon initial recognition of the financial asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Group compares the risk of default occurring on the financial asset as at the reporting date with the risk of default as at the date of initial recognition.The Group considers this to be when the amount outstanding is 30 days past due and/ or if there is existing or forecast deterioration in the counterparty’s ability to meet its debt obligations.

Default occurs when the amount outstanding is greater than 90 days past due and there is evidence indicating that the amount is credit impaired such as the counter party entering liquidation.

Recognition of impairment losses

An impairment loss is recognised in profit or loss with a corresponding adjustment to the carrying amount of financial assets, through the use of a loss allowance. The impairment loss is disclosed as a separate line on the statement of comprehensive income.

Write off policy

Financial assets are written off when there are indicators that there is no reasonable expectation of recovery. Indicators for trade receivables include students not re-enrolling, students not responding to payment requests and no longer being contactable. Indicators for other financial assets to be written off is where there is evidence of the debtor being in severe financial difficulty, such as business rescue proceedings commencing, and the Group has no realistic evidence of recovery.

Where financial assets are impaired through use of a provision account, the write off occurs against the loss allowance provision. Subsequent recoveries of amounts previously written off are credited against the same line item.

Certain financial assets are subject to the Group's additional debt recovery procedures.

Accounting Policies

1.7 Tax

Current tax assets and liabilities

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

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

Deferred tax assets and liabilities

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

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

A deferred tax asset is recognised for the carry forward of unused tax losses 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.

Deferred taxation assets and liabilities are offset when there is a legally enforceable right to set off current taxation assets against current taxation liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current taxation assets and liabilities on a net basis.

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 which 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.

1.8 Leases

The Group assesses whether a contract is, or contains a lease, at the inception of the contract.

A contract is, or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

In order to assess whether a contract is, or contains a lease, management determine whether the asset under consideration is "identified", which means that the asset is either explicitly or implicitly specified in the contract and that the supplier does not have a substantial right of substitution throughout the period of use. Once management has concluded that the contract deals with an identified asset, the right to control the use thereof is considered. To this end, control over the use of an identified asset only exists when the Group has the right to substantially all of the economic benefits from the use of the asset as well as the right to direct the use of the asset.

In circumstances where the determination of whether the contract is or contains a lease requires significant judgement, the relevant disclosures are provided in the significant judgments and sources of estimation uncertainty section of these accounting policies.

Group as lessee

A lease liability and corresponding right-of-use asset are recognised at the lease commencement date, for all lease agreements for which the Group is a lessee, except for short-term leases of 12 months or less, or leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Low-value assets comprise IT equipment and small items of office furniture.

The various lease and non-lease components of contracts containing leases are accounted for separately, with consideration being allocated to each lease component on the basis of the relative stand-alone prices of the lease components and the aggregate stand-alone price of the non-lease components (where non-lease components exist).

However as an exception to the preceding paragraph, the Group has elected not to separate the non-lease components for leases of land and buildings.

Details of leasing arrangements where the Group is a lessee are presented in Note 4 Leases (Group as lessee).

Lease liability

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

Lease payments included in the measurement of the lease liability comprise the following:
- fixed lease payments, including in-substance fixed payments, less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the Group under residual value guarantees;
- the exercise price of purchase options, if the Group is reasonably certain to exercise the option;
- lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option; and
- penalties for early termination of a lease, if the lease term reflects the exercise of an option to terminate the lease.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability (or right-of-use asset). The related payments are recognised as an expense in the period incurred and are included in operating expenses.

The lease liability is presented as a separate line item on the Statement of Financial Position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect lease payments made. Interest charged on the lease liability is included in finance costs (Note 27).

1.8 Leases (continued)

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

- there has been a change to the lease term, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- there has been a change in the assessment of whether the Group will exercise a purchase, termination or extension option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- there has been a change to the lease payments due to a change in an index or a rate, in which case the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used);
- there has been a change in expected payment under a residual value guarantee, in which case the lease liability is remeasured by discounting the revised lease payments using the initial discount rate;
- a lease contract has been modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised payments using a revised discount rate.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recognised in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Right-of-use assets

Right-of-use assets are initially measured by taking the initial cost of the lease liability; any lease payments made at or before the commencement date, less any lease incentives received; any initial direct costs; and an estimate of costs to be incurred by the lessee in restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

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

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. However, if a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The Group shall depreciate the right-of-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term, Depreciation starts at the commencement date of a lease.

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate. Each part of a right-of-use asset with a cost that is significant in relation to the total cost of the asset is depreciated separately.

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

Right-of-use asset and lease liability are treated as separate transactions. These have equal but opposite temporary differences on initial recognition, which are separately recognised.

Group as lessor

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. Lease classification is made at inception and is only reassessed if there is a lease modification.

When the Group is an intermediate lessor, it accounts for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease. If the head lease is a short-term lease to which the Group applies the exemption described previously, then it classifies the sub-lease as an operating lease.

1.8 Leases (continued)

Operating leases

Lease payments from operating leases are recognised on a straight-line basis over the term of the relevant lease, or on another systematic basis if that basis is more representative of the pattern in which the benefits form the use of the underlying asset are diminished. Operating lease income is included in other operating income (Note 22).

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

Modifications made to operating leases are accounted for as a new lease from the effective date of the modification. Any prepaid or accrued lease payments relating to the original lease are treated as part of the lease payments of the new lease.

Finance leases

Amounts due from lessees are recognised from commencement date at an amount equal to the Group net investment in the lease. They are included in trade and other receivables (Note 8) on the statement of financial position.

The interest rate implicit in the lease is used to measure the net investment in the lease. If the interest rate implicit in a sublease cannot be readily determined for a sublease, then the discount rate used for the head lease (adjusted for any initial direct costs associated with the sublease) is used to measure the net investment in the sublease.

The interest rate implicit in the lease is defined in a manner which causes the initial direct costs to be included in the initial measurement of the net investment in the lease.

Lease payments included in the measurement of the net investment in the lease comprise the following:

- fixed lease payments, including in-substance fixed payments, less any lease incentives payable;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be receivable by the Group from the lessee, a party related to the lessee or a third party unrelated to the Group under residual value guarantees (to the extent of third parties, this amount is only included if the party is financially capable of discharging the obligations under the guarantee);
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the option;
- penalties for early termination of a lease, if the lease term reflects the exercise of an option to terminate the lease.

The Group recognises finance income over the lease term, based on a pattern that reflects a constant periodic rate of return on the net investment in the lease. Finance income recognised on finance leases is included in investment income in profit or loss (Note 26).

The Group applies the impairment provisions of IFRS 9 to lease receivables. Refer to the accounting policy (Note 1.6) for financial instruments where the impairment policy for lease receivables is detailed.

1.9 Inventories

Inventories are measured at the lower of cost and net realisable value, where cost is determined using the weighted average method.

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 of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

When inventories are sold, the carrying amount of those inventories are 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, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

Accounting Policies

1.10 Non-current assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

A non-current asset is not depreciated while it is classified as held for sale.

1.11 Impairment of non financial assets

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

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

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

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

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

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

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

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

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

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

Accounting Policies

1.12 Share capital and equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction.

1.13 Treasury shares

Treasury shares are purchases made by the group of its own equity instruments and held within a trust for participants in the Stadio Group Share Incentive Scheme. The consideration paid, together with the related transaction costs are deducted from equity. Where shares repurchased are subsequently sold, the consideration received is included in equity attributable to owners of Stadio Holdings Limited, net of any directly attributable incremental transaction cost and the related tax effects. No profit or loss is recorded.

When treasury shares held for participants held in the Stadio Group Share Incentive Scheme subsequently vest, are cancelled or lapse, the shares will no longer be classified as treasury shares, and will no longer be deducted when calculating the weighted average number of shares or diluted weighted average number of shares.

1.14 Share based payments

The Group issues equity-settled share-based payments to certain employees under the share option scheme.

These equity-settled share-based payments are measured at fair value at the grant date. Vesting conditions which are not market related (i.e. service conditions and non-market related performance conditions) are excluded when determining the fair value of the equity instruments granted. The fair value of the equity instruments at grant date are measured using the Black-Scholes Model. Additional details regarding the estimates are included in Note 16.

The fair value of the employee services received in exchange for the grant of the share options is expensed in profit and loss on the straight-line basis over the vesting period with a corresponding increase in the share-based payment reserve, based on the Group's estimate of the shares that will eventually vest.

As an exception, when the Group is obligated, in terms of tax legislation, to withhold an amount of employees’ tax associated with an equity-settled share-based payment transaction (thus creating a net settlement feature), the full transaction is still accounted for as an equity-settled share-based payment transaction.

When the options are exercised the appropriate amount of shares are transferred to the employee. The proceeds received, net of directly attributable transaction costs, are credited directly to equity.

1.15 Dividends payable

Dividends payable are recognised as liabilities in the reporting period in which the dividends are declared. A dividend declared subsequent to the reporting date is not charged against total equity at the reporting date, as no liability exists at that date.

1.16 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 annual leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

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

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

Defined contribution plans

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

Accounting Policies

1.17 Provisions and contingent liabilities

A provision is recognised when:
- the group has a present legal 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 expense related to any provision is recognised in profit or loss. If the effect of the time value of money is material, a pre-tax discount rate is applied to determine the present value of the provision. With the passage of time, the provision will increase by applying the pre-tax discount rate and recognising cost in finance costs in the profit or loss.

A provision for onerous contract is recognised by the Group when the economic benefits of a contract is lower than the unavoidable costs of meeting an obligations of the contract. The unavoidable costs are the lower of the minimum requirements of fulfilling the contract and any penalties that may be incurred for not fulfilling the contract (net of any compensation).

The onerous contract provision is measured as the present value of the unavoidable costs, by using pre-tax discount rate that reflects current market assessments for the time value of money and specific risks associated with the provision.

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

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.

1.18 Contract liabilities

Contract liabilities comprises of tuition and registration fees received prior to the commencement of the academic service being delivered to the student. Contract liabilities represent an obligation of the Company resulting in revenue being realised only once the Group has performed the obligation as per the contract.

Subject to only certain conditions, such as extenuating medical-related cases, contract liabilities may be repayable to the student's account holder should the student not complete their studies.

Contract liabilities are expected to be recognised over 1 to 3 years.

1.19 Revenue from contracts with customers

The Group derives revenue from the transfer of services over time and as such, revenue is recognised in profit and loss in the accounting period in which the service is rendered in accordance with the terms of the student contract and when collections are highly probable. Revenue is measured at the consideration received or receivable and represents the amounts receivable for goods and services provided in the normal course of business, net of bursaries and discounts granted, and value added tax.

The Group recognises revenue from the following major sources:
- Revenue from tuition fees and education services
- Sale of goods
- Other income

Accounting Policies

1.19 Revenue from contracts with customers (continued)

Tuition and education services

Tuition fees
Tuition fees relate to fees earned for the delivery of educational services to students. Students simultaneously receive and consume the benefits of these services over the academic period of their programme, as such revenue is recognised on a straight-line bases over the academic period. The tuition fee recognised is determined based on the student contract, in accordance with the higher education institution's fee structure. The tuition fee is a fixed price and represents the stand-alone price for the performance obligation. No allocation of the transaction price is required.

Registration and enrolment fees
Registration and enrolment fees are received to perform educational administrative tasks. These amounts per the higher education institution's fee structure, are received at a point in time. The revenue is recognised over the period in which the education service is delivered in accordance with the terms of the student contract which may be between 1 – 3 years. The fees are charged at their own stand-alone selling price.

Bursaries and discounts
Discretionary bursaries and discounts are set off against the related revenue recognised. Bursaries and discounts are awarded based on academic merit or financial assistance. Awarded bursaries are assessed annually with no obligation that the bursary will continue in the following academic year. These amounts are calculated based on the approved amounts and are recognised on a straight-line basis over the academic period in which the service is rendered, in line with the tuition fees.

Hostel and other academic income
Hostel income and other academic income are recognised over the period that this service is provided. Students simultaneously receive and consume the benefits of services. Transaction prices are determined per obligation and based on the stand-alone selling price in accordance with the institutions fee structure. Other academic income relates to additional services provided for summer school and assessments.

Sale of goods

Learning material
The Group is involved in the sale of learning material. Sales are recognised when the control of learning materials has been transferred which occurs upon delivery to the student. Upon acceptance by the student the performance obligation is satisfied. Payment is due upon the transfer of learning materials to the student.

Canteen
Canteen revenue is recognised upon the transfer of the food or beverage items to students and staff. Payment is due as soon as the customer receives their food or beverage purchased.

Other Income

Sundry Income
Sundry income is recognised at a point in time when the performance obligation is satisfied.The transaction price is determined based on the stand-alone price of each performance obligation.
Sundry income relates to non-academic incidental ancillary services such as insurance refunds, prescribed debt and other incidental income.

Conferencing income
Conferencing income is recognised upon completion of the provision of conferencing services. Conferencing services consist of venue hire, catering and accommodation facilities, which are each considered distinct performance obligations. The transaction price is determined based on the contract as agreed with the customer. the stand alone selling price for each performance obligation is specified in the contract and allocated accordingly.

1.20 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

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

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

1.21 Earnings per a share

Basic earnings per share
Basic earnings per share is calculated by dividing the profit attributable to owners of the Group by the weighted average number of ordinary shares (WANOS) outstanding during the financial year adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

Diluted earnings per share
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after-tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

Headline earnings per share
Basic earnings adjusted for non-headline items in terms of the requirements stipulated in Circular 1/2021, as issued by SAICA. Headline earnings per share is calculated by dividing headline earnings by the WANOS.

Core headline earnings per share
Core headline earnings adjusts basic headline earnings for certain items that, in the executive directors view, may distort the financial results from year to year, giving shareholders a more consistent reflection of the underlying financial performance of the Group. These core adjustments include once-off acquisition related costs, amortisation costs associated with client lists acquired (i.e. a non-cash charge arising as a result of the consolidation of the subsidiaries acquired), costs relating to consideration payable in respect of acquisitions and once-off costs related to onerous contract expenses. Core headline earnings per share is calculated by dividing core headline earnings by the WANOS.

1.22 Interest income

Interest income is recognised in profit or loss using the effective interest rate method.

1.23 Dividend income

Dividend income is recognised in profit or loss when the Company’s right to receive payment has been established.

1.24 Segmental information

The Group considers its executive directors to be the chief operating decision maker and therefore the segmental disclosures are aligned with the monthly report provided to the executive directors. Operating segments with similar economic characteristics have been aggregated into one reportable segment due to all of the services being related to higher education services within southern Africa. However, management does make decisions based on what they constitute to be reflective of the underlying financial performance of the Group and as such, the Group has identified core headline earnings as this measure. Non-core includes certain items which may distort the Group’s performance from year-to-year, and by excluding this, should provide management with a more consistent reflection of the underlying financial performance of the Group. Refer to Note 30 for further information.

Notes to the Consolidated And Separate Financial Statements

2. New Standards and Interpretations

2.1 Standards and interpretations effective and adopted in the current year

In the current year, the Group and Company adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• Annual Improvement to IFRS Standards 2018-2020: Amendments to IFRS 1 and IFRS 16	01 January 2022	The impact of the amendments is not material.
• Reference to the Conceptual Framework: Amendments to IFRS 3	01 January 2022	The impact of the amendments is not material.
• Annual Improvement to IFRS Standards 2018-2020: Amendments to IFRS 9	01 January 2022	The impact of the amendments is not material.
• Property, Plant and Equipment: Proceeds before Intended Use: Amendments to IAS 16	01 January 2022	The impact of the amendments is not material.
• Onerous Contracts - Cost of Fulfilling a Contract: Amendments to IAS 37	01 January 2022	The impact of the amendments is not material.
• Annual Improvement to IFRS Standards 2018-2020: Amendments to IAS 41	01 January 2022	The impact of the amendments is not material.

2.2 Standards and interpretations not yet effective

The Group and Company have chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the Group and Company's accounting periods beginning on or after 1 January 2023 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Still to be determined	Unlikely there will be a material impact
• Deferred tax related to assets and liabilities arising from a single transaction - Amendments to IAS 12	1 January 2023	Unlikely there will be a material impact
• Disclosure of accounting policies: Amendments to IAS 1 and IFRS Practice Statement 2.	1 January 2023	Unlikely there will be a material impact
• Definition of accounting estimates: Amendments to IAS 8	1 January 2023	Unlikely there will be a material impact
• Classification of Liabilities as Current or Non-Current - Amendment to IAS 1	1 January 2023	Unlikely there will be a material impact
• IFRS 17 Insurance Contracts	1 January 2023	Unlikely there will be a material impact

Notes to the Consolidated And Separate Financial Statements

3. Property, plant and equipment

Group	2022			2021		
	Cost	**Accumulated depreciation**	**Carrying value**	**Cost**	**Accumulated depreciation**	**Carrying value**
	R '000	**R '000**	**R '000**	**R '000**	**R '000**	**R '000**
Land	165 757	-	165 757	165 757	-	165 757
Buildings	470 029	(1 684)	468 345	429 576	(1 036)	428 540
Leasehold improvements	134 495	(15 645)	118 850	132 100	(12 580)	119 520
Furniture and fixtures	43 062	(13 362)	29 700	41 955	(14 284)	27 671
Motor vehicles	4 131	(1 438)	2 693	3 894	(1 039)	2 855
Computer equipment	43 056	(27 292)	15 764	31 961	(19 792)	12 169
Creative and arts*	49 029	(23 377)	25 652	45 860	(21 244)	24 616
Assets under construction	40 085	-	40 085	29 191	-	29 191
Total	**949 644**	**(82 798)**	**866 846**	**880 294**	**(69 975)**	**810 319**

* Includes audio, camera and edit equipment; and costume, make-up and styling assets.

Notes to the Consolidated And Separate Financial Statements

3. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - Group - 2022

	Opening balance R '000	Additions** R '000	Disposals R '000	Depreciation R '000	Other* R '000	Total R '000
Land	165 757	-	-	-	-	165 757
Buildings	428 540	2 377	-	(645)	38 073	468 345
Leasehold improvements	119 520	2 399	-	(3 069)	-	118 850
Furniture and fixtures	27 671	4 731	(1 280)	(5 001)	3 579	29 700
Motor vehicles	2 855	448	(82)	(528)	-	2 693
Office furniture and other equipment	12 169	10 009	(95)	(7 828)	1 509	15 764
Creative arts	24 616	10 929	(630)	(9 263)	-	25 652
Assets under construction	29 191	54 055	-	-	(43 161)	40 085
	810 319	**84 948**	**(2 087)**	**(26 334)**	**-**	**866 846**

Reconciliation of property, plant and equipment - Group - 2021

	Opening balance R '000	Additions R '000	Disposals R '000	Classified as held for sale R '000	Borrowing costs capitalised R '000	Depreciation R '000	Other* R '000	Impairment loss R '000	Total R '000
Land	46 624	70 669	-	(8 782)	-	-	57 246	-	165 757
Buildings	310 256	3 491	-	(43 218)	-	(548)	168 458	(9 899)	428 540
Leasehold improvements	118 465	3 856	(16)	-	-	(2 785)	-	-	119 520
Furniture and fixtures	21 472	11 645	(773)	-	-	(4 673)	-	-	27 671
Motor vehicles	3 091	341	(82)	-	-	(495)	-	-	2 855
Office furniture and other equipment	11 773	7 503	(41)	-	-	(7 066)	-	-	12 169
Creative arts	18 150	15 040	(863)	-	-	(7 711)	-	-	24 616
Assets under construction	187 289	66 591	-	-	1 015	-	(225 704)	-	29 191
	717 120	**179 136**	**(1 775)**	**(52 000)**	**1 015**	**(23 278)**	**-**	**(9 899)**	**810 319**

* Other movements in the current and prior year mainly relate to the reallocation of assets under construction to buildings, furniture and fixtures and office furniture and other equipment.

** Additions include, other non-cash reallocation adjustments of R0.08 million.

Notes to the Consolidated And Separate Financial Statements

3. Property, plant and equipment (continued)

Borrowing costs capitalised

	2022 R '000	2021 R '000
Borrowing costs capitalised to qualifying assets	-	1 015
Capitalisation rate used to determine the amount of borrowing costs eligible for capitalisation	- %	5,72 %

Impairment

In 2021, the Group entered into an agreement to dispose of the STADIO Montana Campus situated in Gauteng resulting in an impairment assessment of the associated land and buildings. The sale followed the strategic plan of the Group to consolidate its contact learning offerings. The total carrying value when the decision was taken, to dispose of the STADIO Montana campus, was R61.9 million. The recoverable amount was R52 million resulting in an impairment loss of R9.9 million. The recoverable amount was the property's fair value less costs to sell determined by the purchase price agreed less commissions. Consequently, the property was reclassified to non-current assets held for sale (Refer to Note 14).

The Group disposed of this property for R52 million in cash during 2022.

Other information

Assets-under-construction of R40 million (2021: R29.2 million) largely comprises of buildings relating to the construction of the STADIO Krugersdorp's distance learning operating centre.

The majority of leasehold improvements relate to the STADIO Waterfall (Midrand) campus, on the leased land which is subject to a 97-year lease.

No property, plant and equipment is encumbered as security for the borrowings as per Note 17 (2021: Rnil).

A register containing information required by Regulation 25(3) of the Companies Regulations, 2011, is available for inspection at the registered office of the Company.

4. Leases (Group as lessee)

The Group leases the following assets:

- Land
  The Group leases the land on which the STADIO Waterfall campus is located, a portion of which is sub-let to Curro Holdings Limited as described in Note 8. The term of the lease is 97 years.
- Buildings
  The Group leases various buildings as administrative offices and for the delivery of the Group's educational offerings. These lease terms range from 2 - 8 years.
- Other assets
  The leases for other assets comprise of leases for office equipment and motor vehicles. The lease terms range between 2 years - 5 years.

Group	2022			2021		
	Cost	**Accumulated depreciation**	**Carrying value**	**Cost**	**Accumulated depreciation**	**Carrying value**
	R '000	**R '000**	**R '000**	**R '000**	**R '000**	**R '000**
Land	30 118	(694)	29 424	30 176	(347)	29 829
Buildings	121 594	(68 233)	53 361	109 815	(44 443)	65 372
Motor vehicles	-	-	-	61	-	61
Office furniture and other equipment	4 474	(2 726)	1 748	3 932	(2 009)	1 923
Total	**156 186**	**(71 653)**	**84 533**	**143 984**	**(46 799)**	**97 185**

Reconciliation of right-of-use assets - Group - 2022

	Opening balance	**Additions (new leases entered into) ***	**Transfers and reclassifi-cations**	**Disposals**	**Depreciation**	**Impairment loss**	**Other movements (remeasure-ments)^**	**Closing balance**
	R '000	**R '000**	**R '000**	**R '000**	**R '000**	**R '000**	**R '000**	**R '000**
Land	29 829	-	(58)	-	(347)	-	-	29 424
Buildings	65 372	13 441	58	-	(26 035)	(2 769)	3 294	53 361
Motor vehicles	61	-	-	(61)	-	-	-	-
Office furniture and other equipment	1 923	541	-	-	(716)	-	-	1 748
	97 185	**13 982**	**-**	**(61)**	**(27 098)**	**(2 769)**	**3 294**	**84 533**

Reconciliation of right-of-use assets - Group - 2021

	Opening balance	**Additions (new leases entered into) ***	**Transfers and reclassificati ons**	**Depreciation**	**Impairment loss**	**Other movements (remeasure ments)^**	**Closing balance**
	R '000	**R '000**	**R '000**	**R '000**	**R '000**	**R '000**	**R '000**
Land	30 234	-	(58)	(347)	-	-	29 829
Buildings	63 113	38 076	58	(26 022)	(17 308)	7 455	65 372
Motor vehicles	71	-	-	(11)	-	1	61
Office furniture and other equipment	2 578	-	-	(655)	-	-	1 923
	95 996	**38 076**	**-**	**(27 035)**	**(17 308)**	**7 456**	**97 185**

4. Leases (Group as lessee) (continued)

* The additional leases in 2022 relate to new premises leased for the Group's operational requirements.The additional leases in the prior year relate to new leases entered into for administrative offices (following expiration of the lease term) and new lease agreements for the delivery of educational services.

^ During the current financial year, the financial effect of revising lease terms to reflect the effect of exercising extension and termination options in respect of buildings was an overall increase in recognised right-of-use assets of R3.3 million (2021: R7.5 million).

Impairment
The impairment in the current and prior year are in respect of the leased Milpark campus situated in Gauteng. This impairment followed the Board's decision to transition the Milpark business to offer programmes only on the distance learning mode of delivery. Consequently, the right-of-use asset related to the Milpark campus will no longer generate future economic benefits, resulting in it being impaired. The impairment has been expensed in the total impairment charge in profit or loss (Note 25).

The Group has included lease extensions where it is reasonably certain to extend the lease term of the accredited sites where the operational disruption to students is significant should the leased asset be replaced. Due to the significant leasehold improvements on the land subject to a 97-year lease, the Group has assessed that it is reasonably certain that the lease term will be extended.

Leases - Group as a Lessee

Reconciliation of lease liability - Group

	Group	
	2022 R '000	2021 R '000
Opening carrying amount	184 357	167 965
Additions	13 982	38 076
Finance cost	17 961	17 583
Repayments - finance cost	(17 961)	(17 583)
Repayments - principle portion	(31 567)	(29 139)
Remeasurement	3 008	7 455
Closing carrying amount	**169 780**	**184 357**

Other disclosures

	2022	2021
Expenses on short term leases included in operating expenses	1 627	1 858
Leases of low value assets included in operating expenses	1 237	804
Operating lease income - subleasing right-of-use assets	-	34
Total cash outflow from leases	(52 392)	(49 386)

Notes to the Consolidated And Separate Financial Statements

4. Leases (Group as lessee) (continued)

Lease liabilities

	Group	
	2022 R '000	2021 R '000
The maturity analysis of lease liabilities is as follows:		
Within one year	50 041	44 611
Within two to five years	96 320	125 738
Within six to ten years	33 660	31 755
Within eleven to fifty years	1 236 680	1 166 679
More than 50 years	9 159 007	9 236 546
	10 575 708	10 605 329
Less finance charges component	(10 405 928)	(10 420 972)
	169 780	**184 357**
Non-current liabilities	127 455	148 782
Current liabilities	42 325	35 575
	169 780	**184 357**

The weighted average lessee's incremental borrowing rate applied to the lease liabilities range from 7% - 9,7% (for 2 - 8 year leases) and 13.1% (for the 97-year long-term lease) (2021: 7% - 9.7 % (for 2 - 8 year leases) and 13.1% (for the 97-year long-term lease)).

Notes to the Consolidated And Separate Financial Statements

5. Goodwill

Group	2022			2021		
	Cost R '000	**Accumulated impairment R '000**	**Carrying value R '000**	**Cost R '000**	**Accumulated impairment R '000**	**Carrying value R '000**
Goodwill	751 082	-	751 082	751 082	-	751 082

Reconciliation of goodwill - Group - 2022

	Opening balance R '000	**Closing balance**
Goodwill	751 082	751 082

Reconciliation of goodwill - Group - 2021

	Opening balance R '000	**Addition R '000**	**Closing balance R '000**
Goodwill	749 482	1 600	751 082

Goodwill arising from acquisitions largely consists of, inter alia, the academic workforce, expected synergies, economies of scale and the student growth potential.

Re-organisation
In October 2020, the Group transferred the businesses of LISOF Proprietary Limited (LISOF), Prestige Academy Proprietary Limited (Prestige Academy) and Southern Business School Proprietary Limited (SBS) to a single registered higher education institution, STADIO Higher Education (formerly Embury Institute for Higher Education Proprietary Limited (Embury) (Business Transfer). During 2021, as part of the change management process, the business continued to operate these businesses as individual operations. As such during 2021, the cash generating units (CGUs) represented the businesses of LISOF, Prestige Academy, SBS and Embury. AFDA and Milpark remained separate higher education institutions in 2021.

During 2021, the board took the further strategic decision to focus on the business operations of the 3 distinct higher education institutions, STADIO Higher Education, AFDA and Milpark. As such effective 1 January 2022, the business re-allocated goodwill among the CGUs based on the relative fair values of the business transferred to reflect the new business and internal management reporting structure of the Group.

The CGUs represent the higher education institutions which were acquired and are currently being operated by the Group with 3 distinct and separate strategies. These CGUs represents the lowest level within the entity at which goodwill is monitored for internal management purposes. Accordingly goodwill is tested at these CGU levels.

Notes to the Consolidated And Separate Financial Statements

5. Goodwill (continued)

The goodwill attributable to CGUs is as follows:

	STADIO Higher Education (formerly Embury) R'000	STADIO Higher Education (formerly SBS Group) R'000	STADIO Higher Education (formerly LISOF) R'000	STADIO Higher Education (formerly Prestige Academy) R'000	STADIO Higher Education R'000	Milpark (incl. CAC) R'000	AFDA R'000	Total R'000
31 December 2021	39 924	144 950	84 824	9 926	-	245 066	226 392	751 082
Re-organisation	(39 924)	(144 950)	(84 824)	(9 926)	279 624	-	-	-
31 December 2022	**-**	**-**	**-**	**-**	**279 624**	**245 066**	**226 392**	**751 082**

Impairment tests for goodwill and indefinite useful life intangible assets were performed as follows:
The recoverable amount of goodwill and indefinite useful life intangible assets (refer to Note 6) is based on the value-in-use of each CGU, which require the use of assumptions. The calculations use cash flow projections based on five-year financial forecasts and key assumptions as stated below. Refer to Note 1.2 for further detail.

The future cash flow assumption reflects the following key assumptions:

- Increase of tuition fees determined by inflation within the higher education industry
- Growth in student numbers determined by historical experience and estimated growth in enrolment numbers
- Operating expenses growth which are a function of growth in student numbers and inflation
- Terminal growth rate taking into account expectations of long term growth in higher education in South Africa
- The pre-tax discount rate used is derived from the weighted average cost of capital (WACC) and takes into account both the cost of debt and the cost of equity. The cost of equity was arrived at by using the capital asset pricing model (CAPM) which also uses the market betas of comparable entities. The cost of debt is based on the interest-bearing borrowings of the Group. The debt-to-equity ratio was determined by applying the Group's target gearing levels. The same discount rate was used for all CGUs.

Set out below are the high level assumptions used in determining the recoverable amount of goodwill. There is significant headroom in all CGUs. No reasonably possible changes in the key assumptions would cause the carrying value of the CGU's to exceed their recoverable amounts.

Notes to the Consolidated And Separate Financial Statements

5. Goodwill (continued)

2022	STADIO Higher Education	AFDA	Milpark (including CAC)
Pre-tax discount rate	15,8 %	15,8 %	15,8 %
Terminal growth rate	2 %	2 %	2 %
Cash flow assumptions			
-Tuition fee increases	5 - 6%	5 %	6 %
-Student number growth	11 %	6 %	8 %
-Operating expenses growth	16 %	11 %	16 %

2021	STADIO Higher Education (formerly Embury)	AFDA	STADIO Higher Education (formerly SBS Group)	STADIO Higher Education (formerly LISOF)	Milpark	STADIO Higher Education (formerly Prestige Academy)
Pre-tax discount rate	14,6 %	14,6 %	14,6 %	14,6 %	14,6 %	14,6 %
Terminal growth rate	3 %	3 %	3 %	3 %	3 %	3 %
Cash flow assumptions						
-Tuition fee increases	5 %	5 %	6 %	5 %	6 %	6 %
-Student number growth	11 %	8 %	9 %	7 %	6 %	20 %
-Operating expenses growth	16 %	11 %	15 %	8 %	4 %	14 %

No impairments were recognised for the years ended 31 December 2022 and 2021.

As all CGUs operate in the same industry, environment and similar geographic areas, no additional risk premium has been added to the discount rate.

Notes to the Consolidated And Separate Financial Statements

5. Goodwill (continued)

Sensitivity analysis

A sensitivity analysis was performed on each individual CGU. The directors and management have considered and assessed reasonably possible changes for other key assumptions and have not identified any instances that could cause the carrying amount of this CGU and other CGUs to exceed its recoverable amount.

In the prior year, the recoverable amount for the STADIO (formerly LISOF) CGU is estimated to exceed the carrying value of the CGU by R29.5 million. The recoverable amount of this CGU would equal it's carrying amount if the discount rate increased from 14.6% to 16.8 %. In addition, if EBITDA (which is calculated incorporating the key assumptions in the tuition fees, student number growth and operating expenses inputs) where to decrease by 20%, the recoverable amount of this CGU would equal it's carrying amount.

Notes to the Consolidated And Separate Financial Statements

6. Intangible assets

Group	2022			2021		
	Cost R '000	**Accumulated amortisation /impairment R '000**	**Carrying value R '000**	**Cost R '000**	**Accumulated amortisation /impairment R '000**	**Carrying value R '000**
Trademarks	101 306	(43 755)	57 551	101 306	(43 755)	57 551
Computer software	35 444	(20 080)	15 364	34 711	(16 262)	18 449
Curriculum material	102 759	(37 980)	64 779	95 653	(27 421)	68 232
Client lists	36 591	(33 138)	3 453	36 591	(28 892)	7 699
Total	**276 100**	**(134 953)**	**141 147**	**268 261**	**(116 330)**	**151 931**

Reconciliation of intangible assets - Group - 2022

	Opening balance R '000	**Additions * R '000**	**Amortisation R '000**	**Derecognition R '000**	**Total R '000**
Trademarks	57 551	-	-	-	57 551
Computer software	18 449	719	(3 804)	-	15 364
Curriculum material	68 232	7 105	(6 871)	(3 687)	64 779
Client lists	7 699	-	(4 246)	-	3 453
	151 931	**7 824**	**(14 921)**	**(3 687)**	**141 147**

Reconciliation of intangible assets - Group - 2021

	Opening balance R '000	**Additions R '000**	**Amortisation R '000**	**Derecognition R '000**	**Total R '000**
Trademarks	57 551	-	-	-	57 551
Computer software	19 890	2 120	(3 561)	-	18 449
Curriculum material	78 107	-	(7 113)	(2 762)	68 232
Client lists	13 419	-	(5 720)	-	7 699
	168 967	**2 120**	**(16 394)**	**(2 762)**	**151 931**

Other information

Included in computer software is the Group's Enterprise Resource Planning (ERP) system. The carrying value of the ERP system at 31 December 2022 is R11.8 million (2021: R13.3 million) with a remaining useful life of 7 years and 11 months. The Group implemented the ERP system during the 2020 financial year.

Curriculum material has a remaining useful life of between 1 to 6 years.
Client lists have a remaining useful life of between 18 to 24 months.

* Additions, include other movements in the current year relating to the immaterial non-cash reallocation of computer software to computer hardware included in property, plant and equipment.

Notes to the Consolidated And Separate Financial Statements

6. Intangible assets (continued)

Intangibles with indefinite useful lives

	STADIO Higher Education (formerly Embury) R'000	STADIO Higher Education (formerly SBS Group) R'000	STADIO Higher Education (formerly LISOF) R'000	STADIO Higher Education (formerly Prestige Academy) R'000	STADIO Higher Education R'000	Milpark (incl. CAC) R'000	AFDA R'000	STADIO Corporate Services R'000	Total R'000
Curriculum development									
At 31 December 2021	20 312	3 462	2 708	4 651	-	7 213	2 708	2 684	43 738
Additions	-	-	-	-	-	2 571	-	-	2 571
De-recognition	(3 687)	-	-	-	-	-	-	-	(3 687)
Re-organisation	(16 625)	(3 462)	(2 708)	(4 651)	27 446	-	-	-	-
At 31 December 2022	**-**	**-**	**-**	**-**	**27 446**	**9 784**	**2 708**	**2 684**	**42 622**
	-	-	-	-	-	-	-	-	-
Trademarks									
At 31 December 2021	-	-	-	-	-	37 853	19 698	-	57 551
Re-organisation	-	-	-	-	-	-	-	-	-
At 31 December 2022	**-**	**-**	**-**	**-**	**-**	**37 853**	**19 698**	**-**	**57 551**
	-	-	-	-	-	-	-	-	-
Total intangibles with indefinite lives									
At 31 December 2021	20 312	3 462	2 708	4 651	-	45 066	22 406	2 684	101 289
Additions	-	-	-	-	-	2 571	-	-	2 571
De-recognition	(3 687)	-	-	-	-	-	-	-	(3 687)
Re-organisation	(16 625)	(3 462)	(2 708)	(4 651)	27 446	-	-	-	-
At 31 December 2022	**-**	**-**	**-**	**-**	**27 446**	**47 637**	**22 406**	**2 684**	**100 173**

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.

6. Intangible assets (continued)

Re-organisation

During 2021 the Board took the strategic decision to focus on the business operations of the 3 distinct higher education institutions, STADIO Higher Education, AFDA and Milpark. As such effective 1 January 2022, the business re-allocated goodwill and other indefinite useful life intangible assets to reflect the new business and internal management reporting structure of the group, viz STADIO Higher Education, AFDA and Milpark. Further details are set out in Note 5.

During 2022, the decision was taken that certain programme offerings will not be offered in the future, resulting in no future economic benefits expected to be derived from the curriculum development of the programme. This resulted in the derecognition of the carrying value of the curriculum material of R3.7 million (2021: R2.8 million). The derecognition of these programmes have been included in the impairment expense (refer to Note 25) in profit or loss.

The Group and the Company prepare cash flow forecasts for the CGUs related to the intangible asset. The cash flow forecasts incorporate Board approved budgets, as well as projected cash flows post the budget period, taking into consideration growth rates for the underlying inputs related to the CGU.

Impairment tests for intangibles are based on a discount rate of 15.8% (2021: 14.6%) per annum and forecasted cash flow of 5 years (2021: 5 years) with a 2% (2021: 3%) terminal growth rate.

The directors and management have considered and assessed reasonably possible changes for other key assumptions and have not identified any instances that could cause the carrying amount of each CGU to exceed its recoverable amount.
The directors were satisfied that no further impairment is required (2021: Rnil).

7. Investment in subsidiaries

The following table lists the entities which are controlled by the Group, either directly or indirectly (*) through subsidiaries.

Company

Name of company	% holding 2022	% holding 2021	Carrying amount 2022 R '000	Carrying amount 2021 R '000
Stadio Investment Holdings Proprietary Limited (SIH)	100,00 %	100,00 %	979 039	979 039
Stadio Corporate Services Proprietary Limited (SCS)*	100,00 %	100,00 %	-	-
Stadio Multiversity Investment Holdings Proprietary Limited*	100,00 %	100,00 %	-	-
STADIO Group Share Incentive Trust*	100,00 %	100,00 %	-	-
Stadio Proprietary Limited (STADIO Higher Education)	100,00 %	100,00 %	-	-
Milpark Investments SPV Proprietary Limited*	68,50 %	68,50 %	-	-
Milpark BEE Investments SPV Proprietary Limited*	49,00 %	49,00 %	-	-
MBS Education Investments Proprietary Limited*^	68,50 %	68,50 %	-	-
Milpark Education Proprietary Limited*^	68,50 %	68,50 %	-	-
Lisof Proprietary Limited*	100,00 %	100,00 %	-	-
Wadam Properties Proprietary Limited*	100,00 %	100,00 %	-	-
Histodox Proprietary Limited*	100,00 %	100,00 %	-	-
Prestige Academy Proprietary Limited*	100,00 %	100,00 %	-	-
The South African School of Motion Picture Medium and Live Performance Proprietary Limited (AFDA)*	100,00 %	100,00 %	-	-
Intraframe Proprietary Limited*	100,00 %	100,00 %	-	-
Ekosto 1067 Proprietary Limited*	100,00 %	100,00 %	-	-
Southern Business School Proprietary Limited*	100,00 %	100,00 %	-	-
STADIO Namibia Proprietary Limited (STADIO Namibia)*	100,00 %	100,00 %	-	-
STADIO Khulisa Student Share Scheme	100,00 %	- %	1	-
STADIO Kusasa Foundation	100,00 %	100,00 %	-	-
			979 040	979 039

^ Effective shareholding interest

All subsidiaries are incorporated in the Republic of South Africa with the exception of STADIO Namibia (a subsidiary of STADIO Higher Education), which is incorporated in Namibia, with the principal place of business being Namibia.

Subsidiaries with material non-controlling interests

Milpark Education Proprietary Limited is a material subsidiary with non-controlling shareholders holding 31.5% (2021: 31.5%). In 2021, the non-controlling shareholder acquired the additional shareholding following the conclusion of the early settlement agreement relating to the CA Connect acquisition (refer to Note 19 for further information).

7. Investment in subsidiaries (continued)

Summarised statement of financial position

	Milpark	
	2022 R '000	**2021 R '000**
Assets		
Non-current assets	378 272	377 094
Current assets	55 460	47 782
Total assets	433 732	424 876
Liabilities		
Non-current liabilities	42 949	51 526
Current liabilities	83 928	105 816
Total liabilities	126 877	157 342
Total net assets	306 855	267 534
Carrying amount of non-controlling interest	109 517	99 228

Summarised statement of profit or loss and other comprehensive income

	Milpark	
	2022 R '000	**2021 R '000**
Revenue	325 298	293 349
Other income and expenses	(232 679)	(218 985)
Profit before tax	92 619	74 364
Tax expense	(26 429)	(20 819)
Profit (loss)	66 190	53 545
Total comprehensive income	66 190	53 545
Profit allocated to non-controlling interest	20 850	11 435

7. Investment in subsidiaries (continued)

Summarised statement of cash flows

	Milpark		STADIO Namibia		Total	
	2022 R '000	**2021 R '000**	**2022 R '000**	**2021 R '000**	**2022 R '000**	**2021 R '000**
Cash flows from operating activities	82 425	69 696	-	-	82 425	69 696
Cash flows from investing activities	(11 843)	(5 949)	-	-	(11 843)	(5 949)
Cash flows from financing activities	(62 230)	(81 629)	-	-	(62 230)	(81 629)
Net cash and cash equivalents	8 352	(17 882)	-	-	8 352	(17 882)
Dividend paid to non-controlling interest	(18 922)	(8 703)	-	(2 990)	(18 922)	(11 693)

8. Trade and other receivables

	Group		Company	
	2022 R '000	2021 R '000	2022 R '000	2021 R '000
Financial instruments:				
Trade receivables	260 412	209 725	-	-
Expected credit loss allowance	(132 971)	(121 928)	-	-
Trade receivables at amortised cost	127 441	87 797	-	-
Deposits	3 662	3 882	-	-
Net investment in lease	20 864	19 688	-	-
Other receivables	8 855	8 425	-	-
Non-financial instruments:				
VAT	1 857	1 137	-	-
Prepayments*	15 556	12 299	-	-
Total trade and other receivables	**178 235**	**133 228**	**-**	**-**

** Comprises prepaid rent and license fees.*

There is no significant financing component relating to trade and other receivables (excluding net investment in leases) and the net carrying values are considered to be close approximations of the fair values.

Split between non-current and current portions

Non-current assets	19 377	18 285	-	-
Current assets	158 858	114 943	-	-
	178 235	**133 228**	**-**	**-**

8. Trade and other receivables (continued)

Net investment in lease

The Group sub-leases land over a 97-year lease term. The Group has classified the sub-lease as a finance lease, because the sub-lease is for the majority of the remaining term of the head lease. The incremental borrowing rate used to determine the net investment in lease is 13.1%.

The following table sets out a maturity analysis of the net investment in lease:

	Group	
	2022 R '000	2021 R '000
Within one year	1 487	1 403
Within two years	1 577	1 487
Within three years	1 671	1 577
Within four years	1 771	1 671
Within five years	1 878	1 771
Within ten years	11 220	10 585
Within sixty years	773 344	775 856
More than sixty years	2 691 885	2 691 886
Total undiscounted lease payments receivable	3 484 833	3 486 236
Unearned finance income	(3 463 969)	(3 466 548)
Net investment in the lease	**20 864**	**19 688**
Split between current and no-current portions		
Current	1 487	1 403
Non-current	19 377	18 285
	20 864	**19 688**

Exposure to credit risk

Trade receivables outstanding mainly relates to fees outstanding for the 2022 academic year.

The Group measures the expected loss allowance for trade receivables by applying the simplified approach which is prescribed by IFRS 9. In accordance with this approach, the expected credit loss allowance on trade receivables is determined as the lifetime expected losses on trade receivables.

Lease receivables are considered to be low risk at year end. The expected credit loss has been determined over a 12-month period. The identified expected credit loss was immaterial as the counterparty has no amounts past due and a stable outlook on its credit rating.

Other receivables comprises of a deposit which is held by a reputable financial institution with a stable credit rating (refer to Note 38) and therefore the identified expected credit loss is immaterial. Deposits were assessed on an individual basis and the identified expected credit loss is immaterial.

8. Trade and other receivables (continued)

Group

2022	**Current**	**30 days past due**	**60 days past due**	**90 days past due**	**Greater than 90 days past due**	**Total**
	R '000	**R '000**	**R '000**	**R '000**	**R '000**	**R '000**
Trade receivables - gross carrying amount	53 781	20 330	18 126	16 330	151 845	260 412
Expected loss allowance	(12 239)	(8 199)	(8 178)	(8 326)	(96 029)	(132 971)
	41 542	**12 131**	**9 948**	**8 004**	**55 816**	**127 441**
Expected credit loss rate	22,8 %	40,3 %	45,1 %	51,0 %	63,2 %	

Group

2021	**Current**	**30 days past due**	**60 days past due**	**90 days past due**	**Greater than 90 days past due**	**Total**
	R '000	**R '000**	**R '000**	**R '000**	**R '000**	**R '000**
Trade receivables - gross carrying amount	60 284	16 944	10 015	14 421	108 061	209 725
Expected loss allowance	(16 858)	(7 328)	(5 387)	(7 895)	(84 460)	(121 928)
	43 426	**9 616**	**4 628**	**6 526**	**23 601**	**87 797**
Expected credit loss rate	28,0 %	43,2 %	53,8 %	54,7 %	78,2 %	

Fees which are due for the current academic year are considered past due and not impaired, given that final payment is typically due in November and December of the academic and financial year. Fees which are due for prior academic years are considered past due and are either fully impaired or written off. Fully impaired or written off fees are generally handed over to debt recovery agents for collection.

Reconciliation of loss allowances

The following table shows the movement in the loss allowance (lifetime expected credit losses) for trade receivables:

	Group		Company	
	2022 R '000	2021 R '000	2022 R '000	2021 R '000
Opening balance	**121 928**	**77 647**	**-**	**-**
Provision raised on new trade receivables:				
- receivables that originated in the current year	81 834	78 732	-	-
- receivables that originated in prior years	6 775	11 859	-	-
Unused loss allowance reversed	(5 278)	(5 362)	-	-
Receivables written off during the year as uncollectible	(72 288)	(40 948)	-	-
Closing balance	**132 971**	**121 928**	**-**	**-**

During the year, subsequent recoveries of amounts previously written off of R3.8 million (2021: R3.2 million) were credited against the loss allowance of R83.3 million (2021: R85.2 million).

Notes to the Consolidated And Separate Financial Statements

9. Other financial assets

	Group		Company	
	2022 R '000	2021 R '000	2022 R '000	2021 R '000
Mandatorily at fair value through profit or loss:				
Unit trusts	14 740	9 190	-	-
	14 740	**9 190**	**-**	**-**

Fair value information

Refer to Note 41 Fair value information for details of valuation policies and processes.

Reconciliation of movements

	Group 2022 R '000	Group 2021 R '000	Company 2022 R '000	Company 2021 R '000
Opening balance	9 190	11 620	-	-
Additions	5 000	16 360	-	-
Re-investments	423	266	-	-
Fair value movements	127	(56)	-	-
Disposals	-	(19 000)	-	-
	14 740	**9 190**	**-**	**-**

Risk exposure

The investments held by the group expose it to various risks, including credit risk and price risk. Refer to Note 40 Financial instruments and risk management for details of risk exposure and the processes and policies adopted to mitigate these risks.

Notes to the Consolidated And Separate Financial Statements

10. Deferred tax

	Group		Company	
	2022 R '000	2021 R '000	2022 R '000	2021 R '000
Deferred tax				
Property plant and equipment	(23 427)	(18 258)	-	-
Right-of-use assets	(22 824)	(27 217)	-	-
Intangible assets	(15 222)	(17 968)	-	-
Prepayments	(2 823)	(359)	-	-
Net investment in lease	(5 633)	(6 256)	-	-
Contract liabilities	19 684	16 283	-	-
Loss allowance	22 194	21 099	-	-
Lease liability	45 841	51 626	-	-
Tax losses available for set off against future balances	16 978	15 607	-	-
Provisions	7 867	8 616	-	-
Other	828	280	-	-
Total deferred tax	**43 463**	**43 453**	**-**	**-**

The deferred tax assets and the deferred tax liabilities have been offset with each other as they relate to income taxes levied by the same taxation authority on the same taxable entity. Consequently, the disclosure for the Group on the statement of financial position is as follows:

Deferred tax liability	(43 320)	(39 186)	-	-
Deferred tax asset	86 783	82 639	-	-
Total net deferred tax asset	**43 463**	**43 453**	**-**	**-**

Notes to the Consolidated And Separate Financial Statements

10. Deferred tax (continued)

Reconciliation of deferred tax asset / (liability)

	Group		Company	
	2022 R '000	2021 R '000	2022 R '000	2021 R '000
At beginning of year	43 453	57 213	-	-
Originating temporary differences on:	-	-	-	-
Property, plant and equipment	(5 169)	(2 219)	-	-
Intangible assets	2 746	3 707	-	-
Right-of-use assets	4 393	(342)	-	-
Loss allowance	1 095	7 886	-	-
Prepayments	(2 464)	507	-	-
Net investment in lease	623	(1 054)	-	-
Provisions	(749)	2 762	-	-
Lease liabilities	(5 785)	4 607	-	-
Contract liabilities	3 401	(6 653)	-	-
Assessed losses	1 371	(24 761)	-	-
S24C allowance	-	1 664	-	-
Other	548	136	-	-
	43 463	**43 453**	**-**	**-**

Recognition of deferred tax asset

Estimated tax losses available for set-off against future profits carried forward to next year are disclosed in Note 28.

Management have assessed the recognition of the deferred tax assets at 31 December 2022 and 31 December 2021 and are satisfied that there are expected future taxable profits against which the temporary differences can be utilised.

11. Inventories

	Group		Company	
	2022 R '000	2021 R '000	2022 R '000	2021 R '000
Study material and merchandise	-	1 579	-	-
	-	1 579	-	-
Inventories (write-downs)	-	(1 579)	-	-
	-	**-**	**-**	**-**

In 2021, write-downs of inventories to net realisable value amounted to R 1.6 million.

12. Loans to related parties

	Group		Company	
	2022 R '000	2021 R '000	2022 R '000	2021 R '000
Stadio Share Incentive Trust	-	-	8 759	-
Stadio Corporate Services Proprietary Limited	-	-	581 113	621 287
Stadio Investment Holdings Proprietary Limited	-	-	14 925	14 925
	-	**-**	**604 797**	**636 212**

The loans are interest free, unsecured and repayable on demand.

In the prior year, the loans were classified as current as management had a reasonable expectation that repayment could be demanded in the short-term, especially given the uncertainties following the COVID-19 pandemic. Following the improvement in the Company's overall liquidity position and results in the current year, management does not expect to demand repayment in the next 12 months.

An amount of R75 million of the loans are deemed to be repaid in the next 12 months. The balance is classified as non-current.

Split between non-current and current portions

Non-current assets	-	-	529 549	-
Current assets	-	-	75 248	636 212
	-	**-**	**604 797**	**636 212**

Exposure to credit risk

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

The counterparties have a low risk of default with no amounts past due. The expected credit loss has been determined over a 12-month period, resulting in the expected credit loss identified being immaterial.

13. Cash and cash equivalents

Cash and cash equivalents consist of:

	Group		Company	
	2022 R '000	2021 R '000	2022 R '000	2021 R '000
Bank balances	114 585	39 523	-	22
Money market	91	86	-	-
Short-term deposits	33 425	25 810	-	-
Petty cash	106	173	-	-
	148 207	**65 592**	**-**	**22**
Cash and cash equivalents held by the entity that are not available for use by the group *	2 255	2 255	-	-

* The cash and cash equivalents not available for use are restricted for debit and stop orders that may not clear.

Notes to the Consolidated And Separate Financial Statements

13. Cash and cash equivalents (continued)

Credit quality of cash at bank and short term deposits, excluding cash on hand

Cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment loss is immaterial.

	Group		Company	
	2022 R '000	2021 R '000	2022 R '000	2021 R '000
Credit rating				
Ba2 (Moody's) - Nedbank, Standard Bank, ABSA and First National Bank	141 012	61 470	-	22
A+ (Global Credit Rating) - PSG Collective Investments (RF) Limited *	91	86	-	-
AA (Global Credit Rating) - Bank Windhoek's Limited	6 998	3 863	-	-
	148 101	**65 419**	**-**	**22**

* PSG Collective Investments (RF) Limited is part of PSG Konsult Limited and accordingly the credit rating of PSG Konsult Limited has been used.

14. Non-current assets held for sale

The sale and transfer of the STADIO Montana campus was concluded in March 2022 for R52 million (net of fees).

The disposal of the STADIO Montana campus was part of STADIO's strategy to consolidate and optimise operations on the contact learning campuses.

	Group		Company	
	2022 R '000	2021 R '000	2022 R '000	2021 R '000
Assets				
Non-current assets held for sale				
Property, plant and equipment	-	52 000	-	-

15. Share capital

	Group		Company	
	2022 '000	2021 '000	2022 '000	2021 '000
Authorised no of shares				
Shares at no par value	2 000 000	2 000 000	2 000 000	2 000 000
Reconciliation of number of shares issued:				
Reported as at 01 January	848 193	840 997	848 193	840 997
Issue of shares - CA Connect *	-	6 734	-	6 734
Issue of shares - Employee share incentive scheme	2 334	462	2 334	462
	850 527	**848 193**	**850 527**	**848 193**

* The shares were issued at the 30-day volume weighted average share price (VWAP) at the time of issue.

Notes to the Consolidated And Separate Financial Statements

15. Share capital (continued)

	Group		Company	
	2022 R '000	2021 R '000	2022 R '000	2021 R '000
Issued share capital				
Issued ordinary shares at 1 January	1 618 817	1 597 512	1 618 817	1 597 512
Issued during the year	9 757	21 371	9 757	21 371
Share issue costs	(57)	(66)	(57)	(66)
	1 628 517	**1 618 817**	**1 628 517**	**1 618 817**

All issued ordinary shares are fully paid up. Ordinary shares carry no right to fixed income but each share carries the right to one vote at general meetings of the Company.

Share capital movements

Current year

In April 2022, the Group issued 2.3 million shares for R9.8 million in relation to the exercise of the employee share options.

Prior year

Effective 8 June 2021, the Group concluded the early settlement agreement in respect of the acquisition of the CA Connect business.

The early settlement agreement resulted in the Group settling R20 million through the issue of 6.7 million STADIO Holdings shares to the CA Connect shareholders. Refer to Note 19 for further information.

In October 2021, the Group issued 0.5 million shares for R1.4 million in relation to the exercise of the employee share options.

15. Share capital (continued)

Non-controlling interest equity movements

	Group		Company	
	2022 R '000	2021 R '000	2022 R '000	2021 R '000
Non-controlling interest movement				
Opening balance	99 228	(7 381)	-	-
Profit for the year	20 850	11 435	-	-
Changes in ownership interest - control not lost	-	(8 494)	-	-
Capital contributions from non-controlling shareholder in subsidiary	10 383	15 361	-	-
Transactions with non-controlling interest	(2 022)	100 000	-	-
Dividends paid to non-controlling shareholders	(18 922)	(11 693)	-	-
	109 517	**99 228**	**-**	**-**

Changes in ownership
In the prior year, the Group acquired the remaining 26% non-controlling interest in STADIO Namibia for R8 million. Immediately prior to the purchase, the carrying amount of the existing 26% non-controlling interest in STADIO Namibia was R8.5 million. The Group recognised a decrease in the non-controlling interest of R8.5 million and an increase in equity attributable to owners of the parent of R0.5 million.

Capital Contributions and Transactions with non-controlling interest
The capital contributions from the non-controlling shareholder and transactions with non-controlling interest relate to amounts payable following the conclusion of the early settlement agreement in relation to the CA Connect acquisition. Refer to Note 19 for further information.

Dividends paid
During 2022, a dividend of R18.9 million (2021: R8.7 million) was paid to the non-controlling interest in Milpark. In the prior year, a dividend of R3.0 million was paid to the non-controlling interest in STADIO Namibia.

Treasury shares
In August 2022, the Board approved the repurchase of R15 million of shares per annum for a period of three years to fulfil the Group's obligations under the Share Incentive Trust. During the year, the Group repurchased 4 million shares at an average repurchase price of R3.72 per share. The total cash outflow was R14.9 million for the year ended 31 December 2022.

Treasury shares are shares in the company that are held by the Share Incentive Trust for the purposes of issuing shares to employees participating in the Group's long term incentive scheme.

	Rands		Number of shares	
	2022 R '000	2021 R '000	2022 '000	2021 '000
Treasury shares (Group)				
Treasury shares repurchased	(14 862)	-	(3 995)	-
Treasury shares issued to employees	14 717	-	3 760	-
	(145)	**-**	**(235)**	**-**

As at 31 December 2022, the Group held 234 757 Treasury shares (2021: nil).

16. Share based payments

Details of the employee option plan of the Company

The Company has established a share incentive scheme for certain key members of management. The number of shares available to award at the reporting date in terms of the Stadio Group Share Incentive Trust deed is 15 million (2021: 13 million).

Options may be exercised at any time from the date of vesting to the date of its expiry, which is a 30 day period. The Board may, in accordance with the Trust deed, extend the exercise period in certain circumstances. During the year, the Board approved the extension of the exercise period to 90 days for share options that vested on 1 July 2022 because the Company was in a closed period, and in accordance with JSE Listing Requirements, the exercise of share options constitutes trading in shares, which are prohibited during a closed period. The vesting of share options is dependent on the individual remaining in service.

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.

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

	2022		2021	
	Number '000	Weighted average strike price R	Number '000	Weighted average strike price R
Outstanding at the beginning of the year	44 293	-	44 180	2,02
Granted during the year	5 923	3,64	6 668	2,62
Lapsed during the year	(33)	6,10	(2 811)	4,27
Exercised during the year	(12 192)	2,15	(3 744)	2,96
Forfeited during the year	(2 562)	2,12	-	-
Outstanding at the end of the year	**35 431**		**44 293**	

The weighted average share price at the date of exercise options exercised during the year ended 31 December 2022 was R4.07 (2021: R3.10).

16. Share based payments (continued)

Director	Opening balance of share options at 1 January 2022	Number of share options awarded during the year	Number of share options lapsed during the year	Number of share options vested during the year	Strike price per share options awarded	Share option granted dated	Closing balance of share options at 31 December 2022
CPD Vorster	7 986	-	-	(1 997)	1,23	3 April 2020	5 989
	4 300	-	-	(1 075)	1,21	1 July 2020	3 225
	-	1 221	-	-	3,64	3 April 2022	1 221
	-	1 452	-	-	3,64	1 July 2022	1 452
	12 286	2 673	-	(3 072)	-		11 887
S Totaram	432	-	-	(432)	2,96	3 October 2017	-
	869	-	-	(289)	3,63	3 April 2019	580
	2 204	-	-	(551)	1,23	3 April 2020	1 653
	1 187	-	-	(297)	1,21	1 July 2020	890
	928	-	-	-	2,62	3 April 2021	928
	-	976	-	-	3,64	3 April 2022	976
	5 620	976	-	(1 569)	-		5 027
D Singh	440	-	-	(440)	2,96	3 October 2017	-
	1 399	-	-	(467)	3,63	3 April 2019	932
	1 268	-	-	(317)	1,23	3 April 2020	951
	683	-	-	(171)	1,21	1 July 2020	512
	845	-	-	-	2,62	3 April 2021	845
	-	1 105	-	-	3,64	3 April 2022	1 105
	4 635	1 105	-	(1 395)			4 345
JJ Human	776	-	-	(776)	2,96	3 October 2017	-
	1 136	-	-	(284)	1,23	3 April 2020	852
	612	-	-	(153)	1,21	1 July 2020	459
	1 064	-	-	-	2,62	3 April 2021	1 064
	-	904	-	-	3,64	3 April 2022	904
	3 588	904	-	(1 213)			3 279
CR van der Merwe	1 012	-	-	(1 012)	2,96	3 October 2017	-
	1 935	-	-	(645)	3,63	3 April 2019	1 290
	2 947	-	-	(1 657)	-		1 290
	29 076	**5 658**	**-**	**(8 906)**			**25 828**

During the year, a total expense of R8.7 million (2021: R11 million) was recognised in respect of share based payments transactions. Included in the total expense is R8.4 million (2021: R3.8 million) related to equity-settled share based payment transactions awarded to the directors. An expense of R0.3 million expense was recognised in relation to the phantom share award made to a director during the year as detailed below.

During the year it was noted that Ms S Totaram had been awarded less share options than she was entitled to under the Share Incentive Trust deed. The Board therefore approved a once-off phantom share allocation of 401 429 phantom shares under the same terms as if the award had been made on 3 April 2021. As at 31 December 2022, the fair value of the liability in respect of the outstanding phantom shares was R1.0 million, using a share price as at 31 December 2022 of R4.91.

The share options awarded in March 2018 that vested in the current year were out of the money and lapsed during the year.

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16. Share based payments (continued)

Vesting date	Number of options '000	Weighted average exercise price R
3 April 2023	1 910	3,63
3 April 2023	4 121	1,23
3 April 2023	1 667	2,62
1 July 2023	2 219	1,21
3 April 2024	1 910	3,63
3 April 2024	4 121	1,23
3 April 2024	1 667	2,62
3 April 2024	1 118	3,64
1 July 2024	2 219	1,21
1 July 2024	363	3,64
3 April 2025	4 121	1,23
3 April 2025	1 667	2,62
3 April 2025	1 118	3,64
1 July 2025	2 219	1,21
1 July 2025	363	3,64
3 April 2026	1 667	2,62
3 April 2026	1 118	3,64
1 July 2026	363	3,64
3 April 2027	1 117	3,64
1 July 2027	363	3,64
	35 431	

Assumptions used in fair value

	Phantom Share April 2022	April 2022	July 2022	April 2021
Strike price (Rand)	2,62	3,64	3,64	2,62
Share price at award date (Rand)	3,50	3,50	3,60	2,90
Fair value (Rand)	2,41	1,39	0,94	1,90
Volatility (%)	47,84	44,13	44,13	92,70
Risk-free rate (%)	3,95	6,01	7,21	5,20
Dividend yield (%)	0,96	1,12	1,34	-

The Black-Scholes Model is used to calculate the estimated theoretical fair value of new share 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 being awarded. The phantom share was revalued to the market price of R4.91 as at 31 December 2022.

17. Borrowings

	Group		Company	
	2022 R '000	2021 R '000	2022 R '000	2021 R '000
Held at amortised cost				
Standard Bank of South Africa The revolving credit facility bears interest at a three-month JIBAR plus 2%.	-	15 000	-	-
Bank overdraft	68	65	-	-
	68	**15 065**	**-**	**-**
Split between non-current and current portions				
Current liabilities	68	15 065	-	-

The Group refinanced its revolving credit facility with Standard Bank of South Africa (Standard Bank) in December 2022 for a further 3 years. After considering the Group's capital needs, the facility was reduced to R100 million with an option to increase this by a further R100 million, subject to meeting certain requirements. The following Group subsidiaries are obligors in the revolving credit facility arrangement: STADIO Higher Education, Stadio Corporate Services and AFDA.

At 31 December 2022, the Group had drawn down R nil (2021: R15 million) of the Standard Bank revolving credit facility. Finance costs incurred for the period of R0.2 million (2021: R3.4 million) were fully paid. The total amount of undrawn facilities available for future operating activities and commitments are R100 million (2021: R185 million).

Under the terms of the major borrowing facilities, the Group is required to comply with the following financial covenants:
- the debt cover ratio of debt to EBITDA must be not more than 2.5; and
- the interest cover ratio of EBITDA to net finance costs* must not be less than 3.5.

* Net finance costs exclude the finance costs arising as a result of the adoption of IFRS 16.

The Group complied with the facilities financial covenant requirements for the 2022 and 2021 financial year ends.

Refer to Note 33 Changes in liabilities arising from financing activities for details of the movement in the borrowings during the reporting period and Note 40 Financial instruments and financial risk management for the fair value of borrowings.

18. Loans from related parties

Brimstone Investment Corporation	96	96	-	-
Stadio Proprietary Limited	-	-	7 201	7 201
	96	**96**	**7 201**	**7 201**

The loans are interest free, unsecured and repayable on demand.

Refer to Note 33 Changes in liabilities arising from financing activities for details of the movement in loans from related parties during the reporting period.

Notes to the Consolidated And Separate Financial Statements

19. Trade and other payables

	Group		Company	
	2022 R '000	2021 R '000	2022 R '000	2021 R '000
Financial instruments:				
Trade payables	7 593	8 549	-	21
Municipal costs	658	789	-	-
Audit fee	4 770	4 383	-	-
Onerous contract *	3 877	-	-	-
Other payables	7 986	5 336	750	457
Consideration payable	-	31 111	-	-
Non-financial instruments:				
Payroll accruals	15 359	9 753	-	-
Accrued bonus and leave pay	29 087	28 244	-	-
Value added tax	266	2 709	-	-
Other payables	213	199	-	-
	69 809	**91 073**	**750**	**478**

*** Onerous contract provision reconciliation**

Opening balance	-	-	-	-
Onerous contract recognised	5 471	-	-	-
Interest on onerous contract	455	-	-	-
Settlement - cash	(2 049)	-	-	-
	3 877	**-**	**-**	**-**

* The onerous contract relates to the lease obligations of Milpark in respect of its rented premises in Gauteng. Following the change in strategy of Milpark to focus on the digitally enhanced distance learning mode of delivery, and Milpark's inability to sub-let the existing premises in Gauteng, Milpark recognised an onerous contract in respect of its remaining obligations over the remaining term of the lease (to 2025).

The amount payable in respect of the onerous contract comprises anticipated municipal costs, security costs and refurbishment costs for the remainder of the lease period. Milpark recognised an onerous contract of R5.5 million on 1 January 2022. Interest of R0.5 million accrued in respect of the onerous contract for the year and Milpark settled R2.1 million of its obligations in respect of the onerous contract to 31 December 2022.

An amount of R2.7 million of the onerous contract liability is not due within the next 12 months and is classified as non-current.

Fair value of trade and other payables

The carrying value of trade and other payables approximate their fair values.

Notes to the Consolidated And Separate Financial Statements

19. Trade and other payables (continued)

Consideration payable reconciliation - Group

	2022 R '000	2021 R '000	2021 R '000
	Amortised cost	**Amortised cost**	**Fair value through profit or loss**
Opening balance	31 111	-	197 978
Derecognition of non-controlling interest on acquisition	2 022	-	-
Fair value adjustment on consideration payable	-	-	573
Reclassification to amortised cost	-	198 551	(198 551)
Extinguishment of consideration payable and settled through equity	-	(100 000)	-
Settlement - cash	(33 120)	(48 000)	-
Settlement - shares	-	(20 000)	-
Interest on consideration payable	(13)	560	-
	-	**31 111**	**-**

CA Connect Acquisition

The Group (through Milpark) acquired the business of CA Connect in 2018 for a purchase consideration of R32.3 million, which consideration was contingent on the EBITDA performance of the CA Connect business over a three-year period, to be settled 75% through the issue of Company shares and 25% through cash. The CA Connect business is responsible for the offer of the Post Graduate Diploma in Accounting (PGDA) and PGDA Bridging programme.

In the prior year, the Group concluded an early settlement agreement with the CA Connect shareholders, fixing the price of the consideration due to R200 million to be settled in two tranches. The first tranche of R68 million was settled by the Group on 8 June 2021, through a cash payment of R48 million, of which R15.4 million was settled through a capital contribution by the non-controlling shareholder in Milpark. The balance of R20 million was settled through the issue of 6.7 million STADIO Holdings shares.

During the current year, the final tranche of the CA Connect settlement was concluded in April 2022 through a cash payment of R33 million, of which R10.4 million was settled through a capital contribution by the non-controlling shareholder in Milpark. Following the final settlement of the CA Connect consideration payable, the Group has an effective shareholding in Milpark of 68.5% (2021: 68.5%). The early settlement has aligned the focus of the CA Connect management team to pursue growth opportunities beyond the successful PGDA programmes and to retain the knowledge and skill of the CA Connect management team within the wider Milpark business.

	Group		Company	
	2022 R '000	2021 R '000	2022 R '000	2021 R '000
Financial instrument and non-financial instrument components of trade and other payables				
At amortised cost	24 881	50 168	750	478
Non-financial instruments	44 928	40 905	-	-
	69 809	**91 073**	**750**	**478**
Split between non-current and current portions				
Non-current liabilities	2 676	-	-	-
Current liabilities	67 133	91 073	750	478
	69 809	**91 073**	**750**	**478**

Notes to the Consolidated And Separate Financial Statements

20. Contract liabilities

	Group		Company	
	2022 R '000	2021 R '000	2022 R '000	2021 R '000
Reconciliation of income received in advance				
Opening balance	76 780	88 542	-	-
Payments received in advance of delivery of performance obligations	276 189	160 390	-	-
Performance obligations satisfied in respect of cash received in current year	(213 751)	(112 583)	-	-
Performance obligations satisfied in respect of cash received in prior years	(42 948)	(59 569)	-	-
	96 270	**76 780**	**-**	**-**

Income received in advance carries 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 considered a contract liability.

Income received in advance is expected to be recognised over 1 to 3 years. Management estimates that as at 31 December 2022, 68% (2021: 77%) of the income received in advance will be recognised as revenue in the following financial year.

Notes to the Consolidated And Separate Financial Statements

21. Revenue

	Group		Company	
	2022 R '000	2021 R '000	2022 R '000	2021 R '000
Revenue from contracts with customers				
The group disaggregates revenue from customers as follows:				
Tuition and education services				
Tuition fees	1 166 156	1 049 168	-	-
Registration and enrolment fees	55 872	53 209	-	-
Discounts and bursaries granted	(30 850)	(24 816)	-	-
Other academic income	13 213	10 179	-	-
Hostel income	298	2 952	-	-
	1 204 689	**1 090 692**	**-**	**-**
Sale of goods				
Learning material	7 796	6 091	-	-
Canteen	1 327	985	-	-
	9 123	**7 076**	**-**	**-**
Total revenue from contracts with customers	**1 213 812**	**1 097 768**	**-**	**-**
Timing of revenue recognition				
At a point in time				
Sale of goods	9 123	7 076	-	-
Over time				
Rendering of services	1 204 689	1 090 692	-	-
Total revenue from contracts with customers	**1 213 812**	**1 097 768**	**-**	**-**

Notes to the Consolidated And Separate Financial Statements

22. Other income

	Group		Company	
	2022 R '000	2021 R '000	2022 R '000	2021 R '000
Rental income	1 364	545	-	-
Operating lease income - subleasing of right-of-use assets	-	34	-	-
Compensation from insurance claims	1 017	2 358	-	-
Sundry income	1 816	2 512	-	-
Prescribed debt	1 968	4 094	-	-
	6 165	**9 543**	**-**	**-**

23. Fair value gains/(losses)

Other financial assets	127	(56)	-	-
Consideration payable	-	(573)	-	-
Other	-	(68)	-	-
	127	**(697)**	**-**	**-**

Refer to Note 19 and Note 41 for further information on the fair value adjustment in respect of the consideration payable.

Notes to the Consolidated And Separate Financial Statements

24. Operating Expenses and Employee Costs

Earnings before interest, depreciation, amortisation and taxation (EBITDA) for the year is stated after charging the following, amongst others:

	Group		Company	
	2022 R '000	2021 R '000	2022 R '000	2021 R '000
Facility costs*	45 927	44 832	-	-
Academic and research costs**	59 040	46 919	-	-
Advertising and marketing	42 534	36 348	-	-
Computer costs	35 059	25 870	-	-
Operating costs***	87 998	78 856	719	591
	270 558	**232 825**	**719**	**591**

The operating expenses were disaggregated to provide further information on the nature of the items included in the total operating expenses.

** Facility costs includes electricity, water and property rates and taxes; security costs; repairs and maintenance; insurance and cleaning costs*
*** Costs include curriculum expenses (not capitalised); research costs; class project and library materials; external assessors and moderators costs*
**** Costs include printing and stationery; consulting fees; and other administration costs*

Auditor's remuneration				
Audit fees - PwC: current period	3 661	3 970	708	688
Audit fees - PwC: prior period	-	195	-	-
	3 661	**4 165**	**708**	**688**
Total Operating Expenses	**274 219**	**236 990**	**1 427**	**1 279**

Employee costs				
Salaries and wages	483 696	453 338	-	-
Defined contribution plans	22 731	13 959	-	-
Share-based payments	8 721	10 783	-	-
Other short term costs	106	-	-	-
Total employee costs	**515 254**	**478 080**	**-**	**-**

Notes to the Consolidated And Separate Financial Statements

25. Depreciation, amortisation and impairment losses

	Group		Company	
	2022 R '000	2021 R '000	2022 R '000	2021 R '000
Depreciation				
Property, plant and equipment	26 334	23 278	-	-
Right-of-use assets	27 098	27 035	-	-
	53 432	**50 313**	**-**	**-**
Amortisation				
Intangible assets	14 921	16 394	-	-
Impairment losses				
Property, plant and equipment	-	9 899	-	-
Right-of-use assets	2 769	17 308	-	-
Intangible assets	3 687	2 762	-	-
	6 456	**29 969**	**-**	**-**

Notes to the Consolidated And Separate Financial Statements

26. Investment income

	Group		Company	
	2022 R '000	2021 R '000	2022 R '000	2021 R '000
Interest income				
Interest income over time				
Bank and other cash	9 036	5 746	-	1
Financial assets measured at fair value through profit or loss	423	266	-	-
Finance lease receivables	2 579	2 439	-	-
Trade and other receivables	-	17	-	-
South African Revenue Service	-	105	-	-
Total interest income	**12 038**	**8 573**	**-**	**1**

27. Finance costs

	Group		Company	
	2022 R '000	2021 R '000	2022 R '000	2021 R '000
Onerous contract/Deferred consideration	455	560	-	-
Lease liabilities	17 961	17 583	-	-
Borrowings	221	3 363	-	-
Bank and other third parties	13	11	6	-
South African Revenue Service	-	228	-	-
Total finance costs	**18 650**	**21 745**	**6**	**-**
Less: Capitalised to qualifying assets	-	(1 015)	-	-
Total finance costs expensed	**18 650**	**20 730**	**6**	**-**

Finance costs relate to financial liabilities that are not designated at fair value through profit or loss.

28. Taxation

	Group		Company	
	2022 R '000	2021 R '000	2022 R '000	2021 R '000
Major components of the tax expense				
Current				
Local income tax - current period	79 154	42 700	-	-
Foreign income tax - current period	4 084	5 713	-	-
Foreign withholding tax	-	1 051	-	-
	83 238	**49 464**	**-**	**-**
Deferred				
South African deferred tax attributable to temporary differences	242	14 359	-	-
South African deferred tax attributable to temporary differences - prior period	(47)	-	-	-
Foreign deferred tax attributable to temporary differences	(205)	(599)	-	-
	(10)	**13 760**	**-**	**-**
	83 228	**63 224**	**-**	**-**

Reconciliation of the tax expense

Reconciliation between applicable tax rate and average effective tax rate.

	Group 2022	Group 2021	Company 2022	Company 2021
Applicable tax rate	28,00 %	28,00 %	28,00 %	28,00 %
Listing and regulatory costs	0,10 %	0,10 %	(12,80)%	(12,50)%
Share-based payment expense	0,90 %	1,60 %	- %	- %
Prior period adjustment	0,10 %	- %	- %	- %
Change in tax rate *	0,60 %	- %	- %	- %
Fair value loss and deferred interest on consideration payable	- %	0,20 %	- %	- %
Deferred tax asset not recognised	1,00 %	0,20 %	(15,20)%	(15,50)%
s12H learnership allowance	(0,10)%	(0,20)%	- %	- %
Foreign tax differential	0,20 %	0,30 %	- %	- %
Other	0,10 %	1,30 %	- %	- %
	30,90 %	**31,50 %**	**- %**	**- %**

* The change in tax rate is as a result of the reduction in corporate income tax rate from 28% to 27% for years of assessment ending on or after 31 March 2023.

Estimated tax losses available for set-off against future taxable income amounting to R62.9 million (2021: R55.6 million) for the Group.

The estimated tax loss available for set-off against future taxable income relates to SCS. SCS serves as the property owner and property management company for the owned properties as well the investment management company within the Group and accordingly earns rental, property administration fees and management fees. As a result, based on SCS's future financial forecasts, the assessed loss is estimated to be fully utilised from 2029. The Group is satisfied that the deferred tax asset will be recoverable using the estimated future taxable income that will be generated for this entity.

Estimated tax losses of R10.3 million (2021: R4.0 million) for the Group and R1.5 million (2021: R1.5 million) for the company have not been recognised.

The losses can be carried forward indefinitely and there is no expiry date.

Notes to the Consolidated And Separate Financial Statements

29. Earnings per share

	Group	
	2022 R '000	2021 R '000
Basic earnings attributable to owners of the parent	165 638	126 005
Basic earnings per share (cents)	19,5	14,9
Diluted earnings per share (cents)	19,1	14,5
Reconciliation of weighted average number of ordinary shares used for earnings per share to weighted average number of ordinary shares used for diluted earnings per share		
Weighted average number of ordinary shares used for basic earnings per share	849 421	844 770
Adjusted for:		
Share options incentive plan	18 991	20 027
Consideration payable	-	3 044
	868 412	**867 841**

Notes to the Consolidated And Separate Financial Statements

29. Earnings per share (continued)

Headline earnings and diluted headline earnings per share

	Group	
	2022 R '000	2021 R '000
Headline earnings per share (cents)	20,00	17,00
Diluted headline earnings per share (cents)	19,60	16,60
Reconciliation between profit attributable to equity holders of the parent and headline earnings		
Profit for the year attributable to equity holders of the parent	165 638	126 005
Adjusted for:		
Impairment on intangible assets	3 687	2 762
Less: taxation	(995)	(774)
Impairment on right-of-use assets	2 769	17 308
Less: non-controlling interest	(636)	(3 925)
Less: taxation	(748)	(4 847)
Impairment on property, plant and equipment	-	9 899
Less: taxation	-	(2 217)
Loss on disposal of property, plant and equipment	1 479	1 632
Less: non-controlling interest	(222)	(216)
Less: taxation	(414)	(113)
Compensation from third parties for items of property, plant and equipment that were lost or given up	(1 017)	(2 359)
Less: taxation	285	660
Headline earnings	**169 826**	**143 815**

	Group	
	2022 R '000	2021 R '000
Reconciliation between headline earnings and diluted headline earnings		
Headline earnings	169 826	143 815

Notes to the Consolidated And Separate Financial Statements

30. Segmental information

The Group considers its executive directors to be the chief operating decision-maker and the segmental disclosures below are aligned with the monthly report provided to the executive directors. Operating segments with similar economic characteristics have been aggregated into one reportable segment due to all the services being related to higher education services within southern Africa. However management does make decisions based on what they constitute to be reflective of the underlying financial performance of the Group and as such, the Group has identified core headline earnings as this measure. Non-core includes certain items which may distort the Group's financial performance from year-to-year, and by excluding this, should provide management with a more consistent reflection of the underlying financial performance of the Group. The non-core adjustments include once-off acquisition related costs, amortisation costs associated with client lists acquired, once off costs related to onerous contracts and costs relating to contingent consideration payable in respect of acquisitions.

As the Group has one reportable segment, the segmental disclosure around the specified amounts that are included in the measure of segment profit or loss will be consistent with the amounts presented on the face of the statement of comprehensive income.

Geographical information

	2022 R '000		2021 R '000	
	South Africa	**Namibia**	**South Africa**	**Namibia**
Revenue	1 172 346	41 466	1 055 074	42 694
EBITDA	339 082	12 055	293 236	16 261
Assets	2 226 068	55 099	2 133 869	35 218
Liabilities	393 960	5 507	415 903	2 007
Capital expenditure	92 448	418	182 685	173

The Group operates in two principal geographical areas, namely South Africa and Namibia.

Core headline earnings

	Note	Group	
		2022 R '000	2021 R '000
Profit before taxation		269 716	200 664
Taxation		(83 228)	(63 224)
Profit after taxation		186 488	137 440
Profit attributable to owner	29	165 638	126 005
Headline items		4 188	17 810
Headline earnings	29	169 826	143 815
Core headline earnings per share (cents)		20,7	17,6
Core diluted headline earnings per share (cents)		20,2	17,1

Notes to the Consolidated And Separate Financial Statements

30. Segmental information (continued)

		2022 R '000	2021 R '000
Reconciliation of core headline earnings			
Headline earnings attributable to owners of parent	29	169 826	143 815
Adjusted for:			
Fair value loss on consideration payable		-	573
Less: non-controlling interest		-	(75)
Interest on consideration payable		-	560
Less: non-controlling interest		-	(176)
Amortisation of client list and trademarks		4 247	5 720
Less: non-controlling interest		(79)	(327)
Less: taxation		(1 159)	(1 520)
Onerous contract expense		5 471	-
Less: non-controlling interest		(1 258)	-
Less: taxation		(1 477)	-
Core headline earnings		**175 571**	**148 570**

	2022 R '000	2021 R '000
Reconciliation of weighted average number of ordinary shares used for core headline earnings per share to weighted average number of ordinary shares used for diluted core headline earnings per share		
Weighted average number of ordinary shares used for core headline earnings per share	849 421	844 770
Adjusted for:		
Share options incentive plan	18 991	20 027
Consideration payable	-	3 044
	868 412	867 841

Notes to the Consolidated And Separate Financial Statements

31. Cash generated from/(used in) operations

	Group		Company	
	2022 R '000	2021 R '000	2022 R '000	2021 R '000
Profit/(loss) before taxation	269 716	200 664	(1 433)	(1 278)
Adjustments for:				
Depreciation and amortisation	68 353	66 707	-	-
Impairment	6 456	29 969	-	-
Losses on disposals of property, plant and equipment	1 479	1 632	-	-
Losses/(gains) on foreign exchange	-	99	-	-
Interest income	(12 038)	(8 573)	-	(1)
Finance costs	18 650	20 730	6	-
Fair value (gains) /losses	(127)	697	-	-
Share-based payment charge	8 721	10 783	-	-
Gain on modification of lease	(285)	(95)	-	-
Other non-cash IFRS and other adjustments	91	-	1 411	-
Changes in working capital:				
Decrease in inventories	-	1 588	-	-
Increase in trade and other receivables	(42 429)	(7 462)	-	-
(Decrease)/increase in trade and other payables *	(30 382)	(39 057)	-	(249)
Increase/(decrease) in contract liabilities	19 491	(11 762)	-	-
	307 696	**265 920**	**(16)**	**(1 528)**

* Included in trade and other payables working capital movement is the cash-settled portion of the CA Connect early settlement agreement of R33 million (2021: R48 million). Refer to Note 19 for further details.

32. Tax paid

	Group		Company	
	2022 R '000	2021 R '000	2022 R '000	2021 R '000
Balance at beginning of the year	4 568	(6 037)	-	-
Current tax for the year recognised in profit or loss	(83 238)	(49 464)	-	-
Interest	-	91	-	-
Balance at end of the year	10 528	(4 568)	-	-
	(68 142)	**(59 978)**	**-**	**-**

33. Changes in liabilities arising from financing activities

Reconciliation of liabilities arising from financing activities - Group - 2022

	Opening balance R '000	New leases and non-cash movements R'000	Proceeds from borrowings R'000	Repayment of borrowings R'000	Closing balance R '000
Borrowings	15 065	-	68	(15 065)	68
Finance lease liabilities	184 357	16 990	-	(31 567)	169 780
Loans from related parties	96	-	-	-	96
	199 518	**16 990**	**68**	**(46 632)**	**169 944**
Total liabilities from financing activities	**199 518**	**16 990**	**68**	**(46 632)**	**169 944**

Notes to the Consolidated And Separate Financial Statements

33. Changes in liabilities arising from financing activities (continued)

Reconciliation of liabilities arising from financing activities - Group - 2021

	Opening balance R '000	New leases and non-cash movements R '000	Total non-cash movements R '000	Proceeds from borrowings R '000	Repayment of borrowings R '000	Closing balance R '000
Borrowings	45 079	-	-	122 065	(152 079)	15 065
Finance lease liabilities	167 965	45 531	45 531	-	(29 139)	184 357
Loans from related parties	96	-	-	-	-	96
	213 140	**45 531**	**45 531**	**122 065**	**(181 218)**	**199 518**
Total liabilities from financing activities	**213 140**	**45 531**	**45 531**	**122 065**	**(181 218)**	**199 518**

34. Investment income received

	Group		Company	
	2022 R '000	2021 R '000	2022 R '000	2021 R '000
Investment income (Refer to Note 26)	12 038	8 573	-	1
Less: Interest on lease receivable (Refer to Note 26)	(2 579)	(2 439)	-	-
Less: Interest on financial assets measured at fair-value through profit or loss (Refer to Note 26)	(423)	(266)	-	-
Less: Interest from South African Revenue Services	-	(91)	-	-
Less: Interest on deposit paid capitalised to property, plant and equipment	-	(997)	-	-
Less: Interest on consideration payable and other interest	(14)	-	-	-
	9 022	**4 780**	**-**	**1**

35. Finance costs paid

	Group		Company	
	2022 R '000	2021 R '000	2022 R '000	2021 R '000
Finance costs (Refer to Note 27)	18 650	20 730	6	-
Borrowing costs capitalised (Refer to Note 3)	-	1 015	-	-
Less: Interest on consideration payable (Refer to Note 19)	-	(560)	-	-
	18 650	**21 185**	**6**	**-**

Notes to the Consolidated And Separate Financial Statements

36. Other non-cash items

	Group		Company	
	2022 R '000	2021 R '000	2022 R '000	2021 R '000
Opening balance consideration payable (refer to Note 19)	31 111	197 978	-	-
Fair value adjustment and interest on consideration payable (Refer to Note 19)	(13)	1 133	-	-
Non-cash: settlement of acquisitions through the issue of shares (Refer to Note 15)	-	(20 000)	-	-
Cash: settlement of CA Connect acquisition (Refer to Note 19)	(33 120)	(48 000)	-	-
Extinguishment of consideration payable and recognised through equity (Refer to Note 19)	-	(100 000)	-	-
De-recognition of non-controlling interest on acquisition	2 022	-	-	-
	-	**31 111**	**-**	**-**

Notes to the Consolidated And Separate Financial Statements

37. Related parties

Relationships

Significant Shareholder (>15%)	PSG Alpha Investments Proprietary Limited
Significant Shareholder (>15%)	Coronation Fund Managers Limited
Subsidiaries	Refer to Note 7
Group's B-BBEE partner and shareholder	Brimstone Investment Corporation Limited
Entities controlled by key management	Almika Properties 90 Proprietary Limited
	Citac Africa Proprietary Limited
Sponsor	PSG Capital Proprietary Limited
Directors	Refer to Notes 16 & 39
Other related parties	VJ Properties Close Corporation

* During 2022, PSG Group Limited unbundled its entire shareholding in PSG Konsult Limited and Curro Holdings Limited and 25.16% of its effective interest in the Company to its shareholders (PSG Restructuring). Post the PSG Restructuring, PSG Konsult (incorporating PSG Collective Investments (RF) Limited and PSG Wealth Financial Planning Proprietary Limited) and Curro Holdings Limited (incorporating Grit Procurement Solutions Proprietary Limited) are not related parties of the PSG Group and as such are not related parties to the Group and Company.

	Group		Company	
	2022 R '000	2021 R '000	2022 R '000	2021 R '000
Related party balances				
Loan accounts - Owing (to)/by related parties				
Stadio Group Share Incentive Scheme	-	-	8 759	-
Stadio Khulisa Student Share Scheme	-	-	(1)	-
Brimstone Investment Corporation Limited	(96)	(96)	-	-
Stadio Investment Holdings Proprietary Limited	-	-	14 925	14 925
Stadio Corporate Services Proprietary Limited	-	-	581 113	621 287
Stadio Proprietary Limited	-	-	(7 201)	(7 201)
Trade and other receivables				
Curro Holdings Limited *	-	19 887	-	-
PSG Corporate Services Proprietary Limited	-	6	-	-
Cash and cash equivalents				
PSG Collective Investments (RF) Limited *	-	86	-	-
Lease liabilities				
Citac Africa Proprietary Limited	(7 602)	(15 075)	-	-

Notes to the Consolidated And Separate Financial Statements

37. Related parties (continued)

Related party transactions

	Group		Company	
	2022 R '000	2021 R '000	2022 R '000	2021 R '000
Interest (received from)/paid to related parties				
Curro Holdings Limited *	-	(2 439)	-	-
PSG Collective Investments (RF) Limited *	-	(283)	-	-
Almika Properties 90 Proprietary Limited	-	7	-	-
Citac Africa Proprietary Limited	727	909	-	-
Listing and advisory fees paid to related parties				
PSG Capital Proprietary Limited	158	366	-	-
PSG Corporate Services Proprietary Limited	-	136	-	-
Insurance costs paid to related parties				
PSG Wealth Financial Planning Proprietary Limited *	-	4 195	-	-
Dividends paid to related parties				
Directors	1 210	-	-	-

38. Commitments and Contingent liabilities

	Group		Company	
	2022 R '000	2021 R '000	2022 R '000	2021 R '000
Authorised capital expenditure				
Already contracted for but not provided for				
• Property, plant and equipment	-	56 200	-	-
Not yet contracted for and authorised by directors			-	-
• Property, plant and equipment	74 498	67 992		
• Intangible assets	23 111	5 611		
	97 609	**73 603**	**-**	**-**

During the year ended 31 December 2022, the Group has, in the normal course of business, obtained bank guarantees as required by the Department of Higher Education and Training (DHET) to the value of R10.6 million (2021: R10.6 million). This is funded by a cash deposit with Standard Bank. The amount of R5 million is restricted and therefore disclosed as other receivables as per Note 8. The remaining balance is covered through an insurance policy.

There are no guarantees relating to the Company.

The Group and Company have no contingent liabilities as at 31 December 2022 (2021: Rnil).

39. Directors' and prescribed officers emoluments

For the purposes of defining related party transactions with key management, key management has been defined as directors and includes entities controlled or jointly controlled by these individuals.

Executive

2022

	Salary R'000	Pension contributions paid R'000	Bonuses R'000	Deferred Bonus R'000	Gains on exercise of options R'000	Total R'000
CPD Vorster	4 028	198	3 671	-	8 459	16 356
S Totaram	2 765	407	1 998	151	3 012	8 333
D Singh	2 662	261	2 217	124	2 127	7 391
JJ Human	2 503	123	2 123	-	2 134	6 883
	11 958	**989**	**10 009**	**275**	**15 732**	**38 963**

.

2021

	Salary R '000	Pension contributions paid R '000	Bonuses R '000	Gains on exercise of options R '000	Total R '000
CPD Vorster	3 208	159	2 450	-	5 817
S Totaram	2 365	351	1 980	36	4 732
D Singh	2 269	223	1 864	36	4 392
JJ Human	2 294	113	1 621	64	4 092
	10 136	**846**	**7 915**	**136**	**19 033**

Share options

During the year 5.7 million (2021: 2.8 million) shares options were issued to the executive directors and prescribed officer.

No share options lapsed in the current year in respect of share options held by executive directors and prescribed officers (2021: 1.4 million share options lapsed). Refer to Note 16 for further information.

39. Directors' and prescribed officers emoluments (continued)

Non-executive

2022

	Directors' fees R'000	Gains on exercise of options R '000	Other fees R'000	Total R'000
TV Maphai	530	-	-	530
CR van der Merwe	300	1 571	500	2 371
PN de Waal	300	-	-	300
MG Mokoka	444	-	-	444
CB Vilakazi	390	-	-	390
TH Brown	360	-	-	360
	2 324	**1 571**	**500**	**4 395**

2021

	Directors' fees R '000	Gains on exercise of options R '000	Other fees R '000	Total R '000
TV Maphai	464	-	-	464
PN de Waal	273	-	-	273
CR van der Merwe	273	105	2 000	2 378
MG Mokoka	403	-	-	403
CB Vilakazi	355	-	-	355
TH Brown	328	-	-	328
	2 096	**105**	**2 000**	**4 201**

PN de Waal’s director’s remuneration is paid to PSG Corporate Services Proprietary Limited of which he is a salaried employee.

CR van der Merwe's other fees relate to restraint of trade fees.

Non-executive director’s fees are paid according to the director’s time of service.

40. Financial instruments and risk management

Categories of financial instruments

Categories of financial assets

Group - 2022

	Notes	Fair value through profit or loss R'000	Amortised cost R'000	Total R'000
Investments at fair value	9	14 740	-	14 740
Trade and other receivables	8	-	158 858	158 858
Cash and cash equivalents	13	-	148 207	148 207
		14 740	**307 065**	**321 805**

Group - 2021

	Notes	Fair value through profit or loss R'000	Amortised cost R'000	Total R'000
Investments at fair value	9	9 190	-	9 190
Trade and other receivables	8	-	119 792	119 792
Cash and cash equivalents	13	-	65 592	65 592
		9 190	**185 384**	**194 574**

Company - 2022

	Notes	Amortised cost R'000	Total R'000
Loans to related parties	12	604 797	604 797
Cash and cash equivalents	13	-	-
		604 797	**604 797**

Company - 2021

	Notes	Amortised cost R'000	Total R'000
Loans to related parties	12	636 212	636 212
Cash and cash equivalents	13	22	22
		636 234	**636 234**

Notes to the Consolidated And Separate Financial Statements

40. Financial instruments and risk management (continued)

Categories of financial liabilities

Group - 2022

	Notes	Amortised cost R'000	Leases R'000	Total R'000
Trade and other payables	19	24 881	-	24 881
Loans from related parties	18	96	-	96
Borrowings	17	68	-	68
Lease liabilities	4	-	169 780	169 780
		25 045	**169 780**	**194 825**

Group - 2021

	Notes	Amortised cost R'000	Total R'000
Trade and other payables	19	50 168	50 168
Loans from related parties	18	96	96
Borrowings	17	15 065	15 065
Lease liabilities	4	184 357	184 357
		249 686	**249 686**

Company - 2022

	Notes	Amortised cost R'000	Total R'000
Trade and other payables	19	750	750
Loans from related parties	18	7 201	7 201
		7 951	**7 951**

Company - 2021

	Notes	Amortised cost R'000	Total R'000
Trade and other payables	19	478	478
Loans from related parties	18	7 201	7 201
		7 679	**7 679**

40. Financial instruments and risk management (continued)

Capital risk management

The Group's objective when managing capital (which includes share capital, borrowings, working capital and cash and cash equivalents) is to maintain a flexible capital structure that reduces the cost of capital to an acceptable level of risk and to safeguard the Group's ability to continue as a going concern while taking advantage of strategic opportunities in order to maximise stakeholder returns.

In order to maintain or adjust the capital structure, the Group may return capital to shareholders, issue new shares for cash, sell assets to reduce debt, or increase borrowings. Based on the capital needs of the Group, debt funding arrangements may be entered into to facilitate new developments and growth initiatives. In accessing debt funding, the Group's debt-to-equity ratio shall not exceed the target debt-to-equity ratio of 30%, excluding lease liabilities.

		Group		Company	
		2022 R '000	2021 R '000	2022 R '000	2021 R '000
Loans from related parties	18	96	96	7 201	7 201
Borrowings	17	68	15 065	-	-
Lease liabilities	4	169 780	184 357	-	-
Trade and other payables	19	69 809	91 073	750	478
Total borrowings		**239 753**	**290 591**	**7 951**	**7 679**
Cash and cash equivalents	13	(148 207)	(65 592)	-	(22)
Net borrowings		**91 546**	**224 999**	**7 951**	**7 657**
Equity		1 881 702	1 751 177	1 575 886	1 607 594
Gearing ratio		5 %	13 %	1 %	1 %

Financial risk management

Overview

The Group is exposed to the following risks from its use of financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk (currency risk, interest rate risk and price risk).

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The Group is exposed to credit risk on loans to related parties, trade receivables, lease receivables, cash and cash equivalents and other financial assets.

Credit risk exposure arising on cash and cash equivalents and other financial assets are managed by the Group through dealing with well-established financial institutions with high credit ratings.

40. Financial instruments and risk management (continued)

In order to mitigate the risk of financial loss from defaults, the Group monitors trade receivable balances on a continuous basis. Trade receivables arise from transactions with students. At the start of the academic period, the student selects their payment plan (i.e. monthly, quarterly or in advance), students are monitored through the academic period to ensure that payments are being made as per agreed terms. Additional measures are taken where accounts are overdue such as contacting students to agree on payment plans. In order for a student to access their final results, graduate or re-register, their accounts are required to be up to date.

The customer base for students is large and widespread for outstanding fees at year end, and there is no significant exposure to a single debtor at year end.

The loss allowance has been determined based on simplified model.

The credit risk for loans to related parties and lease receivables are considered to be low risk at year end. The counterparties have balances which are not past 30 days due and there are no other factors that have arisen indicating that there has been an increase in significant risk. Continuous engagement ensure timeous payments from counterparties. The Group therefore has assessed that these counterparties are able to meet their payment obligations and the expected loss allowance is immaterial.

Finance lease receivable is over a substantial period, and governed by a legal contract signed by the counterparty. All amounts at year end are not past due.

The maximum exposure to credit risk is presented in the table below:

Group		2022			2021		
		Gross carrying amount R '000	**Credit loss allowance R '000**	**Amortised cost / fair value R '000**	**Gross carrying amount R '000**	**Credit loss allowance R '000**	**Amortised cost / fair value R '000**
Other financial assets	9	14 740	-	14 740	9 190	-	9 190
Lease receivables	8	20 864	-	20 864	19 688	-	19 688
Trade and other receivables (excluding lease receivables)	8	272 929	(132 971)	139 958	222 027	(121 928)	100 099
Cash and cash equivalents	13	148 207	-	148 207	65 592	-	65 592
		456 740	**(132 971)**	**323 769**	**316 497**	**(121 928)**	**194 569**

Company		2022			2021		
		Gross carrying amount R '000	**Credit loss allowance R '000**	**Amortised cost / fair value R '000**	**Gross carrying amount R '000**	**Credit loss allowance R '000**	**Amortised cost / fair value R '000**
Loans to related parties	12	604 797	-	604 797	636 212	-	636 212
Cash and cash equivalents	13	-	-	-	22	-	22
		604 797	**-**	**604 797**	**636 234**	**-**	**636 234**

40. Financial instruments and risk management (continued)

Liquidity risk

The Group is exposed to liquidity risk, which is the risk that the Group will encounter difficulties in meeting its obligations as they become due.

The Group manages its liquidity risk by effectively managing its working capital, capital expenditure and cash flows. The financing requirements are met through a mixture of cash generated from operations and long and short term borrowings. Committed borrowing facilities are available for meeting liquidity requirements and deposits are held at central banking institutions.

At 31 December 2022, the Group has a revolving credit facility with Standard Bank and has drawn down R nil (2021: R15 million) and has access to the remaining undrawn amount of R100 million (2021: R185 million). Refer to Note 17 for further information. The Company has access to additional resources within the Group to meet its cash obligations as they fall due.

The maturity profile of contractual cash flows of non-derivative financial liabilities, and financial assets held to mitigate the risk, are presented in the following table. The cash flows are undiscounted contractual amounts.

Group - 2022

		Less than 1 year R '000	1 to 2 years R '000	2 to 5 years R '000	Over 5 years R '000	Total R '000	Carrying amount R '000
Non-current liabilities							
Lease liabilities	4	-	48 075	48 245	10 429 347	10 525 667	127 455
Current liabilities							
Trade and other payables	19	69 809	-	-	-	69 809	69 809
Loans from related parties	18	96	-	-	-	96	96
Borrowings	17	68	-	-	-	68	68
Lease liabilities	4	50 041	-	-	-	50 041	42 325
		120 014	**48 075**	**48 245**	**10 429 347**	**10 645 681**	**239 753**

Group - 2021

		Less than 1 year R '000	1 to 2 years R '000	2 to 5 years R '000	Over 5 years R '000	Total R '000	Carrying amount R '000
Non-current liabilities							
Lease liabilities	4	-	45 205	80 533	10 434 980	10 560 718	148 782
Current liabilities							
Trade and other payables	19	91 073	-	-	-	91 073	91 073
Loans from related parties	18	96	-	-	-	96	96
Borrowings	17	15 065	-	-	-	15 065	15 065
Lease liabilities	4	44 611	-	-	-	44 611	35 575
		150 845	**45 205**	**80 533**	**10 434 980**	**10 711 563**	**290 591**

Notes to the Consolidated And Separate Financial Statements

40. Financial instruments and risk management (continued)

Company - 2022

		Less than 1 year R '000	Total R '000	Carrying amount R'000
Current liabilities				
Trade and other payables	19	750	750	750
Loans from related parties	18	7 201	7 201	7 201

Company - 2021

		Less than 1 year R '000	Total R '000	Carrying amount R '000
Current liabilities				
Trade and other payables	19	478	478	478
Loans from related parties	18	7 201	7 201	7 201

Financing facilities

	Group		Company	
	2022 R '000	2021 R '000	2022 R '000	2021 R '000
Standard Bank revolving credit facility expiring December 2025:				
Drawn down	-	15 000	-	-
Available	100 000	185 000	-	-
	100 000	**200 000**	**-**	**-**

40. Financial instruments and risk management (continued)

Foreign currency risk

The Group is exposed to foreign currency risk as a result of certain transactions which are denominated in foreign currencies. The foreign currencies in which the Group deals primarily are US Dollars and Namibian Dollars. The risk associated with the Namibian Dollar is immaterial due to the exchange rate being 1:1 to the South African Rand. The risk to the US Dollar is managed through negotiation of exchange rates with suppliers or customers upfront where possible.

Exposure in Rand

The net carrying amounts, in Rand, of the various exposures, are denominated in the following currencies. The amounts have been presented in Rand by converting the foreign currency amounts at the closing rate at the reporting date:

		Group		Company	
		2022 R '000	2021 R '000	2022 R '000	2021 R '000
US Dollar exposure:					
Current assets:					
Trade and other receivables	8	211	250	-	-

Foreign currency sensitivity analysis

The following information presents the sensitivity of the Group to an increase or decrease in the respective currencies it is exposed to. The sensitivity rate is the rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated amounts and adjusts their translation at the reporting date. No changes were made to the methods and assumptions used in the preparation of the sensitivity analysis compared to the previous reporting period.

Group

At 31 December 2022, if the Rand/Dollar exchange rate had been 10% (2021: 10%) higher or lower during the period, with all other variables held constant, profit or loss for the year would have been R0.02 million (2021: R0.02 million) higher and R0.02 million (2021: R0.02 million) lower.

Company

There is no foreign exchange currency risk for the Company at 31 December 2022 and 31 December 2021.

40. Financial instruments and risk management (continued)

Interest rate risk

Fluctuations in interest rates impact on the value of investments and financing activities, giving rise to interest rate risk.

The Group policy with regards to financial assets, is to invest cash at floating rates of interest and to maintain cash reserves in short-term investments in order to maintain liquidity, while also achieving a satisfactory return for shareholders. The Group most significant interest bearing financial assets are it's investments in unit trusts and money market funds.

The most significant debt in the Group comprises of the Standard Bank revolving credit facility, whose interest is linked to the three-month JIBAR. The interest rate has been compared to rates available in the market and is considered to be favourable. The interest rate risk is managed through scenario planning of drawdowns, repayments and monitoring the JIBAR rate movements.

Interest rate sensitivity analysis

The following sensitivity analysis has been prepared using a sensitivity rate which is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates. All other variables remain constant. The sensitivity analysis includes only financial instruments exposed to interest rate risk which were recognised at the reporting date. No changes were made to the methods and assumptions used in the preparation of the sensitivity analysis compared to the previous reporting period.

Group

The impact on pre-tax profit in the year ended 31 December 2022, of a 25 basis points increase in the interest rate, would result in a net increase in profit of R0.1 million (2021: R0.2 million) for the Group. A 25 basis points decrease in the interest rate would have an equal, but opposite effect on profit or loss.

Company

The impact of an interest rate movement of 25 basis points would have had no significant change in pre-tax profit for the years ended 31 December 2022 and 31 December 2021.

Price risk

The Group is exposed to price risk due to changes in the market values of its unit trust investments held by the Group classified as fair value through profit and loss. This risk is managed as the unit trust investments are managed by reputable financial institutions.

Price risk sensitivity analysis

The following sensitivity analysis has been prepared using a sensitivity rate which is used to price risk internally by key management personnel and represents management's assessment of the reasonably possible change in relevant prices. All other variables remain constant. The sensitivity analysis includes only investments held at the reporting date. No changes were made to the methods and assumptions used in the preparation of the sensitivity analysis compared to the previous reporting period.

Group

At 31 December 2022, if share prices in the portfolio were 10% (2021: 10%) higher or lower during the period, with all other variables held constant, profit or loss for the year would have been R1.4 million (2021: R0.9 million) lower and R1.4 million (2021: R0.9 million) higher.

Company

There is no price risk for the Company at 31 December 2022 and 31 December 2021.

Notes to the Consolidated And Separate Financial Statements

41. Fair value information

Fair value hierarchy

The table below analyses assets and liabilities carried at fair value. The different levels are defined as follows:

Level 1: Quoted unadjusted prices in active markets for identical assets or liabilities that the Group can access at measurement date.

Level 2: Inputs other than quoted prices included in level 1 that are observable for the asset or liability either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

Levels of fair value measurements

		Group		Company	
		2022 R '000	2021 R '000	2022 R '000	2021 R '000
Level 1					
Recurring fair value measurements					
Assets	Note				
Financial assets mandatorily at fair value through profit or loss					
Unit trusts	9	14 740	9 190	-	-
Level 3					
Non recurring fair value measurements					
Assets held for sale and disposal groups in accordance with IFRS 5					
Property, plant and equipment		-	52 000	-	-

Buildings which was classified as non-current assets held for sale was recognised at fair value less costs to sell as the assets fair value less costs to sell is lower than its carrying amount.

41. Fair value information (continued)

Reconciliation of assets and liabilities measured at level 3

	Opening balance R '000	Fair value adjustment R '000	Reclassification* R '000	Closing balance R '000
Group - 2021				
Liabilities				
Financial liabilities at fair value through profit and loss				
Consideration payable	197 978	573	(198 551)	-

*In the prior year, following the conclusion of the CA Connect early settlement agreement, the consideration was no longer measured at fair value through profit or loss. The consideration was recognised as a deferred consideration payable and measured at amortised cost. Refer to Note 19 for further information on the consideration payable.

42. Going concern

The Group currently has a strong balance sheet with no external debt funding and continues to generate strong profits and cash flows for the year ended 31 December 2022.

At 31 December 2022, the Company is in a loss making position. The current assets exceed the current liabilities and the Company has access to additional cash resources within the Group to meet its cash obligations as they fall due in the next 12 months.

In assessing the ability of the Group to continue as a going concern, management has considered the following:
• the Group and Company's ability to settle its obligations as they become due and payable in the next 12 months;
• the solvency and liquidity position of the Group and Company (including an assessment before and after any dividend declaration);
• the cash generation ability of the Group and Company, including a review of projected cash flows over the next 5 years; and
• the current and forecast debt utilisation of the Group and Company.

During 2022 the Group renegotiated its debt funding facilities after reassessing the Group's capital needs. The Group currently has access to a revolving credit facility of R100 million. At 31 December 2022, the Group did not draw down on any external debt funding.

Based on the above the Board is satisfied that the Group and the Company are in a sound financial position and have adequate cash resources and access to borrowings to continue to operate as a going concern in the foreseeable future.

43. Events after the reporting period

On 14 March 2023, the Group declared a second annual dividend of 8.9 cents per share (R76 million) from income reserves for the year ended 31 December 2022, which is payable on 17 April 2023. The dividend amount, net of South African dividends tax of 20%, is 7.12 cents per share.

Save as set above, the directors are not aware of any further material events which occurred after the reporting date and up to the date of this report.

Shareholders' Analysis

1. Distribution of shareholders

Range of shareholding 2022	Number of shareholders	% of shareholders	Number of shares '000	% of issued shares
1 - 10 000	22 262	88,9	24 960	2,9
10 001 - 100 000	2 290	9,2	65 707	7,7
100 001 - 1 000 000	394	1,6	110 039	13,0
More than 1 000 000	85	0,3	649 821	76,4
	25 031	**100,0**	**850 527**	**100,0**

Range of shareholding 2021	Number of shareholders	% of shareholders	Number of shares '000	% of issued shares
1 - 10 000	11 382	84,0	19 083	2,3
10 001 - 100 000	1 840	13,5	55 196	6,5
100 001 - 1 000 000	283	2,1	76 385	9,0
More than 1 000 000	51	0,4	697 529	82,2
	13 556	**100,0**	**848 193**	**100,0**

Public and non-public shareholding 2022	Number of shareholders	% of shareholders	Number of shares '000	% of issued shares
Public shareholders	25 014	99,9	594 143	69,9
Non public shareholders	17	0,1	256 384	30,1
Where non-public shareholders consist of:				
PSG Alpha Investments Proprietary Limited	1	-	145 868	17,2
BBBEE Private Placement (consisting of 483 individuals)	1	-	33 780	4,0
Brimstone Investment Corporation Limited	1	-	43 565	5,0
STADIO Share Incentive Trust	1	-	235	-
STADIO Khulisa Student Share Scheme (consisting of 2 077 graduates)	1	-	647	0,1
Directors (including prescribed officers and subsidiary directors)	12	-	32 289	3,8
	25 031	**100,0**	**850 527**	**100,0**

Public and non-public shareholding 2021 *	Number of shareholders *	% shareholders *	Number of shares * '000	% of issued shares *
Public shareholders	13 538	99,9	379 775	44,8
Non public shareholders	18	0,1	468 418	55,2
Where non-public shareholders consists of:				
PSG Alpha Investments Proprietary Limited	1	-	363 637	42,9
BBBEE Private Placement (consisting of 483 individuals) *	1	-	33 780	4,0
Brimstone Investment Corporation Limited *	1	-	43 565	5,1
Directors (including prescribed officers and subsidiary directors)	10	0,1	21 643	2,5
Directors from other related parties	5	-	5 793	0,7
	13 556	**100,0**	**848 193**	**100,0**

* Re-presented to show the BBBEE Private Placement as a non public shareholding. The BBBEE Private Placement consists of 483 individual shareholders, of which four are directors of the Company and shown as such.

Shareholders' Analysis

2. Major shareholders

The following shareholders have a holding of greater than 5% of the issued shares of the Company:

2022	**Number of shares '000**	**% of shares held**
PSG Alpha Investments Proprietary Limited	145 868	17,2
Coronation Fund Managers Limited	136 620	16,1
Brimstone Investment Corporation Limited	43 565	5,1
JF Mouton Familietrust, its subsidiaries and a joint venture	43 438	5,1

On 12 September 2022, PSG Group Limited (through PSG Alpha Investments Proprietary Limited) unbundled 25.16% of the Company's total issued share capital, to PSG Group shareholders (PSG Restructuring).

2021	**Number of shares '000**	**% of shares held**
PSG Alpha Investments Proprietary Limited	363 637	42,9
Coronation Fund Managers Limited	67 407	7,9
Brimstone Investment Corporation Limited	43 565	5,1