UMUTHI HEALTHCARE SOLUTIONS PLC

(Incorporated in England and Wales under the company number 11208220)

SUPPLEMENTARY PROSPECTUS

26 FEBRUARY 2021

This document, comprises a supplementary prospectus (the "**Supplementary Prospectus**") relating to Umuthi Healthcare Solutions plc (the "**Company**") for the purposes of Article 23 of Regulation (EU) 2017/1129 **("Article 23")** and any regulatory or implementing technical standards and other delegated or implementing acts adopted under that regulation, in each case to the extent that they form part of the domestic laws of the United Kingdom by virtue European Union (Withdrawal Agreement) Act 2018 (as may be amended from time to time, including, without limitation, by virtue of a European Union (Withdrawal agreement) Act 2020) (the "UK Prospectus Regulation")

This Supplementary Prospectus is supplemental to, and should be read in conjunction with, the prospectus published by the Company on 27 August 2020 relating to Admission to the Official List (by way of a Standard Listing under Chapter 14 of the Listing Rules) and to trading on the London Stock Exchange's main market for listed securities (the "**Prospectus"**). Any statement contained in the Prospectus shall be deemed to be modified or superseded to the extent that a statement contained in this document modifies or supersedes such statement. Except as expressly stated herein, or unless the context requires otherwise, the definitions used or referred to in the Prospectus also apply in this Supplementary Prospectus.

This Supplementary Prospectus has been approved by the United Kingdom Financial Conduct Authority ("FCA") which is the competent authority for the purposes of the UK Prospectus Regulation. The FCA only approves the Supplementary Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the U.K. Prospectus Regulation and such approval should not be considered as an endorsement the Issuer that is the subject of this Supplementary Prospectus.

The Company and each of the Directors, whose names appear on page 13 of this Supplementary Prospectus, accept responsibility for the information contained in this Supplementary Prospectus and the Prospectus. To the best of the knowledge of the Company and the Directors, the information contained in this Supplementary Prospectus is in accordance with the facts and the Supplementary Prospectus makes no omission likely to affect its import.

Prospective investors should read the Prospectus and this Supplementary Prospectus in their entirety and in particular, should consider the risk factors relating to the Company set out in the Prospectus.

If any document which is incorporated by reference or as contained in this Supplementary Prospectus either expressly or implicitly, such information and other documents will not form part of the Supplementary Prospectus or the Prospects for the U.K Prospectus Regulation except where such information or other documents are specifically incorporated by reference or attached to or incorporated in this Supplementary Prospectus.

TABLE OF CONTENTS

EVENTS ARISING SINCE PUBLICATION OF THE PROSPECTUS

This Supplementary Prospectus is being published in relation to the Admission to the Official List (by way of a Standard Listing under Chapter 14 of the Listing Rules) and to trading on the London Stock Exchange's main market for listed securities.

This document, comprises a supplementary prospectus (the "**Supplementary Prospectus**") relating to Umuthi Healthcare Solutions plc (the "**Company**") for the purposes of Article 23 of Regulation (EU) 2017/1129 and any regulatory or implementing technical standards and other delegated or implementing acts adopted under that regulation, in each case to the extent that they form part of the domestic laws of the United Kingdom by virtue European Union (Withdrawal Agreement) Act 2018 (as may be amended from time to time, including, without limitation, by virtue of a European Union (Withdrawal agreement) Act 2020) (the "UK Prospectus Regulation") with the Significant new factors being:

(i) following the publication of the Company's and its wholly owned subsidiary, Lems Pharmaceutical's ('Lems') stand-alone annual financial statements for the period ending 28 February 2020;

(ii) following the publication of the Company's and its wholly owned subsidiary, Lems Pharmaceutical's ('Lems') stand-alone interim unaudited financial statements for the six months ending 31 August 2020, in line with the format applied in the Prospectus.

(iii) PKF Littlejohn did not consent to the annual financial statements for the period 28 February 2019 as contained in the published Prospectus. The comparative financial statements for 28 February 2019 as disclosed below, supersedes those accounts as disclosed in the Prospectus. Differences are not material and relate mainly to changes in accounting policies.

DETAILS OF SIGNIFICANT NEW FACTORS

(i) Audited Financial Statements as at 28 February 2020

Audited financial statements for the Company and Lems as at 28 February 2020

On 31 January 2021, the Company and Lems published the Audited Annual Financial statements as at 28 February 2020 'AFS'. The release of the AFS constitutes a significant new factor relating to the information contained in the Prospectus and accordingly the Company has prepared and published this Supplementary Prospectus.

These financial statements are disclosed in Part 2 and Part 3 of this document.

Selected financial information

The key audited figures that summarize the Company's and Lems' financial condition in respect of the period ending 28 February 2020, which have been extracted without material adjustment from the financial information contained in the Audited Annual Financial Statements, are set out below. The audited figures depict comparative financial information for the period ending 28 February 2019.

The 28 February 2020 financials were not part of the Prospectus, but do indicate comparatives for the period 28 February 2019, which is the subject of (iii) above.

The amendments to the 28 February 2019 financials resulted in the following issues being highlighted as being updated or amended and hence superseding information as originally reflected in the Prospectus.

<u>Supplements to the Original Prospectus as it pertains to the 28 February 2019 financial information</u>

As a result of matters disclosed in ‘Events Arising since publication of the Prospectus item (iii) above, the financial summaries are hereby updated/ supersede as it pertains to the comparative financial information for the year ended 28 February 2019. The summaries below supersedes the audited accounts for 28 February as per pages 5 to 7 of the Prospectus.

Umuthi Healthcare Solutions Plc

SUMMARY OF KEY FINANCIAL INFORMATION

THE SUMMARY BELOW REPLACES THE SUMMARY AS IT RELATES TO 28 FEBRUARY 2019 IN THE PROSPECTUS PAGE 5

Table 1: Income statement for non-financial entities (equity securities)

	For the period ended 28 February 2020	**For the period ended 28 February 2019**
Total Revenue	-	-
Operating profit/loss	(135,216)	(209,969)
Net profit or loss	(135,216)	(209,969)

Table 2: Balance sheet for non-financial entities (equity securities)

	As at 28 February 2020	**As at 28 February 2019**
Total assets	92,000	92,000
Total equity	(257,366)	(122,150)
Net Financial Debt	349,366	214,150

Table 3: Cash flow statement for non-financial entities (equity securities)

	For the period ended 28 February 2020	For the period ended 28 February 2019
Relevant net Cash flows from operating activities	-	-

OPERATIONAL AND FINANCIAL REVIEW (OFR)

(THIS OFR IS IN ADDITION TO THE OFR FOR UMUTHI AS DISCLOSED ON PAGE 42 OF THE PROSPECTUS)

Umuthi is the holding company of the Group and currently has no operational activities.

Currently, the expenses of Umuthi only related to expenses pertaining to the Admission to Trading. In the Prospectus, such expenses were capitalised as prepayments due settlement taking place via Lems in South Africa.

This led to intercompany transactions between the two entities. As the expenses relate to the listing of Umuthi itself, the supplementary prospectus reflects the full accruals for listing costs being expensed in the income statement with the resultant intercompany short term liability being reflected in Lems. The intercompany loan accounts amounted to GBP 346,366 at 28 February 2020 (GBP 214,150 at 28 February 2019)

In the Lems accounts, the adjustment was mirrored, with the intercompany account being reflected separately as such, where it was previously included in current receivables.

It should be noted that the amendments as indicated above had no material impact on the presentation of the Group's position as it pertains to Net Asset Value, Total Assets or Turnover.

<u>Supplements to the Original Prospectus as it pertains to the 28 February 2019 financial information</u>

As a result of matters disclosed in 'Events Arising since publication of the Prospectus item (iii) above, the financial summaries are hereby updated/ supersede as it pertains to the comparative financial information for the year ended 28 February 2019. The summaries below supersedes the audited accounts for 28 February as per pages 5 to 7 of the Prospectus.

SUMMARY OF KEY FINANCIAL INFORMATION

THE SUMMARY BELOW REPLACES THE SUMMARY AS IT RELATES TO 28 FEBRUARY 2019 IN THE PROSPECTUS PAGE 5 - 7

LEMS Pharmaceutical Ltd

Table 1: Income statement for non-financial entities (equity securities)

	For the year ended 28 February 2020	**For the year ended 28 February 2019**
Total Revenue	447,831	86,458
Operating profit/loss	(231,205)	(266,536)

Table 2: Balance sheet for non-financial entities (equity securities)

	As at 28 February 2020	**As at 28 February 2019**
Total assets	741,582	768,279
Total equity	565,894	558,711
Net financial debt	175,688	209,568

Table 3: Cash flow statement for non-financial entities (equity securities)

	For the year ended 28 February 2020	For the year ended 28 February 2019
Relevant net Cash flows from operating activities	(33,311)	43,250

OPERATIONAL AND FINANCIAL REVIEW (OFR) – 28 FEBRUARY 2019

THIS SECTION OF THE OFR IS IN RELATION TO THE OFR FOR LEMS AS DICLOSED ON PAGE 42 OF THE PROSPECTUS

The Operational and Financial Review as detailed on Page 43 of the Prospectus stating that for the period ended 28 February 2019, Lems generated revenue of £87,449 and a gross profit of £1,135 should be replaced with: for the period ended 28 February 2019, Lems generated revenue of £86,458 and a gross loss of £266,536

THIS SECTION OF THE OFR IS IN ADDITION TO THE OFR FOR LEMS AS DICLOSED ON PAGE 42 OF THE PROSPECTUS

It should be noted that Umuthi and Lems are reported as standalone companies. Previously, Umuthi had capitalised the expenses related to the Admission to Trading, as prepayments in the balance sheet, with a view to expensing post listing. Expenses were paid by Lems and hence the Intercompany loan account. The differences in the 28 February 2019 accounts if compared to the comparatives as per the audited annual financial statements, related mainly to this amended policy and the resultant impact on the Intercompany loan accounts between Umuthi and Lems.
The net assets for Umuthi increased by GBP 27,000 and the net assets for Lems increased by GBP 16,705

OPERATIONAL AND FINANCIAL REVIEW – 28 FEBRUARY 2020

(THIS OFR IS IN RELATION TO THE OFR FOR LEMS FOR THE PERIOD ENDING 28 FEBRUARY WHICH WAS NOT DICLOSED IN THE PROSPECTUS)

Despite the current COVID pandemic, Lems has continued to generate revenue from its operations as a pharmaceutical wholesaler.

The Company has continued to make improvements to its sales platform – the Mobile Application.
In light of the vaccines which are now available for the Corona virus, the company has investigated and initiated its distribution network for this purpose, also ensuring that the medical courier companies which its actual deliveries are outsourced to, has the appropriate cold storage and related delivery practicalities in place for the sale of the vaccines.

MATERIAL RISK FACTORS

As a result of the events as referred to in (iii) above, the risk factors in the Prospectus are updated as follows;

1. Under the section "**What are the key risk factors that are specific to the issuer"** on page 6 of the Prospectus, the following risk factor should be added :
   - The holding company Umuthi, is based in the United Kingdom (UK) along with the UK board members, Auditors and advisors. The operating subsidiary, Lems, which is wholly owned by Umuthi, is based in South Africa, where the Executive Directors reside. While all the necessary committees and procedures are in place to ensure smooth and appropriate interaction between the various parties, there is a risk that the physical separation over two continents, specifically in light of the current COVID pandemic, could result in flawed communication.

2. Under the section "Risk Factors" on page 11 of the Prospectus with reference to "**Early stage companies"** the following should be added:
   With Lems being an early stage company, in conjunction with the listing of Umuthi being the first listing of the Group, the Board needs to be cognisant and aware of all regulatory and procedural elements of, and changes in, the rules and responsibilities as it applies to be listed on the main market of the London Stock Exchange.

(ii) Interim Unaudited Financial Statements as at 31 August 2020

Interim unaudited financial statement for the Company and Lems as at 31 August 2020 'the Interim reports'

On 31 January 2021, the Company and Lems published their unaudited Interim Reports. The release of the Interim Reports constitutes a significant new factor relating to the information contained in the Prospectus and accordingly the Company has prepared and published this Supplementary Prospectus.

These financial statements are disclosed in Part 3 and Part 4

Interim financial information

The key unaudited figures that summarize the Company's and Lems' financial condition in respect of the period ending 31 August 2020, which have been extracted without material adjustment from the interim financial information contained in the Interim Reports, are set out in the following tables:

What is the key financial information regarding the issuer?

Umuthi Healthcare Solutions Plc

Table 1: Income statement for non-financial entities (equity securities)

	For the period ended 31 August 2020
Total Revenue	-
Operating profit/loss	(82,500)
Net profit or loss	(82,500)

Table 2: Balance sheet for non-financial entities (equity securities)

	As at 31 August 2020
Total assets	92,000
Total equity	(339,866)
Net financial debt	431,866

Table 3: Cash flow statement for non-financial entities (equity securities)

	For the period ended 31 August 2020	
Relevant net Cash flows from operating activities	-	-

OPERATIONAL AND FINANCIAL REVIEW

The Company has continued to expense fees related to its impending Admission to Trading.

There have been no significant changes to the financial position and financial performance of the Company since 31 August 2020.

LEMS Pharmaceutical Ltd

Table 1: Income statement for non-financial entities (equity securities)

	For the year ended 31 August 2020	
Total Revenue	231,998	
Operating profit/loss	(96,753)	-

Table 2: Balance sheet for non-financial entities (equity securities)

	As at 31 August 2020	
Total assets	754,736	
Total equity	469,141	
Net financial debt	285,595	-

Table 3: Cash flow statement for non-financial entities (equity securities)

	For the year ended 31 August 2020
Relevant net Cash flows from operating activities	65,826

OPERATIONAL AND FINANCIAL REVIEW

Revenue has remained consistent and has shown a slow but steady growth pattern.

The Company has continued to monitor the risks associated with the COVID pandemic and has not, by the very nature of its operations, seen a significant negative impact on operations.

Considering the fact that vaccines are now becoming available for the Corona virus, the company has assessed its distribution network for this purpose. The Company has also ensured that the medical courier companies to whom it currently outsources its client deliveries, has the appropriate cold storage and related delivery protocols in place for the sale of vaccines.

No significant changes to the financial position and financial performance of Lems have occurred since 31 August 2020.

(iii) PKF Littlejohn did not consent to the annual financial statements for the period 28 February 2019 as contained in the published Prospectus.

The comparative financial statements for 28 February 2019 as disclosed in this document, supersedes those accounts as disclosed in the Prospectus

Differences are not material and relate mainly to changes in accounting policies.

The issue of the consent not having been obtained, was as a result in a misunderstanding which occurred between the various advisors at the time of the approval of the Prospectus. The consent letter was not obtained from PKF Littlejohn as it relates to the 28 February 2019 financial statements of the Company and Lems. This was noted after publication of the Prospectus but before the Company proceeded with the Admission to trading. The Prospectus as approved on 27 August 2020 and the consent letter was to be obtained by the legal advisors from the auditors, PKF Littlejohn, on 25 August 2020. This did not take place and the Company, and the legal advisors were advised of this omission on or about 31 August 2020 by the Auditors.

Due to the fact that the auditors in London and South Africa would have had to review the Umuthi and Lems Accounts for 28 February 2019 to ensure their consent can be provided, as well as the fact the 28 February 2020 Annual audited accounts had become due, which would have resulted in a Supplementary Prospectus in its own right, in terms of a Significant new Factor as defined by Article 23, and as a result of the prevailing COVID pandemic, having a restriction on movement and travel, the Board resolved that it deemed it more effective and efficient, as well as more transparent, to complete one Supplementary Prospectus, incorporating points (i) to (iii) above simultaneously.

The decision was then taken by the Board of the Company to complete the 28 February 2020 annual audits in London and South Africa, at which time PKF Littlejohn revisited the 28 February 2019 audits and made the adjustments and disclosures that they deemed fit for both reporting periods.

The Board of Umuthi is satisfied that following the approval and publication of this Supplementary Prospectus, which also includes 31 August 2020 unaudited interim accounts, all disclosures and reports are updated and correct. The Board has also reviewed the circumstances around which this situation occurred, and feel that the appropriate mitigating and corrective procedures and policies as it related to its FPPP (Financial Position and Prospects

Procedure), are now in place.

The committees, with specific reference to the audit and risk committee, were only due to start functioning post admission. (See Annexure A- Umuthi Board Corporate Governance which is an extract directly from the Prospectus). The Board comprises a Non-Executive Director who has UK listed company experience in Mr Colin Bloom. The Board have however made the decision to activate the committee with immediate effect, for the duration of the Admission process and beyond. The Company also has appointed Cargil Management Services Limited as UK based company secretaries and will make use of UK legal advisors as and when required.

Responsibility

The Company, whose registered office address appears below, and the Directors, whose names appear below, accept responsibility for the information contained in this Supplementary Prospectus. To the best of the knowledge of the Company and the Directors, the information contained in this Supplementary Prospectus is in accordance with the facts and this Supplementary Prospectus makes no omission likely to affect its import.

The Directors of the Company are:

Shaun Gresse (Non-Executive Chairperson)

Colin Bloom (Non-Executive Director)

Gerhardus Viljoen (Chief Executive Officer)

Pieter Grimes (Financial Director)

The registered office of the Company is:

Umuthi Healthcare Solutions PLC

East Castle House

27 – 28 East Castle Street London

W1W 1DH

Documents available for inspection

Copies of this Supplementary Prospectus and the Interim and Annual Reports will be made available for inspection at The National Storage Mechanism which is located at https://data.fca.org.uk/#/nsm/nationalstoragemechanism and copies of the Prospectus, Supplementary Prospectus and Interim Report are available on the Company's website and for inspection at the registered office of the Company during normal business hours on any Business Day.

General

To the extent that there is any inconsistency between any statement in this Supplementary Prospectus and any other statement in the Prospectus, the statements in this Supplementary Prospectus shall prevail.

Save as disclosed in this Supplementary Prospectus, no significant new factor, material mistake or material inaccuracy relating to the information included in the Prospectus which may affect the assessment of the Ordinary Shares has arisen or been noted since the publication of the Prospectus.

26 February 2021

PART 2 : HISTORICAL FINANCIAL INFORMATION OF UMUTHI HEALTHCARE SOLUTIONS PLC

FINANCIAL INFORMATION ON UMUTHI HEALTHCARE SOLUTIONS PLC

ACCOUNTANT'S REPORT ON THE HISTORICAL FINANCIAL INFORMATION OF UMUTHI HEALTHCARE SOLUTIONS PLC

PKF
Accountants & business advisers

The directors
Umuthi Healthcare Solutions plc
Suite A, 6 Honduras Street
London EC1Y 0TH
United Kingdom

Umuthi Healthcare Solutions plc (the "Company")

Introduction

We report on the financial information of Umuthi Healthcare Solutions plc (the "Company") for the two years to 28 February 2020 which comprises the statement of financial position, the statement of comprehensive income, the statement of changes in equity, the cash flow statement, and the related notes. This financial information has been prepared for inclusion in the [Prospectus] of the Company dated 26 February 2021 on the basis of the accounting policies set out in note 2 to the financial information. The report is required by Annex 1, item 18.3.1 of the PR Regulation and is given for the purpose of complying with that paragraph and for no other purpose.

Responsibilities

The Directors of the Company are responsible for preparing the financial information on the basis of preparation set out in note 2 to the financial information and in accordance with International Financial Reporting Standards as adopted by the European Union ('IFRS').

It is our responsibility to form an opinion on the financial information as to whether the financial information gives a true and fair view, for the purposes of the [Prospectus], and to report our opinion to you.

Save for any responsibility arising under 5.3.2R(2)(f) of the Prospectus Regulation Rules to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Annex 1, item 1.3 of the PR Regulation, consenting to its inclusion in the [Prospectus].

Basis of opinion

We conducted our work in accordance with Standards of Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of the significant estimates and judgements made by those responsible for the preparation of the financial information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial information is free from material misstatement, whether caused by fraud or other irregularity or error.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in jurisdictions outside the United Kingdom, including the United States of America, and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

Opinion

In our opinion the financial information set out below gives, for the purposes of the Prospectus dated 26 February 2021, a true and fair view of the state of affairs of the Company as at 28 February 2019 and 2020 and of the results, cash flows and changes in equity for the period then ended in accordance with IFRS and has been prepared in a form that is consistent with the accounting policies adopted by Company.

Declaration

For the purposes of Prospectus Regulation Rules 5.3.2R(2)(f) we are responsible for this report as part of the Prospectus and declare that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Prospectus in compliance with Annex 1, item 1.2 of the PR Regulation.

Yours faithfully

PKF Littlejohn LLP
Reporting Accountant

15 Westferry Circus
Canary Wharf

London E14 4HD

26 February 2021

HISTORICAL FINANCIAL INFORMATION OF UMUTHI HEALTHCARE SOLUTIONS PLC

STATEMENT OF COMPREHENSIVE INCOME

The Statement of Comprehensive Income of the Company is stated below:

	Period to 28 February 2020	Period to 28 February 2019
	£	£
Revenue	-	-
Administrative expenses	135,216	209 969
Operating result	-	-
Finance income/(expense)	-	-
Result Before Taxation	(135,216)	(209 969)
Income tax	-	-
Total comprehensive Profit/(loss) for the period	**(135,216)**	**(209 969)**
Other comprehensive income:		
Items that may be reclassified profit or loss:		
Exchange differences on translating foreign operations	-	-
Other comprehensive income for the year net of Taxation	**(135,216)**	**(209 969)**

Weighted average number of shares in issue ('million)	92	92
Diluted weighted average number of shares in issue ('million)	-	-

EARNINGS PER SHARE

Basic and diluted earnings per share (pence) From continuing operations	-	-

STATEMENT OF FINANCIAL POSITION

The Statement of Financial Position of the Company is stated below:

	28 February 2020	28 February 2019
	£	£
ASSETS		
Non-Current Assets		
Investment in Subsidiary	86,999	86,999
Total Non-Current Assets	**86,999**	**86,999**
Current Assets		
Other receivables	5,001	5,001
Total Assets	**92,000**	**92,000**
EQUITY AND LIABILITIES		
Current liabilities		
Intercompany Loan	349,366	214,150
Total liabilities	**349,366**	**214,150**
Equity Attributable to owners		
Share capital	90,000	87,000
Unpaid Share Capital	2,000	5,000
Retained earnings	(349,366)	(214,150)
Total equity attributable to owners	**(257,366)**	**(122,150)**
Total equity and liabilities	**92,000**	**92,000**

STATEMENT OF CASH FLOWS

The Statement of Cash Flows of the Company is as follows:

	28 February 2020	28 February 2019
	£	£
Cash flows from operating activities		
Changes in working capital:		
Trade and other receivables	-	-
Trade and other payables	-	-
Cash flows from financing activities	-	-
Net increase/(decrease) in cash and cash equivalent	-	-
Cash and cash equivalents at beginning of period	-	-
Cash and cash equivalents at end of period	-	-

Notes to the cash flow statement

1. **Non-cash transactions**

During 2020 and 2019 the company did not hold any bank accounts and all payments are made from Lems Pharmaceutical Ltd based in South Africa, the wholly owned subsidiary of the Company, who is also responsible for the currency fluctuations. In 2019 the company acquired 100% in Lems Pharmaceutical Ltd by way of share for share exchange.

STATEMENT OF CHANGES IN EQUITY

	Share capital	Share premium	Retained earnings	Total equity
	£	£	£	£
At incorporation	1	-	-	1

Total comprehensive income for the period ended 28 February 2019	-	-	-	-
Issue of shares	94,999			94,999
Cancelation of shares	(3,000)			(3,000)
As at 28 February 2019	92,000	-	-	92,000
Total comprehensive income for the period ended 28 February 2020	-	-	-	-
As at 28 February 2020	92,000	-	-	92,000

NOTES TO THE HISTORICAL FINANCIAL INFORMATION

General information

The Company was incorporated on 15 Feb 2018 as private company in England and Wales with Registered Number 11208220 under the Companies Act 2006. The Company re-registered as a plc. on 20 February 2019.
The Company has not yet commenced business and no dividends have been declared or paid since the date of incorporation.
The address of its registered office is Eastcastle House, 27/28 Eastcastle Street, London, W1W 8DH.
This Financial Information of the Company has been prepared for the sole purpose of publication within the prospectus It has been prepared in accordance with the requirements of the Prospectus Rule and has been prepared in accordance with International Financial Reporting Standards and IFRS interpretations Committee (IFRS IC) interpretations as adopted by the European Union ("IFRS") and the policies stated elsewhere within the Financial Information. The Financial Information does not constitute statutory accounts within the meaning of section 434 of the Companies Act 2006.
The Historical Financial Information is presented in Sterling, which is the Company's functional and presentational currency and has been prepared under the historical cost convention.

1. Significant accounting policies

1.1 Basis of preparation

This financial information has been prepared for the sole purpose of publication within this Prospectus. It has been prepared in accordance with the requirements of the Prospectus Rule and has been prepared in accordance with International Financial Reporting Standards and IFRS interpretations Committee (IFRS IC) interpretations as adopted by the European Union (''IFRS'') and the policies stated elsewhere within the Financial Information and the Companies Act 71 of 2008 of South Africa, as amended. The policies set out below have been consistently applied to all the periods presented unless otherwise noted. The Financial Information has been prepared under the historical cost convention, except for those assets which are measured at fair value. The Financial Information does not constitute statutory accounts.

The financial information is prepared on a going concern basis as the directors are satisfied that the Company has the resources to continue in business for the foreseeable future (which has been taken as 12 months from the date of approval of the historical financial information). The directors have made enquiries with management and considered budgets and cash flow forecasts for the Company and have, at the time of approving this Financial Information, a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future.

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1.2 Financial instruments

Classification

The Company classifies financial assets and financial liabilities into the following categories:

- Loans and receivables
- Financial liabilities measured at amortised cost

Classification depends on the purpose for which the financial instruments were obtained / incurred and takes place at initial recognition. Classification is re-assessed on an annual basis, except for derivatives and financial assets designated as at fair value through profit or loss, which shall not be classified out of the fair value through profit or loss category.

Initial recognition and measurement

Financial instruments are recognised initially when the Company becomes a party to the contractual provisions of the instruments.

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

Financial instruments are measured initially at fair value, except for equity investments for which a fair value is not determinable, which are measured at cost and are classified as available-for-sale financial assets.

For financial instruments which are not at fair value through profit or loss, transaction costs are included in the initial measurement of the instrument.

Listing costs are recognised initially as prepayments, due to the certainty that the Board has as it pertains to the Company being admitted for trading. Such costs will be expensed in the period following admission.

Subsequent measurement

Loans and receivables are subsequently measured at amortised cost, using the effective interest method, less accumulated impairment losses.

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

Derecognition

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

Fair value determination

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Company establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models making maximum use of market inputs and relying as little as possible on entity-specific inputs.

Impairment of financial assets

At each reporting date the Company assesses all financial assets, other than those at fair value through profit or loss, to determine whether there is objective evidence that a financial asset or Company of financial assets has been impaired.

For amounts due to the Company, significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default of payments are all considered indicators of impairment.

Impairment losses are recognised in profit or loss.

Impairment losses are reversed when an increase in the financial asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the financial asset at the date that the impairment is reversed shall not exceed what the carrying amount would have been had the impairment not been recognised.

Reversals of impairment losses are recognised in profit or loss except for equity investments classified as available-for-sale.

Impairment losses are also not subsequently reversed for available-for-sale equity investments which are held at cost because fair value was not determinable.

Where financial assets are impaired through use of an allowance account, the amount of the loss is recognised in profit or loss within operating expenses. When such assets are written off, the write off is made against the relevant allowance account. Subsequent recoveries of amounts previously written off are credited against operating expenses.

Loans to shareholders, directors, managers and employees

These financial assets are classified as loans and receivables

Trade and other payables

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

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1.3 Impairment of assets

The Company 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 Company estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the Company 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.
- tests prepayments against the likelihood of the recoverability of the amounts, in relation to the culmination of a future event.

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 it 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.

1.4 Share capital and equity

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

Ordinary shares are classified as equity.

1.5 Borrowing costs

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

1.6 Translation of foreign currencies

Functional and presentation currency

Items included in the financial statements of each of the Company entities are measured using the currency of the primary economic environment in which the entity operates (functional currency).

This consolidated financial information is presented in Pounds Sterling which is the Company presentation currency. Umuthi functional currency is Pounds Sterling.

Foreign currency transactions

A foreign currency transaction is recorded, on initial recognition in Pounds, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At the end of the reporting period:

- foreign currency monetary items are translated using the closing rate;
- non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous consolidated and separate financial statements are recognised in profit or loss in the period in which they arise.

When a gain or loss on a non-monetary item is recognised to other comprehensive income and accumulated in equity, any exchange component of that gain or loss is recognised to other comprehensive income and accumulated in equity. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

Cash flows arising from transactions in a foreign currency are recorded in Pounds by applying to the foreign currency amount the exchange rate between the Pounds and the foreign currency at the date of the cash flow.

2. New Standards and Interpretations

2.1 Standards and interpretations effective and adopted in the current year

To all periods reported, the Company has adopted those standards and interpretations that are effective and that are relevant to its operations.

2.2 Standards and interpretations not yet effective

The Company has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the Company's accounting periods beginning on or after 01 March 2018 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or After (*Subject to EU endorsement)	Expected impact:

• IAS 28 Investments in associates and Joint Ventures: Annual Improvements	01 January 2018	No Impact
• IAS 40 Investment Property: Transfers of Investment Property	01 January 2018	No Impact
• IFRS 9 Financial Instruments	01 January 2018	No impact
• IFRS 15 Revenue from Contracts with Customers	01 January 2018	No Impact
• Amendments to IFRS 15: Clarifications to IFRS 15 Revenue from Contracts with Customers	01 January 2018	No Impact
• Amendments to IFRS 2: Classification and Measurement of Share-based Payment Transactions	01 January 2018	No Impact
• Amendments to IFRS 4: Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts	01 January 2018	No Impact

2.3 Significant judgements and sources of estimation uncertainty

The Company makes estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual results may differ from these estimates and assumptions. There are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Prepayments are a currently treated as current assets due to it consisting predominantly of costs attributed to the listing of the Company which is considered to be a certain event by the Board. These prepayments will be expenses in the period following the admission of the Company to trading.

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Critical judgements in applying accounting policies

Management made critical judgements around the carrying value of the investment in Lems and any impairment considerations pertaining to the value of the value of the investment as well as with regard to the treatment of prepaid listing expenses.

Fair value estimation

Assets and liabilities of the Company are either measured at fair value or disclosure is made of their fair values.

3. Risk management Capital risk management

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

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Company monitors capital based on the gearing ratio.

This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the statement of financial position) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the statement of financial position plus net debt.

There are no externally imposed capital requirements.

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

The gearing ratio in 2020, 2019 respectively were as follows:

	2020	2019
Loans to (from) shareholders	-	-
Other financial liabilities	-	-
Less: Cash and cash equivalents	-	-
Net debt	**-**	**-**
Total equity	**(257,366)**	**(122,150)**
Total capital	**(257,366)**	**(122,150)**
Gearing ratio	-%	- %

Liquidity risk

Cash flow forecasting is performed by the Company. The Company finance department monitors rolling forecasts of the Company's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Company does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities. Such forecasting takes into consideration the Company's debt financing plans, covenant compliance, compliance with internal statement of financial position ratio targets and, if applicable external regulatory or legal requirements - for example, currency restrictions.

The table below analyses the Company’s financial liabilities and net-settled derivative financial liabilities into relevant maturity Companying’s based on the remaining period at the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Company

At 28 February 2020	**Less than 1 year**	**Between 1 and 2 years**	**Between 2 and 5 years**	**Over 5 years**
Loan Account	349,366	-	-	-
Trade and other payables	-	-	-	-
At 28 February 2019	**Less than 1 year**	**Between 1 and 2 years**	**Between 2 and 5 years**	**Over 5 years**
Loan Account	214,150	-	-	-
Trade and other payables	-	-	-	-

Cash flow and fair value interest rate risk

As the Company has no significant interest-bearing assets

Credit risk

Credit risk is managed on a Company basis.

Foreign exchange risk

The Company operates in the UK and is not exposed to foreign exchange risk.

1 Receivables

	As at 28 Feb 2020	**As at 28 Feb 2019**
	£	**£**
Amounts falling due within 1 year:		
Other receivables	5,001	5,001
Prepayments	-	-
	5,001	**5,001**

2 Payables

	As at 28 Feb 2020	**As at 28 Feb 2019**
	£	**£**
Amounts falling due within 1 year:		
Loan Account	349,366	214,150
	349,366	**214,150**

3 Share capital and premium

	Number of shares	Shares	Share premium	Total
		£	£	£
At incorporation	1	-	-	1
Issue of shares	5,000,000			5,000,000
Share for Share exchange	89,999,999			89,999,999
Share Cancelation	(3,000,000)			(3,000,000)
At 28 February 2020	**92,000,000**	**-**	**-**	**92,000,000**

On incorporation, the Company issued 1 ordinary share of £1 for consideration of £1 cash.
No Earnings Per Share has been calculated as the Company did not trade in the period to 28 February 2020

4 Investment in Lems Pharmaceuticals

On 29 January 2019, the Company and Lems Pharmaceutical entered into a share exchange agreement with each of the shareholders of Lems Pharmaceutical at that time, pursuant to which the Company agreed to purchase the entire issued share capital of Lems Pharmaceutical in exchange for the issue and allotment of 89,999,999 Ordinary Shares to the shareholders of Lems Pharmaceutical, pro rate to their holdings in Lems Pharmaceutical. The Ordinary Shares were issued based on 1 Ordinary Share for each share held in Lems Pharmaceutical (after taking into account the subscriber shares of the Company). On completion of the agreement, Lems Pharmaceutical became a wholly owned subsidiary of the Company and the former shareholders of Lems Pharmaceutical held the Ordinary Shares in the same proportions as they had held shares in Lems Pharmaceutical.

Business combinations

Lems Pharmaceutical Ltd

The Company acquired 100% of the voting equity interest in Lems Pharmaceutical Limited ‘Lems’ on 29 January 2019 with such results being fully disclosed in the HFI for Lems for 28 February 2020 as per page 25 of the Prospectus. There were no material movements between acquisition date and year end.

5. Related parties

There were no transactions with related parties for the reporting period save for the items disclosed in note 4 and note 1 to the Cash flow statement

6. Subsequent events

There were no material subsequent events, save for the onset of the COVID pandemic. Due to Umuthi not being operational, it was not affected by the pandemic,

PART 3 :LEMS PHARMACEUTICAL LIMITED SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2020

ACCOUNTANT'S REPORT ON THE HISTORICAL FINANCIAL INFORMATION OF LEMS PHARMACEUTICAL LIMITED

PKF OCTAGON

The directors
Umuthi Healthcare Solutions plc
Suite A, 6 Honduras Street
London EC1Y 0TH
United Kingdom

Lems Pharmaceutical Limited ("Lems")

Introduction

We report on the financial information of Lems Pharmaceutical Limited ("Lems") for the periods ending to 29 February 2020 and 28 February 2019 which comprises the statement of financial position, the statement of comprehensive income, the statement of changes in equity, the cash flow statement, and the related notes. This financial information has been prepared for inclusion in the [Prospectus] of the Company dated 26 February 2021 on the basis of the accounting policies set out in note 2 to the financial information. The report is required by Annex 1, item 18.3.1 of the PR Regulation and is given for the purpose of complying with that paragraph and for no other purpose. We do not report on the financial information of Lems Pharmaceutical Limited for the period ending 28 February 2018 which is the subject of a separate Accountants Report.

Responsibilities

The Directors of the Company are responsible for preparing the financial information on the basis of preparation set out in note 2 to the financial information and in accordance with International Financial Reporting Standards as adopted by the European Union ('IFRS').

It is our responsibility to form an opinion on the financial information as to whether the financial information gives a true and fair view, for the purposes of the [Prospectus], and to report our opinion to you.

Save for any responsibility arising under 5.3.2R(2)(f) of the Prospectus Regulation Rules to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Annex 1, item 1.3 of the PR Regulation, consenting to its inclusion in the [Prospectus].

Basis of opinion

We conducted our work in accordance with Standards of Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of the significant estimates and judgements made by those responsible for the preparation of the financial information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial information is free from material misstatement, whether caused by fraud or other irregularity or error.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in jurisdictions outside the United Kingdom, including the United States of America, and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

Opinion

In our opinion the financial information set out below gives, for the purposes of the Prospectus dated 26 February 2021, a true and fair view of the state of affairs of Lems as at 29 February 2020 and 28 February 2019 and of the results, cash flows and changes in equity for the period then ended in accordance with IFRS and has been prepared in a form that is consistent with the accounting policies adopted by Company.

Declaration

For the purposes of Prospectus Regulation Rules 5.3.2R(2)(f) we are responsible for this report as part of the Prospectus and declare that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Prospectus in compliance with Annex 1, item 1.2 of the PR Regulation.

Yours faithfully

PKF Octagon
Partner: W Wasowicz
Chartered Accountant (S.A.)
27 November 2020

21 Scott Street
Waverly
Johannesburg
South Africa
2090

FINANCIAL INFORMATION ON UMUTHI HEALTHCARE SOLUTIONS PLC

ACCOUNTANT'S REPORT ON THE HISTORICAL FINANCIAL INFORMATION OF LEMS PHARMACEUTICAL LIMITED

PKF
Accountants & business advisers

The directors
Umuthi Healthcare Solutions plc
Suite A, 6 Honduras Street
London EC1Y 0TH
United Kingdom

Lems Pharmaceutical Limited ("Lems")

Introduction

We report on the financial information of Lems Pharmaceutical Limited ("Lems") for the period ending 28 February 2018 which comprises the statement of financial position, the statement of comprehensive income, the statement of changes in equity, the cash flow statement, and the related notes. This financial information has been prepared for inclusion in the [Prospectus] of the Company dated 26 February 2021 on the basis of the accounting policies set out in note 2 to the financial information. The report is required by Annex 1, item 18.3.1 of the PR Regulation and is given for the purpose of complying with that paragraph and for no other purpose. We do not report on the financial information of Lems Pharmaceutical Limited for the periods ending 29 February 2020 and 28 February 2019 which is the subject of a separate Accountants Report.

Responsibilities

The Directors of the Company are responsible for preparing the financial information on the basis of preparation set out in note 2 to the financial information and in accordance with International Financial Reporting Standards as adopted by the European Union ('IFRS').

It is our responsibility to form an opinion on the financial information as to whether the financial information gives a true and fair view, for the purposes of the [Prospectus], and to report our opinion to you.

Save for any responsibility arising under 5.3.2R(2)(f) of the Prospectus Regulation Rules to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Annex 1, item 1.3 of the PR Regulation, consenting to its inclusion in the [Prospectus].

Basis of opinion

We conducted our work in accordance with Standards of Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of the significant estimates and judgements made by those responsible for the preparation of the financial information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial information is free from material misstatement, whether caused by fraud or other irregularity or error.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in jurisdictions outside the United Kingdom, including the United States of America, and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

Opinion

In our opinion the financial information set out below gives, for the purposes of the Prospectus dated 26 February 2021, a true and fair view of the state of affairs of Lems as at 28 February 2018 and of the results, cash flows and changes in equity for the period then ended in accordance with IFRS and has been prepared in a form that is consistent with the accounting policies adopted by Company.

Declaration

For the purposes of Prospectus Regulation Rules 5.3.2R(2)(f) we are responsible for this report as part of the Prospectus and declare that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Prospectus in compliance with Annex 1, item 1.2 of the PR Regulation.

Yours faithfully

PKF Littlejohn LLP
Reporting Accountant

15 Westferry Circus
Canary Wharf

London E14 4HD

26 February 2021

Statements of Financial Position as at
28 February 2020, 28 February 2019 and 28 February 2018

Figures in Great British Pound Sterling (GBP)	Notes	2020	2019	2018
Assets				
Non-Current Assets				
Plant and equipment	7	357,061	517,291	717,457
		357,061	**517,291**	**717,457**
Current Assets				
Inventories	9	9,527	24,745	115,107
Trade receivables	8	12,008	7,201	43,961
Cash and cash equivalent	10	-	8	12,870
Loan to related party	22	348,843	203,705	-
Other Financial asset	23	14,143	15,329	-
		384,521	**250,988**	**171,398**
Total Assets		**741,582**	**768,279**	**889,395**
Equity and Liabilities				
Equity				
Share capital	11	40,620	44,027	46,123
Share premium		679,025	735,982	771,016
Reserves		25,110	9,978	23,362
Capital contribution		1,048,408	858,431	726,459
Accumulated loss		(1,227,269)	(1,089,707)	(926,084)
		565,894	**558,711**	**640,876**
Liabilities				
Non-current liabilities				
Other financial liabilities	24	151,676	164,398	133,493
		151,676	**164,398**	**133,498**
Current Liabilities				
Trade and other payables	12	24,012	45,170	115,026
		24,012	**45,170**	**115,026**
Total Liabilities		**175,688**	**209,568**	**248,519**
Total Equity and Liabilities		**741,582**	**768,279**	**889,395**

Statement of Profit or Loss and Other Comprehensive Income for the years ended 28 February 2020, 28 February 2019 and 28 February 2018

Figures in Pounds Sterling (GBP)	Notes	2020	2019	2018
Revenue	13	447,831	86,458	100,349
Cost of sales	14	- (433,860)	- (65,622)	- (79,498)
Gross profit (loss)		**13,971**	**20,836**	**20,851**
Other operating expenses	16	(245,176)	(287,372)	(184,541)
Operating loss		**(231,205)**	**(266,536)**	**(163,690)**
Investment income	17		14	331
Finance costs				
Loss before taxation		**(231,205)**	**(266,522)**	**(163,359)**
Taxation		-	-	-
Loss for the year		**(231,205)**	**(266,522)**	**(163,359)**
Other comprehensive income included in loss for the year above:				
Items that may be reclassified profit or loss:				
Exchange differences on translating foreign operations	21	(16,846)	(10,094)	8,376
Other comprehensive income for the year net of Taxation		**(16,846)**	**(10,094)**	**8,376**

Statement Changes in Equity for the years

28 February 2020, 28 February 2019 and 28 February 2018

	Share capital	Share premium	Total share capital	Capital contribution	Accumulated loss	Foreign currency movement	Total equity
Balance at 01/03/2017	6	-	6	-	(680,849)		(680,843)
Other comprehensive income	-	-	-	-	-	23,362	23,362
Issue of shares	46,117	-	46,117	-	-	-	46,177
Foreign currency movements	-	-	-	-	(81,876)	-	(81,876)
Total income for the year	-	-	-	-	(163,359)	-	(163,359)
Total contributions by and distributions to owners of company directly recognised in equity	-	771,016	771,016	726,459			1,497,475
Balance as at 01/03/2018	**46,123**	**771,016**	**817,139**	**726,459**	**(926,084)**	**23,362**	**640,876**
Other comprehensive income	-	-	-	-	-	(13,384)	(13,384)
Issue of shares	-	-	-	-	-	-	-
Foreign currency movements	(2,096)	(35,034)	(37,130)	131,972	102,899	-	197,276
Total income for the year	-	-	-	-	(266,522)	-	(266,522)
Total contributions by and distributions to owners of company directly recognised in equity	-	-	-	-	-	-	-
Balance as at 01/03/2019	**44,027**	**735,982**	**780,009**	**858,431**	**(1,089,707)**	**9,978**	**558,711**
Other comprehensive income	-	-	-	-	-	15,122	15,122
Issue of shares	-	-	-	-	-	-	-
Foreign currency movements	(3,407)	(56,957)	(60,364)	189,997	93,643	-	223,276
Total income for the year	-	-	-	-	(231,205)	-	(231,205)
Balance as at 29/02/2020	**46,620**	**679,025**	**719,645**	**1,048,428**	**(1,227,269)**	**25,090**	**565,894**

Statement of Cash Flows for the years ended

28 February 2020, 28 February 2019 and 28 February 2018

Figures in Pounds Sterling (GBP)	**Notes**	**2020**	**2019**	**2018**
Cash flows from operating activities				
Loss before taxation		(231,205)	(266,522)	(163,359)
Adjustments for:				
Depreciation		129,644	123,010	8,015
Interest received		-	(14)	(331)
Finance costs		-	-	-
Exchange differences on translating foreign operations		78,998	129,526	(57,503)
Changes in working capital:				
Inventories		15,218	90,362	(55,446)
Trade and other receivables		(4,807)	36,760	(18,257)
Trade and other payables		(21,159)	(69,858)	86,304
Cash used in operations		**(33,311)**	**43,264**	**(200,577)**
Interest income		-	14	331
Finance costs		-	-	-
Net cash from operating activities		**(33,311)**	**43,250**	**(200,908)**
Cash flows from investing activities				
Purchase of plant and equipment		-	-	
Sale of plant and equipment		-	-	
Net cash from investing activities		**-**	**-**	**-**
Proceeds of financial asset		1,186	(15,329)	-
Repayment of other financial liabilities		(12,722)	30,905	-
Repayment of shareholders loan and capital contribution movements		44,839	(71,733)	213,694
Net cash from investing activities		**33,303**	**(56,157)**	**213,694**
Total cash movement for the year		**(8)**	**(12,907)**	**12,786**
Cash at the beginning of the year		8	12,915	129
Total cash at end of the year	11	**-**	**8**	**12,915**

Notes to the financial information

3. General Information

LEMS Pharmaceutical Limited is a private company incorporated on 17 September 2014 and domiciled in South Africa. The address of the registered office is Cnr Rautenbach & Sixth Street, Wynberg, Sandton, Gauteng, 2196.

The activities of the Company are undertaken through LEMS Pharmaceutical Limited ("the Company"). The Company operates in South Africa. The core activities of the Company are warehousing distribution with its focus on the healthcare sector.

4. Significant accounting policies -

4.1 Significant judgements and sources of estimation uncertainty

The preparation of financial information 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 may differ from these estimates. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Critical judgements in applying accounting policies

Management did not make critical judgements in the application of accounting policies, apart from those involving estimations, which would significantly affect the financial statements.

Key sources of estimation uncertainty

Provision for expected credit losses of trade receivables and contract assets

The company is utilising the simplified approach in determining the expected credit loss allowance. Under the simplified approach, there is no need to calculate a 12-month Expected Credit Loss (ECL) and assess whether a significant increase in credit risk has occurred. A loss allowance is measured at initial recognition and throughout the life of the receivable at an amount equal to lifetime ECL's for the asset. A lifetime ECL is the amount of the expected credit losses that result from all possible default events over the expected life of the financial instrument. The company assesses its trade and other receivables and loans and receivables for impairment at initial recognition of the financial instrument and at the end of each reporting period. In determining whether an Expected Credit Loss (ECL) should be recorded in profit or loss, the company assesses the receivables ability to make payment and if there is observable data which indicates payment may not be received and an Expected Credit Loss is recognised.

Allowance for slow moving, damaged and obsolete inventory

Management assesses whether inventory is impaired by comparing its cost to its estimated net realisable value. Where impairment is necessary, inventory items are written down to net realisable value. The write down is included in cost of sales.

Fair value estimation

Assets and liabilities of the Company are either measured at fair value or disclosure is made of their fair values.

Observable market data is used as inputs to the extent that it is available. Qualified external valuers are consulted for the determination of appropriate valuation techniques and inputs.

Useful lives of plant and equipment

Management assess the appropriateness of the useful lives of plant and equipment at the end of each reporting period. The useful lives of office equipment furniture and computer equipment are determined based on Company replacement policies for the various assets. Individual assets within these classes, which have a significant carrying amount, are assessed separately to consider whether replacement will be necessary outside of normal replacement parameters.

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

4.2 Plant and equipment

An item of plant and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the Company, and the cost of the item can be measured reliably.

Plant and equipment 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.

The initial estimate of the costs of dismantling and removing an item and restoring the site on which it is located is also included in the cost of plant and equipment, where the Company is obligated to incur such expenditure

Expenditure incurred subsequently for major services, additions to or replacements of parts of plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the Company 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.

Plant and equipment is subsequently stated at cost less accumulated depreciation and 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 Company. 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 plant and equipment have been assessed as follows:

Item	**Depreciation method**	**Average useful life**
Furniture and fixtures	Straight line	6 years
Office equipment	Straight line	3 years
IT equipment	Straight line	3 years
Computer software	Straight line	3 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.

Each part of an item of plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

Impairment tests are performed on plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of , 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 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 recognition of an item of , 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.

4.3 Financial instruments

Classification

Financial instruments held by the company are classified in accordance with the provisions of IFRS 9 Financial Instruments.
The Company classifies financial assets and financial liabilities into the following categories:

- Loans and receivables
- Financial liabilities measured at amortised cost

Classification depends on the purpose for which the financial instruments were obtained / incurred and takes place at initial recognition. Classification is re-assessed on an annual basis, except for derivatives and financial assets designated as at fair value through profit or loss, which shall not be classified out of the fair value through profit or loss category.

Initial recognition and measurement

Financial instruments are recognised initially when the Company becomes a party to the contractual provisions of the instruments.

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

Financial instruments are measured initially at fair value, except for equity investments for which a fair value is not determinable, which are measured at cost and are classified as available-for-sale financial assets.

For financial instruments which are not at fair value through profit or loss, transaction costs are included in the initial measurement of the instrument.

Subsequent measurement

Loans and receivables are subsequently measured at amortised cost, using the effective interest method, less accumulated impairment losses.

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

Derecognition

Financial assets

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. If the company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the company retains substantially all the risks and rewards of ownership of a transferred financial asset, the company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities

The company derecognises financial liabilities when, and only when, the company 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.

Reclassification

Financial assets

The company only reclassifies affected financial assets if there is a change in the business model for managing financial assets. If a reclassification is necessary, it is applied prospectively from the reclassification date. Any previously stated gains,
losses or interest are not restated.

The reclassification date is the beginning of the first reporting period following the change in business model which necessitates a reclassification.

Financial liabilities

Financial liabilities are not reclassified.

Loans receivable at amortised cost

Classification

Loans to group companies (note 22) are classified as financial assets subsequently measured at amortised cost.

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

Recognition and measurement

Loans receivable are recognised when the company becomes a party to the contractual provisions of the loan. The loans are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost.

The amortised cost is the amount recognised on the loan initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Impairment

The company recognises a loss allowance for expected credit losses on all loans receivable measured at amortised cost. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective loans.

The company measures the loss allowance at an amount equal to lifetime expected credit losses (lifetime ECL) when there has been a significant increase in credit risk since initial recognition. If the credit risk on a loan has not increased significantly since initial recognition, then the loss allowance for that loan is measured at 12 month expected credit losses (12 month ECL).

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a loan. In contrast, 12 month ECL represents the portion of lifetime ECL that is expected to result from default events on a loan that are possible within 12 months after the reporting date.

In order to assess whether to apply lifetime ECL or 12 month ECL, in other words, whether or not there has been a significant increase in credit risk since initial recognition, the company considers whether there has been a significant increase in the risk of a default occurring since initial recognition rather than at evidence of a loan being credit impaired at the reporting date or of an actual default occurring.

Borrowings and loans from related parties

Classification

Loan from group company, loans from shareholders and other financial liabilities are classified as financial liabilities subsequently measured at amortised cost.

Recognition and measurement

Borrowings and loans from related parties are recognised when the company becomes a party to the contractual provisions of the loan. The loans are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Interest expense, calculated on the effective interest method, is included in profit or loss in finance costs.

Borrowings expose the company to liquidity risk and interest rate risk. Refer to note 4 for details of risk exposure and management thereof.

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.
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 company's business model is to collect the contractual cash flows on trade and other receivables.

Recognition and measurement

Trade and other receivables are recognised when the company becomes a party to the contractual provisions of the receivables. They are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost.

The amortised cost is the amount recognised on the receivable initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Impairment

The company recognises a loss allowance for expected credit losses on trade and other receivables, excluding VAT and prepayments. The amount of expected credit losses is updated at each reporting date.

The company measures the loss allowance for trade and other receivables at an amount equal to lifetime expected credit losses (lifetime ECL), which represents the expected credit losses that will result from all possible default events over the
expected life of the receivable.

Measurement and recognition of expected credit losses

The company makes use of a provision matrix as a practical expedient to the determination of expected credit losses on trade and other receivables. The provision matrix is based on historic credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current and forecast direction of conditions at the reporting date, including the time value of money, where appropriate.

The customer base is widespread and does not show significantly different loss patterns for different customer segments. The loss allowance is calculated on a collective basis for all trade and other receivables in totality.

An impairment gain or loss is recognised in profit or loss with a corresponding adjustment to the carrying amount of trade and other receivables, through use of a loss allowance account. The impairment loss is included in other operating expenses in profit or loss as a movement in credit loss allowance.

Trade and other payables

Classification

Trade and other payables, excluding VAT and amounts received in advance, are classified as financial liabilities subsequently measured at amortised cost.

Recognition and measurement

They are recognised when the company becomes a party to the contractual provisions, and are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

If trade and other payables contain a significant financing component, and the effective interest method results in the recognition of interest expense, then it is included in profit or loss in finance costs.

Trade and other payables expose the company to liquidity risk and possibly to interest rate risk. Refer to note 4 for details of risk exposure and management thereof.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

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

Bank overdrafts

Bank overdrafts are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

4.4 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 material 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 material 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).

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

Tax expenses

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

- a transaction or event 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.

4.5 Leases

Accounting policies applied from 1 January 2019

The Company uses office buildings and warehouse space based on operating lease arrangements.

The lease terms are summarised below:

- Office buildings and warehouse has a non-cancellable lease term of 12 months. The contract contains an option to renew the lease annually. The lease payments are a fixed amount.

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- Leases of low value assets; and
- Leases with a term of 12 months or less.

The short-term lease exemption is applied consistently to all underlying assets in the same class. The low value lease exemption is applied on a lease-by-lease basis.

4.6 Leases

Accounting policies applied until 31 December 2018

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Operating leases – lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset. This liability is not discounted.

Any contingent rents are expensed in the period they are incurred.

4.7 Inventories

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

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

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

The cost of inventories of items that are not ordinarily interchangeable, and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs.

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

When inventories are sold, the carrying amounts 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

number of inventories recognised as an expense in the period in which the reversal occurs.

4.8 Impairment of assets

The Company 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 Company estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the Company 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.

4.9 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.

This is disclosed as:

- Shares which constitute ordinary shares issued at par value per share; and
- Share premium which represents the difference between the par value and the price at which the share was issued.

4.10 Employee benefits

Short-term employee benefits

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

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

4.11 Revenue

IFRS 15 Revenue from Contracts with Customers

IFRS 15 Revenue from Contracts with Customers applies to all contracts with customers and non-monetary exchanges between entities in the same line of business to facilitate sales to customers or potential customers.

The core principle of IFRS 15 is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This core principle is delivered in a five-step model framework:

1. Identify the contract(s) with a customer
2. Identify the performance obligations in the contract
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations in the contract
5. Recognise revenue when (or as) the entity satisfies a performance obligation.

Identify the contract with the customer

A contract with a customer will be within the scope of IFRS 15 if all the following conditions are met:

- the contract has been approved by the parties to the contract;
- each party's rights in relation to the goods or services to be transferred can be identified;
- the payment terms for the goods or services to be transferred can be identified;
- the contract has commercial substance; and
- it is probable that the consideration to which the entity is entitled to in exchange for the goods or services will be collected.

If a contract with a customer does not yet meet all of the above criteria, the entity will continue to re-assess the contract going forward to determine whether it subsequently meets the above criteria. From that point, the entity will apply IFRS 15 to the contract.

Identify the performance obligations in the contract

The majority of the company's revenue is derived from selling goods with revenue recognised at a point in time when control of the goods has transferred to the customer. This is generally when the goods are delivered to the customer. There is limited judgement needed in identifying the point control passes: once physical delivery of the products to the agreed location has occurred, the company no longer has physical possession, usually will have a present right to payment (as a single payment on delivery) and retains none of the significant risks and rewards of the goods in question.

Determine the transaction price

Most of the company's revenue is derived from fixed price contracts and therefore the amount of revenue to be earned from each contract is determined by reference to those fixed prices.

Allocate the transaction price to the performance obligations in the contracts

Where a contract has multiple performance obligations, an entity will allocate the transaction price to the performance obligations in the contract by reference to their relative standalone selling prices. If a standalone selling price is not directly observable, the entity will need to estimate it.

Recognise revenue when (or as) the entity satisfies a performance obligation

Revenue is recognised as control is passed at a point in time.

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

4.12 Translation of foreign currencies

Functional and presentation currency

Items included in the financial statements of the Company is measured using the currency of the primary economic environment in which the entity operates (functional currency).

This consolidated financial information is presented in Pounds Sterling which is the Company presentation currency. The company functional currency in ZAR (South African Rand)

Foreign currency transactions

A foreign currency transaction is recorded, on initial recognition in Pounds, by applying to the foreign currency amount the mid-rate exchange rate between the functional currency and the foreign currency at the date of the transaction.

At the end of the reporting period:

- foreign currency monetary items are translated using the closing rate;
- non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous consolidated and separate financial statements are recognised in profit or loss in the period in which they arise.

When a gain or loss on a non-monetary item is recognised to other comprehensive income and accumulated in equity, any exchange component of that gain or loss is recognised to other comprehensive income and accumulated in equity. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

Cash flows arising from transactions in a foreign currency are recorded in Pounds by applying to the foreign currency amount the exchange rate between the Pounds and the foreign currency at the date of the cash flow.

5. New Standards and Interpretations

Standards and interpretations effective and adopted

IFRS 9: Financial instruments

IFRS 9 issued in November 2009 introduced new requirements for the classification and measurements of financial assets.

IFRS 9 was subsequently amended in October 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition, and in November 2013 to include the new requirements for general hedge accounting.

Another revised version of IFRS 9 was issued in July 2014 mainly to include a)impairment requirements for financial assets and b) limited amendments to the classification and measurement requirements by introducing a "fair value through other comprehensive income" (FVTOCI) measurement category for certain simple debt instruments.

Key requirements of IFRS 9:

- All recognized financial assets that are within the scope of IAS 39 Financial Instruments: Recognition and Measurement are required to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the outstanding principal are generally measured at amortised cost at the end of subsequent reporting periods. Debt instruments that are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and that have contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on outstanding principal, are measured at FVTOCI. All other debt and equity investments are measured at fair value at the end of subsequent reporting periods. In addition, under IFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income with only dividend income generally recognised in profit or loss.
- With regard to the measurement of financial liabilities designated as at fair value through profit or loss, IFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of the liability is presented in other comprehensive income, unless the recognition of the effect of the changes of the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Under IAS 39, the entire amount of the change in fair value of a financial liability designated as at fair value through profit or loss is presented in profit or loss.
- In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. It is therefore no longer necessary for a credit event to have occurred before credit losses are recognised.
- The new general hedge accounting requirements retain the three types of hedge accounting mechanisms currently available in IAS 39. Under IFRS 9, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been replaced with the principal of an "economic relationship". Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

The effective date of the standard is for years beginning on or after 1 January 2018.

IFRS 15: Revenue from Contracts with Customers

IFRS 15 supersedes IAS 11 Construction contracts; IAS 18 Revenue; IFRIC 13 Customer Loyalty Programmes; IFRIC 15 Agreements for the construction of Real Estate; IFRIC 18 Transfers of Assets from Customers and SIC 31 Revenue – Barter Transactions Involving Advertising Services.

The core principle of IFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or
services. An entity recognises revenue in accordance with that core principle by applying the following steps:

1. Identify the contract(s) with a customer
2. Identify the performance obligations in the contract
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations in the contract
5. Recognise revenue when (or as) the entity satisfies a performance obligation.

IFRS 15 also includes extensive new disclosure requirements.

The effective date of the standard is for years beginning on or after 1 January 2018.

The adoption of this standard has not had a material impact on the results of the company but has resulted in more disclosure than would have previously been provided in the annual financial statements.

IFRS 16: Leases

IFRS 16 Leases is a new standard which replaces IAS 17 Leases and introduces a single lessee accounting model. The main changes arising from the issue of IFRS 16 which are likely to impact the company are as follows:

Company as lessee:

- Lessees are required to recognise a right-of-use asset and a lease liability for all leases, except short term leases or leases where the underlying asset has a low value, which are expensed on a straight line or other systematic basis.
- The cost of the right-of-use asset includes, where appropriate, the initial amount of the lease liability; lease payments made prior to commencement of the lease less incentives received; initial direct costs of the lessee; and an estimate for any provision for dismantling, restoration and removal related to the underlying asset.
- The lease liability takes into consideration, where appropriate, fixed and variable lease payments; residual value guarantees to be made by the lessee; exercise price of purchase options; and payments of penalties for terminating the lease.
- The right-of-use asset is subsequently measured on the cost model at cost less accumulated depreciation and impairment and adjusted for any re-measurement of the lease liability. However, right-of-use assets are measured at fair value when they meet the definition of investment property and all other investment property is accounted for on the fair value model. If a right-of-use asset relates to a class of property, plant and equipment which is

measured on the revaluation model, then that right-of-use asset may be measured on the revaluation model.

- The lease liability is subsequently increased by interest, reduced by lease payments and re-measured for reassessments or modifications.
- Re-measurements of lease liabilities are affected against right-of-use assets, unless the assets have been reduced to nil, in which case further adjustments are recognised in profit or loss.
- The lease liability is re-measured by discounting revised payments at a revised rate when there is a change in the lease term or a change in the assessment of an option to purchase the underlying asset.
- The lease liability is re-measured by discounting revised lease payments at the original discount rate when there is a change in the amounts expected to be paid in a residual value guarantee or when there is a change in future payments because of a change in index or rate used to determine those payments.
- Certain lease modifications are accounted for as separate leases. When lease modifications which decrease the scope of the lease are not required to be accounted for as separate leases, then the lessee re-measures the lease liability by decreasing the carrying amount of the right of lease asset to reflect the full or partial termination of the lease. Any gain or loss relating to the full or partial termination of the lease is recognised in profit or loss. For all other lease modifications which are not required to be accounted for as separate leases, the lessee re-measures the lease liability by making a corresponding adjustment to the right-of-use asset.
- Right-of-use assets and lease liabilities should be presented separately from other assets and liabilities. If not, then the line item in which they are included must be disclosed. This does not apply to right-of-use assets meeting the definition of investment property which must be presented within investment property. IFRS 16 contains different disclosure requirements compared to IAS 17 leases.

The effective date of the standard is for years beginning on or after 1 January 2019.

5.1 Standards and interpretations effective and adopted in the current year

To all periods reported, the Company has adopted those standards and interpretations that are effective and that are relevant to its operations.

5.2 Standards and interpretations not yet effective

The company has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the company’s accounting periods beginning on or after 1 March 2020 or later periods:

Presentation of Financial Statements: Disclosure initiative

The amendment clarifies and align the definition of ‘material’ and provide guidance to help improve consistency in the application of that concept whenever it is used in IFRS Standards.

The effective date of the amendment is for years beginning on or after 1 January 2020.

It is unlikely that the amendment will have a material impact on the company's annual financial statements.

Accounting Policies, Changes in Accounting Estimates and Errors: Disclosure initiative

The amendment clarify and align the definition of ‘material’ and provide guidance to help improve consistency in the application of that concept whenever it is used in IFRS Standards.

The effective date of the amendment is for years beginning on or after 1 January 2020.

It is unlikely that the amendment will have a material impact on the company's annual financial statements.

6. Risk management Capital risk management

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

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Company monitors capital on the basis of the gearing ratio.

This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the statement of financial position) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the statement of financial position plus net debt.

There are no externally imposed capital requirements.

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

The gearing ratio at 2020, 2019 and 2018 respectively were as follows:

	2020	**2019**	**2018**
Other financial liabilities	151,676	164,398	133,493
Less: Cash and cash equivalents	-	8	12,870
Net debt	**151,676**	**164,398**	**133,493**
Total equity	**565,894**	**558,711**	**640,876**
Total capital	**717,570**	**723,109**	**774,369**
Gearing ratio	21%	23%	17%

Liquidity risk

Cash flow forecasting is performed by the Company. Such forecasting takes into consideration the Company's debt financing plans, covenant compliance, compliance with internal statement of financial position ratio targets and, if applicable external regulatory or legal requirements - for example, currency restrictions.

Cash flow forecasts are prepared, and adequate utilised borrowing facilities are monitored.

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

Company

At 28 February 2020	**Less than 1 year**	**Between 1 and 2 years**	**Between 2 and 5 years**	**Over 5 years**
Borrowings	-	151,676	-	-
Trade and other payables	24,012	-	-	-
At 28 February 2019	**Less than 1 year**	**Between 1 and 2 years**	**Between 2 and 5 years**	**Over 5 years**

Borrowings	-	164,398	-	-
Trade and other payables	45,170	-	-	-
At 28 February 2018	**Less than 1 year**	**Between 1 and 2 years**	**Between 2 and 5 years**	**Over 5 years**
Borrowings		133,493	-	
Trade and other payables	115,026	-	-	-

Credit risk

Credit risk is managed on a Company basis.

Credit risk consists mainly of cash deposits, cash equivalents, derivative financial instruments and trade debtors. LEMS only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Trade receivables comprise a widespread customer base. Management evaluated credit risk relating to customers on an on-going basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The utilisation of credit limits is regularly monitored. Sales to retail customers are settled in cash or using major credit cards. Credit guarantee insurance is purchased when deemed appropriate.

No credit limits were exceeded during the reporting period, and management does not expect any losses from non-performance by these counterparties.

Foreign exchange risk

The Company operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar and the UK pound and RSA Rand. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.

The Company does not hedge foreign exchange fluctuations.

Exchange rates used for conversion of foreign items were:	**2020**	**2019**	**2018**
ZAR	0.04982	0.05668	0.06142

The Company reviews its foreign currency exposure, including commitments on an on-going basis.

7. Financial assets by category

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

As at 28 February 2020	Loans and receivables at amortised cost	Total

Trade and other receivables	6,879	6,879
Other Financial Asset	14,143	14,143
Loan to related company	348,843	348,843
Cash and cash equivalents	-	-
	369,865	**369,865**

As at 28 February 2019	Loans and receivables at amortised cost	Total
Trade and other receivables	1,944	1,944
Other Financial asset	15,329	15,329
Loan to related company	203,705	203,705
Cash and cash equivalents	8	8
	220,986	**220,986**

As at 28 February 2018	Loans and receivables at amortised cost	Total
Trade and other receivables	38,453	38,453
Cash and cash equivalents	12,870	12,870
	51,323	**51,323**

8. Financial liabilities by category

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

As at 28 February 2020	Financial liabilities at amortised cost	Total
Other financial liabilities	151,676	151,676
Trade and other payables	24,011	24,011
	175,687	**175,687**

As at 28 February 2019	Financial liabilities at amortised cost	Total
Other financial liabilities	164,398	164,398

Trade and other payables	45,170	45,170
	209,568	**209,568**

As at 28 February 2018	Financial liabilities at amortised cost	Total
Other financial liabilities	133,493	133,493
Trade and other payables	115,028	115,028
	248,521	**248,521**

9. Plant and equipment

Summary

	2020			2019		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Furniture and fixtures	584,974	(277,913)	357,061	634,042	(166,751)	517,291
Office equipment	1,124	(1,124)	-	1,218	(1,218)	-
IT equipment	7,240	(7,240)	-	7,847	(7,847)	-
Computer software	3,175	(3,175)	-	3,441	(3,441)	-
Total	**596,513**	**(239,452)**	**357,061**	**646,548**	**(129,257)**	**517,291**

Reconciliation of plant and equipment - 2020

	Opening balance	Additions	Disposals	Depreciation	Foreign revaluation	Total
Furniture and fixtures	517,291	-	-	(129,644)	(30,586)	357,061
Office equipment	-	-	-	-	-	-
IT Equipment	-	-	-	-	-	-
Computer software	-	-	-	-	-	-
Total	**517,291**	**-**	**-**	**(129,644)**	**(30,586)**	**357,061**

Reconciliation of plant and equipment – 2019

	Opening balance	Additions	Disposals	Depreciation	Foreign revaluation	Total
Furniture and fixtures	712,833	-	-	(119,014)	(76,528)	517,291
Office equipment	461	-	-	(398)	(63)	-
IT equipment	2,861	-	-	(2,473)	(388)	-
Computer software	1,302	-	-	(1,125)	(177)	-
Total	**717,457**	**-**	**-**	**(123,010)**	**(77,156)**	**517,291**

Reconciliation of plant and equipment – 2018

	Opening balance	Additions	Disposals	Depreciation	Foreign revaluation	Total
Furniture and fixtures	722,258	-	-	(3,456)	(5,969)	712,833
Office equipment	1,388	-	-	(425)	(502)	461

IT Equipment	8,939	-	-	(2,935)	(3,143)	2,861
Computer software	3,920	-	-	(1,199)	(1,419)	1,302
Total	**736,505**	**-**	**-**	**(8,015)**	**(11,033)**	**717,457**

10. Trade and Other receivables

Figures in Pounds Sterling (GBP)	2020	2019	2018
Financial instruments			
Trade receivables	6,879	1,944	38,453
Deposits	5,129	5,257	5,508
	12 008	**7,201**	**43,961**

Categorisation of trade and other receivables

All trade and other receivables are categorised as financial instruments at amortised cost in accordance with IFRS 9: Financial Instruments.

Exposure to credit risk

Trade receivables inherently expose the company to credit risk, being the risk that the company will incur financial loss if customers fail to make payments as they fall due.

A loss allowance is recognised for all trade receivables, in accordance with IFRS 9 Financial Instruments, and is monitored at the end of each reporting period. In addition to the loss allowance, trade receivables are written off when there is no reasonable expectation of recovery, for example, when a debtor has been placed under liquidation. Trade receivables which have been written off are not subject to enforcement activities.

The company measures the loss allowance for trade receivables by applying the simplified approach which is prescribed by IFRS 9. In accordance with this approach, the loss allowance on trade receivables is determined as the lifetime expected credit losses on trade receivables. These lifetime expected credit losses are estimated using a provision matrix, which is presented below. The provision matrix has been developed by making use of past default experience of debtors but also incorporates forward looking information and general economic conditions of the industry as at the reporting date.

As of 28 February 2020, there were no trade and other receivables that had been impaired and provided for.

Refer to note 4 Financial instruments and financial risk management for details of credit risk exposure and management.

11. Inventories

Figures in Pounds Sterling (GBP)	2020	2019	2018
Finished goods	9,527	24,745	115,107

12. Cash and cash equivalents

Figures in Pounds Sterling (GBP)	2020	2019	2018

Cash and cash equivalents consist of:

Bank balances	-	8	12,870

The above cash balances where held in:	**2020**	**2019**	**2018**
ZAR	-	141	210,269

13. Share capital

Figures in Pounds Sterling (GBP)	**2020**	**2019**	**2018**
Authorised			
95 000 000	92,000,000	92,000,000	90,000,000
Reconciliation of number of shares Authorised:			
Reported at the beginning of the period	92,000,000	90,000,000	100
Issue of shares – ordinary shares	0	2,000,000	89,999,900
	92,000,000	**92,000,000**	**90,000,000**
Issued			
Ordinary no par value shares	46 285	46 285	46,123
Shares issued	-	-	-
Closing balance	46 285	46 285	46,123
Share premium	679,025	735,982	771,016
	151 903	**172 819**	**133 958**
Non-current liabilities			
At amortised cost	151,676	164,398	133,493
Current liabilities			
At amortised cost	-	-	-

14. Trade and other payables

Figures in Pounds Sterling (GBP)	**2020**	**2019**	**2018**
Trade payables	24,011	45,170	115,028
	24,011	**45,170**	**115,028**

15. Revenue

Figures in Pounds Sterling (GBP)	2020	2019	2018
Sale of goods	447,831	86,458	100,349

16. Cost of sales

Figures in Pounds Sterling (GBP)	2020	2019	2018
Sale of goods	433,860	65,622	79,498

17. Other operating income

Figures in Pounds Sterling (GBP)	2020	2019	2018
Compensation from insurance claims	-	-	-

18. Operating profit (loss)

Operating loss for the year is stated after charging (crediting) the following, amongst others:

Figures in Pounds Sterling (GBP)	2020	2019	2018
Employee costs			
Salaries, wages, bonuses and other benefits	53,229	124,255	116,098
Leases			
Operating lease charges			
Premises	33,917	15,999	18,814
Equipment	7,404	3,512	2,415
	41,321	**19,911**	**21,229**
Depreciation			
Depreciation of plant and equipment	129,709	123,010	8,015
Total depreciation	**129,709**	**123,010**	**8,015**

19. Investment income

Figures in Pounds Sterling (GBP)	2020	2019	2018
Interest income			
From investments in financial assets:			
Bank and other cash	-	14	331

20. Related parties

Relationships

Holding Company	Umuthi Healthcare Solutions PLC
Majority shareholder	G.P. Viljoen
Members of key management	G.P. Viljoen
	P.J. Grimes

Related party balances
Loan accounts – Owing (to) by related parties

All amounts are non-current:

	2020	**2019**	**2018**
Umuthi Healthcare Solutions PLC	348,843	203,705	-

21. Directors' emoluments

	2020	**2019**	**2018**
P.J Grimes	40 200	43 459	42 857
D Viljoen	3 478	41 736	

22. 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 Company 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.

Transfers of assets and liabilities within levels of the fair value hierarchy

There have been no transfers between fair value levels during any of the periods within this Financial Information.

Valuation processes applied by the Company

The Company measures financial instruments such as derivatives, and non-financial assets at fair value at each balance sheet date. Fair value related disclosures for financial instruments and non-financial assets that are measured at fair value or where fair values are disclosed are summarised in the accounting policies under note 1 as well as in the following notes:

Trade and other payables - Note 12

Other financial liabilities - Note 24

23. Forex gain and losses

Foreign currency monetary items shall be translated using the closing rate; non-monetary items that are measured in terms of historical cost in a foreign currency shall be translated using the exchange rate at the date of the transaction; and non-monetary items that are measured at fair value in a foreign currency shall be translated using the exchange rates at the date when the fair value was determined.
Monetary items include trade payables and trade receivables as well as cash
Non-monetary items include Inventory, plant and equipment, Share capital and share premium.

Figures in Pounds Sterling (GBP)	**2020**	**2019**	**2018**
Movement recognised in OCI			
Exchange differences on translating foreign operations	16,846	10,094	8,376

24. Loan to related company

	2020	**2019**	**2018**
Umuthi Healthcare Solutions PLC	348,843	203,705	0

The above loan is unsecured, bears no interest and has no fixed terms of repayment.

25. Other financial assets

	2020	**2019**	**2018**
Sleep md	14,143	15,329	0

The above loan is unsecured, bears no interest and has no fixed terms of repayment.

26. Other financial liabilities

	2020	**2019**	**2018**
JN Chinyanta	151,676	164,398	133,493

The above loan is unsecured, bears no interest and has no fixed terms of repayment.

PART 4 : UNAUDITED INTERIM FINANCIAL INFORMATION OF UMUTHI HEALTHCARE SOLUTIONS PLC FOR THE SIX MONTHS ENDED 31 AUGUST 2020

The Directors have prepared the unaudited interim financial information for the six months ended 31 August 2020 on the basis set out in note [●] to the unaudited interim financial information. The unaudited interim financial information contained in this Part ●, which have been prepared by the Directors and are unaudited. The Directors are responsible for the unaudited interim financial information contained in this Part ●.

Statements of Financial Position as at
31 Aug 2020

Figures in Great British Pound Sterling (GBP)	Notes	31 Aug 2020	31 Aug 2019
Assets			
Non-Current Assets			
Investment in Subsidiary		86,999	86,999
		86,999	**86,999**
Current Assets			
Trade receivables	8	5,001	5,001
		92,000	**92,000**
Total Assets		**92,000**	**92,000**
Equity and Liabilities			
Equity			
Share capital		90,000	87,000
Unpaid Share Capital		2,000	5,000
Retained earnings		(431,866)	(214,150)
		(339,866)	**(122,150)**
Liabilities			
Current Liabilities			
Intercompany loan	12	431,866	214,150
		431,866	**214,150**
Total Liabilities		**431,866**	**214,150**
Total Equity and Liabilities		**92,000**	**92,000**

Statement of Profit or Loss and Other Comprehensive Income for the period ended 31 August 2020

Figures in Pounds Sterling (GBP)	**Notes**	**31 Aug 2020**	**31 Aug 2019**
Revenue	13	-	-
Cost of sales	14	- -	-
Gross profit (loss)		**-**	**-**
Other operating expenses	16	(82,500)	(209,969)
Operating loss		**(82,500)**	**(209,969)**
Investment income	17	-	-
Finance costs			
Loss before taxation		**(82,500)**	**(209,969)**
Taxation		-	-
Loss for the year		**(82,500)**	**(209,969)**
Other comprehensive income included in loss for the year above:			
Items that may be reclassified profit or loss:			
Exchange differences on translating foreign operations	-	-	-
Other comprehensive income for the year net of Taxation		**-**	**-**

Statement Changes in Equity for the years

31 August 2020, 31 August 2019

Figures in pounds	Share Capital	Share Premium	Total Share Capital	Capital Contributions	Foreign currency translation reserve	Accumulated Loss	Total Equity
Balance at 01 September 2018	**-**	**-**	**-**		**-**	**-**	**-**
At incorporation	1	-	1		-	-	1
Issue of shares	94,999	-	94,999		-	-	94,999
Cancelation of shares	(3,000)	-	(3,000)	-	-	-	(3,000)
Loss for the period	**-**	**-**	**-**		-	(209,969)	(209,969)
Balance as at 01 September 2019	**92,000**	**-**	**92,000**	**-**	**-**	**(214,150)**	**(122,150)**
Loss for the period	-	-	-		-	-	-
Other comprehensive income	-	-	-		-	-	-
Total comprehensive loss for the period	**-**	**-**	**-**		**-**	**-**	**-**
Capital contributions	-	-	-	-	-	-	-
Total contributions by and Distributions to owners of Company recognised directly in equity	**-**	**-**	**-**		-	-	-
Balance as at 31 August 2020	**92,000**	**-**	**92,000**	-	**-**	**(431,866)**	**(339,866)**

Statement of Cash Flows for the years ended

31 Aug 2020, 31 Aug 2019

Figures in Pounds Sterling (GBP)	Notes	6 months ended 31 August 2020	6 months ended 31 August 2019
Cash flows from operating activities			
Loss before taxation		(82,500)	(209,969)
Adjustments for:			
Depreciation		-	-
Interest received		-	-
Finance costs		-	-
Exchange differences on translating foreign operations		-	-
Changes in working capital:			
Inventories		-	-
Trade and other receivables		-	-
Trade and other payables		-	-
Cash used in operations		**(82,500)**	**(209,969)**
Interest income		-	-
Finance costs		-	-
Net cash from operating activities		**(82,500)**	**(209,969)**
Cash flows from investing activities			
Purchase of plant and equipment		-	-
Sale of plant and equipment		-	-
Net cash from investing activities		**-**	**-**
Proceeds of financial asset		-	-
Repayment of other financial liabilities		-	-
Repayment of shareholders loan and capital contribution movements		-	-
Net cash from investing activities		**-**	-
Total cash movement for the year		**-**	**-**
Cash at the beginning of the year		-	-
Total cash at end of the year	11	**-**	**-**

Notes to the financial information

1. General Information

The Company was incorporated on 15 Feb 2018 as private company in England and Wales with Registered Number 11208220 under the Companies Act 2006. The Company re-registered as a plc. on 20 February 2019.

The Company has not yet commenced business and no dividends have been declared or paid since the date of incorporation.

The address of its registered office is Eastcastle House, 27/28 Eastcastle Street, London, W1W 8DH. This Financial Information of the Company has been prepared for the sole purpose of publication within the prospectus It has been prepared in accordance with the requirements of the Prospectus Rule and has been prepared in accordance with International Financial Reporting Standards and IFRS interpretations Committee (IFRS IC) interpretations as adopted by the European Union ("IFRS") and the policies stated elsewhere within the Financial Information. The Financial Information does not constitute statutory accounts within the meaning of section 434 of the Companies Act 2006.

The Historical Financial Information is presented in Sterling, which is the Company's functional and presentational currency and has been prepared under the historical cost convention.

2. Significant accounting policies -

2.1 Significant judgements and sources of estimation uncertainty

The preparation of financial information 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 may differ from these estimates. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Critical judgements in applying accounting policies

Management did not make critical judgements in the application of accounting policies, apart from those involving estimations, which would significantly affect the financial statements.

Key sources of estimation uncertainty

Provision for expected credit losses of trade receivables and contract assets

The company is utilising the simplified approach in determining the expected credit loss allowance. Under the simplified approach, there is no need to calculate a 12-month Expected Credit Loss (ECL) and assess whether a significant increase in credit risk has occurred. A loss allowance is measured at initial recognition and throughout the life of the receivable at an amount equal to lifetime ECL's for the asset. A lifetime ECL is the amount of the expected credit losses that result from all possible default events over the expected life of the financial instrument. The company assesses its trade and other receivables and loans and receivables for impairment at initial recognition of the financial instrument and at the end of each reporting period. In determining whether an Expected Credit Loss (ECL) should be recorded in profit or loss, the company assesses the receivables ability to make payment and if there is observable data which indicates payment may not be received and an Expected Credit Loss is recognised.

Allowance for slow moving, damaged and obsolete inventory

Management assesses whether inventory is impaired by comparing its cost to its estimated net realisable value. Where impairment is necessary, inventory items are written down to net realisable value. The write down is included in cost of sales.

Fair value estimation

Assets and liabilities of the Company are either measured at fair value or disclosure is made of their fair values.

Observable market data is used as inputs to the extent that it is available. Qualified external valuers are consulted for the determination of appropriate valuation techniques and inputs.

Useful lives of plant and equipment

Management assess the appropriateness of the useful lives of plant and equipment at the end of each reporting period. The useful lives of office equipment furniture and computer equipment are determined based on Company replacement policies for the various assets. Individual assets within these classes, which have a significant carrying amount, are assessed separately to consider whether replacement will be necessary outside of normal replacement parameters.

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

2.2 Plant and equipment

An item of plant and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the Company, and the cost of the item can be measured reliably.

Plant and equipment 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.

The initial estimate of the costs of dismantling and removing an item and restoring the site on which it is located is also included in the cost of plant and equipment, where the Company is obligated to incur such expenditure

Expenditure incurred subsequently for major services, additions to or replacements of parts of plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the Company 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.

Plant and equipment is subsequently stated at cost less accumulated depreciation and 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 Company. 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 plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life

Furniture and fixtures	Straight line	6 years
Office equipment	Straight line	3 years
IT equipment	Straight line	3 years
Computer software	Straight line	3 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.

Each part of an item of plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

Impairment tests are performed on plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of , 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 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 recognition of an item of , 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.

2.3 Financial instruments

Classification

Financial instruments held by the company are classified in accordance with the provisions of IFRS 9 Financial Instruments.
The Company classifies financial assets and financial liabilities into the following categories:

- Loans and receivables
- Financial liabilities measured at amortised cost

Classification depends on the purpose for which the financial instruments were obtained / incurred and takes place at initial recognition. Classification is re-assessed on an annual basis, except for derivatives and financial assets designated as at fair value through profit or loss, which shall not be classified out of the fair value through profit or loss category.

Initial recognition and measurement

Financial instruments are recognised initially when the Company becomes a party to the contractual provisions of the instruments.

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

Financial instruments are measured initially at fair value, except for equity investments for which a fair value is not determinable, which are measured at cost and are classified as available-for-sale financial assets.

For financial instruments which are not at fair value through profit or loss, transaction costs are included in the initial measurement of the instrument.

Subsequent measurement

Loans and receivables are subsequently measured at amortised cost, using the effective interest method, less accumulated impairment losses.

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

Derecognition

Financial assets

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. If the company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the company retains substantially all the risks and rewards of ownership of a transferred financial asset, the company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities

The company derecognises financial liabilities when, and only when, the company 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.

Reclassification

Financial assets

The company only reclassifies affected financial assets if there is a change in the business model for managing financial assets. If a reclassification is necessary, it is applied prospectively from the reclassification date. Any previously stated gains,
losses or interest are not restated.

The reclassification date is the beginning of the first reporting period following the change in business model which necessitates a reclassification.

Financial liabilities

Financial liabilities are not reclassified.

Loans receivable at amortised cost

Classification

Loans to group companies (note 22) are classified as financial assets subsequently measured at amortised cost.

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

Recognition and measurement

Loans receivable are recognised when the company becomes a party to the contractual provisions of the loan. The loans are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost.

The amortised cost is the amount recognised on the loan initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Impairment

The company recognises a loss allowance for expected credit losses on all loans receivable measured at amortised cost. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective loans.

The company measures the loss allowance at an amount equal to lifetime expected credit losses (lifetime ECL) when there has been a significant increase in credit risk since initial recognition. If the credit risk on a loan has not increased significantly since initial recognition, then the loss allowance for that loan is measured at 12 month expected credit losses (12 month ECL).

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a loan. In contrast, 12 month ECL represents the portion of lifetime ECL that is expected to result from default events on a loan that are possible within 12 months after the reporting date.

In order to assess whether to apply lifetime ECL or 12 month ECL, in other words, whether or not there has been a significant increase in credit risk since initial recognition, the company considers whether there has been a significant increase in the risk of a default occurring since initial recognition rather than at evidence of a loan being credit impaired at the reporting date or of an actual default occurring.

Borrowings and loans from related parties

Classification

Loan from group company, loans from shareholders and other financial liabilities are classified as financial liabilities subsequently measured at amortised cost.

Recognition and measurement

Borrowings and loans from related parties are recognised when the company becomes a party to the contractual provisions of the loan. The loans are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Interest expense, calculated on the effective interest method, is included in profit or loss in finance costs.

Borrowings expose the company to liquidity risk and interest rate risk. Refer to note 4 for details of risk exposure and management thereof.

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.
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 company's business model is to collect the contractual cash flows on trade and other receivables.

Recognition and measurement

Trade and other receivables are recognised when the company becomes a party to the contractual provisions of the receivables. They are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost.

The amortised cost is the amount recognised on the receivable initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Impairment

The company recognises a loss allowance for expected credit losses on trade and other receivables, excluding VAT and prepayments. The amount of expected credit losses is updated at each reporting date.

The company measures the loss allowance for trade and other receivables at an amount equal to lifetime expected credit losses (lifetime ECL), which represents the expected credit losses that will result from all possible default events over the
expected life of the receivable.

Measurement and recognition of expected credit losses

The company makes use of a provision matrix as a practical expedient to the determination of expected credit losses on trade and other receivables. The provision matrix is based on historic credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current and forecast direction of conditions at the reporting date, including the time value of money, where appropriate.

The customer base is widespread and does not show significantly different loss patterns for different customer segments. The loss allowance is calculated on a collective basis for all trade and other receivables in totality.

An impairment gain or loss is recognised in profit or loss with a corresponding adjustment to the carrying amount of trade and other receivables, through use of a loss allowance account. The impairment loss is included in other operating expenses in profit or loss as a movement in credit loss allowance.

Trade and other payables

Classification

Trade and other payables, excluding VAT and amounts received in advance, are classified as financial liabilities subsequently measured at amortised cost.

Recognition and measurement

They are recognised when the company becomes a party to the contractual provisions, and are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

If trade and other payables contain a significant financing component, and the effective interest method results in the recognition of interest expense, then it is included in profit or loss in finance costs.

Trade and other payables expose the company to liquidity risk and possibly to interest rate risk. Refer to note 4 for details of risk exposure and management thereof.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

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

Bank overdrafts

Bank overdrafts are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

2.4 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 material 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 material 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).

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

Tax expenses

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

- a transaction or event 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.

2.5 Leases

Accounting policies applied from 1 January 2019

The Company uses office buildings and warehouse space based on operating lease arrangements.

The lease terms are summarised below:

- Office buildings and warehouse has a non-cancellable lease term of 12 months. The contract contains an option to renew the lease annually. The lease payments are a fixed amount.

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- Leases of low value assets; and
- Leases with a term of 12 months or less.

The short-term lease exemption is applied consistently to all underlying assets in the same class. The low value lease exemption is applied on a lease-by-lease basis.

2.6 Leases

Accounting policies applied until 31 December 2018

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Operating leases – lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset. This liability is not discounted.

Any contingent rents are expensed in the period they are incurred.

2.7 Inventories

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

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

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

The cost of inventories of items that are not ordinarily interchangeable, and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs.

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

When inventories are sold, the carrying amounts 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

number of inventories recognised as an expense in the period in which the reversal occurs.

2.8 Impairment of assets

The Company 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 Company estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the Company 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.

2.9 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.

This is disclosed as:

- Shares which constitute ordinary shares issued at par value per share; and
- Share premium which represents the difference between the par value and the price at which the share was issued.

2.10 Employee benefits

Short-term employee benefits

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

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

2.11 Revenue

IFRS 15 Revenue from Contracts with Customers

IFRS 15 Revenue from Contracts with Customers applies to all contracts with customers and non-monetary exchanges between entities in the same line of business to facilitate sales to customers or potential customers.

The core principle of IFRS 15 is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This core principle is delivered in a five-step model framework:

6. Identify the contract(s) with a customer
7. Identify the performance obligations in the contract
8. Determine the transaction price
9. Allocate the transaction price to the performance obligations in the contract
10. Recognise revenue when (or as) the entity satisfies a performance obligation.

Identify the contract with the customer

A contract with a customer will be within the scope of IFRS 15 if all the following conditions are met:

- the contract has been approved by the parties to the contract;
- each party's rights in relation to the goods or services to be transferred can be identified;
- the payment terms for the goods or services to be transferred can be identified;
- the contract has commercial substance; and
- it is probable that the consideration to which the entity is entitled to in exchange for the goods or services will be collected.

If a contract with a customer does not yet meet all of the above criteria, the entity will continue to re-assess the contract going forward to determine whether it subsequently meets the above criteria. From that point, the entity will apply IFRS 15 to the contract.

Identify the performance obligations in the contract

The majority of the company's revenue is derived from selling goods with revenue recognised at a point in time when control of the goods has transferred to the customer. This is generally when the goods are delivered to the customer. There is limited judgement needed in identifying the point control passes: once physical delivery of the products to the agreed location has occurred, the company no longer has physical possession, usually will have a present right to payment (as a single payment on delivery) and retains none of the significant risks and rewards of the goods in question.

Determine the transaction price

Most of the company's revenue is derived from fixed price contracts and therefore the amount of revenue to be earned from each contract is determined by reference to those fixed prices.

Allocate the transaction price to the performance obligations in the contracts

Where a contract has multiple performance obligations, an entity will allocate the transaction price to the performance obligations in the contract by reference to their relative standalone selling prices. If a standalone selling price is not directly observable, the entity will need to estimate it.

Recognise revenue when (or as) the entity satisfies a performance obligation

Revenue is recognised as control is passed at a point in time.

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

2.12 Translation of foreign currencies

Functional and presentation currency

Items included in the financial statements of the Company is measured using the currency of the primary economic environment in which the entity operates (functional currency).

This consolidated financial information is presented in Pounds Sterling which is the Company presentation currency. The company functional currency in ZAR (South African Rand)

Foreign currency transactions

A foreign currency transaction is recorded, on initial recognition in Pounds, by applying to the foreign currency amount the mid-rate exchange rate between the functional currency and the foreign currency at the date of the transaction.

At the end of the reporting period:

- foreign currency monetary items are translated using the closing rate;
- non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous consolidated and separate financial statements are recognised in profit or loss in the period in which they arise.

When a gain or loss on a non-monetary item is recognised to other comprehensive income and accumulated in equity, any exchange component of that gain or loss is recognised to other comprehensive income and accumulated in equity. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

Cash flows arising from transactions in a foreign currency are recorded in Pounds by applying to the foreign currency amount the exchange rate between the Pounds and the foreign currency at the date of the cash flow.

3. New Standards and Interpretations

Standards and interpretations effective and adopted

IFRS 9: Financial instruments

IFRS 9 issued in November 2009 introduced new requirements for the classification and measurements of financial assets.

IFRS 9 was subsequently amended in October 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition, and in November 2013 to include the new requirements for general hedge accounting.

Another revised version of IFRS 9 was issued in July 2014 mainly to include a)impairment requirements for financial assets and b) limited amendments to the classification and measurement requirements by introducing a "fair value through other comprehensive income" (FVTOCI) measurement category for certain simple debt instruments.

Key requirements of IFRS 9:

- All recognised financial assets that are within the scope of IAS 39 Financial Instruments: Recognition and Measurement are required to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the outstanding principal are generally measured at amortised cost at the end of subsequent reporting periods. Debt instruments that are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and that have contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on outstanding principal, are measured at FVTOCI. All other debt and equity investments are measured at fair value at the end of subsequent reporting periods. In addition, under IFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income with only dividend income generally recognised in profit or loss.
- With regard to the measurement of financial liabilities designated as at fair value through profit or loss, IFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of the liability is presented in other comprehensive income, unless the recognition of the effect of the changes of the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Under IAS 39, the entire amount of the change in fair value of a financial liability designated as at fair value through profit or loss is presented in profit or loss.
- In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. It is therefore no longer necessary for a credit event to have occurred before credit losses are recognised.
- The new general hedge accounting requirements retain the three types of hedge accounting mechanisms currently available in IAS 39. Under IFRS 9, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been replaced with the principal of an "economic relationship". Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

The effective date of the standard is for years beginning on or after 1 January 2018.

IFRS 15: Revenue from Contracts with Customers

IFRS 15 supersedes IAS 11 Construction contracts; IAS 18 Revenue; IFRIC 13 Customer Loyalty Programmes; IFRIC 15 Agreements for the construction of Real Estate; IFRIC 18 Transfers of Assets from Customers and SIC 31 Revenue – Barter Transactions Involving Advertising Services.

The core principle of IFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or
services. An entity recognises revenue in accordance with that core principle by applying the following steps:

6. Identify the contract(s) with a customer
7. Identify the performance obligations in the contract
8. Determine the transaction price
9. Allocate the transaction price to the performance obligations in the contract
10. Recognise revenue when (or as) the entity satisfies a performance obligation.

IFRS 15 also includes extensive new disclosure requirements.

The effective date of the standard is for years beginning on or after 1 January 2018.

The adoption of this standard has not had a material impact on the results of the company but has resulted in more disclosure than would have previously been provided in the annual financial statements.

IFRS 16: Leases

IFRS 16 Leases is a new standard which replaces IAS 17 Leases and introduces a single lessee accounting model. The main changes arising from the issue of IFRS 16 which are likely to impact the company are as follows:

Company as lessee:

- Lessees are required to recognise a right-of-use asset and a lease liability for all leases, except short term leases or leases where the underlying asset has a low value, which are expensed on a straight line or other systematic basis.
- The cost of the right-of-use asset includes, where appropriate, the initial amount of the lease liability; lease payments made prior to commencement of the lease less incentives received; initial direct costs of the lessee; and an estimate for any provision for dismantling, restoration and removal related to the underlying asset.
- The lease liability takes into consideration, where appropriate, fixed and variable lease payments; residual value guarantees to be made by the lessee; exercise price of purchase options; and payments of penalties for terminating the lease.
- The right-of-use asset is subsequently measured on the cost model at cost less accumulated depreciation and impairment and adjusted for any re-measurement of the lease liability. However, right-of-use assets are measured at fair value when they meet the definition of investment property and all other investment property is accounted for on the fair value model. If a right-of-use asset relates to a class of property, plant and equipment which is

measured on the revaluation model, then that right-of-use asset may be measured on the revaluation model.

- The lease liability is subsequently increased by interest, reduced by lease payments and re-measured for reassessments or modifications.
- Re-measurements of lease liabilities are affected against right-of-use assets, unless the assets have been reduced to nil, in which case further adjustments are recognised in profit or loss.
- The lease liability is re-measured by discounting revised payments at a revised rate when there is a change in the lease term or a change in the assessment of an option to purchase the underlying asset.
- The lease liability is re-measured by discounting revised lease payments at the original discount rate when there is a change in the amounts expected to be paid in a residual value guarantee or when there is a change in future payments because of a change in index or rate used to determine those payments.
- Certain lease modifications are accounted for as separate leases. When lease modifications which decrease the scope of the lease are not required to be accounted for as separate leases, then the lessee re-measures the lease liability by decreasing the carrying amount of the right of lease asset to reflect the full or partial termination of the lease. Any gain or loss relating to the full or partial termination of the lease is recognised in profit or loss. For all other lease modifications which are not required to be accounted for as separate leases, the lessee re-measures the lease liability by making a corresponding adjustment to the right-of-use asset.
- Right-of-use assets and lease liabilities should be presented separately from other assets and liabilities. If not, then the line item in which they are included must be disclosed. This does not apply to right-of-use assets meeting the definition of investment property which must be presented within investment property. IFRS 16 contains different disclosure requirements compared to IAS 17 leases.

The effective date of the standard is for years beginning on or after 1 January 2019.

3.1 Standards and interpretations effective and adopted in the current year

To all periods reported, the Company has adopted those standards and interpretations that are effective and that are relevant to its operations.

3.2 Standards and interpretations not yet effective

The company has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the company’s accounting periods beginning on or after 1 March 2020 or later periods:

Presentation of Financial Statements: Disclosure initiative

The amendment clarifies and align the definition of ‘material’ and provide guidance to help improve consistency in the application of that concept whenever it is used in IFRS Standards.
The effective date of the amendment is for years beginning on or after 1 January 2020.
It is unlikely that the amendment will have a material impact on the company's annual financial statements.

Accounting Policies, Changes in Accounting Estimates and Errors: Disclosure initiative

The amendment clarify and align the definition of ‘material’ and provide guidance to help improve consistency in the application of that concept whenever it is used in IFRS Standards.
The effective date of the amendment is for years beginning on or after 1 January 2020.
It is unlikely that the amendment will have a material impact on the company's annual financial statements.

4. Risk management Capital risk management

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

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Company monitors capital on the basis of the gearing ratio.

This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the statement of financial position) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the statement of financial position plus net debt.

There are no externally imposed capital requirements.

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

The gearing ratio at 2020, 2019 respectively were as follows:

	2020	**2019**
Other financial liabilities	431,866	214,150
Less: Cash and cash equivalents	-	-
Net debt	**431,866**	**214,150**
Total equity	**(339,866)**	**(122,150)**
Total capital		
Gearing ratio	-%	-%

Liquidity risk

Cash flow forecasting is performed by the Company. Such forecasting takes into consideration the Company's debt financing plans, covenant compliance, compliance with internal statement of financial position ratio targets and, if applicable external regulatory or legal requirements - for example, currency restrictions.

Cash flow forecasts are prepared, and adequate utilised borrowing facilities are monitored.

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

Company

At 31 Aug 2020	**Less than 1 year**	**Between 1 and 2 years**	**Between 2 and 5 years**	**Over 5 years**
Borrowings	-	431,866	-	-
Trade and other payables	-	-	-	-
At 31 Aug 2019	**Less than 1 year**	**Between 1 and 2 years**	**Between 2 and 5 years**	**Over 5 years**

Borrowings	-	214,150	-	-
Trade and other payables	-	-	-	-

Credit risk

Credit risk is managed on a Company basis.

5. Financial assets by category

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

As at 31 August 2020	Loans and receivables at amortised cost	Total
Trade and other receivables	5,001	5,001

As at 31 August 2019	Loans and receivables at amortised cost	Total
Trade and other receivables	5,001	5,001

6. Financial liabilities by category

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

As at 28 February 2020	Financial liabilities at amortised cost	Total
Other financial liabilities	431,866	431,866

As at 28 February 2019	Financial liabilities at amortised cost	Total
Other financial liabilities	106,033	106,033
	106,033	**106,033**

7. Trade and Other receivables

Figures in Pounds Sterling (GBP)	2020	2019
Financial instruments		
Trade receivables	5,001	5,001
Deposits	-	
	5,001	**5,001**

Categorisation of trade and other receivables

All trade and other receivables are categorised as financial instruments at amortised cost in accordance with IFRS 9: Financial Instruments.

Exposure to credit risk

Trade receivables inherently expose the company to credit risk, being the risk that the company will incur financial loss if customers fail to make payments as they fall due.

A loss allowance is recognised for all trade receivables, in accordance with IFRS 9 Financial Instruments, and is monitored at the end of each reporting period. In addition to the loss allowance, trade receivables are written off when there is no reasonable expectation of recovery, for example, when a debtor has been placed under liquidation. Trade receivables which have been written off are not subject to enforcement activities.

The company measures the loss allowance for trade receivables by applying the simplified approach which is prescribed by IFRS 9. In accordance with this approach, the loss allowance on trade receivables is determined as the lifetime expected credit losses on trade receivables. These lifetime expected credit losses are estimated using a provision matrix, which is presented below. The provision matrix has been developed by making use of past default experience of debtors but also incorporates forward looking information and general economic conditions of the industry as at the reporting date.

As of 31 Aug 2020, there were no trade and other receivables that had been impaired and provided for.

Refer to note 4 Financial instruments and financial risk management for details of credit risk exposure and management.

8. Cash and cash equivalents

	2020	2019
Figures in Pounds Sterling (GBP)		
Cash and cash equivalents consist of:		
Bank balances	-	-

The above cash balances where held in:	**2020**	**2019**
ZAR	-	-

9. Share capital

	Number of shares	Shares	Share premium	Total

		£	£	£
At incorporation	1	-	-	1
Issue of shares	5,000,000			5,000,000
Share for Share exchange	89,999,999			89,999,999
Share Cancelation	(3,000,000)			(3,000,000)
At 31 August 2020	**92,000,000**	**-**	**-**	**92,000,000**

10. Related parties

Relationships

Holding Company	Umuthi Healthcare Solutions PLC
Majority shareholder	G.P. Viljoen
Members of key management	G.P. Viljoen
	P.J. Grimes

Related party balances

Loan accounts – Owing (to) by related parties

All amounts are non-current:

	2020	**2019**
Lems Pharmaceuticals Ltd	431,343	214,150

11. 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 Company 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.

Transfers of assets and liabilities within levels of the fair value hierarchy

There have been no transfers between fair value levels during any of the periods within this Financial Information.

Valuation processes applied by the Company

The Company measures financial instruments such as derivatives, and non-financial assets at fair value at each balance sheet date. Fair value related disclosures for financial instruments and non-financial assets that are measured at fair value or where fair values are disclosed are summarised in the accounting policies under note 1 as well as in the following notes:
Trade and other payables - Note 12
Other financial liabilities - Note 24

12. Forex gain and losses

Foreign currency monetary items shall be translated using the closing rate; non-monetary items that are measured in terms of historical cost in a foreign currency shall be translated using the exchange rate at the date of the transaction; and non-monetary items that are measured at fair value in a foreign currency shall be translated using the exchange rates at the date when the fair value was determined.
Monetary items include trade payables and trade receivables as well as cash
Non-monetary items include Inventory, plant and equipment, Share capital and share premium.

Figures in Pounds Sterling (GBP)	**2020**	**2019**
Movement recognised in OCI		
Exchange differences on translating foreign operations	-	-

13. Loan from related company

	2020	**2019**
Umuthi Healthcare Solutions PLC	431,343	214,150

The above loan is unsecured, bears no interest and has no fixed terms of repayment

PART 5: LEMS PHARMACEUTICAL LIMITED UNAUDITED FINANCIAL INFORATION FOR THE 6 MONTHS ENDED 31 AUG 2020

The Directors have prepared the unaudited interim financial information for the six months ended 31 August 2020 on the basis set out in note [●] to the unaudited interim financial information. The unaudited interim financial information contained in this Part ●, which have been prepared by the Directors and are unaudited. The Directors are responsible for the unaudited interim financial information contained in this Part ●.

Statements of Financial Position as at 31 Aug 2020

Figures in Great British Pound Sterling (GBP)	Notes	31 Aug 2020	31 Aug 2019
Assets			
Non-Current Assets			
Plant and equipment	7	357,061	490,732
Trade and receivables		-	5,137
		357,061	**495,869**
Current Assets			
Inventories	9	11,863	41,485
Trade receivables	8	15,208	7,543
Cash and cash equivalent	10	-	-
Loan to related party	22	431,343	-
Other Financial asset	23	14,143	14,143
		472,557	**63,171**
Total Assets		**829,618**	**559,040**
Equity and Liabilities			
Equity			
Share capital	11	40,620	40,620
Share premium		679,025	679,025
Reserves		25,110	8,276
Capital contribution		1,224,425	729,007
Accumulated loss		(1,099,161)	(1,002,408)
		870,019	**454,520**
Liabilities			
Non-current liabilities			
Other financial liabilities	24	151,676	72,528
		151,676	**72,528**
Current Liabilities			
Trade and other payables	12	32,784	38,487
Other financial Liabilities		-	33,505
		32,784	**71,991**
Total Liabilities		**184,460**	**144,520**
Total Equity and Liabilities		**829,618**	**559,040**

Statement of Profit or Loss and Other Comprehensive Income for the

Figures in Pounds Sterling (GBP)	**Notes**	**2020**	**2019**
Revenue	13	231 998	415,824
Cost of sales	14	- (169,359)	(336,547)
Gross profit (loss)		**62,639**	79,277
Other operating expenses	16	(159,392)	(29,919)
Operating loss		**(96,753)**	**49,358**
Investment income	17	-	(1)
Finance costs			
Loss before taxation		**(96,753)**	**49,357**
Taxation		-	-
Loss for the year		**(96,753)**	**49,357**
Other comprehensive income included in loss for the year above:			
Items that may be reclassified profit or loss:			
Exchange differences on translating foreign operations	21	-	**206**
Other comprehensive income for the year net of Taxation		**-**	**206**

Statement Changes in Equity for the years

28 February 2020, 28 February 2019 and 28 February 2018

Figures in pounds	Share Capital	Share Premium	Total Share Capital	Capital Contributions	Foreign currency translation reserve	Accumulated Loss	Total Equity
Balance at 01 September 2018	**40,620**	**679,025**	**719,645**		**8,070**	**(1,051,548)**	**224,757**
Loss for the period	-	-	-		-	49,358	49,358
Other comprehensive income	-	-	-		206	-	206
Total comprehensive loss for the period	**-**	**-**	**-**		**206**	**-**	**206**
Issue of Shares	-	-	-	729,007	-	-	729,007
Total contributions by and Distributions to owners of Company recognised directly in equity	**40,620**	**679,025**	**719,645**		-	-	-
Balance as at 01 September 2019	**40,620**	**679,025**	**719,645**	**729,007**	**8,276**	**(1,002,190)**	**454,520**
Loss for the period	-	-	-		-	(96,753)	(96,753)
Other comprehensive income	-	-	-		16,834	-	16,834
Total comprehensive loss for the period	**-**	**-**	**-**		**-**	**-**	**96,753**
Capital contributions	-	-	-	495,418	-	-	495,418
Total contributions by and Distributions to owners of Company recognised directly in equity	**40,620**	**679,025**	**719,645**		-	-	-
Balance as at 31 August 2020	**40,620**	**679,025**	**719,645**	**1,224,425**	**25,110**	**(1,099,161)**	**870,019**

Statement of Cash Flows for the years ended
28 February 2020, 28 February 2019 and 28 February 2018

Figures in Pounds Sterling (GBP)	Notes	6 months ended 31 August 2020	6 months ended 31 August 2019
Cash flows from operating activities			
Loss before taxation		(96,753)	49,357
Adjustments for:			
Depreciation		-	-
Interest received		-	-
Finance costs		-	(1)
Exchange differences on translating foreign operations		-	206
Changes in working capital:			
Inventories		29,622	12,825
Trade and other receivables		(7,665)	12,251
Trade and other payables		5,703	24,460
Cash used in operations		**(69,093)**	**99,098**
Interest income		-	-
Finance costs		-	1
Net cash from operating activities		**(69,093)**	**99,099**
Cash flows from investing activities			
Purchase of plant and equipment		-	-
Sale of plant and equipment		-	-
Net cash from investing activities		**-**	**-**
Proceeds of financial asset		-	-
Repayment of other financial liabilities		69,093	(94,105)
Repayment of shareholders loan and capital contribution movements		-	-
Net cash from investing activities		**69,093**	(94,105)
Total cash movement for the year		**-**	**4,994**
Cash at the beginning of the year		-	-
Total cash at end of the year	11	**-**	**-**

Notes to the financial information

1. **General Information**

LEMS Pharmaceutical Limited is a private company incorporated on 17 September 2014 and domiciled in South Africa. The address of the registered office is Cnr Rautenbach & Sixth Street, Wynberg, Sandton, Gauteng, 2196.

The activities of the Company are undertaken through LEMS Pharmaceutical Limited ("the Company"). The Company operates in South Africa. The core activities of the Company are warehousing distribution with its focus on the healthcare sector.

2. **Significant accounting policies -**

2.1 Significant judgements and sources of estimation uncertainty

The preparation of financial information 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 may differ from these estimates. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Critical judgements in applying accounting policies

Management did not make critical judgements in the application of accounting policies, apart from those involving estimations, which would significantly affect the financial statements.

Key sources of estimation uncertainty

Provision for expected credit losses of trade receivables and contract assets

The company is utilising the simplified approach in determining the expected credit loss allowance. Under the simplified approach, there is no need to calculate a 12-month Expected Credit Loss (ECL) and assess whether a significant increase in credit risk has occurred. A loss allowance is measured at initial recognition and throughout the life of the receivable at an amount equal to lifetime ECL's for the asset. A lifetime ECL is the amount of the expected credit losses that result from all possible default events over the expected life of the financial instrument. The company assesses its trade and other receivables and loans and receivables for impairment at initial recognition of the financial instrument and at the end of each reporting period. In determining whether an Expected Credit Loss (ECL) should be recorded in profit or loss, the company assesses the receivables ability to make payment and if there is observable data which indicates payment may not be received and an Expected Credit Loss is recognised.

Allowance for slow moving, damaged and obsolete inventory

Management assesses whether inventory is impaired by comparing its cost to its estimated net realisable value. Where impairment is necessary, inventory items are written down to net realisable value. The write down is included in cost of sales.

Fair value estimation

Assets and liabilities of the Company are either measured at fair value or disclosure is made of their fair values.

Observable market data is used as inputs to the extent that it is available. Qualified external valuers are consulted for the determination of appropriate valuation techniques and inputs.

Useful lives of plant and equipment

Management assess the appropriateness of the useful lives of plant and equipment at the end of each reporting period. The useful lives of office equipment furniture and computer equipment are determined based on Company replacement policies for the various assets. Individual assets within these classes, which have a significant carrying amount, are assessed separately to consider whether replacement will be necessary outside of normal replacement parameters.

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

2.2 Plant and equipment

An item of plant and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the Company, and the cost of the item can be measured reliably.

Plant and equipment 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.

The initial estimate of the costs of dismantling and removing an item and restoring the site on which it is located is also included in the cost of plant and equipment, where the Company is obligated to incur such expenditure

Expenditure incurred subsequently for major services, additions to or replacements of parts of plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the Company 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.

Plant and equipment is subsequently stated at cost less accumulated depreciation and 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 Company. 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 plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Furniture and fixtures	Straight line	6 years
Office equipment	Straight line	3 years
IT equipment	Straight line	3 years
Computer software	Straight line	3 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.

Each part of an item of plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

Impairment tests are performed on plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of , 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 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 recognition of an item of , 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.

2.3 Financial instruments

Classification

Financial instruments held by the company are classified in accordance with the provisions of IFRS 9 Financial Instruments.
The Company classifies financial assets and financial liabilities into the following categories:

- Loans and receivables
- Financial liabilities measured at amortised cost

Classification depends on the purpose for which the financial instruments were obtained / incurred and takes place at initial recognition. Classification is re-assessed on an annual basis, except for derivatives and financial assets designated as at fair value through profit or loss, which shall not be classified out of the fair value through profit or loss category.

Initial recognition and measurement

Financial instruments are recognised initially when the Company becomes a party to the contractual provisions of the instruments.

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

Financial instruments are measured initially at fair value, except for equity investments for which a fair value is not determinable, which are measured at cost and are classified as available-for-sale financial assets.

For financial instruments which are not at fair value through profit or loss, transaction costs are included in the initial measurement of the instrument.

Subsequent measurement

Loans and receivables are subsequently measured at amortised cost, using the effective interest method, less accumulated impairment losses.

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

Derecognition

Financial assets

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. If the company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the company retains substantially all the risks and rewards of ownership of a transferred financial asset, the company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities

The company derecognises financial liabilities when, and only when, the company 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.

Reclassification

Financial assets

The company only reclassifies affected financial assets if there is a change in the business model for managing financial assets. If a reclassification is necessary, it is applied prospectively from the reclassification date. Any previously stated gains,
losses or interest are not restated.

The reclassification date is the beginning of the first reporting period following the change in business model which necessitates a reclassification.

Financial liabilities

Financial liabilities are not reclassified.

Loans receivable at amortised cost

Classification

Loans to group companies (note 22) are classified as financial assets subsequently measured at amortised cost.

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

Recognition and measurement

Loans receivable are recognised when the company becomes a party to the contractual provisions of the loan. The loans are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost.

The amortised cost is the amount recognised on the loan initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Impairment

The company recognises a loss allowance for expected credit losses on all loans receivable measured at amortised cost. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective loans.

The company measures the loss allowance at an amount equal to lifetime expected credit losses (lifetime ECL) when there has been a significant increase in credit risk since initial recognition. If the credit risk on a loan has not increased significantly since initial recognition, then the loss allowance for that loan is measured at 12 month expected credit losses (12 month ECL).

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a loan. In contrast, 12 month ECL represents the portion of lifetime ECL that is expected to result from default events on a loan that are possible within 12 months after the reporting date.

In order to assess whether to apply lifetime ECL or 12 month ECL, in other words, whether or not there has been a significant increase in credit risk since initial recognition, the company considers whether there has been a significant increase in the risk of a default occurring since initial recognition rather than at evidence of a loan being credit impaired at the reporting date or of an actual default occurring.

Borrowings and loans from related parties

Classification

Loan from group company, loans from shareholders and other financial liabilities are classified as financial liabilities subsequently measured at amortised cost.

Recognition and measurement

Borrowings and loans from related parties are recognised when the company becomes a party to the contractual provisions of the loan. The loans are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Interest expense, calculated on the effective interest method, is included in profit or loss in finance costs.

Borrowings expose the company to liquidity risk and interest rate risk. Refer to note 4 for details of risk exposure and management thereof.

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.
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 company's business model is to collect the contractual cash flows on trade and other receivables.

Recognition and measurement

Trade and other receivables are recognised when the company becomes a party to the contractual provisions of the receivables. They are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost.

The amortised cost is the amount recognised on the receivable initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Impairment

The company recognises a loss allowance for expected credit losses on trade and other receivables, excluding VAT and prepayments. The amount of expected credit losses is updated at each reporting date.

The company measures the loss allowance for trade and other receivables at an amount equal to lifetime expected credit losses (lifetime ECL), which represents the expected credit losses that will result from all possible default events over the
expected life of the receivable.

Measurement and recognition of expected credit losses

The company makes use of a provision matrix as a practical expedient to the determination of expected credit losses on trade and other receivables. The provision matrix is based on historic credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current and forecast direction of conditions at the reporting date, including the time value of money, where appropriate.

The customer base is widespread and does not show significantly different loss patterns for different customer segments. The loss allowance is calculated on a collective basis for all trade and other receivables in totality.

An impairment gain or loss is recognised in profit or loss with a corresponding adjustment to the carrying amount of trade and other receivables, through use of a loss allowance account. The impairment loss is included in other operating expenses in profit or loss as a movement in credit loss allowance.

Trade and other payables

Classification

Trade and other payables, excluding VAT and amounts received in advance, are classified as financial liabilities subsequently measured at amortised cost.

Recognition and measurement

They are recognised when the company becomes a party to the contractual provisions, and are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

If trade and other payables contain a significant financing component, and the effective interest method results in the recognition of interest expense, then it is included in profit or loss in finance costs.

Trade and other payables expose the company to liquidity risk and possibly to interest rate risk. Refer to note 4 for details of risk exposure and management thereof.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

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

Bank overdrafts

Bank overdrafts are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

2.4 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 material 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 material 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).

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

Tax expenses

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

- a transaction or event 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.

2.5 Leases

Accounting policies applied from 1 January 2019

The Company uses office buildings and warehouse space based on operating lease arrangements.

The lease terms are summarised below:

- Office buildings and warehouse has a non-cancellable lease term of 12 months. The contract contains an option to renew the lease annually. The lease payments are a fixed amount.

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- Leases of low value assets; and
- Leases with a term of 12 months or less.

The short-term lease exemption is applied consistently to all underlying assets in the same class. The low value lease exemption is applied on a lease-by-lease basis.

2.6 Leases

Accounting policies applied until 31 December 2018

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Operating leases – lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset. This liability is not discounted.

Any contingent rents are expensed in the period they are incurred.

2.7 Inventories

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

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

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

The cost of inventories of items that are not ordinarily interchangeable, and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs.

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

When inventories are sold, the carrying amounts 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

number of inventories recognised as an expense in the period in which the reversal occurs.

2.8 Impairment of assets

The Company 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 Company estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the Company 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.

2.9 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.

This is disclosed as:

- Shares which constitute ordinary shares issued at par value per share; and
- Share premium which represents the difference between the par value and the price at which the share was issued.

2.10 Employee benefits

Short-term employee benefits

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

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

2.11 Revenue

IFRS 15 Revenue from Contracts with Customers

IFRS 15 Revenue from Contracts with Customers applies to all contracts with customers and non-monetary exchanges between entities in the same line of business to facilitate sales to customers or potential customers.

The core principle of IFRS 15 is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This core principle is delivered in a five-step model framework:

11. Identify the contract(s) with a customer
12. Identify the performance obligations in the contract
13. Determine the transaction price
14. Allocate the transaction price to the performance obligations in the contract
15. Recognise revenue when (or as) the entity satisfies a performance obligation.

Identify the contract with the customer

A contract with a customer will be within the scope of IFRS 15 if all the following conditions are met:

- the contract has been approved by the parties to the contract;
- each party's rights in relation to the goods or services to be transferred can be identified;
- the payment terms for the goods or services to be transferred can be identified;
- the contract has commercial substance; and
- it is probable that the consideration to which the entity is entitled to in exchange for the goods or services will be collected.

If a contract with a customer does not yet meet all of the above criteria, the entity will continue to re-assess the contract going forward to determine whether it subsequently meets the above criteria. From that point, the entity will apply IFRS 15 to the contract.

Identify the performance obligations in the contract

The majority of the company's revenue is derived from selling goods with revenue recognised at a point in time when control of the goods has transferred to the customer. This is generally when the goods are delivered to the customer. There is limited judgement needed in identifying the point control passes: once physical delivery of the products to the agreed location has occurred, the company no longer has physical possession, usually will have a present right to payment (as a single payment on delivery) and retains none of the significant risks and rewards of the goods in question.

Determine the transaction price

Most of the company's revenue is derived from fixed price contracts and therefore the amount of revenue to be earned from each contract is determined by reference to those fixed prices.

Allocate the transaction price to the performance obligations in the contracts

Where a contract has multiple performance obligations, an entity will allocate the transaction price to the performance obligations in the contract by reference to their relative standalone selling prices. If a standalone selling price is not directly observable, the entity will need to estimate it.

Recognise revenue when (or as) the entity satisfies a performance obligation

Revenue is recognised as control is passed at a point in time.

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

2.12 Translation of foreign currencies

Functional and presentation currency

Items included in the financial statements of the Company is measured using the currency of the primary economic environment in which the entity operates (functional currency).

This consolidated financial information is presented in Pounds Sterling which is the Company presentation currency. The company functional currency in ZAR (South African Rand)

Foreign currency transactions

A foreign currency transaction is recorded, on initial recognition in Pounds, by applying to the foreign currency amount the mid-rate exchange rate between the functional currency and the foreign currency at the date of the transaction.

At the end of the reporting period:

- foreign currency monetary items are translated using the closing rate;
- non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous consolidated and separate financial statements are recognised in profit or loss in the period in which they arise.

When a gain or loss on a non-monetary item is recognised to other comprehensive income and accumulated in equity, any exchange component of that gain or loss is recognised to other comprehensive income and accumulated in equity. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

Cash flows arising from transactions in a foreign currency are recorded in Pounds by applying to the foreign currency amount the exchange rate between the Pounds and the foreign currency at the date of the cash flow.

3. New Standards and Interpretations

Standards and interpretations effective and adopted

IFRS 9: Financial instruments

IFRS 9 issued in November 2009 introduced new requirements for the classification and measurements of financial assets.

IFRS 9 was subsequently amended in October 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition, and in November 2013 to include the new requirements for general hedge accounting.

Another revised version of IFRS 9 was issued in July 2014 mainly to include a)impairment requirements for financial assets and b) limited amendments to the classification and measurement requirements by introducing a "fair value through other comprehensive income" (FVTOCI) measurement category for certain simple debt instruments.

Key requirements of IFRS 9:

- All recognised financial assets that are within the scope of IAS 39 Financial Instruments: Recognition and Measurement are required to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the outstanding principal are generally measured at amortised cost at the end of subsequent reporting periods. Debt instruments that are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and that have contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on outstanding principal, are measured at FVTOCI. All other debt and equity investments are measured at fair value at the end of subsequent reporting periods. In addition, under IFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income with only dividend income generally recognised in profit or loss.
- With regard to the measurement of financial liabilities designated as at fair value through profit or loss, IFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of the liability is presented in other comprehensive income, unless the recognition of the effect of the changes of the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Under IAS 39, the entire amount of the change in fair value of a financial liability designated as at fair value through profit or loss is presented in profit or loss.
- In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. It is therefore no longer necessary for a credit event to have occurred before credit losses are recognised.
- The new general hedge accounting requirements retain the three types of hedge accounting mechanisms currently available in IAS 39. Under IFRS 9, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been replaced with the principal of an "economic relationship". Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

The effective date of the standard is for years beginning on or after 1 January 2018.

IFRS 15: Revenue from Contracts with Customers

IFRS 15 supersedes IAS 11 Construction contracts; IAS 18 Revenue; IFRIC 13 Customer Loyalty Programmes; IFRIC 15 Agreements for the construction of Real Estate; IFRIC 18 Transfers of Assets from Customers and SIC 31 Revenue – Barter Transactions Involving Advertising Services.

The core principle of IFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or
services. An entity recognises revenue in accordance with that core principle by applying the following steps:

11. Identify the contract(s) with a customer
12. Identify the performance obligations in the contract
13. Determine the transaction price
14. Allocate the transaction price to the performance obligations in the contract
15. Recognise revenue when (or as) the entity satisfies a performance obligation.

IFRS 15 also includes extensive new disclosure requirements.

The effective date of the standard is for years beginning on or after 1 January 2018.

The adoption of this standard has not had a material impact on the results of the company but has resulted in more disclosure than would have previously been provided in the annual financial statements.

IFRS 16: Leases

IFRS 16 Leases is a new standard which replaces IAS 17 Leases and introduces a single lessee accounting model. The main changes arising from the issue of IFRS 16 which are likely to impact the company are as follows:

Company as lessee:

- Lessees are required to recognise a right-of-use asset and a lease liability for all leases, except short term leases or leases where the underlying asset has a low value, which are expensed on a straight line or other systematic basis.
- The cost of the right-of-use asset includes, where appropriate, the initial amount of the lease liability; lease payments made prior to commencement of the lease less incentives received; initial direct costs of the lessee; and an estimate for any provision for dismantling, restoration and removal related to the underlying asset.
- The lease liability takes into consideration, where appropriate, fixed and variable lease payments; residual value guarantees to be made by the lessee; exercise price of purchase options; and payments of penalties for terminating the lease.
- The right-of-use asset is subsequently measured on the cost model at cost less accumulated depreciation and impairment and adjusted for any re-measurement of the lease liability. However, right-of-use assets are measured at fair value when they meet the definition of investment property and all other investment property is accounted for on the fair value model. If a right-of-use asset relates to a class of property, plant and equipment which is

measured on the revaluation model, then that right-of-use asset may be measured on the revaluation model.

- The lease liability is subsequently increased by interest, reduced by lease payments and re-measured for reassessments or modifications.
- Re-measurements of lease liabilities are affected against right-of-use assets, unless the assets have been reduced to nil, in which case further adjustments are recognised in profit or loss.
- The lease liability is re-measured by discounting revised payments at a revised rate when there is a change in the lease term or a change in the assessment of an option to purchase the underlying asset.
- The lease liability is re-measured by discounting revised lease payments at the original discount rate when there is a change in the amounts expected to be paid in a residual value guarantee or when there is a change in future payments because of a change in index or rate used to determine those payments.
- Certain lease modifications are accounted for as separate leases. When lease modifications which decrease the scope of the lease are not required to be accounted for as separate leases, then the lessee re-measures the lease liability by decreasing the carrying amount of the right of lease asset to reflect the full or partial termination of the lease. Any gain or loss relating to the full or partial termination of the lease is recognised in profit or loss. For all other lease modifications which are not required to be accounted for as separate leases, the lessee re-measures the lease liability by making a corresponding adjustment to the right-of-use asset.
- Right-of-use assets and lease liabilities should be presented separately from other assets and liabilities. If not, then the line item in which they are included must be disclosed. This does not apply to right-of-use assets meeting the definition of investment property which must be presented within investment property. IFRS 16 contains different disclosure requirements compared to IAS 17 leases.

The effective date of the standard is for years beginning on or after 1 January 2019.

3.1 Standards and interpretations effective and adopted in the current year

To all periods reported, the Company has adopted those standards and interpretations that are effective and that are relevant to its operations.

3.2 Standards and interpretations not yet effective

The company has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the company’s accounting periods beginning on or after 1 March 2020 or later periods:

Presentation of Financial Statements: Disclosure initiative

The amendment clarifies and align the definition of ‘material’ and provide guidance to help improve consistency in the application of that concept whenever it is used in IFRS Standards.
The effective date of the amendment is for years beginning on or after 1 January 2020.
It is unlikely that the amendment will have a material impact on the company's annual financial statements.

Accounting Policies, Changes in Accounting Estimates and Errors: Disclosure initiative

The amendment clarify and align the definition of ‘material’ and provide guidance to help improve consistency in the application of that concept whenever it is used in IFRS Standards.
The effective date of the amendment is for years beginning on or after 1 January 2020.
It is unlikely that the amendment will have a material impact on the company's annual financial statements.

4. Risk management Capital risk management

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

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Company monitors capital on the basis of the gearing ratio.

This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the statement of financial position) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the statement of financial position plus net debt.

There are no externally imposed capital requirements.

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

The gearing ratio at 2020, 2019 respectively were as follows:

	2020	**2019**
Other financial liabilities	151,676	106,033
Less: Cash and cash equivalents	-	51,751
Net debt	**151,676**	**157,784**
Total equity	**870,019**	**454,520**
Total capital	**1,021,695**	**612,304**
Gearing ratio	15%	26%

Liquidity risk

Cash flow forecasting is performed by the Company. Such forecasting takes into consideration the Company's debt financing plans, covenant compliance, compliance with internal statement of financial position ratio targets and, if applicable external regulatory or legal requirements - for example, currency restrictions.

Cash flow forecasts are prepared, and adequate utilised borrowing facilities are monitored.

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

Company

At 31 Aug 2020	**Less than 1 year**	**Between 1 and 2 years**	**Between 2 and 5 years**	**Over 5 years**
Borrowings	-	151,676	-	-
Trade and other payables	32,784	-	-	-
At 31 Aug 2019	**Less than 1 year**	**Between 1 and 2 years**	**Between 2 and 5 years**	**Over 5 years**

Borrowings	33,505	72,528	-	-
Trade and other payables	38,487	-	-	-

Credit risk

Credit risk is managed on a Company basis.

Credit risk consists mainly of cash deposits, cash equivalents, derivative financial instruments and trade debtors. LEMS only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Trade receivables comprise a widespread customer base. Management evaluated credit risk relating to customers on an on-going basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The utilisation of credit limits is regularly monitored. Sales to retail customers are settled in cash or using major credit cards. Credit guarantee insurance is purchased when deemed appropriate.

No credit limits were exceeded during the reporting period, and management does not expect any losses from non-performance by these counterparties.

Foreign exchange risk

The Company operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar and the UK pound and RSA Rand. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.

The Company does not hedge foreign exchange fluctuations.

Exchange rates used for conversion of foreign items were:	**2020**	**2019**
ZAR	0.04982	0.05668

The Company reviews its foreign currency exposure, including commitments on an on-going basis.

5. Financial assets by category

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

As at 31 August 2020	Loans and receivables at amortised cost	Total
Trade and other receivables	15,208	15,208
Other Financial Asset	14,143	14,143
Loan to related company	431,343	431,343

Cash and cash equivalents	-	-
	458,414	**458,414**

As at 31 August 2019	Loans and receivables at amortised cost	Total
Trade and other receivables	7,543	7,543
Other Financial asset	14,143	14,143
Loan to related company	-	-
Cash and cash equivalents	-	-
	21,684	**21,684**

6. Financial liabilities by category

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

As at 28 February 2020	Financial liabilities at amortised cost	Total
Other financial liabilities	151,676	151,676
Trade and other payables	32,784	32,784
	184,460	**184,460**

As at 28 February 2019	Financial liabilities at amortised cost	Total
Other financial liabilities	106,033	106,033
Trade and other payables	38,487	38,487
	144,520	**144,520**

7. Plant and equipment

Summary

	2020			**2019**		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value

Furniture and fixtures	584,974	(277,913)	357,061	722,273	(231,601)	490,672
Office equipment	1,124	(1,124)	-	1,388	(1,328)	60
IT equipment	7,240	(7,240)	-	8,939	(8,939)	-
Computer software	3,175	(3,175)	-	3,920	(3,920)	-
Total	**596,513**	**(239,452)**	**357,061**	**736,520**	**(245,788)**	**490,732**

Reconciliation of plant and equipment - 2020

	Opening balance	Additions	Disposals	Depreciation	Foreign revaluation	Total
Furniture and fixtures	517,291	-	-	(129,644)	(30,586)	357,061
Office equipment	-	-	-	-	-	-
IT Equipment	-	-	-	-	-	-
Computer software	-	-	-	-	-	-
Total	**517,291**	**-**	**-**	**(129,644)**	**(30,586)**	**357,061**

Reconciliation of plant and equipment – 2019

	Opening balance	Additions	Disposals	Depreciation	Total
Furniture and fixtures	715 ,333	-	-	(224,661)	490,672
Office equipment	463	-	-	(403)	60
IT equipment	2,871	-	-	(2,871)	-
Computer software	1,307	-	-	(1,307)	-
Total	**719,974**	**-**	**-**	**(229,242)**	**490,732**

8. Trade and Other receivables

Figures in Pounds Sterling (GBP)	2020	2019
Financial instruments		
Trade receivables	15,208	7,543
Deposits	-	5,137
	15,208	**12,680**

Categorisation of trade and other receivables

All trade and other receivables are categorised as financial instruments at amortised cost in accordance with IFRS 9: Financial Instruments.

Exposure to credit risk

Trade receivables inherently expose the company to credit risk, being the risk that the company will incur financial loss if customers fail to make payments as they fall due.

A loss allowance is recognised for all trade receivables, in accordance with IFRS 9 Financial Instruments, and is monitored at the end of each reporting period. In addition to the loss allowance, trade receivables are written off when there is no reasonable expectation of recovery, for example, when a debtor has been placed under liquidation. Trade receivables which have been written off are not subject to enforcement activities.

The company measures the loss allowance for trade receivables by applying the simplified approach which is prescribed by IFRS 9. In accordance with this approach, the loss allowance on trade receivables is determined as the lifetime expected credit losses on trade receivables. These lifetime expected credit losses are estimated using a provision matrix, which is presented below. The provision matrix has been developed by making use of past default experience of debtors but also incorporates forward looking information and general economic conditions of the industry as at the reporting date.

As of 31 Aug 2020, there were no trade and other receivables that had been impaired and provided for.

Refer to note 4 Financial instruments and financial risk management for details of credit risk exposure and management.

9. Inventories

Figures in Pounds Sterling (GBP)	2020	2019
Finished goods	11,863	41,485

10. **Cash and cash equivalents**

Figures in Pounds Sterling (GBP)	2020	2019

Cash and cash equivalents consist of:

Bank balances	-	-

The above cash balances where held in:	2020	2019
ZAR	-	-

11. Share capital

Figures in Pounds Sterling (GBP)	2020	2019
Authorised		
95 000 000	92,000,000	92,000,000
Reconciliation of number of shares Authorised:		
Reported at the beginning of the period	92,000,000	90,000,000
Issue of shares – ordinary shares	0	2,000,000
	92,000,000	**92,000,000**
Issued		
Ordinary no par value shares	46 285	46 285
Shares issued	-	-
Closing balance	46 285	46 285
Share premium	679,025	679,025

12. Trade and other payables

Figures in Pounds Sterling (GBP)	2020	2019
Trade payables	32,784	38,487
	32,784	**-7,444**

13. Revenue

Figures in Pounds Sterling (GBP)	2020	2019
Sale of goods	231,998	415,824

14. Cost of sales

Figures in Pounds Sterling (GBP)	2020	2019
Sale of goods	(169,359)	(336,547)

15. Other operating income

Figures in Pounds Sterling (GBP)	2020	2019
Compensation from insurance claims	-	-

16. Operating profit (loss)

Operating loss for the year is stated after charging (crediting) the following, amongst others:

Figures in Pounds Sterling (GBP)	2020	2019
Employee costs		
Salaries, wages, bonuses and other benefits		22,019
Leases		
Operating lease charges		
Premises		16,658
Equipment		
Depreciation		
Depreciation of plant and equipment	-	-
Total depreciation	**-**	**-**

17. Investment income

Figures in Pounds Sterling (GBP)	2020	2019
Interest income		
From investments in financial assets:		
Bank and other cash	-	-

18. Related parties

Relationships

Holding Company	Umuthi Healthcare Solutions PLC
Majority shareholder	G.P. Viljoen
Members of key management	G.P. Viljoen
	P.J. Grimes

Related party balances

Loan accounts – Owing (to) by related parties

All amounts are non-current:

	2020	**2019**
Umuthi Healthcare Solutions PLC	431,343	-

19. 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 Company 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.

Transfers of assets and liabilities within levels of the fair value hierarchy

There have been no transfers between fair value levels during any of the periods within this Financial Information.

Valuation processes applied by the Company

The Company measures financial instruments such as derivatives, and non-financial assets at fair value at each balance sheet date. Fair value related disclosures for financial instruments and non-financial assets that are measured at fair value or where fair values are disclosed are summarised in the accounting policies under note 1 as well as in the following notes:

Trade and other payables - Note 12

Other financial liabilities - Note 24

20. Forex gain and losses

Foreign currency monetary items shall be translated using the closing rate; non-monetary items that are measured in terms of historical cost in a foreign currency shall be translated using the exchange rate at the date of the transaction; and non-monetary items that are measured at fair value in a foreign currency shall be translated using the exchange rates at the date when the fair value was determined.

Monetary items include trade payables and trade receivables as well as cash

Non-monetary items include Inventory, plant and equipment, Share capital and share premium.

Figures in Pounds Sterling (GBP)	**2020**	**2019**
Movement recognised in OCI		
Exchange differences on translating foreign operations	-	-

21. Loan to related company

	2020	**2019**
Umuthi Healthcare Solutions PLC	431,343	-

The above loan is unsecured, bears no interest and has no fixed terms of repayment.

22. **Other financial assets**

	2020	**2019**
Sleep md	14,143	14,143

The above loan is unsecured, bears no interest and has no fixed terms of repayment.

23. **Other financial liabilities**

	2020	**2019**
JN Chinyanta	151,676	72,528

The above loan is unsecured, bears no interest and has no fixed terms of repayment.