US Plus Ltd
(Registration number 2014/048709/06)
Annual Financial Statements
for the year ended 29 February 2024

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Providing invoice factoring services to micro, small and medium enterprises
Directors	Leonidas Kirkinis Uys Meyer Frederik de Ridder Gary Thomas Sayers Sarita Martin
Registered office, business address and postal address	202 Greenside Quarter 10 Gleneagles Road Greenside Randburg 2193
Bankers	Investec Private Bank First National Bank Sasfin Bank ABSA Bank
Auditors	Moore Infinity Incorporated Chartered Accountants (SA) Registered Auditors
Company registration number	2014/048709/06
Tax reference number	9868/700/15/5
Level of assurance	These annual financial statements have been audited in compliance with the applicable requirements of the Companies Act of South Africa.
Preparer	The annual financial statements were prepared under the supervision of: GT Sayers CA (SA) Director
Issued	30 April 2024

Index

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

Directors' Responsibilities and Approval

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

The annual financial statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board of directors sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the company and all employees are required to maintain the highest ethical standards in ensuring the company’s business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the company’s cash flow forecast for the year to 28 February 2025 and, in light of this review and the current financial position, they are satisfied that the company has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the company's financial statements. The financial statements have been examined by the company's external auditors and their report is presented on pages 4 to 6.

The financial statements set out on pages 13 to 56, which have been prepared on the going concern basis, were approved by the board of directors on 30 April 2024 and were signed on their behalf by:

G.SAYERS

Leonidas Kirkinis	**Gary Thomas Sayers**

Johannesburg

30 April 2024

Moore Infinity Inc.

Silver Stream Business Park
10 Muswell Road
Bryanston, Sandton 2191
P O Box 663, Benoni, 1501

T +27 (0)11 421 8374
E info@mooreinfinity.com

www.moore-southafrica.com

Independent Auditor's Report

To the Shareholders of US Plus Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of US Plus Limited set out on pages 13 to 55, which comprise the statement of financial position as at 29 February 2024, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the financial statements present fairly, in all material respects, the financial position of US Plus Limited as at 29 February 2024, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

Basis for Opinion

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

Key Audit Matters

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

Key audit matter **Risk Description - Valuation of Financial Instruments (Note 6 – Other Financial asset):**	How our audit addressed the key audit matter
We considered the valuation of Other financial assets to be significant to the audit because of the materiality thereof to the Financial Statements and the high degree of judgement involved in assessing various unobservable valuation inputs, uncertain future cash flows, and assumptions that form an integral part in the impairment assessment in terms of IFRS 9. Particularly, the valuation of Preference Share A and Tembitime (Pty) Ltd, as disclosed in Note 6 of the financial statements, represents the most complex and judgement-intensive areas due to their sensitivity to unobservable inputs. In accordance with IFRS 9 Financial Instruments, we have given special consideration to these assets, recognizing the elevated risk of material misstatement associated with estimating future cash flows and determining appropriate discount rates.	We performed detailed audit procedures to the sensitivity of their valuation to unobservable inputs, uncertain future cash flows, and assumptions requiring significant judgment. Our audit procedures included the following: **Historical and Forecast Financial Review**: We conducted a thorough review of the historical management accounts and the forecast financial information for 9th Moon Investments as provided by the management of Us Plus. **Management Discussions**: We engaged in substantive discussions with Us Plus management to understand the future prospects of 9th Moon Investments and the potential impact of changes in its shareholding structure on the company's future performance. **Independent Valuation**: We took into consideration all the information gathered and feedback received to prepare our own independent valuation of 9th Moon Investments, determining its Value in Use ("Equity Value"). **Comparison and Impairment Assessment**: We compared our independently derived Equity Value of 9th Moon Investments with the total balances recorded under Other Financial Assets related to 9th Moon Investments in the accounting records of Us Plus. This comparison was critical to assess whether an impairment of these assets was required. These procedures were specifically designed to address the complexities and uncertainties inherent in the valuation of Other financial assets, particularly those related to Preference Share A and Tembitime (Pty) Ltd as disclosed in note 6 of the financial statements. The valuation of these assets is notably challenging due to their sensitivity to unobservable valuation inputs under IFRS 9 Financial Instruments.

Other information

The directors are responsible for the other information. The other information comprises the information included in the document titled "US Plus Limited Annual Financial Statements for the year ended 29 February 2024", which includes the Directors' Report and the Audit Committee Report as required by the Companies Act of South Africa, the Social and Ethics Committee Report and the Risk Adjusted Income Statement. The other information does not include the financial statements and our auditor's report thereon.

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

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

Responsibilities of the Directors for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

- Evaluate the overall presentation, structure, and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on Other Legal and Regulatory Requirements

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that Moore Infinity Inc. has been the auditor of US Plus Limited for 2 years.

Moore Infinity

Moore Infinity Incorporated
Chartered Accountants (SA)
Registered Auditors

2 May 2024

Per: Ettiene Rossouw
Director
Registered Auditor

Directors' Report

The directors have pleasure in submitting their report on the annual financial statements of US Plus Ltd for the year ended 29 February 2024.

1. Incorporation

The company was incorporated on 07 March 2014 and obtained its certificate to commence business on the same day.

2. Nature of business

US Plus Ltd was incorporated in South Africa and provides invoice factoring services to micro, small and medium enterprises.

There have been no material changes to the nature of the company's business from the prior year.

3. Review of financial results and activities

The financial statements have been prepared in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa. The accounting policies have been applied consistently compared to the prior year, except for the standards adopted in the current year.

Full details of the financial position, results of operations and cash flows of the company are set out in these financial statements.

Further to the the financial position, results of operations and cash flows of the company set out in these financial statements, the directors believe it adds important clarity and value to draw the users attention to the growth achieved in business volumes during the financial year through these traditionally measured specific line items:

	2024	2023
Gross value of discounting arrangements purchased	776 722 172	527 949 133
Cost of purchasing discounting arrangements	(732 720 998)	(494 813 433)
Margin on discounting transactions as set out in the results of operations	**44 001 174**	**33 135 701**
Effective annual discounting rate	5.7%	6.3%
Year on year growth in business volumes	47.1%	45.7%
Year on year growth in business margin	32.8%	53.1%
Receivables purchased under discounting arrangements per the Balance Sheet	195 496 650	145 490 271
Year on year growth in discounting instruments held at year-end	34.4%	39.2%
The number of times these receivables turn in a year, obtained by comparing this balance to the gross values above	4.4	3.6

The directors believe this is an important indicator of the scale of the business not represented elsewhere in these financial statements.

4. Dividends

No dividends were declared or paid during the year (2023: R Nil).

5. Corporate Governance

The Board has established an Audit and Risk Committee, whose report is included on pages 10 to 11, as well as a Social and Ethics Committee, whose report is included on page 12. As at the reporting date, the members of both of these committees comprise Sarita Martin (who is the chairman of the Board), Uys Meyer (who is the chairman of the Audit and Risk Committee) and Erik De Ridder (who is the chairman of the Social and Ethics Committee). The executive directors of UsPlus may attend board committee meetings as invitees.

US Plus has completed a register detailing complete King IV compliance which is available on the company's website (https://www.usplus.world/).

Directors' Report

6. Share capital

The following shareholding structure of the entity applied at year end:

Baleine Capital (Pty) Ltd	744
UsPlus Holdings (Pty) Ltd	1736
Liane Marais	35
Vehentem Diem (Pty) Ltd	10
Girder Consulting (Pty) Ltd	29
Mike Chan Wing	7
Reabetswe Khumbane	5
Nicole Gounden	10
Vaalbara (Pty) Ltd	264
Saringwe (Pty) Ltd	200

7. Directorate

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

Directors	Office	Designation
Leonidas Kirkinis		Executive
Uys Meyer		Non-executive
Frederik de Ridder		Non-executive
Gary Thomas Sayers		Executive
Sarita Martin	Chairperson	Independent, Non-executive

There have been no changes to the directorate for the year under review.

All the directors except for Sarita Martin hold some level of equity shares in the company through their private companies listed in 6 above.

Leon has spent over thirty years focused on promoting financial inclusion in South Africa with the aim of improving people’s lives. Leon founded Us Plus Limited in 2015.

Gary is a Chartered Accountant and an experienced financial executive director with 20 years’ experience providing value as the key financial and strategic partner at profitable, high-growth, entrepreneurial, international and Southern African companies.

Uys is a fund manager and the chief executive officer at BlueAlpha Investment Management. Uys holds an honours degree in accounting and completed his articles with Ernst and Young.

Sarita is Faculty Facilitator for the Institute of Directors of Southern Africa and an Executive Coach. Sarita is an experienced non-executive director on the board of Reunert Limited, a JSE-listed entity, where she is chair of the Remuneration Committee, a member of the Audit Committee and the Social and Ethics Committee, and was previously a member of the Nominations and Governance Committee and the Risk Committee. Sarita is an admitted Attorney and an experienced consultant, with a demonstrated history of working in the banking industry.

Erik is a principal at Vaalbara, a development finance organisation with a base in the Netherlands and in South Africa, which is committed to improving access to risk capital around the world. He is an engineer and economist by trade, with international start-up and finance experience across Sub-Saharan Africa, the UK, Western Europe and North America. Erik serves on the Advisory Board of the Faculty of Engineering and the Built Environment at the University of Cape Town. The board of directors has executed their responsibility under the evaluation section of the Board Charter, which is also posted on the company's website, in relation to the evaluation of the performance of the board of directors of the Issuer, its committees, its chair and its individual directors.

Directors' Report

8. Events after the reporting period

Further to the announcement released on SENS on 8 March 2024 regarding (and using the terms defined therein unless otherwise stated) the raising of USD8 million in Senior Unsecured debt funding from the United States International Development Finance Corporation ("DFC facility"), UsPlus made its first drawdown from the DFC facility in the amount of USD3 million. The drawdown allowed UsPlus to settle the USD2 million facility that was provided by Lendable Asset Management LLC ("Lendable") at an interest rate of 13,5% per annum in September 2022. In addition, UsPlus has also settled the Local Development Funder's facility of approximately R8 million. The interest rate of the DFC facility is 5.25% per annum.

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

9. Going concern

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

10. Auditors

Moore Infinity Incorporated continued in office in accordance with section 90 of the Companies Act, No 71 of 2008.

11. Secretary

The company secretary is Quadridge Trust Services (Pty) Ltd.

Business address:	1st Floor 32 Fricker Road Illovo Johannesburg 2196

Audit and Risk Committee Report

1. Mandate and of the Audit and Risk Committee

The Audit and Risk Committee ("the Committee") is constituted as a statutory committee of the Company in terms of section 94(7) of the Companies Act No.71 of 2008 ("the Act") and is specifically mandated to attend to the statutory duties provided for in section 94(7) of the Act as well as such other duties assigned to it by the board of directors including managing all aspects of the external audit, annual financial statements and the related financial function and company internal controls.

The Audit and Risk Committee was appointed in accordance with the King Code and the Companies Act. The Committee is mandated to fulfill the duties and responsibilities set out under a Charter that is available on the website of UsPlus, and is comprised of:

Name
Erik de Ridder
Uys Meyer (Chair)
Sarita Martin

Brief CVs of the committee members, who each have the requisite skills and experience to fulfil the functions of the Audit and Risk Committee, have been included in the Directors' Report and the Information Memorandum available on the company's website. The Audit and Risk Committee is satisfied that the members thereof have the required knowledge and experience as set out in Section 94(5) of the Companies Act No.71 of 2008 and Regulation 42 of the Companies Regulation, 2011.

2. Meetings held by the Audit and Risk Committee

The Audit and Risk Committee performed the duties laid upon it by Section 94(7) of the Companies Act No.71 of 2008 by holding meetings with the key role players and by the unrestricted access granted to the external auditors. Two meetings were held since the previous financial year end. One meeting was held on 12 April 2023 and the other on 17 April 2024. Both meetings were attended by all members of the Audit Committee.

The on-going secretarial administration of the company's statutory records is performed by Quadridge Trust Services (Pty) Ltd while Mr. Gary Thomas Sayers CA(SA), in the capacity of Financial Director, manages the finance function. The Audit and Risk Committee satisfied itself that the composition, experience and skills set of the administration and financial functions met the company's requirements, and confirmed that the expertise and experience of the Financial Director is appropriate.

3. Independence and appointment of external auditors

In appointing the external auditors, the Committee executed its responsibilities set out in paragraphs 7.3(e)(iii) of the Debt Listings Requirements in their assessment of the suitability of the appointment or re-appointment of the auditor. The Audit and Risk Committee satisfied itself through enquiry that the external auditors, Moore Infinity Inc. are competent and independent as defined by the Companies Act No.71 of 2008 and as per the standards stipulated by the auditing profession. Requisite assurance was sought and provided by the external auditors that internal governance processes within the firm support and demonstrate the claim to independence. The appointment of the auditor was tabled as a resolution at the annual general meeting pursuant to section 61(8) of the Companies Act. The Audit and Risk committee is satisfied with the quality of the external audit.

The audit fee for the external audit has been considered and approved taking into consideration such factors as the timing of the audit, the extent of the work required and the scope. The external auditor provided non-audit services to the company in the form Income Tax submissions to SARS on the company's behalf, as approved by the Audit and RIsk Committee. These services did not negatively impact on the independence of the external auditor.

4. Discharge of responsibilities and audited annual financial statements

Following the review by the Audit and Risk Committee of the audited annual financial statements of the company for the year ended 29 February 2024 and based on the information provided to it, the Audit and Risk Committee considers that, in all material respects, the company complies with the provisions of the Companies Act No.71 of 2008, International Financial Reporting Standards, and the accounting policies applied, and that the financial reporting procedures are appropriate and are operating effectively. The Committee has access to all the financial information of UsPlus Ltd to allow it to effectively conclude on the financial information presented.

Audit and Risk Committee Report

4. Discharge of responsibilities and audited annual financial statements (continued)

The Audit and Risk Committee is satisfied that the internal controls are effective to mitigate against possible fraud and error. The Audit and Risk Committee is satisfied that there have been no significant matters that were raised during the audit of the 2024 annual financial statements.

The Audit and Risk Committee hereby confirms to the holders of debt securities issued by the company that it has executed the responsibilities set out in paragraphs 7.3(g) of the Debt Listings Requirements and this report includes their report back on such matters. The Financial Director was appointed during February 2020 as, and remains in the capacity of, Debt Officer of the company. The Committee is satisfied the Debt Officer has the competence, qualifications and experience to serve in such capacity and has confirmed that he has performed the specific responsibilities expected of him in paragraph 6.78 (a, and b) of the Debt Listings Requirements.

Following the review of the audited annual financial statements the Audit and Risk Committee recommended the company's 2024 audited annual financial statements for approval to the Board on 17 April 2024. The Audit and Risk Committee further concurred with the Board and management that the adoption of the going concern status in the preparation of the annual financial statements is appropriate.

The Audit and Risk Committee fulfilled their responsibilities in compliance with the company's approved Audit and Risk Committee Charter.

U Meyer Uys Meyer
Chair: Audit Committee

30 April 2024

Social and Ethics Committee Report

1. Composition of the Committee:

The Social and Ethics Committee is comprised of:
Sarita Martin
Erik de Ridder (Chair)
Uys Meyer

2. Meetings held by the Social and Ethics Committee

The Social and Ethics Committee performed the duties laid upon it by Companies Regulation 43 by holding meetings with the key role players in the company. The Committee performed the following functions during the financial year by monitoring the company's activities with regard to matters relating to:

- social and economic development, including the company's standing in terms of the goals and purposes of:
  - the 10 principles set out in the United Nations Global Company Principles;
  - the OECD recommendations regarding corruption (refer to the Organisation for Economic Co-operation and Development (OECD) website for further details (www.oecd.org));
  - the Employment Equity Act, No. 55 of 1998;
  - the Broad-Based Black Economic Empowerment Act, No. 53 of 2003;
- good corporate citizenship, including the company's:
  - promotion of equality, prevention of unfair discrimination, and measures to address corruption;
  - contribution to development of the communities in which its activities are predominantly conducted or within which its products or services are predominantly marketed; and
  - record of sponsorship, donations and charitable giving;
- the environment, health and public safety, including the impact of the company’s activities and of its products or services;
- consumer relationships, including the company's policies and record relating to advertising, public relations and compliance with consumer protection laws; and
- labour and employment matters.

The Social and Ethics Committee met during the financial year on 17 August 2023 and fulfilled their responsibilities in compliance with the company's approved charter.

F de Ridder
Chair: Social and Ethics Committee
17 April 2024

Statement of Financial Position as at 29 February 2024

Figures in Rand	Notes	2024	2023
Assets			
Non-Current Assets			
Property, plant and equipment	3	85 150	112 550
Loans to shareholders	5	9 996 739	8 699 946
Other financial assets	6	10 416 254	22 632 040
Deferred tax	13	348 026	-
		20 846 169	**31 444 536**
Current Assets			
Receivables purchased in terms of discounting arrangements	7	195 496 632	145 490 271
Other receivables	8	1 343 265	2 598 811
Other financial assets	6	18 574 916	15 260 624
Derivatives	9	-	3 022 578
Cash and cash equivalents	10	21 168 598	41 235 976
		236 583 411	**207 608 260**
Total Assets		**257 429 580**	**239 052 796**
Equity and Liabilities			
Equity			
Share capital	11	30 192 410	30 192 410
Retained income		32 398 467	25 378 849
		62 590 877	**55 571 259**
Liabilities			
Non-Current Liabilities			
Other financial liabilities	12	52 530 934	68 273 896
Deferred tax	13	-	9 708
		52 530 934	**68 283 604**
Current Liabilities			
Trade and other payables	14	-	109 196
Loan from shareholder	15	5 924 448	5 397 146
Other financial liabilities	12	134 169 361	109 455 542
Derivatives	9	931 594	-
Current tax payable		1 282 366	236 049
		142 307 769	**115 197 933**
Total Liabilities		**194 838 703**	**183 481 537**
Total Equity and Liabilities		**257 429 580**	**239 052 796**

Statement of Profit or Loss and Other Comprehensive Income

Figures in Rand	Notes	2024	2023
Yield on receivables purchased in discounting arrangements	16	44 001 174	33 371 512
Other income	17	1 684 670	414 015
Other operating losses	18	(2 828 611)	(3 124 667)
Impairments	19	(2 447 805)	(1 305 213)
Operating expenses		(7 180 565)	(6 825 411)
Operating profit	19	**33 228 863**	**22 530 236**
Investment revenue	20	4 352 979	3 495 318
Finance costs	21	(27 823 018)	(18 717 461)
Profit before taxation		**9 758 824**	**7 308 093**
Taxation	22	(2 739 206)	(2 526 185)
Profit for the year		**7 019 618**	**4 781 908**
Other comprehensive income		-	-
Total comprehensive income for the year		**7 019 618**	**4 781 908**

Statement of Changes in Equity

Figures in Rand	Share capital	Retained income	Total equity
Balance at 01 March 2022	**30 192 410**	**20 596 941**	**50 789 351**
Profit for the year	-	4 781 908	4 781 908
Other comprehensive income	-	-	-
Total comprehensive income for the year	**-**	**4 781 908**	**4 781 908**
Balance at 01 March 2023	**30 192 410**	**25 378 849**	**55 571 259**
Profit for the year	-	7 019 618	7 019 618
Other comprehensive income	-	-	-
Total comprehensive income for the year	**-**	**7 019 618**	**7 019 618**
Balance at 29 February 2024	**30 192 410**	**32 398 467**	**62 590 877**
Note	11		

Statement of Cash Flows

Figures in Rand	Notes	2024	2023
Cash flows from operating activities			
Cash generated from/(used in) operations	23	6 924 944	(14 843 444)
Interest income		1 664 778	1 370 597
Finance costs		(2 849 797)	(1 435 451)
Tax paid	25	(2 050 623)	(1 837 015)
Net cash from operating activities		**3 689 302**	**(16 745 313)**
Cash flows from investing activities			
Purchase of property, plant and equipment	3	(4 332)	-
Cash payments to shareholders		(2 561 031)	(1 679 450)
Cash payments to other financial assets		(3 859 398)	(1 878 466)
Net cash from investing activities		**(6 424 761)**	**(3 557 916)**
Cash flows from financing activities			
Loans from shareholders raised		500 000	1 000 000
Other financial liabilities repaid		(35 832 569)	(53 458 908)
Other financial liabilities raised		42 973 871	111 290 545
Interest payments on financing activities		(24 973 221)	(16 581 529)
Net cash from financing activities		**(17 331 919)**	**42 250 108**
Total cash movement for the year		**(20 067 378)**	**21 946 879**
Cash and cash equivalents at the beginning of the year		41 235 976	19 289 097
Cash and cash equivalents at the end of the year	10	**21 168 598**	**41 235 976**

Accounting Policies

1. Significant accounting policies

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

1.1 Basis of preparation

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

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

The annual financial statements have been prepared on the historic cost convention, unless otherwise stated in the accounting policies which follow and incorporate the principal accounting policies set out below. They are presented in Rands, which is the company's functional currency.

These accounting policies are consistent with the previous period, except for new standards adopted per note 2.

1.2 Significant judgements and sources of estimation uncertainty

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

The company’s estimates and underlying assumptions are reviewed for reasonability on an ongoing basis. Revisions to accounting estimates are recognised in the comprehensive income in the year in which the estimates are revised, if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future years.

Information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the annual financial statements are disclosed below.

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

Key sources of estimation uncertainty

Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the company’s past history, existing market conditions as well as forward looking estimates at the end of each reporting period. For details of the key assumptions and inputs used, refer to the individual notes addressing financial assets.

The company's routine impairment evaluation process takes into account all changes in credit risk (including significant increases) prior to concluding on the appropriate specific instruments to impair. A default has occurred when an instrument is no longer considered collectible.

Impairment of Investments

For purposes of calculating the value in use of investments to be used in its impairment assessment, the investments are valued using a Net Present Value of Discounted Future Cash Flows over a five year period, adjusted for known future increases or decreases in historical cash flows. This is compared to a Price-Earnings valuation using a conservative earnings multiple applied to the financial forecast for the next twelve months for reasonableness.

Accounting Policies

1.2 Significant judgements and sources of estimation uncertainty (continued)

Cash Flows are discounted using a conservative discount rate, benchmarked for the global manufacturing industry adjusted conservatively for specific risk related to the investment itself.

Latest financial forecasts, management accounts and interviews with key management and owners form salient inputs to the valuation.

Taxation

Judgement is required in determining the provision for income taxes due to the complexity of legislation. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

The company recognises the net future tax benefit related to deferred income tax assets to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future. Assessing the recoverability of deferred income tax assets requires the company to make significant estimates related to expectations of future taxable income. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the company to realise the net deferred tax assets recorded at the reporting date could be impacted.

1.3 Property, plant and equipment

Property, plant and equipment are tangible assets which the company holds for its own use or for rental to others and which are expected to be used for more than one year.

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

Property, 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.

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

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

Item	Depreciation method	Average useful life
Furniture and fixtures	Straight line	5 years
Office equipment	Straight line	5 years
IT equipment	Straight line	5 years

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

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

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

Accounting Policies

1.3 Property, plant and equipment (continued)

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

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

1.4 Investment in ordinary equity

Investments are carried at fair value with fair value changes recognised in profit or loss.

1.5 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognised on the Statement of Financial Position when the company becomes a party to the contractual provisions of the instrument.

Broadly, the classification possibilities, which are adopted by the company, as applicable, are as follows:

Financial assets which are debt instruments:
- Amortised cost. (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is met by holding the instrument to collect contractual cash flows).
- Mandatorily at fair value through profit or loss. (This classification automatically applies to all debt instruments which do not qualify as at amortised cost or at fair value through other comprehensive income).

Derivatives which are not part of a hedging relationship:
- Mandatorily at fair value through profit or loss.

Financial liabilities:
- Amortised cost.

Note 28 Financial instruments and risk management presents the financial instruments held by the company based on their specific classifications.

The specific accounting policies for the classification, recognition and measurement of each type of financial instrument held by the company are presented below:

Loans receivable, receivables purchased in terms of discounting arrangements and other receivables including other financial assets

Classification

Loans to shareholders (note 5), other financial assets (note 6), receivables purchased in terms of discounting arrangements (note 7) and other receivables (note 8), excluding 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 loans receivable, receivables purchased in terms of discounting arrangements and other receivables.

Accounting Policies

1.5 Financial instruments (continued)

Recognition and measurement

Loans receivable, receivables purchased in terms of discounting arrangements and other receivables including other financial assets 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.

Impairment

Loans receivable, receivables purchased in terms of discounting arrangements including other financial assets:

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.

Measurement and recognition of expected credit losses

Loans receivable, receivables purchased in terms of discounting arrangements including other financial assets:

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default, taking the time value of money into consideration.

The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. The exposure at default is the gross carrying amount of the loan at the reporting date.

Lifetime ECL is measured on a collective basis in cases where evidence of significant increases in credit risk are not yet available at the individual instrument level. Loans are then grouped in such a manner that they share similar credit risk characteristics, such as nature of the loan, external credit ratings (if available), industry of counterparty etc.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

If the company has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the company measures the loss allowance at an amount equal to 12 month ECL at the current reporting date, and visa versa.

An impairment gain or loss is recognised for all loans in profit or loss with a corresponding adjustment to their carrying amount through a loss allowance account. The impairment loss is included in operating expenses in profit or loss as a movement in credit loss allowance (note 19).

Receivables purchased in terms of discounting arrangements:

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 receivables in totality. Details of the provision matrix is presented in note 7.

Accounting Policies

1.5 Financial instruments (continued)

At year-end an impairment gain or loss is recognised in profit or loss with a corresponding adjustment to the carrying amount of receivables purchased in terms of discounting arrangements. The impairment loss is included in operating expenses in profit or loss as a write off (note 19).

Write off policy

The company writes off a loan or receivable when there is information indicating that an instrument is defective and cannot be replaced, the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Loans and receivables written off may still be subject to enforcement activities under the company recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Loans receivable, receivables purchased in terms of discounting arrangements and other receivables expose the company to credit risk. Refer to note 28 for details of risk exposure and management thereof.

Derivatives

Classification

Derivatives are classified as mandatorily at fair value through profit or loss.

The company enters into a variety of derivative financial instruments in order to manage its exposure to foreign exchange risk. Derivatives held by the company which are not in designated hedging relationships, include forward exchange contracts (note 9).

Recognition and measurement

Derivatives are recognised when the company becomes a party to the contractual provisions of the instrument. They are measured, at initial recognition and subsequently, at fair value. Transaction costs are recognised in profit or loss.

Fair value gains or losses are included in other operating gains (losses) (note 18). Details of the valuation policies and processes are presented in note 29.

Derecognition

Refer to the derecognition section of the accounting policy for the policies and processes related to derecognition.

Borrowings, loans from related parties and trade and other payables

Classification

Loans from shareholders (note 15), other financial liabilities (note 12) and trade and other payables (note 14), excluding VAT and amounts received in advance, are classified as financial liabilities subsequently measured at amortised cost.

Recognition and measurement

Borrowings, funding lines 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.

Borrowings, loans from related parties and trade and other payables expose the company to liquidity risk and interest rate risk. Refer to note 28 for details of risk exposure and management thereof.

Cash and cash equivalents

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

Accounting Policies

1.5 Financial instruments (continued)

Derecognition

Financial assets

The company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the 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.

1.6 Tax

Current tax assets and liabilities

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

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

Deferred tax assets and liabilities

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

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

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

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

Accounting Policies

1.6 Tax (continued)

Tax expenses

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

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

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

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

1.7 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.

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 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.

1.8 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.

Ordinary shares are classified as equity.

1.9 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.

1.10 Provisions and contingencies

Provisions are recognised when:

Accounting Policies

1.10 Provisions and contingencies (continued)

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

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

Provisions are not recognised for future operating losses.

1.11 Revenue from contracts with customers

The yield on receivables purchased in discounting arrangements is recognised using the effective interest rate method based on the requirements of IFRS 9 Financial Instruments.

Interest income earned from investment activities are recognised using the effective interest rate method based on the requirements of IFRS 9 Financial Instruments.

1.12 Translation of foreign currencies

Foreign currency transactions

A foreign currency transaction is recorded, on initial recognition in Rands, 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 annual financial statements are recognised in profit or loss in the period in which they arise.

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

Notes to the Annual Financial Statements

2. New Standards and Interpretations

2.1 Standards and interpretations effective and adopted in the current year

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

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• Initial application of IFRS 17 and IFRS 9 - Comparative information	01 January 2023	No impact
• Deferred tax related to assets and liabilities arising from a single transaction - Amendments to IAS 12	01 January 2023	No impact
• Disclosure of accounting policies: Amendments to IAS 1 and IFRS Practice Statement 2.	01 January 2023	No impact
• IFRS 17 Insurance Contracts	01 January 2023	No impact
• International Tax Reform - Pillar Two Model Rules - Amendments to IAS 12 Income Taxes	01 January 2023	No impact
• Definition of Accounting Estimates - Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors	01 January 2023	No impact

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 2024 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• Lease liability in a sale and leaseback - Amendment of IFRS 16 Leases	01 January 2024	Unlikely there will be a material impact
• Classification of Liabilities as Current or Non-Current - Amendment to IAS 1	01 January 2024	Unlikely there will be a material impact
• Non-current Liabilities with Covenants - Amendments to IAS 1 Presentation of Financial Statements	01 January 2024	Unlikely there will be a material impact
• Supplier Finance Arrangements - Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures	01 January 2024	Unlikely there will be a material impact

Notes to the Annual Financial Statements

3. Property, plant and equipment

	2024			2023		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
IT equipment	185 535	(121 693)	63 842	185 535	(94 293)	91 242
Furniture and fixtures	82 057	(64 501)	17 556	82 057	(62 322)	19 735
Office equipment	99 297	(95 545)	3 752	94 965	(93 392)	1 573
Total	**366 889**	**(281 739)**	**85 150**	**362 557**	**(250 007)**	**112 550**

Reconciliation of property, plant and equipment - 2024

	Opening balance	Additions	Depreciation	Total
IT equipment	91 242	-	(27 400)	63 842
Furniture and fixtures	19 735	-	(2 179)	17 556
Office equipment	1 573	4 332	(2 153)	3 752
	112 550	**4 332**	**(31 732)**	**85 150**

Reconciliation of property, plant and equipment - 2023

	Opening balance	Depreciation	Total
IT equipment	118 642	(27 400)	91 242
Furniture and fixtures	25 736	(6 001)	19 735
Office equipment	3 727	(2 154)	1 573
	148 105	**(35 555)**	**112 550**

Registers with details of assets are available for inspection by shareholders or their duly authorised representatives at the registered office of the company.

Notes to the Annual Financial Statements

Figures in Rand	2024	2023

4. Investment

Name of company	Held by	% voting power and % holding 2024	% voting power and % holding 2023	Carrying amount 2024	Carrying amount 2023
Investment A	US Plus Ltd	-%	-%	-	-

The investment did not give rise to control, joint control or significant influence in the investee.

Investment in ordinary shares was made through the conversion of the convertible debenture as per conversion agreement in note 6.

On 07 December 2022 US Plus Ltd entered into a sale of shares agreement with Tembitime (Pty) Ltd under which the entire investment was disposed of.

Tembitime (Pty) Ltd is a wholly black owned investment company with an extensive network to assist growing investee companies while empowering them through its ownership.

Through this agreement, Tembitime (Pty) Ltd has become indebted to US Plus Ltd until the purchase consideration for the shares, valued on sale at R 5 571 406, is settled. Refer to note 6 for the terms of the loan.

5. Loans to shareholders

	2024	2023
Liane Marais	6 862 591	5 970 233
Reabetswe Khumbane	1 197 965	936 528
Vehentem Diem (Pty) Ltd	1 393 513	1 251 961
Nicole Gouden	542 670	541 224
	9 996 739	**8 699 946**

The loans earn interest at the South African Revenue Services official rate of interest. The current rate is 9.25%. These loans will be settled by annual profit share. Shares held in the company is pledged as security.

The annual profit share structure is based on approved policy and are subject to review by the shareholders at their sole discretion on an annual basis.

Split between non-current and current portions

	2024	2023
Non-current assets	9 996 739	8 699 946

Exposure to credit risk

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

Loans to shareholders are subject to the impairment provisions of IFRS 9 Financial Instruments, which requires a loss allowance to be recognised for all exposures to credit risk. The loss allowance for loans to shareholders are calculated based on twelve month expected losses if the credit risk has not increased significantly since initial recognition. In cases where the credit risk has increased significantly since initial recognition, the loss allowance is calculated based on lifetime expected credit losses. The loss allowance is updated to either twelve month or lifetime expected credit losses at each reporting date based on changes in the credit risk since initial recognition. If a loan is considered to have a low credit risk at the reporting date, then it is assumed that the credit risk has not increased significantly since initial recognition.

In determining the amount of expected credit losses, the company has taken into account any historic default experience, the financial positions of the shareholders as well as the future prospects in the industries in which the shareholders operate.

Notes to the Annual Financial Statements

5. Loans to shareholders (continued)

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

The maximum exposure to credit risk is the gross carrying amount as presented below. The company does not hold collateral or other credit enhancements against loans to shareholders.

Credit rating framework

For purposes of determining the credit loss allowances, management determine the credit rating grades of each loan at the end of the reporting period. These ratings are determined internally because external ratings are not available.

The table below sets out the internal credit rating framework which is applied by management for loans for which external ratings are not available. The abbreviation "ECL" is used to depict "expected credit losses."

Internal credit grade	Description	Basis for recognising expected credit losses
Performing	Low risk of default and no amounts are past due	12m ECL
Doubtful	There has been a significant increase in credit risk since initial recognition	Lifetime ECL (not credit impaired)
In default	There is evidence that the asset is credit impaired	Lifetime ECL (credit impaired)
Write-off	There is evidence indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery	Amount is written off

Notes to the Annual Financial Statements

5. Loans to shareholders (continued)

Credit loss allowances

The following tables set out the carrying amount, loss allowance and measurement basis of expected credit losses for loans to shareholders by credit rating grade:

2024

Instrument	Rating agency	Internal credit rating (where applicable)	Basis of loss allowance	Gross Carrying amount	Loss allowance	Amortised cost
Liane Marais	N/A	Performing	12m ECL	6 862 591	-	6 862 591
Reabetswe Khumbane	N/A	Performing	12m ECL	1 197 965	-	1 197 965
Vehentem Diem (Pty) Ltd	N/A	Performing	12m ECL	1 393 513	-	1 393 513
Nicole Gounden	N/A	Performing	12m ECL	542 670	-	542 670
				9 996 739	**-**	**9 996 739**

2023

Instrument	Rating agency	Internal credit rating (where applicable)	Basis of loss allowance	Gross Carrying amount	Loss allowance	Amortised cost
Liane Marais	N/A	Performing	12m ECL	5 970 233	-	5 970 233
Reabetswe Khumbane	N/A	Performing	12m ECL	936 528	-	936 528
Vehentem Diem (Pty) Ltd	N/A	Performing	12m ECL	1 251 961	-	1 251 961
Nicole Gouden	N/A	Performing	12m ECL	541 224	-	541 224
				8 699 946	**-**	**8 699 946**

No external credit ratings or rating agency indicators were applied as it was not deemed applicable to the company.

Reconciliation of loss allowances

No credit loss allowance was raised as the loans are covered by a pledge of the shares held by the shareholders. The loans are expected to be settled through the allocation of awards to the shareholders under the company’s Economic Value Added profit-share Scheme, and any remaining credit loss exposure is expected to be negligible.

Notes to the Annual Financial Statements

Figures in Rand	2024	2023

6. Other financial assets

Other financial assets are presented at amortised cost, which is net of loss allowance, as follows:

Preference Share A	4 336 447	9 993 444

On the 25th of January 2024 and the 1st of February 2024 a restated, amended agreement was signed resulting in a reclassification of the financial asset which was applied prospectively from the reclassification date. The carrying value of the reclassified instrument is at fair value at the reclassification date:

Terms per initial agreement

From and after the later of the relevant Issue Date and 1 March 2022, dividends at the rate of 80% of the Prime Rate per annum on the Original Issue Price shall accrue on the UP Convertible Preference Shares which amount shall (to the extent not declared and paid) compound on each anniversary of the Original Issue Date. Accruing Dividends shall accrue from day to day, whether or not declared, and shall be cumulative.

In respect of each series of UP Convertible Preference Shares, the Company shall redeem:
- on the third anniversary of the Issue Date, such number of UP Convertible Preference Shares in such series which have not previously been redeemed as are capable of being redeemed at their Redemption Amount; and
- on the first business day after the fourth anniversary of the Issue Date, pay all or the maximum portion of the Accruing Dividend then accrued and not previously paid.

Upon conversion, each UP Convertible Preference Share shall be converted, without the payment of additional consideration by the holder thereof, into such number of fully paid Ordinary Shares as is determined by dividing the Conversion Price in effect at the time of conversion by the Original Issue Price.

Terms per the amended agreement:

-UP Preference Shares are not entitled to receive dividends. Additionally, the company cannot declare, pay, or set aside dividends on ordinary shares or any other class of shares unless the UP Preference Shares have been fully redeemed or with the prior written consent of all holders of UP Preference Shares.

-The UP Preference Shares are subject to mandatory redemption conditions that are met on specified redemption dates. These include the full settlement of new capital, raising of new funding through at least one capital raise, sufficient liquidity remaining after provisions for the company's forecasted budget, and the satisfaction of a solvency and liquidity test. The redemption price is the original issue price of the shares.

-The company is also entitled to voluntarily redeem these shares at any time after their issue date. The redeemed shares will include a pro rata portion of UP Preference Shares held by each holder, with the number of shares rounded to the nearest whole number.

Notes to the Annual Financial Statements

Figures in Rand	2024	2023

6. Other financial assets (continued)

Convertible Debenture D	18 574 916	15 260 624
The debenture has a coupon rate of 10% per annum and is redeemable on 31 July 2024. It includes an embedded call option whereby the company can, at its sole discretion, obtain a variable number of ordinary shares in the borrower.		
The instrument is secured by a pledge over commercial property independently valued in excess of R50 million.		
9th Moon Investments (Pty) Ltd	-	5 670 075
During the year, the loan was settled in full.		
Tembitime (Pty) Ltd	2 025 932	4 179 406
The loan becomes due and payable in full on the third anniversary of the agreement between the parties. No interest accrues on the loan until it becomes due and payable, from which time interest accrues at the South African prime interest rate. The loan is secured by the shares sold under the agreement between the parties, refer to note 4.		
Leonidas Kirkinis	615 359	306 400
Gary Thomas Sayers	2 617 263	1 971 103
Nik Kirkinis	293 761	227 417
Bibi Tilly	324 130	284 195
Buyisile Kubheka	203 362	-
The loans earn interest at the South African Revenue Services official rate of interest. The current rate is 9.25%. The loans have no fixed repayments as the company expects these to settle under the normal operation of it's EVA (economic value added) profit share Scheme.		
	28 991 170	**37 892 664**

Split between non-current and current portions

Non-current assets	10 416 254	22 632 040
Current assets	18 574 916	15 260 624
	28 991 170	**37 892 664**

Reconciliation of debentures and preference shares

Preference Share A		
Opening balance	9 993 444	10 315 444
Loss allowance	(708 387)	(322 000)
Impaired	(8 803 221)	-
Transferred from receivables purchased in terms of discounting arrangements	3 854 611	-
Closing balance	**4 336 447**	**9 993 444**

Notes to the Annual Financial Statements

Figures in Rand	2024	2023

6. Other financial assets (continued)

Convertible Debenture D		
Opening balance	15 260 624	13 810 114
Transferred from receivables purchased in terms of discounting arrangements	1 706 739	-
Interest	1 607 553	1 450 510
Closing balance	**18 574 916**	**15 260 624**

Exposure to credit risk

Other financial assets inherently exposes the company to credit risk, being the risk that the company will incur financial loss if counterparties fail to make payments as they fall due.

Other financial assets are subject to the impairment provisions of IFRS 9 Financial Instruments, which requires a loss allowance to be recognised for all exposures to credit risk. The loss allowance for other financial assets are calculated based on twelve month expected losses if the credit risk has not increased significantly since initial recognition. In cases where the credit risk has increased significantly since initial recognition, the loss allowance is calculated based on lifetime expected credit losses. The loss allowance is updated to either twelve month or lifetime expected credit losses at each reporting date based on changes in the credit risk since initial recognition. If a loan is considered to have a low credit risk at the reporting date, then it is assumed that the credit risk has not increased significantly since initial recognition.

In determining the amount of expected credit losses, the company has taken into account any historic default experience, the financial positions of the counterparties as well as the future prospects in the industries in which the counterparties operate or are employed.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

The maximum exposure to credit risk is the gross carrying amount of the other financial assets as presented below.

Credit rating framework

For purposes of determining the credit loss allowances, management determine the credit rating grades of each loan at the end of the reporting period. These ratings are determined internally because external ratings are not available.

The table below sets out the internal credit rating framework which is applied by management for loans for which external ratings are not available. The abbreviation "ECL" is used to depict "expected credit losses."

Internal credit grade	**Description**	**Basis for recognising expected credit losses**
Performing	Low risk of default and no amounts are past due	12m ECL
Doubtful	There has been a significant increase in credit risk since initial recognition	Lifetime ECL (not credit impaired)
In default	There is evidence that the asset is credit impaired	Lifetime ECL (credit impaired)
Write-off	There is evidence indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery	Amount is written off

Notes to the Annual Financial Statements

6. Other financial assets (continued)

Credit loss allowances

The following tables set out the carrying amount, loss allowance and measurement basis of expected credit losses for other financial assets by credit rating grade:

2024

Instrument	Internal credit rating (where applicable)	Basis of loss allowance	Gross Carrying amount	Loss allowance	Amortised cost
Preference Share A	Performing	Lifetime ECL (not credit impaired)	5 044 834	(708 387)	4 336 447
Convertible Debenture D	Performing	12m ECL	18 574 916	-	18 574 916
Leonidas Kirkinis	Performing	12m ECL	615 359	-	615 359
Tembitime (Pty) Ltd	Performing	Lifetime ECL (not credit impaired)	2 025 932	-	2 025 932
Gary Thomas Sayers	Performing	12m ECL	2 617 263	-	2 617 263
Nik Kirkinis	Performing	12m ECL	293 761	-	293 761
Bibi Tilly	Performing	12m ECL	324 130	-	324 130
Buyisile Kubheka	Performing	12m ECL	203 362	-	203 362
			29 699 557	**(708 387)**	**28 991 170**

Notes to the Annual Financial Statements

6. Other financial assets (continued)

2023

Instrument	Internal credit rating (where applicable)	Basis of loss allowance	Gross Carrying amount	Loss allowance	Amortised cost
Preference Share A	Performing	Lifetime ECL (not credit impaired)	10 315 444	(322 000)	9 993 444
9th Moon Investments (Pty) Ltd	Performing	12m ECL	5 670 075	-	5 670 075
Convertible Debenture D	Performing	12m ECL	15 260 624	-	15 260 624
Leonidas Kirkinis	Performing	12m ECL	306 400	-	306 400
Tembitime (Pty) Ltd	Performing	12m ECL	4 179 406	-	4 179 406
Gary Thomas Sayers	Performing	12m ECL	1 971 103	-	1 971 103
Nik Kirkinis	Performing	12m ECL	227 417	-	227 417
Bibi Tilly	Performing	12m ECL	284 195	-	284 195
			38 214 664	**(322 000)**	**37 892 664**

No external credit ratings or rating agency indicators were applied as it was not deemed applicable to the company and no external credit ratings were available.

Reconciliation of loss allowances

Preference Share A: Loss allowance measured at lifetime ECL (not credit impaired):

	2024	2023
Opening balance	(322 000)	-
Recognised in profit or loss	(386 387)	(322 000)
Closing balance	**(708 387)**	**(322 000)**

No other credit loss allowance was raised as management assessed it to be immaterial.

Notes to the Annual Financial Statements

Figures in Rand	2024	2023

7. Receivables purchased in terms of discounting arrangements

Financial instruments:		
Receivables purchased in terms of discounting arrangements	195 496 632	145 490 271

Financial instrument and non-financial instrument components of receivables purchased in terms of discounting arrangements		
At amortised cost	195 496 632	145 490 271

Exposure to credit risk

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 receivables, in accordance with IFRS 9 Financial Instruments, and is monitored at the end of each reporting period. In addition to the loss allowance, receivables are written off when there is no reasonable expectation of recovery, for example, when a debtor has been placed under liquidation. Receivables which have been written off are subject to enforcement activities.

The company measures the loss allowance for receivables by applying the general approach which is prescribed by IFRS 9. The loss allowance is calculated based on twelve month expected losses if the credit risk has not increased significantly since initial recognition. In cases where the credit risk has increased significantly since initial recognition, the loss allowance is calculated based on lifetime expected credit losses. The loss allowance is updated to either twelve month or lifetime expected credit losses at each reporting date based on changes in the credit risk since initial recognition. In determining the amount of expected credit losses, the company has taken into account any historic default experience, but also incorporates forward looking information and general economic conditions of the industry as at the reporting date.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

The company's historical credit loss experience does not show significantly different loss patterns for different customer segments. The provision for credit losses is therefore based on past due status without disaggregating into further risk profiles. The loss allowance provision is determined as follows:

	2024	**2024**	**2023**	**2023**
Expected credit loss rate:	**Estimated gross carrying amount at default**	**Loss allowance (Lifetime expected credit loss)**	**Estimated gross carrying amount at default**	**Loss allowance (Lifetime expected credit loss)**
Invoices not at risk: 0% (2023: 0%)	197 286 572	(1 789 940)	145 490 271	-

Trade receivables are disclosed net of impaired and fully written off receivables of R 18 073 218 (2023: R 29 606 593).

Notes to the Annual Financial Statements

Figures in Rand	2024	2023

8. Other receivables

Financial instruments:		
Deposits	14 500	14 500
Other receivable	988 519	45 052
Non-financial instruments:		
VAT	324 209	383 820
Employee costs in advance	15 937	15 937
Capitalised transaction costs DMTN Programme	-	2 139 502
Total other receivables	**1 343 165**	**2 598 811**

Financial instrument and non-financial instrument components of other receivables

At amortised cost	120 993	59 552
Non-financial instruments	1 222 272	2 539 259
	1 343 265	**2 598 811**

No credit loss allowance was raised as management assessed it to be immaterial.

9. Derivatives

Derivatives		
Foreign exchange contract	(931 594)	3 022 578

Split between non-current and current portions

Current assets	-	3 022 578
Current liabilities	(931 594)	-
	(931 594)	**3 022 578**

Derivative financial instruments, which are not designated as hedging instruments, consisting of foreign exchange contracts, are initially measured at fair value on the contract date, and are re-measured to fair value at subsequent reporting dates.

Derivatives embedded in other financial instruments or other non-financial host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contract and the host contract is not carried at fair value with unrealised gains or losses reported in profit or loss.

Changes in the fair value of derivative financial instruments are recognised in profit or loss as they arise. Derivatives are classified as financial liabilities at fair value through profit or loss.

Fluctuations in the fair value of forward exchange contracts used to hedge currency risk of future cash flows, and the fair value of foreign currency monetary items on the statement of financial position, are recognised directly in other expenses or other income. This policy has been adopted as the relationship between the forward exchange contracts and the item being hedged does not meet certain conditions in order to qualify as a hedging relationship.

Refer to note 29 Fair value information for details of valuation policies and processes.

Refer to note 28 Financial instruments and risk management further details.

10. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balances	21 168 598	41 235 976

Notes to the Annual Financial Statements

Figures in Rand	2024	2023

11. Share capital

Authorised		
4 000 Ordinary No Par Value Shares	4 000	4 000
Reconciliation of number of shares issued:		
Reported as at 01 March	3 040	3 040

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

Issued		
Ordinary	30 192 410	30 192 410

12. Other financial liabilities

Held at amortised cost

Local Development Fund Facility	9 122 266	12 497 826

5 year term loan facility to the maximum of R30 million. R15 million was utilised on 28 February 2021 and no further utilizations have taken place since that date. Interest is compounded monthly on amount outstanding at 8.2% nominal annual rate. The Company early settled the full facility soon after year-end. The facility was fully settled after year end on the 15th of April 2024.

Covenants include maintenance of a debt-equity ratio less than 4 times; No individual client may exceed 5% of the facility; Arrears to remain below 30% of advances in 2021, 20% in 2022 and 15% in 2023; Debt Service Credit Ratio of 1.1 times or better; Cost to income ratio to remain below 100% and write-offs per annum of less than 2% of receivables. Security is provided via cessions of the instruments funded, subordination of the loans provided by shareholders and a ring-fenced bank account to be used for all advances and collections on customers funded by this lender.

Revolving Credit Facility	-	30 188 776

The revolving credit facility is denominated in US Dollar and is secured by cession by the company of its rights, title and interest in and to cash amounts of a number of its bank accounts and a pledge of contract debtors in favour of an International Debt Impact Fund.

The facility is limited to $5 000 000 of which $ Nil was utilised at 29 February 2024. The company intends to pay down the facility over the next twelve months.

Interest rate is payable monthly on the revolving credit facility at 3% above the US Federal Reserve Bank Prime Loan Rate.

Covenants are as follows: The facility is to be subject to the Maximum Gearing ratio of 4:1 (loan to net assets). Gearing will be measured against the retained sum total of equity, retained earnings, deferred equity and subordinated loans less intangibles.

The facility was fully settled as planned by the end of December 2023.

Leonidas Kirkinis	55 872	48 070

The loan is unsecured, earns interest at prime plus 4.0% compounded monthly and is not freely transferable in terms of the Companies Act, No. 71 of 2008.

Notes to the Annual Financial Statements

Figures in Rand	2024	2023

12. Other financial liabilities (continued)

JSE Medium Term Note Programme	99 469 778	101 086 518

The company issued the first notes under the JSE listed note programme on 13 December 2021. In terms of the relevant Applicable Pricing Supplement, the maximum debt-equity ratio allowed is 4 times, the company shall maintain an interest cover ratio of at least 1.5 times, bad debts written off shall be less than 3% of net receivables and any foreign borrowings are to be fully hedged. Security is provided via a Collateral Cession Notice on a Rand for Rand basis from the instruments funded, not subject to the prior encumbrances of the creditor and shall not be less than the capital amount of the notes outstanding. The following five notes, with their respective interest rates and maturity dates were in issue (to the same note holder) at financial year end:

Note USP02U for R 15 000 000 at 3-month Jibar plus 750 basis points,
Issued Thu 12-05-2022
Expiring Mon 12-05-2024

Note USP04U for R 20 000 000 at 3-month Jibar plus 750 basis points,
Issued Mon 29-09-2022
Expiring Fri 30-11-2024

Note USP04U2 for R 16 900 000 at 3-month Jibar plus 750 basis points,
Issued Fri 25-11-2022
Expiring Fri 30-11-2024

Note USP05U for R 8 100 000 at 3-month Jibar plus 750 basis points,
Issued Mon 13-02-2023
Expiring Thu 13-03-2025

Note USP06U for R 40 000 000 at 3-month Jibar plus 750 basis points,
Issued Wed 13-12-2023
Expiring Fri 30-06-2024

African Dream Trust	426 409	368 102

The loan is unsecured and earned interest at prime plus 3.5% compounded monthly for the period 01 March 2020 to 30 September 2020, thereafter interest is earned at prime plus 4% compounded monthly. There are no fixed repayment terms or dates. The loan is not freely transferable in terms of the Companies Act of South Africa.

Triodos Investment Management	39 479 748	-

Total facility of EUR2 million over a maximum 4 year term, consists of two EUR1 million loans provided at 7% fixed interest and a 1% “front-end” fee. Security requirements allow for a reduction in the value of security provided (in the form of specific ring-fenced instruments funded) in line with the settlement of secured funders and only in the proportion that remains provided to funders as security. Interest is payable quarterly on the 15th of March, June, September and December each year and capital is repayable on the second anniversary of drawdown. Covenants, which if not met may result in a mandatory repayment, have been agreed as follows:

Figures in Rand	2024	2023

12. Other financial liabilities (continued)

Impairment provisions held must exceed 80% of instruments past 120 days due.
At least a 1.5 times interest coverage ratio is to be maintained.
Non-performing instruments past 30 days due may not exceed 15% of the portfolio.
Non-performing instruments past 90 days due may not exceed 10% of the portfolio.
No individual facility granted may exceed 20% of the overall portfolio (concentration).
Twelve-month write-offs may not exceed 3.5% of the portfolio.
An unhedged open foreign currency ratio must fall between -20% and +20%.
The pre-existing gearing ratio limit of 4 times is not to be exceeded.
The largest single client exposure ratio is to remain under 25%.

	2024	2023
Lendable Asset Management LLC Facility The facility is disbursed and repaid in US Dollars. It consists of a committed Tranche A up to $3 million, and an uncommitted Tranche B up to a further $7 million, available in multiple facility tranches which may be requested by US Plus Ltd and approved by Lendable in its sole discretion. Interest is charged at 13.5% per annum. Each facility tranche has maturation date twelve months following the signing date thereof. The facility was repaid after year end, refer to note 30. The first facility tranche shall be repaid in a bullet instalment due on the final repayment date of the first facility tranche. The second facility tranche shall be payable in 5 instalments as follows: 4 instalments of 12.5% of the outstanding facility payable each calendar quarter end (being the last day of March, June, September and December in each year) starting from the signing date of the second facility tranche; and 1 instalment of 50% of the outstanding facility tranche payable on the final repayment date of the second facility tranche. The third facility tranche shall be payable in 5 equal instalments as follows: 4 instalments of the outstanding facility tranche payable each calendar quarter end (being the last day of March, June, September and December in each year) starting from the signing date of the third facility tranche; and 1 instalment of the outstanding facility tranche payable on the final repayment date of the third facility tranche. The company early settled the full facility shortly after year-end. Refer below for security and covenants.	35 955 334	33 540 146
Heron Holdings The loan is unsecured, not subordinated and repayable on 18 July 2024. The loan attracts interest at the rate of 3% above the South African Prime rate of interest, compounding monthly and repayable with the capital on the same date.	2 190 888	-
	186 700 295	**177 729 438**

Lendable Asset Management LLC Facility security:

US Plus Ltd have ceded two of its Investec bank accounts to the lender as security under the facility, which held combined cash balances of R 15 388 445 at year end.

US Plus Ltd have ceded qualifying instruments purchased from ten of its customers to the lender at year end as security under the facility, the combined value of which totaled R 20 482 865 at year end.

Lendable Asset Management LLC Facility covenants:

There are the following seven covenants to be complied with under the facility. All of these covenants are complied with at their measurement dates.

12. Other financial liabilities (continued)

Covenant 1. Loan to value: The advanced facility as calculated amounts to less than or equal to 80% of instruments funded that are less than 90 days past original due date.
Covenant 2. Debt to equity: Total borrowings of US Plus Ltd amounts to less than or equal to 400% of its equity as calculated.
Covenant 3. Minimum consolidated cash: Total cash of US Plus Ltd amounts to greater than three months' worth of projected operating expenses.
Covenant 4. Par 60 ratio: The weighted average of the relevant monthly cohort level ratios calculated on the secured portfolio is less than or equal to 7%.
Covenant 5. Par 90 ratio: The weighted average of the relevant monthly cohort level ratios calculated on the secured portfolio is less than or equal to 3.5%.
Covenant 6. Write-off ratio: The weighted average of the monthly cohort write-off ratio calculated on the secured portfolio is less than or equal to 2%.
Covenant 7. Concentration limit1: No single debtor or client is to exceed 15% of the portfolio.

Split between non-current and current portions

Non-current liabilities	52 530 934	68 273 896
Current liabilities	134 169 361	109 455 542
	186 700 295	**177 729 438**

13. Deferred tax

Deferred tax liability

Fixed assets	348 026	(9 708)

Reconciliation of deferred tax liability

At beginning of year	(9 708)	(5 120)
Bad debt provision	483 279	-
Taxable temporary difference movement on tangible fixed assets	(4 900)	(4 588)
Other allowances	(120 645)	-
	348 026	**(9 708)**

14. Trade and other payables

Financial instruments:		
Non-purchase refundable invoices	-	109 196

15. Loan from shareholder

Mike Chan Wing	5 924 448	5 397 146

The loan is unsecured and earned interest at prime plus 3.5% compounded monthly for the period 01 March 2020 to 30 September 2020, there after interest was earned at prime plus 4% compounded monthly. There are no fixed terms of repayment of the loan.

On 28 December 2022, Mr. Chan Wing provided a second facility to US Plus Ltd in the amount of an additional R1 million on similar terms to the existing loan. This facility is not subordinated to any other funding and attracts no interest (2023: interest at the rate of South African prime plus 3.5%).

Notes to the Annual Financial Statements

Figures in Rand	2024	2023

15. Loan from shareholder (continued)

Split between non-current and current portions

Current liabilities	5 924 448	5 397 146

16. Yield on receivables purchased in discounting arrangements

Revenue from contracts with customers		
Yield on receivables purchased in discounting arrangements	44 001 174	33 371 512

Timing of revenue recognition

Over time		
Yield on receivables purchased in discounting arrangements	44 001 174	33 371 512

17. Other income

Bad debts recovered	1 642 789	395 211
Fees in relation to refunds processed	41 881	18 804
	1 684 670	**414 015**

18. Other operating losses

Losses on disposals		
Other financial assets	-	(1 392 000)
Foreign exchange losses		
Net foreign exchange loss	(2 828 611)	(1 732 667)
Total other operating losses	**(2 828 611)**	**(3 124 667)**

19. Operating profit

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

Employee costs

Salaries, wages, bonuses and other benefits	161 887	78 229
Principal profit share	4 500 000	3 000 000
Total employee costs	**4 661 887**	**3 078 229**

Notes to the Annual Financial Statements

Figures in Rand	2024	2023

19. Operating profit (continued)

Leases

Low Value Lease for Premises	241 913	240 277
Total lease expenses	**241 913**	**240 277**

Depreciation		
Depreciation of property, plant and equipment	31 732	35 555

Impairments		
Trade and other receivables	-	983 213
Other financial assets	-	322 000
Reversal of Impaired receivables purchases in terms of discounting arrangements	(12 855 694)	-
Impairment other financial assets	13 564 081	-
Impaired receivables purchased in terms of discounting arrangements	1 739 418	-
	2 447 805	**1 305 213**

20. Investment revenue

Interest income		
Bank	2 716 047	2 007 201
Other interest	1 636 932	1 488 117
	4 352 979	**3 495 318**

21. Finance costs

Interest paid on facilities from third parties	25 987 060	17 219 840
Interest paid on facilities from principals	1 835 958	1 497 621
	27 823 018	**18 717 461**

22. Taxation

Major components of the tax expense

Current		
South African normal tax - current year	3 096 941	2 521 597
Deferred		
South African deferred tax - current year	(357 735)	4 588
	2 739 206	**2 526 185**

Reconciliation of the tax expense

Reconciliation between accounting profit and tax expense.

Accounting profit	9 758 824	7 308 093
Tax at the applicable tax rate of 27% (2023: 28%)	2 634 882	2 046 266
Tax effect of adjustments on taxable income		
Permanent differences	104 324	479 919
	2 739 206	**2 526 185**

Notes to the Annual Financial Statements

Figures in Rand	2024	2023

23. Cash generated from/(used in) operations

Profit before taxation	9 758 824	7 308 093
Adjustments for non-cash items:		
Depreciation	31 732	35 555
Loss on disposal of assets	-	1 392 000
Losses on exchange differences	7 261 625	6 669 196
Profit share on EVA	3 713 889	1 926 613
Net impairments and movements in credit loss allowances	2 447 805	1 305 213
Interest income	(4 352 979)	(3 495 318)
Finance costs	27 823 018	18 016 980
Changes in working capital:		
Receivables purchased in terms of discounting arrangements and other receivables	(39 649 774)	(47 565 580)
Trade and other payables	(109 196)	(436 196)
	6 924 944	**(14 843 444)**

Notes to the Annual Financial Statements

24. Changes in liabilities arising from financing activities

Reconciliation of liabilities arising from financing activities - 2024

	Opening balance	Foreign exchange movements	Transfer from trade receivables	Finance costs	Total non-cash movements	Cash flows (Payments)	Cash flows (Receipts)	Closing balance
Other financial liabilities	177 729 438	2 639 693	(1 792 001)	981 862	1 829 554	(35 832 569)	42 973 871	186 700 295
Loan from shareholder	5 397 146	-	-	27 303	27 303	-	500 000	5 924 448
Total liabilities from financing activities	**183 126 584**	**2 639 693**	**(1 792 001)**	**1 009 165**	**1 856 857**	**(35 832 569)**	**43 473 871**	**192 624 743**

Reconciliation of liabilities arising from financing activities - 2023

	Opening balance	Foreign exchange movements	Finance costs	Total non-cash movements	Cash flows (Payments)	Cash flows (Receipts)	Closing balance
Other financial liabilities	113 488 877	4 936 530	1 472 394	6 408 924	(53 458 908)	111 290 545	177 729 438
Loan from shareholder	4 306 882	-	90 264	90 264	-	-	5 397 146
Total liabilities from financing activities	**117 795 759**	**4 936 530**	**1 562 658**	**6 499 188**	**(53 458 908)**	**111 290 545**	**183 126 584**

Notes to the Annual Financial Statements

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

Reconciliation of assets arising from investing activities - 2024

	Opening balance	Impairment	Profit share on EVA	Transfer from trade receivables	Investment income (Non-cash)	Disposal	ECL loss allowance	Total non-cash movements	Cash flows (Receipts)	Cash flows (Payments)	Closing balance
Other financial assets	(37 892 664)	12 855 694	1 663 887	(5 757 664)	(1 872 439)	-	708 387	7 597 865	5 366 408	(3 859 398)	(28 787 790)
Loans to shareholders	(8 699 946)	-	2 050 000	-	(815 762)	-	-	1 234 238	30 000	(2 561 031)	(9 996 739)
	(46 592 610)	**12 855 694**	**3 713 887**	**(5 757 664)**	**(2 688 201)**	**-**	**708 387**	**8 832 103**	**5 396 408**	**(6 420 429)**	**(38 784 529)**

Reconciliation of assets arising from investing activities - 2023

	Opening balance	Transfer	Profit share on EVA	Transfer from trade receivables	Investment income (Non-cash)	Disposal	ECL loss allowance	Total non-cash movements	Cash flows (Payments)	Closing balance
Other financial assets	(25 612 989)	(5 571 406)	451 611	(5 380 002)	(1 615 412)	1 392 000	322 000	(10 401 209)	(1 878 466)	(37 892 664)
Loans to shareholders	(7 986 186)	-	1 475 000	-	(509 310)	-	-	965 690	(1 679 450)	(8 699 946)
Investment	(5 571 406)	5 571 406	-	-	-	-	-	5 571 406	-	-
	(39 170 581)	**-**	**1 926 611**	**(5 380 002)**	**(2 124 722)**	**1 392 000**	**322 000**	**(3 864 113)**	**(3 557 916)**	**(46 592 610)**

Notes to the Annual Financial Statements

Figures in Rand	2024	2023

25. Tax paid

Balance at beginning of the year	(236 049)	448 533
Current tax recognised in profit or loss	(3 096 941)	(2 521 597)
Balance at end of the year	1 282 366	236 049
	(2 050 624)	**(1 837 015)**

26. Related parties

Relationships

Shareholders	Liane Marais Mike Chan Wing Vehentem Diem (Pty) Ltd Reabetswe Khumbane Belaine Capital (Pty) Ltd UsPlus (Pty) Ltd Nicole Gounden Vaalbara (Pty) Ltd Girder Consulting (Pty) Ltd Saringwe (Pty) Ltd
Members of key management	Leonidas Kirkinis Ryan Cameron Reabetswe Khumbane Mike Chan Wing Liane Marais Nicole Gounden Gary Thomas Sayers Nikolaos Kirkinis Bibi Tilly Buyisile Kubheka
Close family members of key management	Corinne Kirkinis Nikolaos Kirkinis
Non-executive Director	Frederik de Ridder Sarita Martin
Entity under common control	Heron Holdings (Pty) Ltd African Dream Trust

Related party balances

Loan accounts - Owing (to) by related parties		
Liane Marais	6 862 591	5 970 233
Mike Chan Wing	(5 924 448)	(5 397 146)
Reabetswe Khumbane	1 197 965	936 528
Vehentem Diem (Pty) Ltd	1 393 513	1 251 961
Nicole Gounden	542 670	541 224
African Dream Trust	(426 409)	(368 102)
Leonidas Kirkinis	(55 872)	(48 070)
Gary Thomas Sayers	2 617 263	1 971 103
Leonidas Kirkinis	615 359	306 400
Nikolaos Kirkinis	293 761	227 417
Bibi Tilly	324 130	284 195
Heron Holdings	(2 190 888)	-
Buyisile Kubheka	203 362	-

Notes to the Annual Financial Statements

Figures in Rand	2024	2023

26. Related parties (continued)

Related party transactions

Interest paid to (received from) related parties		
Liane Marais	(571 909)	(358 305)
Ryan Cameron	(109 433)	(68 684)
Mike Chan Wing	784 772	589 705
Leonidas Kirkinis	7 134	10 659
Reabetswe Khumbane	(90 949)	(52 297)
Nicole Gounden	(43 472)	(30 023)
African Dream Trust	55 060	46 595
Saringwe Proprietary Limited	617 549	850 662
Leonidas Kirkinis	(28 880)	(5 940)
Gary Thomas Sayers	(196 160)	(100 038)
Bibi Tilly	(21 044)	(9 539)
Nikolaos Kirkinis	(18 803)	(7 779)
Buyisile Kubheka	(2 110)	-
Heron Holdings	165 510	-
Consulting fees paid included in capitalised transaction costs DMTN programme (note 8)		
Girder Consulting (Pty) Ltd	240 000	240 000
Directors emoluments		
Sarita Martin	85 963	74 750
Frederik de Ridder	63 250	-
Key management emoluments (EVA profit share distribution)		
Leonidas Kirkinis	750 000	600 000
Gary Thomas Sayers	500 000	250 000
Ryan Cameron	750 000	600 000
Liane Marais	500 000	300 000
Reabetswe Khumbane	500 000	300 000
Nicole Gounden	300 000	275 000
Corinne Kirkinis	200 000	125 000
Cynthia Sellar	25 000	21 521
Mike Chan Wing	25 000	25 000
Bibi Tilly	450 000	399 095
Nikolaos Kirkinis	500 000	100 905

Notes to the Annual Financial Statements

27. Directors' emoluments

Non-executive

2024

	Emoluments	Total
Frederik de Ridder	63 250	63 250
Sarita Martin	85 963	85 963
	149 213	**149 213**

2023

	Emoluments	Total
Sarita Martin	74 750	74 750
	74 750	**74 750**

28. Financial instruments and risk management

Categories of financial instruments

Categories of financial assets

2024

	Notes	Amortised cost	Total	Fair value
Loans to shareholders	5	9 996 739	9 996 739	9 996 739
Other financial assets	6	28 991 170	28 991 170	28 991 170
Receivables purchased in terms of discounting arrangements	7	195 496 632	195 496 632	195 496 632
Other receivables	8	120 993	120 993	120 993
Cash and cash equivalents	10	21 168 598	21 168 598	21 168 598
		255 774 132	**255 774 132**	**255 774 132**

2023

	Notes	Fair value through profit or loss	Amortised cost	Total	Fair value
Loans to shareholders	5	-	8 699 946	8 699 946	8 699 946
Other financial assets	6	9 993 444	27 899 220	37 892 664	37 892 664
Derivatives	9	3 022 578	-	3 022 578	3 022 578
Receivables purchased in terms of discounting arrangements	7	-	145 490 271	145 490 271	145 490 271
Other receivables	8	-	59 552	59 552	59 552
Cash and cash equivalents	10	-	41 235 976	41 235 976	41 235 976
		13 016 022	**223 384 965**	**236 400 987**	**236 400 987**

Notes to the Annual Financial Statements

28. Financial instruments and risk management (continued)

Categories of financial liabilities

2024

	Notes	Fair value through profit or loss - Held for trading	Amortised cost	Total	Fair value
Loan from shareholder	15	-	5 924 448	5 924 448	5 924 448
Other financial liabilities	12	-	186 700 295	186 700 295	186 700 295
Derivatives - hedging	9	931 594	-	931 594	931 594
		931 594	**192 624 743**	**193 556 337**	**193 556 337**

2023

	Notes	Amortised cost	Total	Fair value
Trade and other payables	14	109 196	109 196	109 196
Loan from shareholder	15	5 397 146	5 397 146	5 397 146
Other financial liabilities	12	177 729 438	177 729 438	177 729 438
		183 235 780	**183 235 780**	**183 235 780**

Pre tax gains and losses on financial instruments

Gains and losses on financial assets

2024

	Notes	Amortised cost	Total
Recognised in profit or loss:			
Interest revenue	20	4 352 979	4 352 979
Impaired debtors / other financial assets written off	19	(2 447 805)	(2 447 805)
Yield on receivables purchased in discounting arrangements	16	44 001 174	44 001 174
Net gains		**45 906 348**	**45 906 348**

2023

	Notes	Amortised cost	Total
Recognised in profit or loss:			
Interest revenue	20	3 495 318	3 495 318
Impaired debtors / other financial assets written off	19	(1 305 213)	(1 305 213)
Yield on receivables purchased in discounting arrangements	16	33 371 512	33 371 512
Net gains		**35 561 617**	**35 561 617**

Notes to the Annual Financial Statements

28. Financial instruments and risk management (continued)

Gains and losses on financial liabilities

2024

	Note	Amortised cost	Total
Recognised in profit or loss:			
Finance costs	21	(27 823 018)	(27 823 018)

2023

	Note	Amortised cost	Total
Recognised in profit or loss:			
Finance costs	21	(18 717 461)	(18 717 461)

Capital risk management

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

The company manages capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain the capital structure, the company may adjust the amount of dividends paid to the shareholders, return capital to the shareholders, repurchase shares currently issued, issue new shares, issue new debt, issue new debt to replace existing debt with different characteristics and/or sell assets to reduce debt.

	2024	2023
Loan from shareholder	5 924 448	5 397 146
Other financial liabilities	186 700 295	177 729 438
Trade and other payables	-	109 196
Total borrowings	**192 624 743**	**183 235 780**
Cash and cash equivalents	(21 168 598)	(41 235 976)
Net borrowings	**171 456 145**	**141 999 804**
Equity	62 590 877	55 571 259
Gearing ratio	2.73:1	2.56:1

Financial risk management

Credit risk

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

The company is exposed to credit risk on loans to shareholders, other financial assets, trade and other receivables and cash and cash equivalents.

Notes to the Annual Financial Statements

28. Financial instruments and risk management (continued)

Credit risk exposure arising on cash and cash equivalents is managed by the company through dealing with well-established financial institutions with high credit ratings.

In order to calculate credit loss allowances, management determine whether the loss allowances should be calculated on a 12 month or on a lifetime expected credit loss basis. This determination depends on whether there has been a significant increase in the credit risk since initial recognition. If there has been a significant increase in credit risk, then the loss allowance is calculated based on lifetime expected credit losses. If not, then the loss allowance is based on 12 month expected credit losses. This determination is made at the end of each financial period. Thus the basis of the loss allowance for a specific financial asset could change year on year.

Management apply the principle that if a financial asset's credit risk is low at year end, then, by implication, the credit risk has not increased significantly since initial recognition. In all such cases, the loss allowance is based on 12 month expected credit losses. Credit risk is assessed as low if there is a low risk of default. When determining the risk of default, management consider information such as payment history to date, industry in which the customer is employed, period for which the customer has been employed, external credit references etc. Credit risk is not assessed to be low simply because of the value of collateral associated with a financial instrument. If the instrument would not have a low credit risk in the absence of collateral, then the credit risk is not considered low when taking the collateral into account. Trade receivables which do not contain a significant financing component are the exceptions and are discussed below.

Where necessary, the assessment for a significant increase in credit risk is made on a collective basis. Management typically adopt this approach when information relevant to the determination of credit risk is not available on an individual instrument level. Often, the only information available on individual instruments which could indicate an increase in credit risk, is "past due" information. It is typical that more forward-looking information is generally more readily available on a collective basis. Therefore, making the determination on a collective basis, helps to ensure that credit loss allowances are determined on the basis of lifetime expected credit losses before they reach the point of being past due. Forward looking, macro-economic information is applied on a collective basis when it is readily available without undue cost or effort. When loss allowances are determined on a collective basis, management determines the loss allowances by grouping financial instruments on the basis of shared credit risk characteristics.

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

	2024			2023		
	Gross carrying amount	**Credit loss allowance**	**Amortised cost / fair value**	**Gross carrying amount**	**Credit loss allowance**	**Amortised cost / fair value**
Loans to shareholders	9 996 739	-	9 996 739	8 699 946	-	8 699 946
Other financial assets	29 699 557	(708 387)	28 991 170	38 214 664	(322 000)	37 892 664
Receivables purchased in terms of discounting arrangements	197 286 572	(1 789 940)	195 496 632	145 490 271	-	145 490 271
Other receivables	120 993	-	120 993	59 552	-	59 552
Cash and cash equivalents	21 168 598	-	21 168 598	41 235 976	-	41 235 976
	258 272 459	**(2 498 327)**	**255 774 132**	**233 700 409**	**(322 000)**	**233 378 409**

Notes to the Annual Financial Statements

28. Financial instruments and risk management (continued)

Liquidity risk

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

The company maintains adequate reserves, banking facilities and funding, by continuously monitoring forecasts versus actual cash flows. Maturity profiles of financial assets and liabilities are also matched to extent possible. For details of undrawn facilities available please refer to note 12.

The table below analyses the company's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date.

2024

	Less than 1 year	2 to 5 years	Total	Carrying amount
Non-current liabilities				
Other financial liabilities	-	56 034 452	56 034 452	52 530 934
Current liabilities				
Loans from shareholders	6 796 744	-	6 796 744	5 924 448
Other financial liabilities	150 651 682	-	150 651 682	134 169 361
	157 448 426	**56 034 452**	**213 482 878**	**192 624 743**

2023

	Less than 1 year	2 to 5 years	Total	Carrying amount
Non-current liabilities				
Other financial liabilities	-	73 984 936	73 984 936	68 273 896
Current liabilities				
Trade and other payables	109 196	-	109 196	109 196
Loan from shareholder	6 190 271	-	6 190 271	5 397 146
Other financial liabilities	127 076 253	-	127 076 253	109 455 542
	133 375 720	**73 984 936**	**207 360 656**	**183 235 780**

Notes to the Annual Financial Statements

Figures in Rand	2024	2023

28. Financial instruments and risk management (continued)

Foreign currency risk

The company is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US Dollar and Euro. Foreign exchange risk arises from recognised assets and liabilities.

At 29 February 2024, if the currency had weakened/strengthened by 1% against each counterparty currency with all other variables held constant, post-tax profit for the year would have been R 754 351 (2023: R 67 779) lower/higher, mainly as a result of foreign exchange gains or losses on translation of US Dollar and Euro denominated liabilities.

Foreign currency exposure at the end of the reporting period

US Dollar and Euro exposure:

USD Exposure		
Other financial liabilities $2 000 000 (2023: $3 633 565)	35 955 334	63 830 353
Euro Exposure		
Other financial liabilities €2 000 000 (2023: €Nil)	39 479 748	-
Net US Dollar and Euro exposure	**75 453 082**	**63 830 353**

Exchange rates

The following closing exchange rates were applied at reporting date:

US Dollar	19.272	18.340
Euro	20.885	-

Forward exchange contracts

Certain forward exchange contracts have been entered into for the purposes of managing foreign currency risk. The net market value of all forward exchange contracts at reporting date is calculated by comparing the forward exchange contracted rates to the equivalent market foreign exchange rates at reporting date. The present value of these net market values are then calculated using the appropriate currency specific discount curve.

Mark to market profit / (loss) included in profit for the year	(931 594)	3 022 578
Fair value of contracts as at year end	(931 594)	3 022 578

Interest rate risk

At 29 February 2024, if interest rates on floating rate assets and borrowings had been 0.25% higher/lower with all other variables held constant, profit for the year would have been R 458 570. (2023: R 423 771) lower/higher, mainly as a result of higher/lower interest expense on floating rate borrowings.

The company seeks to minimise the effects of interest rate risks by using commercially appropriate and fair pricing in all its advances and facilities, and by hedging any foreign currency exposures.

Notes to the Annual Financial Statements

Figures in Rand		2024	2023

29. 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.

Levels of fair value measurements

Level 2

Recurring fair value measurements

Assets	Note		
Derivatives	9		
Foreign exchange contracts		-	3 022 578

Liabilities	Note		
Derivatives	9		
Foreign exchange contracts		931 594	-
Total		**(931 594)**	**3 022 578**

Fair value of the forward exchange contract is determined based on market to market valuation reports received from reputable financial institutions.

Level 3

Recurring fair value measurements

Assets	Note		
Other financial assets	6		
Preference Share A		-	9 993 444
Total		**-**	**9 993 444**

The fair value of the investment in preference share A was determined with reference to the enterprise value and net debt of Investment A (per note 4).

Notes to the Annual Financial Statements

29. Fair value information (continued)

For the purposes of calculating the Value In Use (VIU) of the investment to be used in its impairment assessment, the investment was valued using a Discounted Cash Flow (DCF) approach as the primary valuation methodology. The future cash flows of the business over a five year forecast period, plus a terminal value that reflects a sustainable level of earnings for the period beyond the forecast period, were discounted to their present value. The future cash flows were adjusted for known future increases or decreases in historical cash flows. The future cash flows were discounted using a conservative discount rate, benchmarked for the global firms in a similar industry and were adjusted for specific risks relating to the specific investment.

The result of the primary valuation methodology was compared to a Market Multiple valuation approach, as a secondary valuation methodology. A conservative earnings multiple was applied to the financial forecast for the following twelve months to assess the result of the DCF valuation for reasonableness.

The latest financial forecasts, management accounts and interviews with key management and shareholders formed the salient inputs of the valuation.

30. Events after the reporting period

Further to the announcement released on SENS on 8 March 2024 regarding (and using the terms defined therein unless otherwise stated) the raising of USD8 million in Senior Unsecured debt funding from the United States International Development Finance Corporation (“DFC facility”), UsPlus made its first drawdown from the DFC facility in the amount of USD3 million. The drawdown allowed UsPlus to settle the USD2 million facility that was provided by Lendable Asset Management LLC (“Lendable”) at an interest rate of 13,5% per annum in September 2022. In addition, UsPlus has also settled the Local Development Funder’s facility of approximately R8 million. The interest rate of the DFC facility is 5.25% per annum.

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

Risk Adjusted Income Statement

Figures in Rand	Notes	2024	2023
Revenue		**776 722 172**	**527 949 133**
Cost of sales		**(732 720 998)**	**(494 577 621)**
Discount revenue	16	**44 001 174**	**33 371 512**
Bad debts recovered		1 642 789	395 211
Impaired debtors written off		(2 447 805)	(1 305 213)
Fees in relation to refunds processed		41 881	18 804
Risk adjusted income		**43 238 039**	**32 480 314**
Investment revenue	20	4 352 979	3 495 318
Gross income		**47 591 018**	**35 975 632**
Operating expenses			
Accounting fees		(54 785)	(88 012)
Auditor's remuneration - external audit	19	(386 820)	(346 532)
Bank charges		(22 580)	(28 836)
Cleaning		(33 400)	(19 800)
Commission paid		(253 031)	(235 812)
Computer expenses		(368 931)	(269 721)
Consulting and professional fees		(641 949)	(1 830 860)
Credit Bureau Fees		(19 303)	(36 329)
Depreciation		(31 732)	(35 555)
Employee costs		(4 661 887)	(3 078 229)
Entertainment		(500)	(1 913)
General expenses		(14 446)	(337 500)
Lease rentals on operating lease		(241 913)	(240 277)
Legal expenses		(441 746)	(267 417)
Printing and stationery		(248)	(170)
Security		(7 294)	(6 042)
Travel - local		-	(2 406)
		(7 180 565)	**(6 825 411)**
Operating profit	19	**40 410 453**	**29 150 221**
Finance costs	21	(27 823 018)	(18 717 461)
Loss on exchange differences		(2 828 611)	(1 732 667)
Loss on sale of assets		-	(1 392 000)
		(30 651 629)	**(21 842 128)**
Profit before taxation		**9 758 824**	**7 308 093**
Taxation	22	(2 739 206)	(2 526 185)
Profit for the year		**7 019 618**	**4 781 908**