US Plus Ltd
(Registration number 2014/048709/06)
Annual Financial Statements
for the year ended 28 February 2022

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	202 Greenside Quarter 10 Gleneagles Road Greenside Randburg 2193
Business address	202 Greenside Quarter 10 Gleneagles Road Greenside Randburg 2193
Postal address	202 Greenside Quarter 10 Gleneagles Road Greenside Randburg 2193
Bankers	Investec Private Bank First National Bank Sasfin Bank ABSA Bank
Auditors	PKF Octagon 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 Director
Issued	06 April 2022

Index

	Page
Directors' Responsibilities and Approval	3
Independent Auditor's Report	4 - 5
Directors' Report	6 - 7
Audit Committee Report	8 - 9
Social and Ethics Committee Report	10
Statement of Financial Position	11
Statement of Profit or Loss and Other Comprehensive Income	12
Statement of Changes in Equity	13
Statement of Cash Flows	14
Accounting Policies	15 - 23
Notes to the Annual Financial Statements	24 - 48
The following supplementary information does not form part of the annual financial statements and is unaudited:	
Risk Adjusted Income Statement	49

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 2023 and, in light of this review and the current financial position, they are satisfied that the company has or had access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the 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 5.

The financial statements set out on pages 11 to 49, which have been prepared on the going concern basis, were approved by the board of directors on 06 April 2022 and were signed on their behalf by:

Leonidas Kirkinis	**Gary Thomas Sayers**

Johannesburg

06 April 2022

PKF OCTAGON

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 (the company) set out on pages 11 to 48, which comprise the Statement of Financial Position as at 28 February 2022, and the 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 a summary of significant accounting policies.

In our opinion, the Financial Statements present fairly, in all material respects, the financial position of US Plus Limited as at 28 February 2022, 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 (ISAs). 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.

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 28 February 2022", 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.

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Managing Director: Waldek Wasowicz Directors: Full list available on website. Registration No. 2018/515503/21 Practice No. 944 351

PKF OCTAGON

Independent Auditor's Report

To the shareholders of US Plus Limited

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 ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the 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.

MVisser

PKF Octagon Inc.
Director: Matthew Visser CA(SA)
Registered Auditor

14 April 2022
Johannesburg

Directors' Report

The directors have pleasure in submitting their report on the annual financial statements of US Plus Ltd for the year ended 28 February 2022.

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.

4. Share capital

During the current year, 96 new ordinary shares were issued to Girder Consulting (Pty) Ltd, Vaalbara (Pty) Ltd, Helios (Pty) Ltd, Mike Chan Wing and Nicole Gounden.

During the prior year, 475 new ordinary shares were issued to Vaalbara (Pty) Ltd, Girder Consulting (Pty) Ltd, Liane Marais and Helios (Pty) Ltd.

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

Baleine Capital (Pty) Ltd	744
Helios (Pty) Ltd	1736
Liane Marais	35
Ryan Cameron	10
Girder Consulting (Pty) Ltd	29
Mike Chan Wing	7
Reabetswe Khumbane	5
Nicole Gounden	10
Vaalbara (Pty) Ltd	464

5. Dividends

No dividends were declared or paid during the year (2021: R Nil).

6. 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	Non-executive

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

Directors' Report

7. Corporate Governance

The Board has established an Audit and Risk Committee as well as a Social and Ethics Committee. 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/).

8. Events after the reporting period

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

9. Going concern

The Covid-19 outbreak which was followed by the declaration of a State of Emergency in South Africa early in the current financial year, and their subsequent impact on economic activity in general, suppressed revenue volumes for the financial year (by approximately one third of the pre-Covid19 period). 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

PKF Octagon 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 Committee Report

1. Composition of the Audit Committee

The Audit Committee is comprised of:

Name
Frederik 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 Committee, have been included in the Information Memorandum available on the company's website. The Audit 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 Committee

The Audit 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 commencement of the financial year ended on 28 February 2022. One meeting was held on 31 March 2021 and the other on 6 April 2022. 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 Committee satisfied itself that the composition, experience and skills set of the administration and financial functions met the Company's requirements.

3. Independence of external auditors

The Audit Committee satisfied itself through enquiry that the external auditors, PKF Octagon are 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 Companies Act No.71 of 2008 that internal governance processes within the firm support and demonstrate the claim to independence. The Audit 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 until March 2021 in the form of PAYE and Income Tax submissions to SARS on the company's behalf, as approved by the Audit 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 Committee of the audited annual financial statements of the Company for the year ended 28 February 2022 and based on the information provided to it, the Audit 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 that the accounting policies applied are appropriate.

The Audit Committee is satisfied that the internal controls are effective to mitigate against possible fraud and error. The audit committee is satisfied that there have been no significant matters that were raised during the audit of the 2022 annual financial statements.

Following the review of the audited annual financial statements the Audit Committee recommended the Company's 2022 audited annual financial statements for approval to the Board on 6 April 2022. The Audit 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.

Audit Committee Report

The Audit Committee fulfilled their responsibilities in compliance with the audit charter.

Uys Meyer

U Meyer
Chair: Audit Committee

06 April 2022

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 fulfilled their responsibilities in compliance with the company's approved charter.

F de Ridder
Chair: Social and Ethics Committee
06 April 2022

Statement of Financial Position as at 28 February 2022

Figures in Rand	Notes	2022	2021
Assets			
Non-Current Assets			
Property, plant and equipment	3	148 105	31 779
Investment	4	5 571 406	-
Loans to shareholders	5	7 986 186	7 024 856
Other financial assets	6	25 406 623	22 551 329
		39 112 320	**29 607 964**
Current Assets			
Trade and other receivables	7	107 385 219	75 569 350
Other financial assets	6	206 366	828 974
Derivatives	8	2 694 087	-
Current tax receivable		448 533	312 252
Cash and cash equivalents	9	19 289 097	31 847 389
		130 023 302	**108 557 965**
Total Assets		**169 135 622**	**138 165 929**
Equity and Liabilities			
Equity			
Share capital	10	30 192 410	27 729 497
Retained income		20 596 941	16 952 269
		50 789 351	**44 681 766**
Liabilities			
Non-Current Liabilities			
Other financial liabilities	12	55 048 501	15 898 479
Deferred tax	11	5 120	1 833
		55 053 621	**15 900 312**
Current Liabilities			
Trade and other payables	13	545 392	840 466
Loan from shareholder	14	4 306 882	4 918 027
Other financial liabilities	12	58 440 376	69 683 501
Derivatives	8	-	2 141 857
		63 292 650	**77 583 851**
Total Liabilities		**118 346 271**	**93 484 163**
Total Equity and Liabilities		**169 135 622**	**138 165 929**

Statement of Profit or Loss and Other Comprehensive Income

Figures in Rand	Notes	2022	2021
Revenue	15	362 387 222	324 172 421
Cost of sales	16	(340 744 502)	(299 665 888)
Gross profit		**21 642 720**	**24 506 533**
Other income	17	5 411 203	2 326 028
Other operating losses	18	(2 589 651)	(9 314 104)
Impaired debtors written off	19	(8 833 200)	(11 642 138)
Operating expenses		(4 313 271)	(946 258)
Operating profit	19	**11 317 801**	**4 930 061**
Investment revenue	20	2 260 522	3 983 468
Finance costs	21	(8 460 176)	(7 224 340)
Profit before taxation		**5 118 147**	**1 689 189**
Taxation	22	(1 473 475)	(467 581)
Profit for the year		**3 644 672**	**1 221 608**
Other comprehensive income		-	-
Total comprehensive income for the year		**3 644 672**	**1 221 608**

Statement of Changes in Equity

Figures in Rand	Share capital	Retained income	Total equity
Balance at 01 March 2020	**19 270 221**	**15 730 661**	**35 000 882**
Profit for the year	-	1 221 608	1 221 608
Other comprehensive income	-	-	-
Total comprehensive income for the year	**-**	**1 221 608**	**1 221 608**
Issue of shares	8 459 276	-	8 459 276
Total contributions by and distributions to owners of company recognised directly in equity	**8 459 276**	**-**	**8 459 276**
Balance at 01 March 2021	**27 729 497**	**16 952 269**	**44 681 766**
Profit for the year	-	3 644 672	3 644 672
Other comprehensive income	-	-	-
Total comprehensive income for the year	**-**	**3 644 672**	**3 644 672**
Issue of shares	2 462 913	-	2 462 913
Total contributions by and distributions to owners of company recognised directly in equity	**2 462 913**	**-**	**2 462 913**
Balance at 28 February 2022	**30 192 410**	**20 596 941**	**50 789 351**
Note	10		

Statement of Cash Flows

Figures in Rand	Notes	2022	2021
Cash flows from operating activities			
Cash (used in)/generated from operations	23	(27 903 071)	11 821 695
Interest income		596 174	1 113 211
Finance costs		(5 437 165)	(4 307 398)
Tax paid	24	(1 606 469)	(972 222)
Net cash from operating activities		**(34 350 531)**	**7 655 286**
Cash flows from investing activities			
Purchase of property, plant and equipment	3	(147 589)	-
Cash payments to other financial assets		(2 173 210)	(820 000)
Cash receipts from other financial assets		-	2 897 813
Cash payments to shareholders		(1 805 891)	(1 606 388)
Cash receipts from shareholders		-	850
Net cash from investing activities		**(4 126 690)**	**472 275**
Cash flows from financing activities			
Proceeds on share issue	10	2 206 332	8 459 276
Other financial liabilities raised		85 916 474	14 782 125
Other financial liabilities repaid		(61 055 746)	(19 970 096)
Loans from shareholders raised		-	750 100
Loans from shareholders repaid		(1 148 131)	(2 429 947)
Net cash from financing activities		**25 918 929**	**1 591 458**
Total cash movement for the year		**(12 558 292)**	**9 719 019**
Cash at the beginning of the year		31 847 389	22 128 370
Total cash at end of the year	9	**19 289 097**	**31 847 389**

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 Interpretations Committee ("IFRIC") 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 cost less any accumulated impairment losses. This excludes investments which are held for sale and are consequently accounted for in accordance with IFRS 5 Non- current Assets Held for Sale and Discontinued Operations.

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).

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 and trade and other receivables

Classification

Loans to shareholders (note 5), other financial assets (note 6) and trade and other receivables (note 7), 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 and trade and other receivables.

Recognition and measurement

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

They are subsequently measured at amortised cost.

Accounting Policies

1.5 Financial instruments (continued)

Impairment

Loans receivable, including Convertible Instruments:
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.

Trade and other receivables:
The company recognises a loss allowance for expected credit losses on trade and other receivables, excluding deposits, employee costs in advance, other receivable, VAT and prepayments. The amount of expected credit losses is updated at each reporting date.

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

Measurement and recognition of expected credit losses

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

Loans receivable, including Convertible Instruments:
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).

Accounting Policies

1.5 Financial instruments (continued)

Trade and other receivables:
The customer base is widespread and does not show significantly different loss patterns for different customer segments. The loss allowance is calculated on a collective basis for all trade and other receivables in totality. Details of the provision matrix is presented in note 7.

At year-end an impairment gain or loss is recognised in profit or loss with a corresponding adjustment to the carrying amount of trade and other receivables. 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 and trade 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 8).

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 14), other financial liabilities (note 12) and trade and other payables (note 13), 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.

Accounting Policies

1.5 Financial instruments (continued)

Cash and cash equivalents

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

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.

Accounting Policies

1.6 Tax (continued)

Deferred tax assets and liabilities

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

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

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

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

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 Leases

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

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

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

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

Company as lessee

A lease liability and corresponding right-of-use asset are recognised at the lease commencement date, for all lease agreements for which the company is a lessee, except for short-term leases of 12 months or less, or leases of low value assets. For these leases, the company recognises the lease payments as an operating expense (note 19) on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Accounting Policies

1.8 Impairment of assets

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

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.

1.9 Share capital and equity

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

Ordinary shares are classified as equity.

1.10 Employee benefits

Short-term employee benefits

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

1.11 Provisions and contingencies

Provisions are recognised when:

- 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.

1.12 Revenue from contracts with customers

Revenue will be recognised to depict the transfer of promised services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those services.

Accounting Policies

1.12 Revenue from contracts with customers (continued)

The entity recognises revenue by applying the steps:
- identify the contract with a customer;
- identify the performance obligation in the contract;
- determine the transfer price;
- allocate the transaction price to the performance obligation in the contract;
- recognise revenue when (or as) the entity satisfies a performance obligation.

Discount revenue is recognised at the commencement of the contracts to the extent that the price relates to the first day of funding supplied, and then evenly over the remainder of the invoice discounting agreement until the anticipated settlement thereof.

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

1.13 Cost of sales

The related cost of providing services recognised as revenue in the current period is included in cost of sales.

1.14 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:
• COVID-19 - Related Rent Concessions - Amendment to IFRS 16	01 June 2020	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 2022 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• Deferred tax related to assets and liabilities arising from a single transaction - Amendments to IAS 12	01 January 2023	Unlikely there will be a material impact
• Disclosure of accounting policies: Amendments to IAS 1 and IFRS Practice Statement 2.	01 January 2023	Unlikely there will be a material impact
• Classification of Liabilities as Current or Non-Current - Amendment to IAS 1	01 January 2023	Unlikely there will be a material impact
• IFRS 17 Insurance Contracts	01 January 2023	Unlikely there will be a material impact
• Annual Improvement to IFRS Standards 2018-2020: Amendments to IFRS 1	01 January 2022	Unlikely there will be a material impact
• Reference to the Conceptual Framework: Amendments to IFRS 3	01 January 2022	Unlikely there will be a material impact
• Annual Improvement to IFRS Standards 2018-2020: Amendments to IFRS 9	01 January 2022	Unlikely there will be a material impact
• Onerous Contracts - Cost of Fulfilling a Contract: Amendments to IAS 37	01 January 2022	Unlikely there will be a material impact

Notes to the Annual Financial Statements

Figures in Rand	2022	2021

3. Property, plant and equipment

	2022			2021		
	Cost	**Accumulated depreciation**	**Carrying value**	**Cost**	**Accumulated depreciation**	**Carrying value**
IT equipment	185 535	(66 893)	118 642	57 233	(52 882)	4 351
Furniture and fixtures	82 057	(56 321)	25 736	71 468	(49 921)	21 547
Office equipment	94 965	(91 238)	3 727	94 965	(89 084)	5 881
Total	**362 557**	**(214 452)**	**148 105**	**223 666**	**(191 887)**	**31 779**

Reconciliation of property, plant and equipment - 2022

	Opening balance	Additions	Disposals	Depreciation	Total
IT equipment	4 351	137 000	(3 474)	(19 235)	118 642
Furniture and fixtures	21 547	10 589	-	(6 400)	25 736
Office equipment	5 881	-	-	(2 154)	3 727
	31 779	**147 589**	**(3 474)**	**(27 789)**	**148 105**

Reconciliation of property, plant and equipment - 2021

	Opening balance	Depreciation	Total
IT equipment	10 827	(6 476)	4 351
Furniture and fixtures	29 463	(7 916)	21 547
Office equipment	5 925	(44)	5 881
	46 215	**(14 436)**	**31 779**

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

4. Investment

Name of company	Held by	% voting power 2022	% voting power 2021	% holding 2022	% holding 2021	Carrying amount 2022	Carrying amount 2021
Investment A	US Plus Limited	19.00 %	- %	19.00 %	- %	5 571 406	-

The investment does 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.

5. Loans to shareholders

	2022	2021
Liane Marais	5 191 928	4 464 581
Reabetswe Khumbane	860 780	692 966
Ryan Cameron	1 363 277	1 323 150
Nicole Gouden	570 201	544 159
	7 986 186	**7 024 856**

Notes to the Annual Financial Statements

Figures in Rand	2022	2021

5. Loans to shareholders (continued)

The loans earn interest at the South African Revenue Services official rate of interest. The current rate is 4.50%. These loans will be settled by annual profit share.

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

Split between non-current and current portions

Non-current assets	7 986 186	7 024 856

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 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. 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. On the other hand, if a loan is in arrears more than 90 days, then it is assumed that there has been a significant increase in credit risk 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.

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:

2022

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	5 191 928	-	5 191 928
Reabetswe Khumbane	N/A	Performing	12m ECL	860 780	-	860 780
Ryan Cameron	N/A	Performing	12m ECL	1 363 277	-	1 363 277
Nicole Gounden	N/A	Performing	12m ECL	570 201	-	570 201
				7 986 186	**-**	**7 986 186**

2021

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	4 464 581	-	4 464 581
Reabetswe Khumbane	N/A	Performing	12m ECL	692 966	-	692 966
Ryan Cameron	N/A	Performing	12m ECL	1 323 150	-	1 323 150
Nicole Gouden	N/A	Performing	12m ECL	544 159	-	544 159
				7 024 856	**-**	**7 024 856**

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

Notes to the Annual Financial Statements

Figures in Rand	2022	2021

5. Loans to shareholders (continued)

Reconciliation of loss allowances

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

6. Other financial assets

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

Convertible Debenture A	-	10 050 238

The debenture has a coupon rate of 15% per annum and is redeemable on 31 January 2023. It includes an embedded call option whereby the company can, at its sole discretion, obtain a variable number of ordinary shares in the borrower.

Effective 1 March 2021 an agreement came in to effect with the debenture issuer to convert Convertible Debenture A into 19% of the ordinary equity of the issuer valued at R 5 571 406 (Note 4) and redeemable convertible preference shares valued at R 10 050 238. These will be amortised over the period up until redemption of this convertible preference share. This asset was noted in a post balance sheet event to the prior year annual financial statements as 55.22% of the equity in the issuer based on the status of discussions with the debenture issuer at that time.

These transactions were treated inline with the company's policy on derecognition, see reconciliation below.

Preference Share A	10 315 444	-

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.

Convertible Debenture D	13 810 114	12 501 091

The debenture has a coupon rate of 10% per annum and is redeemable on 15 December 2023. It includes an embedded call option whereby the company can, at its sole discretion, obtain a variable number of ordinary shares in the borrower.

Leonidas Kirkinis	50 460	256 428

Notes to the Annual Financial Statements

Figures in Rand	2022	2021
6. Other financial assets (continued)		
Gary Thomas Sayers	1 281 065	572 546
The loans earn interest at the South African Revenue Services official rate of interest. The current rate is 4.5%. 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.		
Nik Kirkinis	80 544	-
Bibi Tilly	75 362	-
The loans earn interest at the South African Revenue Services official rate of interest. The current rate is 4.5%. 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.		
	25 612 989	**23 380 303**

Split between non-current and current portions

	2022	2021
Non-current assets	25 406 623	22 551 329
Current assets	206 366	828 974
	25 612 989	**23 380 303**

Reconciliation of debentures

	2022	2021
Convertible debenture A		
Opening balance	10 050 238	8 644 946
Derecognition of Convertible debenture A	(10 050 238)	-
Interest accrued	-	1 405 292
Closing balance	**-**	**10 050 238**
Preference Share A		
Opening balance	-	-
Preference share subscription	4 478 830	-
Payment in cash	1 033 211	-
Reclassified from trade receivables	4 803 403	-
Closing balance	**10 315 444**	**-**
Convertible debenture B		
Opening balance	-	2 666 045
Repayments	-	(2 897 813)
Interest accrued	-	231 768
Closing balance	**-**	**-**
Convertible Debenture D		
Opening balance	12 501 091	8 175 186
Repayments	-	(6 388 411)
Issues	-	9 569 004
Interest	1 309 023	1 145 312
Closing balance	**13 810 114**	**12 501 091**

Notes to the Annual Financial Statements

6. Other financial assets (continued)

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 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. 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 loans 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:

2022

Instrument	Internal credit rating (where applicable)	Basis of loss allowance	Gross Carrying amount	Loss allowance	Amortised cost
Preference Share A	Performing	12m ECL	10 315 444	-	10 315 444
Convertible Debenture D	Performing	12m ECL	13 810 114	-	13 810 114
Leonidas Kirkinis	Performing	12m ECL	50 460	-	50 460
Gary Thomas Sayers	Performing	12m ECL	1 281 065	-	1 281 065
Nik Kirkinis	Performing	12m ECL	80 544	-	80 544
Bibi Tilly	Performing	12m ECL	75 362	-	75 362
			25 612 989	**-**	**25 612 989**

2021

Instrument	Internal credit rating (where applicable)	Basis of loss allowance	Gross Carrying amount	Loss allowance	Amortised cost
Convertible Debenture A	Performing	12m ECL	10 050 238	-	10 050 238
Convertible Debenture D	Performing	12m ECL	12 501 091	-	12 501 091
Leonidas Kirkinis	Performing	12m ECL	256 428	-	256 428
Gary Thomas Sayers	Performing	12m ECL	572 546	-	572 546
			23 380 303	**-**	**23 380 303**

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.

Notes to the Annual Financial Statements

Figures in Rand	2022	2021

6. Other financial assets (continued)

Reconciliation of loss allowances

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

7. Trade and other receivables

	2022	2021
Financial instruments:		
Trade receivables	104 518 078	73 095 553
Deposits	14 500	14 500
Other receivable	23 375	5 086
Non-financial instruments:		
VAT	180 453	-
Employee costs in advance	13 937	2 937
Capitalised transaction costs DMTN Programme	2 634 876	2 451 274
Total trade and other receivables	**107 385 219**	**75 569 350**

Financial instrument and non-financial instrument components of trade and other receivables

	2022	2021
At amortised cost	104 555 953	73 118 076
Non-financial instruments	2 829 266	2 451 274
	107 385 219	**75 569 350**

Exposure to credit risk

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

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

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

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

Notes to the Annual Financial Statements

Figures in Rand	2022	2021

7. Trade and other receivables (continued)

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:

	2022	2022	2021	2021
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% (2021: 0%)	104 518 078	-	73 095 554	-

Trade receivables are disclosed net of impaired and fully written off receivables of R 37 478 707 (2021: R 25 528 716).

8. Derivatives

	2022	2021
Derivatives		
Foreign exchange contract	2 694 087	(2 141 857)

Split between non-current and current portions

	2022	2021
Current assets	2 694 087	-
Current liabilities	-	(2 141 857)
	2 694 087	**(2 141 857)**

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.

9. Cash and cash equivalents

Cash and cash equivalents consist of:

	2022	2021
Bank balances	19 289 097	31 847 389

Notes to the Annual Financial Statements

Figures in Rand	2022	2021

10. 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	2 944	2 469
Issue of shares – ordinary shares	96	475
	3 040	**2 944**

960 unissued ordinary no par value 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	27 729 497

11. Deferred tax

Deferred tax liability

Fixed assets	(5 120)	(1 833)

Reconciliation of deferred tax liability

At beginning of year	(1 833)	(2 484)
Taxable temporary difference movement on tangible fixed assets	(3 287)	651
	(5 120)	**(1 833)**

12. Other financial liabilities

Held at amortised cost		
Local Development Fund Facility 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.	14 774 202	14 351 267

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.

Notes to the Annual Financial Statements

Figures in Rand	2022	2021

12. Other financial liabilities (continued)

Revolving Credit Facility	39 825 445	57 968 400

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 $2 600 054 was utilised at 28 February 2022. 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.

Leonidas Kirkinis	187 411	1 547 212

The loan is unsecured, earns interest at prime plus 3.5% compounded monthly and is not freely transferable in terms of the Companies Act, No. 71 of 2008.

Mettle Facility	5 146 535	-

Mettle have provided a cash facility of up to a maximum of R15 000 000 at an interest rate of prime plus 2%, plus a 40% profit share on discount fees earned on the funded instruments. The facility is for one year, renewable prior to anniversary date. Security is provided in the form of the instruments funded using this facility.

JSE Medium Term Note Programme	40 274 299	-

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 1.7 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 notes mature on 13 December 2023 and carry interest payable quarterly at 750 basis points above the 3-month ZAR JIBAR.

African Dream Trust The loan is unsecured and earned interest at prime plus 3.5% compounded monthly for the period 1 March 2020 to 30 September 2020, thereafter interest is earned at prime plus 4% compounded monthly. The loan is repayable on 31 August 2022.	380 008	342 209
Saringwe Proprietary Limited The loan is unsecured and earns interest at prime plus 5.5% compounded monthly. The loan is repayable on 30 April 2022.	12 900 977	11 372 892
	113 488 877	**85 581 980**

Split between non-current and current portions

Non-current liabilities	55 048 501	15 898 479
Current liabilities	58 440 376	69 683 501
	113 488 877	**85 581 980**

Notes to the Annual Financial Statements

Figures in Rand	2022	2021

13. Trade and other payables

Financial instruments:		
Sundry payables	35 674	35 674
Non-purchase refundable invoices	509 718	779 664
Non-financial instruments:		
Payroll accruals	-	1 569
VAT	-	23 559
	545 392	**840 466**

14. Loan from shareholder

Mike Chan Wing	4 306 882	4 918 027

The loan is unsecured and earned interest at prime plus 3.5% compounded monthly for the period 1 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.

Split between non-current and current portions

Current liabilities	4 306 882	4 918 027

15. Revenue

Revenue from contracts with customers		
Revenue from invoice discounting	362 387 222	324 172 421

Timing of revenue recognition

Over time		
Revenue from invoice discounting	362 387 222	324 172 421

16. Cost of sales

Cost of invoices factored	340 744 502	299 665 888

17. Other income

Bad debts recovered	5 411 203	2 326 028

18. Other operating losses

Losses on disposals		
Property, plant and equipment	(3 474)	-
Foreign exchange losses		
Net foreign exchange loss	(2 586 177)	(9 314 104)
Total other operating losses	**(2 589 651)**	**(9 314 104)**

19. Operating profit

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

Notes to the Annual Financial Statements

Figures in Rand	2022	2021

19. Operating profit (continued)

Employee costs

Salaries, wages, bonuses and other benefits	288 432	300 543
Principle profit share	2 000 000	-
Total employee costs	**2 288 432**	**300 543**

Leases

Operating lease charges		
Low Value Lease for Premises	228 901	141 232

Depreciation		
Depreciation of property, plant and equipment	27 789	14 436

Impaired debtors written off		
Trade and other receivables	8 833 200	11 642 138

20. Investment revenue

Interest income		
Bank	951 499	867 397
Other interest	1 309 023	3 116 071
	2 260 522	**3 983 468**

21. Finance costs

Interest paid on facilities from third parties	6 232 123	5 037 361
Interest paid on facilities from principals	2 228 053	2 186 979
Total finance costs	**8 460 176**	**7 224 340**

Notes to the Annual Financial Statements

Figures in Rand	2022	2021

22. Taxation

Major components of the tax expense

Current		
South African normal tax- current year	1 470 188	468 232
Deferred		
South African deferred tax- current year	3 287	(651)
	1 473 475	**467 581**

Reconciliation of the tax expense

Reconciliation between accounting profit and tax expense.

Accounting profit	5 118 147	1 689 189
Tax at the applicable tax rate of 28% (2021: 28%)	1 433 081	472 973
Tax effect of adjustments on taxable income		
Permanent differences	40 394	(5 392)
	1 473 475	**467 581**

23. Cash (used in)/generated from operations

Profit before taxation	5 118 147	1 689 189
Adjustments for:		
Depreciation	27 789	14 436
Loss on disposal of property, plant and equipment	3 474	-
Gains on foreign exchange	(3 861 269)	(686 072)
Interest received	(2 260 522)	(3 983 468)
Finance costs	8 460 176	7 224 340
Net impairments and movements in credit loss allowances	8 833 200	11 642 138
Profit share on EVA	1 631 430	-
Changes in working capital:		
Trade and other receivables	(45 560 421)	(4 225 589)
Trade and other payables	(295 075)	146 721
	(27 903 071)	**11 821 695**

24. Tax paid

Balance at beginning of the year	312 252	(191 738)
Current tax for the year recognised in profit or loss	(1 470 188)	(468 232)
Balance at end of the year	(448 533)	(312 252)
	(1 606 469)	**(972 222)**

Notes to the Annual Financial Statements

25. Changes in liabilities arising from financing activities

Reconciliation of liabilities arising from financing activities - 2022

	Opening balance	Foreign exchange movements	Re-allocation to other financial assets	Settlement of rights issue	Transfer from trade receivables	Finance costs	Total non-cash movements	Cash flows (Payments)	Cash flows (Receipts)	Closing balance
Other financial liabilities	85 581 980	974 675	(50 000)	(256 581)	(107 951)	2 486 026	3 046 169	(61 055 746)	85 916 474	113 488 877
Loan from shareholder	4 918 027	-	-	-	-	536 986	536 986	(1 148 131)	-	4 306 882
Total liabilities from financing activities	**90 500 007**	**974 675**	**(50 000)**	**(256 581)**	**(107 951)**	**3 023 012**	**3 583 155**	**(62 203 877)**	**85 916 474**	**117 795 759**

Reconciliation of liabilities arising from financing activities - 2021

	Opening balance	Foreign exchange movements	Finance costs	Total non-cash movements	Cash flows (Payments)	Cash flows (Receipts)	Closing balance
Other financial liabilities	91 209 594	(2 827 929)	2 388 286	(439 643)	(19 970 096)	14 782 125	85 581 980
Loan from shareholder	6 069 218	-	528 656	528 656	(2 429 947)	750 100	4 918 027
Total liabilities from financing activities	**97 278 812**	**(2 827 929)**	**2 916 942**	**89 013**	**(22 400 043)**	**15 532 225**	**90 500 007**

Notes to the Annual Financial Statements

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

Reconciliation of assets arising from investing activities - 2022

	Opening balance	De-recognition of convertible debenture (Note 6)	Initial recognition upon conversion of convertible debenture (Note 6)	Re-allocate to principal loan account	Profit share on EVA	Transfer from trade receivables	Investment income (Non-cash)	Total non-cash movements	Cash flows (Receipts)	Cas flows (Payments)	Closing balance
Other financial assets	(23 380 303)	10 050 238	(4 478 831)	50 000	466 428	(4 803 403)	(1 343 908)	(59 476)	-	(2 173 210)	(25 612 989)
Loans to shareholders	(7 024 856)	-	-	-	1 165 000	-	(320 439)	844 561	-	(1 805 891)	(7 986 186)
Investment	-	-	(5 571 406)	-	-	-	-	(5 571 406)	-	-	(5 571 406)
	(30 405 159)	**10 050 238**	**(10 050 237)**	**50 000**	**1 631 428**	**(4 803 403)**	**(1 664 347)**	**(4 786 321)**	**-**	**(3 979 101)**	**(39 170 581)**

Reconciliation of assets arising from investing activities - 2021

	Opening balance	Transfer from trade receivables	Investment income (Non-cash)	Total non-cash movements	Cash flows (Receipts)	Cas flows (Payments)	Closing balance
Other financial assets	(19 486 177)	(3 180 593)	(2 791 346)	(5 971 939)	2 897 813	(820 000)	(23 380 303)
Loans to shareholders	(5 121 725)	-	(296 743)	(296 743)	-	(1 606 388)	(7 024 856)
	(24 607 902)	**(3 180 593)**	**(3 088 089)**	**(6 268 682)**	**2 897 813**	**(2 426 388)**	**(30 405 159)**

Notes to the Annual Financial Statements

Figures in Rand	2022	2021

26. Related parties

Relationships

Shareholders	Liane Marais
	Mike Chan Wing
	Ryan Cameron
	Reabetswe Khumbane
	Belaine Capital (Pty) Ltd
	Helios (Pty) Ltd
	Nicole Gounden
	Vaalbara (Pty) Ltd
	Girder Consulting (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
Close family member of key management	Corinne Kirkinis
	Nikolaos Kirkinis

Related party balances

Loan accounts - Owing (to) by related parties	2022	2021
Liane Marais	5 191 928	4 464 581
Mike Chan Wing	(4 306 882)	(4 918 027)
Reabetswe Khumbane	860 780	692 966
Ryan Cameron	1 363 277	1 323 150
Nicoule Gounden	570 201	544 159
Vaalbara (Pty) Ltd	850	-
Saringwe Proprietary Limited	(12 900 977)	(11 372 892)
African Dream Trust	(380 008)	(342 209)
Leonidas Kirkinis	(187 411)	(1 547 212)
Gary Thomas Sayers	1 281 065	572 546
Leonidas Kirkinis	50 460	256 428

Related party transactions

Interest paid to (received from) related parties	2022	2021
Liane Marais	(215 358)	(196 686)
Ryan Cameron	(54 402)	(54 240)
Frederik de Ridder	-	(5 230)
Mike Chan Wing	536 986	490 809
Leonidas Kirkinis	257 483	257 483
Reabetswe Khumbane	(32 028)	(25 329)
Nicole Gounden	(20 652)	(20 489)
African Dream Trust	39 702	27 949
Saringwe Proprietary Limited	1 517 556	1 372 892
Vaalbara (Pty) Ltd	-	36 996
Leonidas Kirkinis	122 820	(6 428)
Gary Thomas Sayers	(33 518)	(2 546)
Bibi Tilly	(362)	-
Nikolaos Kirkinis	(544)	-

Consulting fees paid included in capitalised transaction costs DMTN programme (note 6)	2022	2021
Girder Consulting (Pty) Ltd	240 000	230 000

Notes to the Annual Financial Statements

Figures in Rand	2022	2021

26. Related parties (continued)

	2022	2021
Consulting fees paid capitalised as transaction costs included as part of Local development fund Facility (note 12)		
Vaalbara (Pty) Ltd	-	431 250
Directors emoluments		
Sarita Martin	74 750	-
Key management emoluments (EVA profit share distribution)		
Leon Kirkinis	475 000	-
Gary Thomas Sayers	210 000	-
Ryan Cameron	475 000	-
Liane Marais	250 000	-
Reabetswe Khumbane	200 000	-
Nicole Gounden	240 000	-
Corinne Kirkinis	100 000	-
Cynthia Cellar	25 000	-
Mike Chan Wing	25 000	-

27. Directors' emoluments

Non-Executive

2022

	Emoluments	Total
Sarita Martin	74 750	74 750

28. Financial instruments and risk management

Categories of financial instruments

Categories of financial assets

2022

	Notes	Fair value through profit or loss	Amortised cost	Total	Fair value
Loans to shareholders	5	-	7 986 186	7 986 186	7 986 186
Other financial assets	6	-	25 612 989	25 612 989	25 612 989
Derivatives	8	2 694 087	-	2 694 087	2 694 087
Trade and other receivables	7	-	104 555 953	104 555 953	104 555 953
Cash and cash equivalents	9	-	19 289 097	19 289 097	19 289 097
		2 694 087	**157 444 225**	**160 138 312**	**160 138 312**

2021

	Notes	Amortised cost	Total	Fair value
Loans to shareholders	5	7 024 856	7 024 856	7 024 856
Other financial assets	6	23 380 303	23 380 303	23 380 303
Trade and other receivables	7	73 118 076	73 118 076	73 118 076
Cash and cash equivalents	9	31 847 389	31 847 389	31 847 389
		135 370 624	**135 370 624**	**135 370 624**

Notes to the Annual Financial Statements

28. Financial instruments and risk management (continued)

Categories of financial liabilities

2022

	Notes	Amortised cost	Total	Fair value
Trade and other payables	13	545 392	545 392	545 392
Loan from shareholder	14	4 306 882	4 306 882	4 306 882
Other financial liabilities	12	113 488 877	113 488 877	113 488 877
		118 341 151	**118 341 151**	**118 341 151**

2021

	Notes	Fair value through profit or loss - Held for trading	Amortised cost	Total	Fair value
Trade and other payables	13	-	815 338	815 338	815 338
Loan from shareholder	14	-	4 918 027	4 918 027	4 918 027
Other financial liabilities	12	-	85 581 980	85 581 980	85 581 980
Derivatives	8	2 141 857	-	2 141 857	2 141 857
		2 141 857	**91 315 345**	**93 457 202**	**93 457 202**

Gains and losses on financial assets

2022

	Notes	Amortised cost	Total
Recognised in profit or loss:			
Interest revenue	20	2 260 522	2 260 522
Impaired debtors written off	19	(8 833 200)	(8 833 200)
Net losses		**(6 572 678)**	**(6 572 678)**

2021

	Notes	Amortised cost	Total
Recognised in profit or loss:			
Interest revenue	20	3 983 468	3 983 468
Impaired debtors written off	19	(11 642 138)	(11 642 138)
Net losses		**(7 658 670)**	**(7 658 670)**

Notes to the Annual Financial Statements

28. Financial instruments and risk management (continued)

Gains and losses on financial liabilities

2022

	Note	Amortised cost	Total
Recognised in profit or loss:			
Finance costs	21	(8 460 176)	(8 460 176)

2021

	Note	Amortised cost	Total
Recognised in profit or loss:			
Finance costs	21	(7 224 340)	(7 224 340)

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.

Loan from shareholder	4 306 882	4 918 027
Other financial liabilities	113 488 877	85 581 980
Trade and other payables	545 392	840 466
Total borrowings	**118 341 151**	**91 340 473**
Cash and cash equivalents	(19 289 097)	(31 847 389)
Net borrowings	**99 052 054**	**59 493 084**
Equity	50 789 346	44 681 766
Gearing ratio	195 %	133 %

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.

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.

Notes to the Annual Financial Statements

28. Financial instruments and risk management (continued)

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.

For trade receivables which do not contain a significant financing component, the loss allowance is determined as the lifetime expected credit losses of the instruments.

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

	2022			2021		
	Gross carrying amount	**Credit loss allowance**	**Amortised cost / fair value**	**Gross carrying amount**	**Credit loss allowance**	**Amortised cost / fair value**
Loans to shareholders	7 986 186	-	7 986 186	7 024 856	-	7 024 856
Other financial assets	25 612 989	-	25 612 989	23 380 303	-	23 380 303
Trade and other receivables	104 555 953	-	104 555 953	73 118 076	-	73 118 076
Cash and cash equivalents	19 289 097	-	19 289 097	31 847 389	-	31 847 389
	157 444 225	**-**	**157 444 225**	**135 370 624**	**-**	**135 370 624**

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.

2022

		Less than 1 year	1 to 2 years	Total	Carrying amount
Non-current liabilities					
Other financial liabilities	12	-	55 048 501	55 048 501	55 048 501
Current liabilities					
Loan from shareholder		4 306 882	-	4 306 882	4 306 882
Trade and other payables		545 393	-	545 393	545 393
Other financial liabilities		58 440 376	-	58 440 376	58 440 376
		63 292 651	**55 048 501**	**118 341 152**	**118 341 152**

2021

		1-3 months	Less than 1 year	1 to 2 years	Total	Carrying amount
Non-current liabilities						
Other financial liabilities	12	-	-	15 898 479	15 898 479	15 898 479
Current liabilities						
Loan from shareholder		-	4 918 027	-	4 918 027	4 918 027
Trade and other payables		-	815 338	-	815 338	815 338
Other financial liabilities		-	69 683 501	-	69 683 501	69 683 501
Derivatives		2 141 857	-	-	2 141 857	2 141 857
		2 141 857	**75 416 866**	**15 898 479**	**93 457 202**	**93 457 202**

Foreign currency risk

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

At 28 February 2022, if the currency had weakened/strengthened by 1% against the US Dollar with all other variables held constant, post-tax profit for the year would have been R 59 893 (2021: R 142 671) lower/higher, mainly as a result of foreign exchange gains or losses on translation of US Dollar denominated liabilities.

Notes to the Annual Financial Statements

Figures in Rand		2022	2021

28. Financial instruments and risk management (continued)

Foreign currency exposure at the end of the reporting period

	2022	2021
Liabilities		
Other financial liabilities: $ 2 600 054 (2021: $3 812 144)	37 131 358	57 968 400

Exchange rates

The following closing exchange rates were applied at reporting date:

	2022	2021
US Dollar	15.380	15.080

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.

	2022	2021
Mark to market profit / (loss) included in profit for the year	2 694 087	(2 141 857)
Fair value of contracts as at year end	2 694 087	(2 141 857)

Interest rate risk

At 28 February 2022, 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 268 776 (2021: R 167 361) 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.

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

	Note	2022	2021
Assets			
Derivatives	8		
Foreign exchange contracts		2 694 087	-

Notes to the Annual Financial Statements

Figures in Rand		2022	2021

29. Fair value information (continued)

Liabilities	Note		
Derivatives	8		
Foreign exchange contracts		-	(2 141 857)
Total		**2 694 087**	**(2 141 857)**

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

30. Events after the reporting period

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

31. Prior period errors

It was identified that in the prior year certain non cash flow adjustments were not made to the statement of cash flows and that the cash flows from investing and financing activities were not split between gross receipts and payments.

The correction is a better reflection of the nature of cash flows. The effect of the changes have no impact on the profit related to the prior period.

The effect of the errors are as follows:

Cash flows from operating activities	Previous reported	Adjustment	Restated
Cash generated from operations	17 830 218	(6 008 523)	11 821 695
Interest income	3 983 468	(2 870 257)	1 113 211
Finance costs (excl finance lease interest)	(7 224 340)	2 916 942	(4 307 398)
Tax paid	(972 222)	-	(972 222)
Net cash from operating activities	**13 617 124**	**(5 961 838)**	**7 655 286**

Cash flows from investing activities	Previous reported	Adjustment	Restated
Cash payments to shareholders	(1 903 981)	297 593	(1 606 388)
Cash receipts from shareholders	850	-	850
Cash payments to other financial assets	(3 675 445)	2 855 445	(820 000)
Cash receipts from other financial assets	-	2 897 813	2 897 813
Net cash from investing activities	**(5 578 576)**	**6 050 851**	**472 275**

Cash flows from financing activities	Previous reported	Adjustment	Restated
Loans from shareholders repaid	(1 151 191)	(1 278 756)	(2 429 947)
Loans from shareholders raised	-	750 100	750 100
Proceeds on share issue	8 459 276	-	8 459 276
Other financial liabilities repaid	-	(19 970 096)	(19 970 096)
Other financial liabilities raised	(5 627 614)	20 409 739	14 782 125
Net cash from financing activities	**1 680 471**	**(89 013)**	**1 591 458**

Risk Adjusted Income Statement

Figures in Rand	Notes	2022	2021
Revenue	15	**362 387 222**	**324 172 421**
Cost of sales	16	**(340 744 502)**	**(299 665 888)**
Discount revenue		**21 642 720**	**24 506 533**
Bad debts recovered		5 411 203	2 326 028
Impaired debtors written off		(8 833 200)	(11 642 138)
Risk adjusted income		**18 220 723**	**15 190 423**
Investment revenue	20	2 260 522	3 983 468
Gross income		**20 481 245**	**19 173 891**
Operating expenses			
Accounting fees		(350 117)	(42 206)
Advertising		(19 500)	-
Bank charges		(40 389)	(5 401)
Cleaning		(15 500)	(11 172)
Commission paid		(9 365)	(22 325)
Computer expenses		(224 214)	(222 685)
Consulting and professional fees		(436 004)	(23 000)
Credit Bureau Fees		(7 176)	(5 836)
Depreciation		(27 789)	(14 436)
Employee costs		(2 288 432)	(300 543)
General expenses		(2 358)	-
Lease rentals on operating lease		(228 901)	(141 232)
Legal expenses		(655 826)	(113 956)
Printing and stationery		(513)	-
Secretarial fees		-	(37 950)
Security		(7 187)	(6 933)
Travel - local		-	(433)
Written off expense		-	1 850
		(4 313 271)	**(946 258)**
Operating profit	19	**16 167 974**	**18 227 633**
Finance costs	21	(8 460 176)	(7 224 340)
Loss on exchange differences		(2 586 177)	(9 314 104)
Loss on sale of assets		(3 474)	-
		(11 049 827)	**(16 538 444)**
Profit before taxation		**5 118 147**	**1 689 189**
Taxation	22	(1 473 475)	(467 581)
Profit for the year		**3 644 672**	**1 221 608**