VUNANI

CAPITAL PARTNERS

Annual Report

for the year ended 28 February 2022

Commitment. Focus. Purpose

Vunani Capital Partners Limited is a diversified investment holding company with over 20 years of experience, owner-managed by the same founding partners as Vunani Limited (the JSE listed financial services group), who are actively involved in managing both entities.

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ABOUT THIS REPORT

Vunani Capital Partners Limited ("VCP") looks to incorporate the principal of integrated thinking into all business practices and ultimately into our reporting. We acknowledge that this is a journey and we aim to provide a balanced, and holistic account of our activities to our stakeholders.

REPORTING SCOPE AND BOUNDARY

This is Vunani Capital Partners' first annual report to its shareholders which aims to provide a comprehensive review of the company's performance during FY22. Our reporting is intended to enable our stakeholders to make informed assessments of our ability to create value in the short-term and medium-term as well as all opportunities, risks and impacts influencing our ability to create sustainable purpose-driven value.

The report covers the company's activities, business segments and support functions financial statements.

REPORTING FRAMEWORK

The report is primarily aimed at shareholders but also addresses the interests and concerns of other stakeholders, wherever possible. The report has been prepared in compliance with the Companies Act of South Africa, No. 71 of 2008 ("Companies Act"), and in line with the recommendations of the King IV Report on Corporate Governance™* for South Africa ("King IV").

The reporting process, as well as the contents of this report is guided by the principles and requirements of the International Integrated Reporting Council's ("IIRC's") International <IR> Framework, however this is not an integrated report. The audited consolidated and separate financial statements are prepared in accordance with International Financial Reporting Standard ("IFRS").

ASSURANCE

We undertake the following assurance to ensure reporting integrity:

Business process	Nature of assurance	Assurance provider
Financial statements	External audit	SM Xulu Inc.
Broad-Based Black Economic Empowerment (B-BBEE)	B-BBEE rating	Empowerlogic Proprietary Limited
EESE Listing requirements	Compliance with listing requirements	Issuer representative: David Steinbuch and Company secretary

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OUR APPROACH TO MATERIALITY

The report discloses Vunani Capital Partner's approach to sustainability, identifies and explains the material issues concerning the company and their impact. The board has considered matters viewed as material to the business of VCP and its stakeholders. These are determined through board discussions, market research, engagement with our stakeholders, continuous risk assessments and the review of prevailing trends in our industry and the global economy. This approach should enable stakeholders to accurately evaluate our ability to create and sustain value over the short-, medium- and long-term.

The issues we have identified as material in terms of the impact on VCP's long-term sustainability include:

- uncertain geopolitical and socio-economic growth factors;
- our role in creating a sustainable society;
- flexible business model for a rapidly changing business environment; and
- the impact of Covid-19.

These material issues are addressed throughout this annual report.

FORWARD-LOOKING STATEMENTS

This report contains forward-looking statements about future performance and expectations. While these statements represent our judgements and future expectations, actual outcomes may differ considerably from our estimates, owing to a variety of known and unknown risks, uncertainties, and other key factors. These are elements that may have a negative impact on our business and/or financial performance.

The company is not obligated to publicly update or change any forward-looking statements as a result of new information, future events, or otherwise. Vunani Capital Partners' external auditors have not evaluated or reported on any forward-looking statements contained herein, so investors should not place undue reliance on them.

BOARD RESPONSIBILITY STATEMENT

The board acknowledges its responsibility of ensuring the integrity of this annual report. In the board's opinion, this report addresses all the issues that are material to the company's ability to create value and fairly presents the performance of Vunani Capital Partners.

A MESSAGE FROM THE CHAIRMAN

Covid-19 compounded the severe economic challenges already underway in many of our markets, resulting in depressed economic growth and overwhelming social vulnerabilities. Despite the challenges, Vunani Capital Partners performed exceptionally well and delivered a good set of results. The company has demonstrated effective business continuity, robust risk management and the ability to operate in volatile trading conditions.

What worked before is no longer applicable, and the board is aware of this and will be expected to continue to position or reposition the company's investments to better address shifting circumstances and bring new opportunities while mitigating difficulties.

FINANCIAL OVERVIEW

The majority of the operating divisions made a positive contribution to cash generation. The company results have highlighted a significant increase in profit after tax and earnings, due to the performance of the resources and energy sector. Despite the impact of Covid-19 on the earnings for the period, the board has demonstrated its confidence in the company's cash generating ability and we are firmly committed to delivering on strategic objectives which are aimed at creating value in the long term. Adequate capital allocation was part of management's priorities during the year.

UNBUNDLING AND LISTING

The decision to unbundle the business from Vunani Limited ("Vunani") took quite a few years as we had to explore every possible outcome and ensure that indeed this would ultimately unlock value for our business. The decision was taken to improve transparency in financial reporting and as a result VCP shares held by Vunani were unbundled by way of a distribution in specie to shareholders pro rata to their respective shareholdings in Vunani.

GOVERNANCE

We remain committed to being a good corporate citizen and ensuring best practice corporate governance standards are in place in all businesses. Our board is diverse in its skills, thinking and composition, which assists in adding value to the strategic direction of the business. We have a healthy balance of long serving directors who are committed to the success of the company.

LOOKING AHEAD

With the unbundling and listing behind us, we now look to focus on scalability and growing the business through all divisions. A keen focus is on the emergence of renewable energy and the opportunities which this space may present. We covered a lot of distance in our journey this past year and we feel the company is in a good position to continue its growth path.

APPRECIATION

We thank all our stakeholders and loyal clients for their continued support. We show our appreciation in particular to our dedicated and loyal employees for their commitment in a challenging period. Appreciation to the board and its sub-committees who supported and guided management, ensuring that the strategy is pursued with discipline.

Lionel Jacobs
Independent chairman

15 June 2022

LIONEL
JACOBS

" We now look to focus on scalability and growing the business through all divisions "

HIGHLIGHTS AND SALIENT FEATURES

FINANCIAL HIGHLIGHTS

REVENUE FROM OPERATIONS OF

R18.0 million

PROFIT FROM OPERATIONS FOR THE YEAR OF

R53.1 million

EARNINGS PER SHARE OF

32.3c

FINAL DIVIDEND DECLARED OF

18.0c

INTERIM DIVIDEND DECLARED OF

3.0c

NON-FINANCIAL HIGHLIGHTS

RESOURCES AND ENERGY:

Butsanani: RMC to commission a DMS washing plant to produce export quality coal.

Black Wattle: Entered into an agreement with Seriti to expand resource base.

FINTECH EXPANDED PORTFOLIO TO

11 investments

LISTED ON EESE on 15 June 2021

01

VUNANI AT A GLANCE

01 THE VUNANI STORY

WHO WE ARE

Vunani Capital Partners is a diversified investment holding company with over 20 years of experience, owner-managed by the same founding partners as Vunani Limited (the JSE listed financial services group), who are actively involved in managing both entities.

We hold a number of investments across diverse sectors with a portfolio of on-balance sheet investments and co-investments. The company has an extensive investment portfolio of assets across seven key sectors, consisting of resources and energy, gaming, financial services, fintech, BEE investments, commodity trading and property.

As a majority black owned company VCP also seeks opportunities to consolidate BEE investments providing BEE shareholders in these investments with the opportunity to swop into a larger and more diversified entity with the potential to participate in dividends, capital appreciation and a more liquid instrument.

We have established deep relationships and sector expertise across the seven sectors and will use this to grow organically and through selective acquisitions. Partnerships are a key theme in our investment approach which is for both capital providers and skilled operators with whom the company has long standing and close associations and where it aims to align its interests to build value for all parties, most importantly for the VCP shareholders.

OUR HISTORY

Vunani Capital Partners comprises a portfolio of private equity assets unbundled out of Vunani Limited (JSE listed) in February 2021 to create two focused listed entities. The main reasons for the unbundling were to unlock shareholder value, create transparency in financial reporting and to give shareholders an exchange to buy or sell their shares as well as provide an opportunity to raise capital.

VCP listed on the Equity Express Securities Exchange ("EESE") on 15 June 2021.

OUR JOURNEY

2004 Formation of Vunani

2006 Acquired BEE stake in Workforce Holdings Limited

2007 Listing of Vunani Limited on the JSE

2008 First investment in resources through Black Wattle Colliery

2011 Listed Property portfolio on JSE (Main Board)

2012 Established Butsanani Energy with Thungela Resources

2013 Sold Property Portfolio

2017 Secured first gaming licence in Zambia

2018 Established commodities trading and Fintech investments

2019 Re-established Vunani Properties

2021
FEBRUARY Vunani Capital Partners unbundled out of Vunani Limited
JUNE Listing of Vunani Capital Partners Limited on EESE

2022 Growing the NAV for the seven sectors

INVESTMENT FOCUS

- EESE listed
- Dividend growth
- Highly cash generative
- Diversified investment in seven different sectors
- Investing in renewables, looking into transitioning
- Export commodities to 30 countries
- Growing portfolio in high growth Fintech
- Shares trading at a premium
- Targeting R2 billion in assets under management in the short to medium-term

INVESTMENT FOCUS

Vunani Capital Partners' investment focus is on seven key sectors. The strategic intention is to build on the seven investment themes through the provision of own capital, partners' capital together with strategic and operational support.

RESOURCES AND ENERGY

Black Wattle Colliery

Since 2008, VCP has been the BEE partner and 37.5% shareholder in Black Wattle Colliery, an operating junior coal miner. Black Wattle Colliery, which is situated in Middleburg has a 120 000 tpm washing plant and access to rail facilities, enabling the mine to sell both domestic and export coal. Black Wattle Colliery is in the process of securing additional resource rights which will extend the life of mine to over five years.

Butsanani Energy

VCP is a 33.3% founding shareholder of Butsanani Energy set up in 2012 in partnership with Thungela Resources, which owns the balance of the shareholding. Butsanani Energy's most significant investment is its 51% shareholding in Rietvlei Coal Mine near Middleburg which was developed from a greenfield resource to steady state production in 2020. It currently supplies coal to Eskom and has the capacity to produce three million tons per annum over its life of mine, estimated at 15 years. Butsanani Energy is in the process of closing a transaction which will give it a 25% shareholding in Zondagsvlei Colliery, which holds mining rights to 18 MTIS coal and an estimated life of mine of eight years. RMC recently added a 50ktpm coal washing plant that will enable the mine to produce export quality product. This product will also be sold into the domestic market at a significant premium to Eskom prices.

Vunani Resources

In 2017, Vunani Resources (an entity in which VCP holds 75% equity), established a mining team which has been reclaiming and beneficiating coal from an Anglo Coal discard deposit called Schoongezicht. The coal that is produced is sold into both the export and domestic market. The discard deposit is currently on care and maintenance as a result of reduced demand for the coal qualities produced at Schoongezicht and due to the impact and effects of Covid-19.

Ferrox Holdings

VCP holds 7.2 million A par value shares in Ferrox representing 0.76% of the total A par value shares in issue. Ferrox, which is registered in the British Virgin Islands is the majority owner of the Tivani Project (commodities include ilmenite (TiO^2), iron, vanadium (V^2O^5) and phosphate) and a titanium project which is currently in the development stage located in Limpopo, South Africa.

Renewable energy

VCP is currently in the process of exploring opportunities which will allow it to transition into renewable energy investments.

GAMING

Together with its partners, VCP has secured gaming licences in various African countries, namely Zambia, Zimbabwe, Ghana, Malawi, Tanzania, Cameroon and the DRC and has recently activated an online sports betting licence in Tanzania through Bookeebet. It is looking to expand Bookeebet into other African jurisdictions.

Betbio Zambia

The Partnership secured a sports betting license in Zambia through a company Betbio Zambia Limited. The Zambian operation has exceeded expectations and Vunani Capital Partners is currently receiving monthly dividends from this investment. Vunani holds 45% in BetBio Zambia.

Pawatech

Vunani Capital Partners holds 0.4% shareholding in Pawatech Group Limited (through the flip up of its gaming license in Ghana). Pawatech is the holding company of BetBio Zambia and is incorporated in the United Kingdom. The company has developed gaming technology and with this gaming technology now offers gaming and related services in some seven African jurisdictions. Since obtaining the first license in Kenya some eight years ago Pawatech has shown strong revenue and profit growth.

FINANCIAL SERVICES

Purpose Asset Management

VCP holds a 65% shareholding in Purpose Asset Management, an asset management business which is based in Harare, Zimbabwe. Purpose Asset Management is a business with a significant potential for growth and expansion.

Investment focus (continued)

Phakamani Impact Capital

VCP owns a 51% shareholding in Phakamani Impact Capital, which provides enterprise development services to the mining sector. In the past year it has established a separate training division focused primarily on skills development for entrepreneurs and business owners.

FINTECH

Vunani Fintech Fund

The Vunani Fintech Fund is an investment vehicle to enable VCP to invest in businesses focused on digital and tech-based solutions in the financial sector.

The investment philosophy has been to focus on seed to series A rounds where business models have been proven and the potential investee company is seeking expansion capital to scale its operations. The fund also looks to co-invest with established venture capital partners. To date eleven investments have been approved for investment and closed. The typical fintech investment is into a business where the founders are significant shareholders, the business model has been proven through strong revenue growth, the market potential is deep (there is a significant revenue opportunity), and the business requires capital to scale both in South Africa and into other territories (through enhancements to the tech platform and customer acquisition).

The Fintech Fund has made 11 investments since its inception in 2019 with a total cash investment of R174.6 million. At 28 February 2022 the audited fair value was R393.8 million which is an increase of R219.4 million.

Vunani Capital Partners holds 20% in Vunani Fintech Fund.

Pawapay

PawaPay is a fintech company that was spun out of PawaTech Holdings a business that has been focused on gaming operations across some 10 African countries through the Betpawa brand. As part of the unbundling of Pawatech, VCP obtained 6 605 shares for a 0.4% shareholding. Vunani has been working with Betpawa for some five years in a number of these countries as their local partner and licence holder and is familiar with their operations and management team (and rates the management team highly).

BEE INVESTMENTS

Workforce Holdings

Prior to the Workforce Holdings 2006 listing, VCP acquired a 20% BEE shareholding in Workforce Holdings, which is held via Verbicept (an SPV). VCP's effective shareholding today is 21.45 million shares in Workforce Holdings, which is listed on the AltX. Workforce Holdings' core business is the placement of temporary staff and over the last five years it has also been growing a number of related human capital services including training, workplace health and employee financial services.

Ahead of the Covid-19 lockdown, Workforce Holdings had over 30 000 staff placed across some of South Africa's largest corporate names. The company has also been expanding into other African countries where there are significant opportunities.

African Legend

VCP also holds a 2.34% interest in African Legend, which in turn is the 15% anchor BEE shareholder in Astron Energy (rebranded from Chevron when it disposed of its shareholding to Glencore).

Isilo

A vehicle called Isilo was established by BSI in which VCP holds an effective 51% shareholding. The entity purchases steel in which it receives large rebates and on-sells this steel to large volume clients. Isilo's empowerment status allows for its clients to earn the required procurement points.

COMMODITY TRADING

Anatrica

Vunani Capital Partners owns a 29.25% shareholding in Anatrica, which has two operating companies, one domiciled in South Africa and the other in Turkey. Anatrica's core business is to exclusively trade ETI Maden's boron product range across the African continent. ETI Maden is the world's largest miner and producer of boron products. Anatrica currently sells boron and agri-commodities in over 30 African and Middle East countries and has expanded into agri-trading and is actively looking for other niche industrial minerals to add onto its platform.

PROPERTY

Vunani Properties

Vunani Limited made its first investment in commercial property in 2004 and together with its management partners grew a significant property business which led to a listing of the Vunani Property Investment Fund in 2011. Together with the management company, the property business was largely disposed of in 2013 and was re-established prior to the Covid-19 lockdown. VCP holds a 70% interest in Vunani Properties.

Vunani Properties is currently project managing one of their developments in Nelspruit (fee income based project) and have a number of similar projects in the pipeline where we will be partnering with them on residential/social housing developments.

The deal with Rebosis was announced late last year, to date we have successfully completed the due diligence to raise capital on property worth just over R3 billion (half of what was announced). Discussions with investors are underway, and we are in the process of securing EOI from various pension funds as well as potential investors. We continue to seek potential portfolio acquisition opportunities one of which is in the listed property space where we are raising capital from pension funds to execute the deal.

Property development opportunities in the residential sector in the Western Cape look attractive following a significant semigration of families from Gauteng and other provinces.

OUR STRATEGY

Our integrated strategy ensures that we develop and manage environments in a way that improves lives, which is inherent in and empowered by our purpose. We have an agile approach to doing business, focusing on the business we do and related investments rather than one industry. Our flexible and integrated strategy has steered us through a difficult operating environment, ensuring that we are making decisions today that will benefit us tomorrow. Our approach is guided by strategic priorities that govern our decision-making and execution in our efforts to create value in the short-, medium-, and long-term.

The unbundling of Vunani Capital Partners ("VCP") and listing on EESE has provided a platform for us to more clearly distil and communicate our strategy.

The objectives of the unbundling were to:

- Unlock shareholder value.
- Provide transparency of financial reporting and simplify the process of valuing VCP.
- Enabling shareholders to better determine the investment merits of each entity independently.

VCP is a diversified investment holding company with a number of investments across diverse sectors. We are currently focused on seven sectors and together with our strategic and management partners will seek to grow the investment portfolio looking in particular to extract greater value from our existing assets.

OUR SEVEN SECTORS:

VUNANI
CAPITAL PARTNERS

1. Resources and Energy
2. Gaming
3. Financial Services
4. Fintech
5. BEE Investments
6. Commodity Trading
7. Property

For more information on some of the sectors please see our investment focus on page 12.

ADVANCING BEE

As a black economic empowerment partner and active investor, VCP maintains a portfolio of on-balance-sheet investments and co-investments.

OUR INVESTMENT STRATEGY

- Direct operational involvement in collaboration with key management employees.
- Reward key management with profit sharing and direct ownership.
- Support investments with own cash and capital from partners.
- Provide strategic and operational help.
- Seek opportunities to consolidate BEE investments providing BEE shareholders with the opportunity to swop into a larger more diversified entity – potential to participate in dividends, capital appreciation and a more liquid instrument.
- Leverage deep ties and sector experience in seven areas to grow organically and through selected acquisitions.
- Identify proper possibilities and allocate cash efficiently.
- Assess investment criteria with payback period, discounted cash flow and internal rate of return.
- Generate dividends and management fees from each investment.
- Unlock value for shareholders via asset sales.

BUILDING PARTNERSHIPS

Partnerships are a fundamental theme in our investment strategy, with both capital sources and experienced operators with whom we have long-standing and deep relationships, and with whom we try to align our objectives in order to create value for all parties, most notably for VCP shareholders.

STRATEGIC OBJECTIVES

We have identified the following objectives and actions which we will measure our performance against. These will be reviewed regularly.

Objectives	Actions	Key metrics for the short-to-medium term
Set measurable return benchmarks for the company and its underlying investments	▶ ROI, payback period, IRR ▶ Competitor analysis	Set/establish metrics in the FY23
Find a solution for category II licence requirement	▶ Examine alternatives ▶ Work with VFM ▶ Establish FFSs as licenced vehicle	Successfully conclude
Identify key potential investors in our product suite	▶ Institutional clients ▶ Pension funds ▶ DFIs	Successfully identify targets
Maintain a dividend paying culture	▶ Balance between NAV growth and dividend payout ▶ At least one dividend per annum ▶ Dividend growth	Interim base 3cps Final base 18cps
NAV growth	▶ Consider some gearing, but must be cash flow dependent	Growth of 30% per annum
AUM	▶ Add R1 billion of AUM ▶ Target R2 billion of AUM in the medium term	Achieving a target AUM

INVESTMENT CASE

Vunani Capital Partners has a variety of portfolios and companies, and various third parties who assist in the management of all of the portfolios and enterprises.

VUNANI CORPORATE FINANCE (VCF)

Shaun Naidoo
Chief executive officer

Vunani Corporate Finance is a part of the larger Vunani Limited group and offers a full suite of corporate finance services.

VCF boasts a young and dynamic team of 10 professionals with vast experience in the finance sector, dealmaking expertise and a broad spectrum of qualifications from economists and CAs to MBAs. Services include corporate advisory, advising clients on various aspects of the business such as M&A, sell-side disposal, asset disposals, capital raising (raising money on behalf of clients), JSE sponsors (assisting clients on listing and with continuing obligations), and transactional support (due diligence and evaluation).

The vast majority of clients are third-party external corporate clients. VCF provides all of these services to VCP including acquisitions, corporate actions, and transactions. VCF advised VCP on the unbundling and subsequent listing on EESE and produced the final pre-listing statement and all the paperwork. In addition, VCF provides issuer representative services.

VCF performs valuations on all of VCP's portfolios twice a year and assists with portfolio management.

VCF assisted VCP's fintech segment with the acquisitions of all eleven investments. VCF also manage the fintech fund, provide strategic guidance, and sit on the boards of the investee companies. VCF has three dedicated specialist staff to assist VCP with the fintech fund. During the year, an additional R100 million was deployed into the fund and was utilised to conclude five acquisitions.

For Vunani Properties, VCF assists with capital raising to buy property portfolios.

We boast a notable track record in raising funds for VCP investments.

Our objective and strategy is to assist VCP to grow further. In order to achieve this we are seeking to reverse our current client split of 70% external clients and 30% VCP so that the majority of VCF's work is for VCP. This would provide VCF with an automatic pipeline of advisory work mandates as well as contribute towards growing VCP with a shared vision.

OUR BUSINESS SEGMENTS

PHAKAMANI IMPACT CAPITAL (PHAKAMANI)

Phakamani focuses on SMME finance and capacity building in the mining sector. With our track record we know what works and enables entrepreneurs. We understand doorstep community and ESD challenges and realities and therefore the impact we create is targeted and addresses these real issues.

At Phakamani, we care about impact: what this means on the ground; in supply chains; in communities; in lives. We boast 50 employees and manage R100 million of funding with R355 million in approved transactions since inception.

We help our clients invest both sustainably and cost effectively in black-owned SMMEs within their supply chains and the communities in which they operate, and capacitate these businesses – gearing them for long-term sustainability and success. We do this by tailoring, providing and administering the right mix of grant, project and term loans, and implementing hands-on business and technical support.

Phakamani was established in 2015 by Nick van Rensburg, Vunani Capital Partners, and Genesis Analytics, a group of active innovators in the ESD field.

Through a process of continuous improvement, we have designed, refined and delivered a broad range of tailored ESD solutions for clients including Sibanye-Stillwater, Petra Diamonds, Harmony, IvanPlats and Black Mountain Complex. The Petra Diamonds Community Fund was established in 2015 and has helped over 180 SMMEs, authorised R4.8 million in funding, created and sustained 2 166 jobs since its creation. As a whole, Phakamani has approved 1 582 transactions and created 12 389 jobs since inception.

While our solutions are custom-made, most include our signature brand of SMME finance, mentorship and accredited training, gearing SMMEs towards sustainable success.

The Business Accelerator Programme of Sibanye Stillwater was launched in February 2019. Over 470 SMEs have learned how to manage their finances, tender and advertise their businesses, and establish business strategies and proposals since then. They have also completed ethical and human resources modules. Between 2020 and 2021, about 40 entrepreneurs began the New Venture Creation certification.

Notably we have a very high recovery rate on loans of 92.5% despite operating in a high risk area of those businesses that cannot access traditional funding. We revolve and turn over that money several times. Our smallest loan starts at R4 500 with our largest anywhere from R5 million to R7 million, meaning we help a wide scope of businesses. Funding makes up 50% of what we do with the balance in training.

Our recently launched Phakamani Learning Academy will deepen and expand on the work that has already been done. The certified credentials we offer have actual importance for the entrepreneurs who finish them: they formalise their commitment to their personal and company's goals. The full incubation and ESD programmes round out and complete this package, aiding EMEs all the way up to QSEs and future industrialists.

As a level two B-BBEE supplier, Phakamani is proud to be building a team representative of our country's diversity and potential. With succession planning in place our new recruits benefit from our team of experienced specialists with a combined 60 years experience in developing and financing black-owned SMMEs – with a passion for what we do. We are 58.72% black-owned and 19.16% black-female-owned.

Investment case (continued)

ANATRICA SA

Abubekir Salim
Managing director

Anatrica was established out of Vunani Resources to focus on industrial minerals, chemicals and agriculture. We leverage our strength in South Africa to capitalise on opportunities across Africa. Anatrica began trading commodities when it was provided the opportunity to exclusively trade Eti Maden's boron product range across the African continent with its Turkish partners. The name itself is an amalgamation of Anatalya and Africa. Eti Maden is the largest boron miner and producer in the world.

Anatrica sells boron and agricultural products in 30 African countries as well as across the Middle East. Our objective is to ensure we create a large enough footprint to create solutions for Africa's challenges in the industrial minerals and agricultural space by being on the ground. We aim to position ourselves as the main supplier of these commodities in Africa. Our objective is to become the solution partner for industries such as fertilizer manufacturers. By localising in each country or region we can offer a partnership and therefor the best product.

We boast approximately 30 product lines across industrial minerals, agriculture and chemicals. Our target market is Africa with a client base in over 30 countries and we are focused on finding the closest port to ensure efficient delivery. We believe in building relationships enabling our clients to approach, for other products. This provides an opportunity for growth.

Over the past year we have expanded into Tunisia and this has been progressing well. We also have a growing footprint in the supply of agriculture products across Egypt and we seek to expand this further during the FY23 year. We see opportunities in the SADC region while our South African team is growing fast. The past year has seen a solid performance in revenue as well as opportunities for growth. We don't only measure ourselves on revenue but also customer satisfaction and we track how many clients ask for the same product or expand their product demand.

Africa offers a plethora of growth opportunities and we will look at countries like Sudan in the next year. We will also look at expanding into other commodity lines, starting in South Africa and then expanding into other territories. We want to partner South African chemical companies expanding into West Africa. One of our objectives is to grow South Africa's export footprint especially in agriculture and chemicals.

VUNANI PROPERTIES

Pete Mackenzie
Managing director

Vunani Properties was originally established in 2003 when it was focused on developments in the commercial and residential sectors. The company listed on the JSE in 2011 and on exit the portfolio was valued at R1.5 billion and is now owned by Texton Holdings Limited. Vunani Properties was re-established prior to the Covid-19 lockdown.

Our current approach is focused on joint venture projects where we share the risk and capital, enabling us to raise money on the back of our partners. Our joint venture partners have included developers such as Barrow, Tristar and IHS. Our investment strategy is focused on commercial properties and is opportunity driven. We explore opportunities throughout South Africa as well as the SADC region, where our partners in Vunani Limited alert us to possible opportunities which we then assess and explore further.

Covid-19 has presented challenges but the market is slowly picking up and we are identifying a number of opportunities driven by our experienced team. The residential sector remains relatively attractive and we are currently working on residential projects with joint venture partners in Plettenberg Bay and Nelspruit. The latter is a smaller project that does not require large capital or bank funding, thereby putting less pressure on the balance sheet.

On the asset management side, Vunani Properties has entered into an agreement with Rebosis Property Fund to purchase part of their portfolio and we are currently raising funds through pension funds although the capital raising market remains constrained.

We have a limited balance sheet and a small team but we are confident we can capitalise on the current buyer's market particularly in looking at developments in the affordable and social housing market as well as the market in coastal areas which is being driven by semigration.

Looking ahead, we are focused on establishing joint ventures with local developers, partnering with financial institutions and pension funds as well as listed REITs, sourcing tenants through broker commissions and procuring future developments and asset management opportunities.

02

PERFORMANCE REVIEW

02 A REPORT FROM THE CEO

I am pleased to report on our first set of full year results as a separate listed entity. The unbundling of Vunani Capital Partners and listing on EESE in June 2021 was a great achievement for us as it unlocked significant value and tradability for our shareholders. Post listing, the share has been trading at a premium further solidifying shareholder confidence. The unbundling provided greater clarity for shareholders by splitting the financial services from the private equity operations and enabling us to develop a clear investment case for shareholders. For most of this year we have been focused on ensuring that the board of directors and relevant governance structures and practices are put in place. In addition, we placed a significant focus on our seven-sector investment strategy which was articulated through our pre-listing statement, thereby setting a platform for growth.

The business is better positioned to generate strong cash flow but also grow net asset value. The generation of strong cash flow positions us to put in place a dividend policy which will allow VCP to pay dividends twice a year. Our intention is to grow dividends by 20% per annum. Underlying assets have begun to generate strong cash flow and will further enable us to set the base dividend in the short to medium term and allow us to embark on our dividend growth strategy. An interim dividend of 3c (R5 million) per share was paid in December 2021and we are currently gearing up to pay a final dividend.

OPERATIONAL OVERVIEW FOR THE YEAR

As we operate across seven different sectors the macro environment varies and affected VCP in different ways across each sector. However, each of the sectors had its own challenges yet they have begun to mature. Looking at the resources and energy sector, the rise in coal prices has benefited VCP, particularly post year-end with the war in the Ukraine, although we do believe this will only be a short-term gain. We want to invest in renewable energy and have a pipeline of prospects we are looking into in this regard. Although we remain invested in coal, we believe the transition to renewables is the future and greater potential can be realised in this area. We will remain invested in coal for the foreseeable future, while transitioning to renewables.

On Fintech, we have been invested in the sector for a number of years and seen good traction from our investments in this area with further potential to be realised in the near future. We have a portfolio of 11 companies that we have invested in, with many of these showing significant potential. We are quite pleased with where we are in this sector and continue working hard to unlock further value.

There has been strong growth in gaming and VCP has a number of assets in various jurisdictions which have proven to be strong cash generators. We believe this will continue to be the case for the foreseeable future.

Property has been through a tough stretch predominantly due to the Covid-19 pandemic, however we are seeing opportunities in the residential landscape. We see semigration within the sector as a theme at least in the short term. Property prices in the coastal areas have shown strong growth due to semigration and we have concluded two deals in the residential space as a result of this. We continue evaluating potential prospects within the property landscape.

Commodity trading has been good. We have grown the business through a single product called boron which is mined and manufactured in Turkey by a state owned company in the region. We have the distribution rights to export the commodity into Africa and the Middle East and are currently exporting to 30 countries. We are looking to add other industrial minerals and chemicals onto the platform, as we have built good business relationships in these regions and can leverage them to build a commodity business by adding products and along with marketing through the established distribution networks. We currently have offices in South Africa, Turkey, Tunisia and Ivory Coast and the strategy has been to open offices in key countries. We are in the process of looking at Egypt, Nigeria and East Africa as we believe having people on the ground is more beneficial in a trading environment.

STRATEGY

We are looking for opportunities and growing our investments as well as exposure within our focus sectors. We do look at opportunities outside of these seven sectors such as black empowerment opportunities. However, the overall focus remains within the sectors as these have proven fruitful for VCP and they provide us with the platform for growing our net asset value and dividends.

We have not only focused on ensuring the right governance structures are in place but equally that we have the right management and partnerships in place.

OUTLOOK AND GROWTH PROSPECTS

We will continue doing what we have been doing in the last six months and ensure we stay on track. This includes assessing the pipeline of opportunities such as renewables and expanding in these segments. Proper capital allocation remains a key focus for VCP across the sectors as well as establishing the right partnerships in order to achieve our goals. The diversity of our portfolio has helped cushion the blow of negative macro-economic impacts in some sectors, while others have seen a boost. We believe this mix will continue to benefit VCP going forward.

APPRECIATION

I would like to thank all our stakeholders and our management teams for their dedication, hard work and commitment during a challenging year which required all of us to adapt to a new environment. My appreciation also to the board for their wise counsel and support.

Mark Anderson
Chief executive officer

MARK ANDERSON

"The business is better positioned to generate strong cash flow and also grow net asset value"

02 CHIEF FINANCIAL OFFICER'S REPORT

RESULTS HIGHLIGHTS

REVENUE FROM OPERATIONS OF

R18.0 million

(2021: R0.2 million)

PROFIT FROM OPERATIONS OF

R53.1 million

(2021: loss of R13.7 million)

FINAL DIVIDEND DECLARED OF

R29.8 million

(2021: nil)

EXECUTIVE SUMMARY

Vunani Capital Partners has performed considerably well and produced a positive set of outcomes. The group reported a total comprehensive income for the period of R52.7 million to February 2022 compared to a loss of R13.7 million for the year ended 21 February 2021. In comparing the two periods, it should be noted that the results to 28 February 2021 represented a shorter reporting period following the successful unbundling of the private equity assets out of Vunani Limited on 12 February 2021.

The year ended 28 February 2022 was the group's first full 12 months in operation. The group generated revenue from operations of R18.0 million (2021: R0.2 million), other income of R0.9 million (2021: R nil), profit on disposal of assets of R5.8 million (2021: R nil) and equity accounted earnings of R39.5 million (2021: R27.3 million) which have contributed to the overall performance of the group during the year.

The group generated earnings per share of 32.3 cents (2021: loss of 8.5 cents), while net asset value per share increased by 24% to 151.7 cents (2021: 122.6 cents). For material events between the end of the reporting period and the date on which the financial results were approved by the board, refer to note 40 on page 96.

STATEMENT OF COMPREHENSIVE INCOME

Revenue from operations of R18.0 million for the year ended 28 February 2022 was generated from the group's investments in resources and energy, gaming, financial services and fintech. The resources and energy segment contributes the highest percentage of the group's revenues of 73.2%, followed by financial services segment at 11.1%, fintech 10.7% and lastly gaming 5.0%. It is expected that the resources and energy sector will remain the group's top revenue contributor.

Net profit on disposal of assets represents once-off income items resulting from the group's exiting certain contracts. The group exercised the option to exit the arrangement and swop-up and acquired a shareholding in Pawatech Group Limited (a company incorporated in the United Kingdom). This has been reflected as the increase in the group's other investments carried at fair value through profit or loss.

Positive fair value adjustments and impairments of R10.8 million (2021: negative R39.7 million) resulted from fair valuing the group's investments, which have been carried at fair value through profit or loss.

The prior year negative fair value adjustments and impairments related to the restructuring/unbundling of asset values which were fairly valued at date of transfer, considering the uncertainties of Covid-19. These adjustments were the main reason for the losses accounted for 28 February 2021.

Equity accounted earnings improved from R27.3 million to R39.5 million to 28 February 2022. Most of the prior year equity earnings represented goodwill which arose as a result of the positive differences between the cost of investments and the group's share of the fair values of the identifiable net assets acquired which had been accounted for in terms of IAS 28 *Investments in Associates and Joint Ventures*. The current year earnings represent the group's share of profit generated by the investees.

Operating expenses of R17.5 million were incurred for the year to 28 February 2022. Much of the expenditure relates to management fees payable to Vunani Capital Proprietary Limited ("VC"), a wholly-owned subsidiary of Vunani Limited. As Vunani Capital Partners does not have employees, it is administered via a management contract with VC. The balance of expenditure relates to commission expenses, audit fees and administration and secretarial fees. The group remains very sensitive to expenditure and minimising the expenditure that is required to operate as a top priority.

STATEMENT OF FINANCIAL POSITION

Investments in and loans to associates represents 80% of the group's total assets. This is in line with the group's strategy of ensuring that, as a private equity group, it has the power to participate in the financial and operating policy decisions of the investee companies. The investments and loans to associates have increased by 34% from R162.2 million to R217.1 million as a result of positive earnings generated by investee companies as well as changes in the accounting of the group's investment in Black Wattle Colliery Proprietary Limited ("BWC"). The investment was previously recognised as an option to 28 February 2021 and in February 2022, the investment was classified as an associate as the group can exercise significant influence in BWC.

The increase in other investments has resulted from acquisitions during the year as well as positive fair value on investments that are carried at fair value, of R14.7 million and net movement of R7.2 million respectively. The valuation of these investments is performed in consultation with the investment committee and corporate finance professionals (refer to page 11 for information on Vunani Corporate Finance).

PRIDE
GWAZE

"The year that ended on February 28, 2022 was a success, and management is optimistic that the year that follows will be even better."

The valuations are then submitted to the investment committee for scrutiny and approval prior to being submitted for audit. Valuations are subjective by nature and an in-depth understanding of the investment is critical in determining the correct inputs and the considerations that need to be taken into account in arriving at a value. Please refer to the group's accounting policy in note 3 on fair valuing investments.

The authorised stated capital as at 28 February 2022 was 500 million ordinary shares of no par value (2021: 500 million ordinary shares of no par value). As at 28 February 2022, 165 541 441 shares were in issue (2021: 161 155 915). The increase in share capital relates to the proceeds of R5.9 million received on the private placement of 4.4 million shares at R1.32 prior to the listing of the company on EESE on 15 June 2021.

DIVIDENDS

An interim ordinary dividend of 3.0 cents per share (2.4 cents net of dividend withholding tax) was paid to ordinary shareholders on 20 December 2021. The cash payment totalled R5.0 million.

It is proposed that an 18c per share dividend be declared and is payable to shareholders on 30 June 2022.

CASH FLOW

Cash and cash equivalents increased by R5.3 million from R0.7 million to R5.9 million to 28 February 2022. Net cash utilised in operating activities amount to R11.0 million (2021: R0.7 million). Net cash inflows from investing activities amounted to R10.5 million (2021: R nil). The positive inflows are attributable to proceeds from repayment of loans and dividends received from associates. Net cash inflows from financing activities were R5.9 million (2021: R nil) from shares issued during the year. The group considers its investing activities as part of its operations and therefore when analysing cash flows, the two categories should be looked at together.

CONCLUSION

The decision to unbundle the private equity business out of Vunani Limited and list the company on EESE has proven to be a success and VCP believes that it has achieved the objectives it set out to accomplish, which include among others unlocking value to its shareholders. The year that ended on February 28, 2022 was a success, and management is optimistic that the year that follows will be even better.

Pride Gwaze
Chief financial officer

03

GOVERNANCE

03 OUR LEADERSHIP

INDEPENDENT NON-EXECUTIVE DIRECTORS

Lionel Jacobs (79) | Chairman | BCom, MBA | Appointed: 22 April 2021

Lionel is an entrepreneur with extensive negotiating and investment skills and remains a non-executive director of many of the subsidiaries of the Bidvest Group. He served as an executive director of Bidvest Group Limited from October 2003 to November 2012, where he was the commercial director of Bidserv, the group's services division and is currently engaged in furthering the prospects of his company, Bassap Ventures Proprietary Limited, and its subsidiaries, where he is the executive director.

EXECUTIVE DIRECTORS

Mark N Anderson (63) | Chief executive officer | BCom (Hons), CTA, CA(SA) | Appointed: 12 October 2020

Mark established Vunani Limited together with Ethan and Butana. He initiated a number of early BEE deals soon after the initial BEE legislation was promulgated in South Africa and later formed a boutique corporate finance company and advised on the formation of African Harvest Limited in 1997.

Pride R Gwaze (37) | Chief financial officer | BCom (Hons), CTA, CA(SA) | Appointed: 22 April 2021

Pride is a qualified chartered accountant and completed her articles with KPMG where she audited financial services companies within the banking division. She joined the finance team at Vunani in 2013 as a finance executive responsible for Vunani Capital. In 2016, Pride was promoted to financial manager of Vunani Limited. In April 2021, Pride was appointed as the Chief financial officer of Vunani Capital Partners Limited.

Ethan Dube (63) | Executive deputy chairman | MSc (Statistics), Executive MBA (Sweden) | Appointed: 29 September 2020

Ethan is one of the founders of Vunani Limited and served until recently as its chief executive officer. He has extensive corporate finance and asset management experience and, prior to establishing Vunani, worked at Standard Chartered Merchant Bank, Southern Asset Managers and Infinity Asset Management.

NON-EXECUTIVE DIRECTORS

Tafadzwa Mika (39)

Non-executive director	BAcc, CA(SA)	Appointed: 13 July 2020

Tafadzwa is a qualified chartered accountant and completed his training contract with Moore Stephens South Africa. He worked as an audit manager at Rain Chartered Accountants from May 2009 to February 2010, after which he joined Vunani. In 2011, he was promoted to the position of group financial manager and, in December 2016, was appointed as the Vunani Limited's chief financial officer.

Butana Khoza (56)

Non-executive director	BCom, PG Dip (Accounting), CA(SA)	Appointed: 12 October 2020

Butana established Vunani Limited with Ethan Dube and Mark Anderson and has served in a number of senior executive roles within the group until his appointment as group chief executive officer in 2020. Prior to joining Vunani, he worked at Southern Asset Management and Futuregrowth.

Marcel JA Golding (62)

Non-executive director	B Arts (Hons)	Appointed: 22 April 2021

Marcel served as an office-bearer in the National Union of Mineworkers (NUM) between 1987 and 1994, ultimately becoming the deputy secretary general. He was simultaneously involved in the Congress of South African Trade Unions (Cosatu) from the time of its inception in 1986 and later served as a member of parliament from 1994 to 1997. He was also a founding member and chairman of the Mineworkers Investment Company (MIC) in 1994. Marcel co-founded Hosken Consolidated Investments Limited (HCI) in 1997 and served as the executive chairman between 1997 and 2014. He has also served on a number of boards in various capacities, including chief executive officer of eTV from 1999 to 2014. He is a director of, amongst others, Tsogo Sun Holdings, Geomer Investments Proprietary Limited and Rex Trueform Clothing Company Limited

Sithembiso Mthethwa (52)

Non-executive director	BCom (Maritime Economics)	Appointed: 22 April 2021

Sithembiso has over 15 years of experience in the maritime industry, having worked in many ports in South Africa, Europe and the Far East. In 2000, while working at Smit International BV, he was successful in buying out Pentow Marine during the unbundling of Safmarine Limited, which followed the demutualisation of Old Mutual Limited in 1999. In 2005 Sithembiso co-founded Mion Holdings, which now holds investments in several companies, including a substantial interest in SAM. He has been in charge of all the investing and M&A activity at Mion since its inception.

INDEPENDENT NON-EXECUTIVE DIRECTORS

John Macey (60)	Independent non-executive director	B Bus Sci (Hons), BCom (Hons) CA(SA)	Appointed: 22 April 2021

John is a chartered accountant and a registered auditor with over 25 years of financial experience. He has held positions as a lecturer in financial accounting at UCT and as the financial director of several manufacturing companies. He is currently an auditor in public practice and serves on the boards and audit committees of two other listed companies.

Nambita Mazwi (48)	Independent non-executive director	BProc LLB, Dip Company Law, Programme in Business Leadership	Appointed: 22 April 2021

Nambita is an attorney of the High Court of South Africa and is currently the general manager of legal services for Multichoice South Africa Holdings Proprietary Limited (Multichoice). Prior to joining Multichoice, she held senior management positions at PPC Limited, South African Airways SOC and the Southern Enterprise Development Fund, a venture capital fund with a pan-African focus. Nambita has also practised as a corporate attorney in South Africa and completed executive leadership courses at Harvard Business School (Boston, USA) and Insead (Fontainebleau, France). She was a fellow of the International Women's Forum in 2013 and 2014.

Gordon Nzalo (57)	Independent non-executive director	BCom, BAcc, CA(SA)	Appointed: 22 April 2021

Gordon was the group internal audit executive of Imperial Holdings Limited and has been an independent non-executive director of Vunani Limited since November 2009. He has served on a number of other boards, including Austro Group Limited and PSV Holdings Limited. During the course of his career, he has served as a partner at KPMG, Sizwe Ntsaluba and PricewaterhouseCoopers.

03 INVESTMENT COMMITTEE REPORT

The primary purpose of the investment committee is to assess investments and related matters as dealt with in the charter in accordance with the ambit of authority granted to the committee by the board.

The committee is chaired by non-executive JR Macey and further comprises of deputy executive chairman E Dube, executive director NM Anderson, non-executive directors S Mthethwa and LI Jacobs and independent committee member A Pieterse. Meetings were held subsequent to year-end to approve the investment valuations.

The committee duties and responsibilities include:

- reviewing, evaluating, approving and recommending to the board, as and where required, all investments and those related matters;
- monitoring the performance of the investments;
- reviewing the backgrounds of members to ensure that there are no conflicts of interests;
- establishing, maintaining and reviewing compliance with the investment strategy and policy including credit, liquidity, spreading of assets and market risks;
- reviewing and assessing the adequacy of the investment committee charter at least annually and recommending any proposed changes to the board of directors for approval; and
- performing a self-evaluation of the committee's performance annually.

The committee assists the board on matters related to:

- the disposal or transfer of any business, share, asset or other investment within the limits of its authority;
- the establishment of or acquisition of any business either directly or indirectly;
- the encumbering of any assets in any manner whatsoever;
- any transactions or agreements with related parties as defined in the EESE Listing Requirements;
- the liquidation or winding-up, de-registration or the discontinuance or suspension of any business activities;
- the implementation of any re-structuring, merger or joint venture agreements;
- the amendment of the MOI of the group and its subsidiaries;
- any variation to the authorised and/or issued share capital or rights attaching to any shares or class of shares of any designated group company;
- any matter concerning the financing of capital or borrowings which would have the effect of directly or indirectly reducing the proportionate shareholding of any ordinary shareholder in a designated group company;
- the issue of guarantees or other similar undertakings of any nature; and
- a change in the business of any designated group company; and performing such other investment-related functions as may be designated by the board from time to time.

LEVELS OF AUTHORITY

The approval of investment transactions by the committee is subject to the limits of authority as specified in the Investment committee charter. Transactions exceeding a set financial limit also require shareholder approval.

The limits of authority approved by Vunani Capital Partners board are as follows:

All investments amounting up to R3 million are at the sole discretion of the executive management of VCP and these investments do not require committee or board approval.	R3 million The sole discretion of the executive committee
All investments in excess of R3 million and up to a maximum of R30 million require approval by the committee. No board approval is required.	R30 million Requires the approval of the investment committee
All investments with an exposure in excess of R30 million are reviewed by the committee and recommended to the board for approval. Any approved investment proposal is referred to the board together with the committee's recommendation for the board's final determination	+R30 million Requires final approval from the board.

JR Macey
Investment committee chairman

03 CORPORATE GOVERNANCE

Vunani Capital Partners is fundamentally committed to the practice of good governance in all aspects of its business, which is evident in all of its governance structures, policies and procedures. The board endorses the value of good corporate governance, standards and principles as recommended by King IV. Our application of King IV is set out on our website.

GOVERNANCE STRUCTURE

Board members

Members	Responsibilities
Lionel Jacobs – Independent non-executive director (Chairman) Mark Anderson – Chief executive officer Pride Gwaze – Chief financial officer Ethan Dube – Executive deputy chairman Tafadzwa Mika – Non-executive director Butana Khoza – Non-executive director Marcel Golding – Non-executive director Sithembiso Mthethwa – Non-executive director John Macey – Independent non-executive director Nambita Mazwi – Independent non-executive director Gordon Nzalo – Independent non-executive director	▶ Acting as the focal point and custodian of corporate governance in the company; ▶ Providing strategic direction to the company; ▶ Determining the company's purpose, values and stakeholders relevant to its business, and the development of strategies combining all three elements; ▶ Ensuring that procedures are in place to monitor and evaluate the implementation of its strategies, policies, business plans, senior management performance criteria and corporate governance processes; ▶ The review and approval of financial objectives, plans and actions of the company, (including significant capital allocations and expenditure); ▶ Demonstrating ethical and effective leadership, integrity and judgement, based on fairness, accountability, responsibility and transparency; ▶ Appointment of the chief executive officer and ensuring that a succession plan is in place; ▶ Ensuring that the company complies with all relevant laws, regulations and codes of best business practice, and that it communicates with its shareholders and relevant stakeholders (internal and external) openly and promptly, with substance prevailing over form; ▶ Regularly reviewing processes and procedures to ensure the effectiveness of the company's internal systems of control, so that its decision-making capability and the accuracy of its reporting are maintained at a high level at all times; ▶ Definition of levels of materiality, reserving specific powers to itself and delegating other matters, with the necessary written authority, to management; ▶ Having unrestricted access to all company information, records, documents and property; ▶ Ensuring that a corporate Code of Conduct is in place; ▶ Ensuring that the company remunerates fairly, responsibly and transparently so as to promote the achievement of strategic objectives and positive outcomes in the short, medium and long term; ▶ Having an agreed procedure whereby directors may, if necessary, take independent professional advice at the company's expense; ▶ Identification of key risk areas and key performance indicators, which should be regularly monitored, with particular attention given to information technology (IT) and internal controls (including internal audit matters) ▶ Ensuring that an IT governance strategy is formulated and implemented; ▶ Recordal of the facts and assumptions on which the board relies to conclude that the business will continue as a going concern in the financial year ahead or why it will not, and in that case, the steps the board is taking; ▶ Finding the correct balance between conforming with governance constraints and performing in an entrepreneurial way; ▶ The establishment of sub-committees to facilitate efficient decision making. These include, at a minimum, an Audit and Risk Committee, Remuneration Committee, Social, Ethics and Transformation Committee and Executive Committee. The parameters of any ad hoc sub-committees must be clearly defined; ▶ Ensuring that arrangements for delegation within its own structures promote independent judgement and assist with the balance of power and the effective discharge of its duties; and Assessment of its own effectiveness in fulfilling these and other board responsibilities.

Board sub-committees

Audit and risk committee	Investment committee	Social, ethics and transformation committee	Remuneration committee	Nomination committee
Members				
See pages 36 to 37 for full report Gordon Nzalo *(Chairman)* John Macey Nambita Mazwi	See page 25 for full report John Macey *(Chairman)* Ethan Dube Sithembiso Mthethwa Lionel Jacobs Mark Anderson A Pieterse Marcel Golding*	Nambita Mazwi *(Chairman)* Tafadzwa Mika Nkosinathi Nconco Pride R Gwaze* Inshaaf Ross*	John Macey *(Chairman)* Lionel Jacobs	Lionel Jacobs *(Chairman)* John Macey
Responsibilities				

▶ Evaluate the independence and effectiveness of the external auditor;
▶ Evaluate the performance of the external auditor;
▶ Assess the tenure of the external audit firm;
▶ Make suggestions as to problem areas/ areas of focus; and
▶ Review the arrangements in place for combined assurance and the effectiveness thereof.
	▶ Review, evaluate, approve and recommend all investments
	▶ Monitor the performance of the investments
	▶ Review backgrounds of investment committee members to ensure that there are no conflicts of interests.
	▶ Review and assess adequacy of the investment committee Charter.
	▶ Self-evaluation of the investment committee's performance annually.
		▶ Monitoring the company's ESG activities
		▶ Social and economic development to:
		  ▶ The 10 principles set out in the United Nations Global Compact Principles;
		  ▶ The OECD recommendations regarding corruption;
		  ▶ The Employment Equity Act; and
		  ▶ The Broad-Based Black Economic Empowerment Act.
			Make recommendations to the board on the fees of the chairman and the non-executive directors, for subsequent approval by the company's shareholders in general meeting.	

Independent				
3/3	3/6	2/3	2/2	2/2

* *Invitees*

Board and committee meeting attendance

Director	Board 3 Meetings	Audit and risk committee 3 Meetings	Investment committee *	Remuneration committee 1 Meeting	Nomination committee	Social, Ethics and transformation committee 1 Meeting
Lionel Jacobs[1]	2	N/A	N/A	1	N/A	N/A
Ethan Dube[2]	3	N/A	N/A	N/A	N/A	N/A
Mark Anderson (CEO)	3	2	N/A	1	N/A	N/A
Pride R Gwaze (CFO)	3	3	N/A	1	N/A	1
Tafadzwa Mika	3	3	N/A	1	N/A	1
Gordon Nzalo	3	3	N/A	N/A	N/A	N/A
John Macey	3	3	N/A	1	N/A	N/A
Marcel Golding	3	N/A	N/A	N/A	N/A	N/A
Butana Khoza	3	N/A	N/A	N/A	N/A	N/A
Nambita Mazwi	3	3	N/A	N/A	N/A	1
Sithembiso Mthethwa	1	N/A	N/A	N/A	N/A	N/A

* *Meetings were held subsequent to year-end*
1. *Independent non-executive chairman*
2. *Executive deputy chairman*

COMMITTEE FOCUS AREAS

See the audit and risk committee report on page 36, investment committee report on page 25.

THE BOARD

The board comprises of 11 directors of whom three are executive directors and eight non-executive directors of whom four are independent. The non-executive directors are free to make their own decisions and judgements. They enjoy no benefits from the company for their services as directors other than their fees, potential capital gains and dividends on their interests in ordinary shares. The non-executive directors are high-calibre professionals and sufficient in number for their views to carry significant weight in the board's deliberations and decisions. The applicable category for each director was tested using the guidelines contained in the EESE Listing Requirements and King IV.

The board should lead ethically and effectively and should, individually and collectively, conduct themselves in a manner that exhibits the following characteristics:

- exercise effective leadership;
- exercise integrity and judgement;
- act fairly;
- be accountable;
- take responsibility; and
- embrace transparency and ethical business conduct.

THE ROLE OF THE EXECUTIVE DIRECTORS

The executive directors are responsible for the day-to-day management of the operations of the group. They meet regularly to ensure that effective control is exercised over the management of all of the group's affairs.

The executive directors are individually mandated and held accountable for:

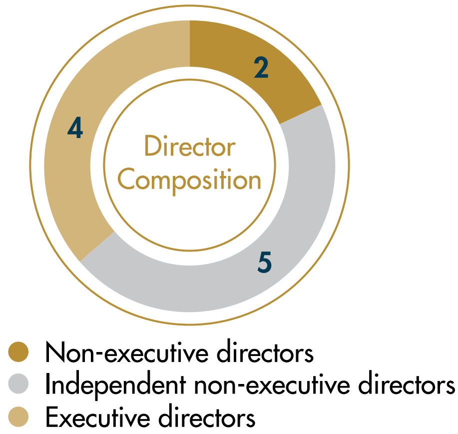
- acting in the best interests of shareholders and other stakeholders;
- implementing policies and strategies as determined by the board;
- managing and monitoring the business and the affairs of the group in accordance; with approved policies, strategies, plans and budgets;
- prioritising the allocation of capital and other resources;
- ethical and transparent financial management; and
- establishing the best managerial and operational practices.

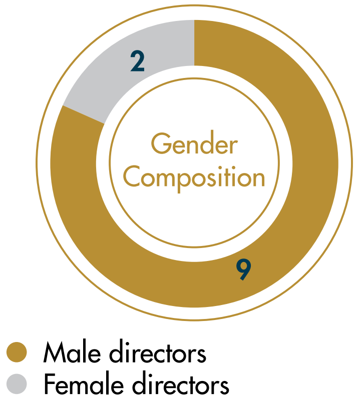
All proposed policies and procedures have to be approved by the relevant committee and then the board for final approval.

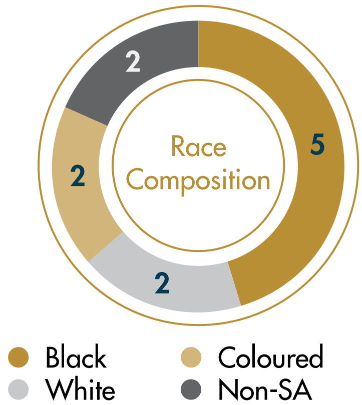
THE ROLE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The independent non-executive directors are individuals of high calibre and credibility. They serve for various periods of time, but do not have service contracts and do not participate in the group's share incentive scheme. The board assesses their independence, in line with policy, on an ongoing basis. The non-executive directors are held accountable for:

- acting in the best interests of shareholders and other stakeholders;
- policy-making and planning;
- monitoring the group's performance and taking remedial action to correct any deficits that may arise;
- monitoring the performance of the executive directors and holding them accountable for their decisions and actions; and
- ensuring that fiscal and financial matters are handled ethically and in accordance with all appropriate regulations and legislation.







SELF-EVALUATION

The board has adopted the principles of King IV™ and agreed to conduct its assessment on a periodic basis to allow sufficient time to implement remedial action. The self-evaluation covers the size and composition of the board, the directors' induction and development effectiveness, board meetings, the relationship between the board and management, the flow of information, skills needed by the board and its committees as well as stakeholder relations.

A formal self-assessment by the board will be conducted during the FY23 year to assess it operates effectively according to an approved board charter, which sets out its duties and responsibilities.

SUCCESSION PLANNING

The nomination committee is responsible for ensuring that there is a proper succession plan for directors and management and that all committees are appropriately constituted and chaired. The board is satisfied that the depth of skills of current directors meets succession requirements which include reviewing skills development, career path and succession planning, policies and procedures and recommendations regarding the essential and desired criteria, experiences and skills for potential new directors, taking into consideration the board's short-term needs and long-term succession plans.

BOARD CHARTER

The composition, scope of authority, responsibility and function of the board is outlined in a formal charter, which is reviewed on a regular basis. The charter:

- Sets out and regulates the parameters within which the board operates; and
- Ensures the application of the principles of good corporate governance.

The charter requires the board to represent and promote the legitimate interests of the group and all its stakeholders in a manner that is both ethical and sustainable. It governs the board's responsibilities and level of authority, which are defined in accordance with the guidelines expressed in the King Report on Corporate Governance for South Africa (2016) (King IV).

BOARD MEETINGS

The board recognises that careful preparation of an agenda and supporting documentation for board meetings enhances productivity and strengthens the board's strategic and supervisory role. The agenda and supporting documentation for board meetings is distributed to all directors before each meeting. The appropriate executive director provides explanations and motivations for items of business requiring decisions in the meeting.

COMPANY SECRETARY

The company secretary plays a vital role in the corporate governance of the group and is responsible for ensuring that the board complies with statutory regulations and procedures.

Together with the issuer representative, the company secretary ensures compliance with EESE Listing Requirements.

CIS Company Secretaries Proprietary Limited ("CIS") is the outsourced company secretary for Vunani Capital Partners. CIS is led by Nyanisa Majavu and Mosa Matlosa is the principal consultant. She is an admitted attorney, holding BCom (Law) and LLB degrees from the University of Johannesburg, and is also a graduate of the Chartered Governance Institute of South Africa (formerly CSSA). She has extensive experience in the company secretarial and corporate governance arenas. In accordance with the EESE Listing Requirements, an assessment of Ms Matlosa is performed annually by the entire board, including the executive directors.

Based on the annual assessment conducted by the board during the year, the board is satisfied that Ms Matlosa has the requisite qualifications, competence and experience to fulfil the functions required by the group company secretary. The academic and professional qualifications of the entire CIS team were externally verified prior to the company being appointed.

The board is also satisfied that an arm's-length relationship is maintained between the company secretary and the board and its sub-committees and confirms that neither Ms Matlosa nor any members of staff at CIS are directors or public officers of the group or any of its subsidiaries.

DECLARATION OF INTEREST

In line with the requirements of section 75 of the Companies Act (Act 71 of 2008), directors are obliged to disclose any material interests in contracts at every board meeting. The disclosures are noted and kept in a separate register of directors' disclosures.

Discussions at board meetings are open and constructive and no single director has unfettered powers in the decision-making process. Consensus is sought on items requiring decisions and on emerging issues that could affect the business. When necessary, decisions are also made by written resolution between scheduled meetings, as provided for in the company's MOI and the Companies Act.

Directors have access to all relevant company information, records, executive officers and members of senior management within the group. They are apprised, whenever relevant, of new legislation and changing commercial risks that may affect the business interests of the company. In fulfilling their responsibilities, directors may seek professional advice from external professional advisors at the company's expense.

The board annually undergoes a comprehensive and rigorous review and evaluation of the independence of those non-executive directors (including, if applicable, the chairman), classified as, "independent", and has satisfied itself that, notwithstanding the fact that certain directors have been on the board for over nine years, all the directors classified as, "independent", are independent and act in an independent manner.

IT AND INFORMATION GOVERNANCE

The audit and risk committee is responsible for IT governance on behalf of the board and reviews the reports from management and external assurance providers to ensure that an adequate and effective IT system is maintained.

03 RISK MANAGEMENT

Risk management is integral to our normal business practice and is a central part of the group's strategic management. The board acknowledges that, with assistance from the audit and risk audit committee, it is accountable for the risk management processes as well as the systems of internal control.

Our risk management is a structured process whereby risks associated with the company's activities are identified and plans are put in place to manage and mitigate those risks.

The process followed to identify the key risks and areas of focus is as follows:

- Identify key business objectives
- Identify events that could impact the achievement of these objectives
- Assess the inherent likelihood and potential impact of these events
- Consider the controls that have been implemented to mitigate the risk and their effectiveness in order to determine the level of residual risk
- Where the residual risk is not allayed to an acceptable level, implement additional procedures

OBJECTIVES AND APPROACH

Key to this is management working together to identify the significant risks that the group faces and developing mitigation plans. This includes implementing appropriate internal controls and identifying risk owners to take responsibility for individual risks and the management of those risks.

VCP is exposed to a wide range of risks, some of which may have a material impact. Identifying these risks and developing plans to manage them is part of each business unit's directive. Group management assesses these risk registers periodically and the board, through its audit and risk committee, receives assurances from senior management regarding the effectiveness of the risk management process. The board remains responsible for overall risk management.

Risk management plans and processes are presented, discussed and approved at risk and audit committee meetings in line with the committee's work plan for the year.

The process encompasses both an enterprise-wide risk assessment and divisional assessments. The plans and processes detailing significant strategic and operational risks facing the group, existing controls, perceived control effectiveness and the level of risk tolerance. Risks that are below acceptable tolerance levels require a plan for the implementation of additional controls and management's actions to bring these risks within acceptable levels.

The process described above is undertaken both at group level and at an operating entity level.

KEY RISKS AND MITIGATION MEASURES

The company is exposed to the following risks:

Key risk	Mitigation
The group's ability to meet its financial obligations and the maintenance of working capital.	Executive committee manages a dashboard of metrics, designed to ensure that the group has a good sense of how individual businesses are performing and ensure timeous response to adverse developments. Daily cash management by the CFO, and ultimately the CEO who is responsible for overall group cash management. Monthly management meetings with investee companies to track financial performance, cash generation and changes to the business environment. Executive management supports non-performing business areas and assists them to return to profitability. Financial management process includes profit and cash flow forecasts, taking changes in the business environment into account. Board analysis of group's performance and its ability to meet its obligations on both a short and long-term basis.
Unnecessarily expending resources on activities that will not yield the desired objectives.	Strategy review is embedded into regular interaction between group management and investee executives. Group executives and investee heads formulate strategy based on group's objectives. This is documented and implementation monitored.
The evolution of BEE and transformation legislation and its increasing imperative means that the current level of compliance may not be sufficient to secure business.	BEE is integral to doing business and transformation. Periodic interactive workshops at each business to formulate a strategy to improve BEE ratings.
The approach to making, managing and realising investments is undertaken in a manner that is not structured and/or disciplined.	Investment committee ensures that all existing and prospective investments are subjected to the necessary scrutiny to justify their inclusion in the group's portfolio and the allocation of capital. Investment committee meets regularly to evaluate progress and to ensure that there is accountability for the investments the group makes.
Vunani's private equity focus includes mining-related initiatives.	Investments of this nature are always made in partnership with well-established companies with industry experience. Ensure industry-specific knowledge and expertise is in place to ensure the group can responsibly extract value from its investments.
Foreign currency risk.	The group has foreign investments. Management ensures that cash is extracted from foreign investments when dividends are declared from the underlying investments.

When determining our risks, we consider both the potential impact of each risk on the achievement of the group's strategy as well as the probability of it materialising. The risk management process encompasses a company-wide risk assessment. Risks that are above acceptable tolerance levels require a plan for the implementation of additional controls; management's actions bring these risks within acceptable levels.

COMBINED RISK ASSURANCE MODEL

The group has adopted a combined risk assurance model to manage its risk. The model was designed to provide an assurance map to indicate who assures what risk and to whom this assurance is reported. It is a tool to assess and improve the functionality of the "lines of defence" applicable to each risk.

The "three lines of defence" are reflected in the model below.

	People and processes	Management supervision and oversight	Risk management and compliance	Board committee oversight	Independent external assurance
Top-down approach	Combined risk assurance model	Investee boards	CFO, CEO and Company secretary	Audit and risk committee	Review and report to audit and risk committee
Combined risk assurance process	Line 1		Line 2	Line 3	
Bottom-up approach	Enterprise risk assessment processes	Investee boards	CFO, CEO and Company secretary	Audit and risk committee	Review and report to audit and risk committee

This combined risk assurance process has provided us with a better understanding and control of our risks and has provided management with a tool to address the group's significant risks.

The board is satisfied with management's process of determining material issues, risks, and opportunities and that the risk management is effective in continuously identifying and evaluating risks and opportunities and ensuring that these risks are managed in line with our business strategy.

The financial statements have been audited in terms of Section 30 of the Companies Act of South Africa, 2008.

The financial statements were published on 15 June 2022.

The financial statements have been prepared under the supervision of the group chief financial officer, Pride R Gwaze CA(SA).

04

FINANCIAL STATEMENTS

AUDIT AND RISK COMMITTEE REPORT

FOR THE YEAR ENDED 28 FEBRUARY 2022

The audit and risk committee operates under a formal mandate that has been approved by the board and has conducted its affairs in compliance and discharged its responsibilities as stipulated in the committee terms of reference (TOR).

AUDIT AND RISK COMMITTEE MEMBERS

The committee's composition is in line with the requirements of the Companies Act of South Africa, comprising three independent non-executive directors. The committee held three meetings during the year as detailed below:

Committee composition and meeting attendance	26 June 2021	14 October 2021	9 February 2022
G Nzalo*	✓	✓	✓
JR Macey	✓	✓	✓
NS Mazwi	✓	✓	✓

** Independent non-executive chairman*

The members of the committee have the necessary financial skills and experience to adequately fulfil their duties as members of the committee.

The Chief executive officer, Chief financial officer and representatives from external audit attend the committee meetings by invitation.

KEY TERMS OF REFERENCE

The committee's roles and responsibilities include its statutory duties as defined in the Companies Act of South Africa and the responsibilities assigned to it by the board and these were performed as detailed below:

During the year under review, the committee undertook the following:

Governance

- Satisfied and confirmed committee members' financial skills and experience to adequately fulfil their duties; and
- The committee was satisfied and recommend the terms of reference to the board for approval.

External audit

- Approved and ratified the appointment of SM Xulu Inc. as external auditors of the company
- Considered and satisfied itself that the external auditor was independent.
- Approved the fees to be paid to the external auditor for the 2021/2022 engagement.
- Determined the nature and extent of all non-audit-related services performed.
- Confirmed that no material litigations were identified which required provision at year-end.
- Confirmed that no incidents of fraud had been identified during the audit and the risk of fraud was considered to have been reduced to acceptable levels.
- Confirmed that no reportable irregularities had been identified or reported by the auditors under the Auditing Profession Act.

Adequacy and functioning of the group's internal control

- Reviewed the plans and work outputs of the external auditors and concluded that these were adequate to address all significant financial risks facing the business.
- The committee also reviewed reporting around the adequacy of the internal controls and, based on this, concluded that there had been no material breakdowns in internal control, including financial controls, business risk management and the maintenance of effective material control systems.

Finance function and chief financial officer

- Satisfied itself of the appropriateness of the qualifications, expertise and experience of the Chief financial officer, Pride R Gwaze.
- Considered the expertise, resources, and experience of the finance function, and concluded that these were satisfactory.

Reporting

- Reviewed the report to 28 February 2022, including the audit report on the financial statements prior to board approval.
- Satisfied themselves that the financial statements were prepared on a going-concern basis.
- Considered the appropriateness of accounting policies and any changes thereto and the adequacy of disclosures in the report.
- Reviewed the accounts and financial statements taken to ensure they present a balanced and comprehensive assessment of the position, performance, and prospects of the company.
- Ensured that appropriate financial reporting procedures exist and are working, which includes consideration of all entities included in the consolidated group IFRS financial statements.
- Confirmed solvency and liquidity for dividend declarations prior to board approval.

Legal, regulatory, and corporate governance requirements

- Confirmed the company secretary relationship is at arm's-length.
- Ensured the establishment and maintenance of effective processes for compliance with applicable statutory and regulatory requirements.
- Monitored compliance with the Companies Act of South Africa, the EESE Listing Requirements, and all other applicable legislation and governance codes.
- Reviewed compliance matters that could have a significant impact on the financial statements.

Risk management and IT governance

- Reviewed and approved the group's risk management plan; and
- Reviewed the group's policies on the risk assessment and risk management and were satisfied with the risk management plan and policies.

RECOMMENDATION OF THE REPORT FOR APPROVAL BY THE BOARD

Based on the information and explanations given by management and discussions with the independent external auditor regarding the results of their audit, the committee is satisfied the financial statements of Vunani Capital Partners Limited and the group for the year ended 28 February 2022 comply, in all material respects, with the requirements of the Companies Act of South Africa, International Financial Reporting Standards ("IFRS"), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, and the EESE Listing Requirements.

GS Nzalo
Chairman of the audit and risk committee

15 June 2022
Sandton

DIRECTORS' RESPONSIBILITY STATEMENT AND APPROVAL OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 28 FEBRUARY 2022

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements of Vunani Capital Partners Limited, which comprise the consolidated and separate statements of financial position at 28 February 2022, and the consolidated and separate statements of comprehensive income, the consolidated and separate statements of changes in equity and the consolidated and separate statements of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, in accordance with International Financial Reporting Standards ("IFRS") and the requirements of the Companies Act of South Africa, and the directors' report.

The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error, and for maintaining adequate accounting records and an effective system of risk management.

The directors have made an assessment of the company's and group's ability to continue as a going concern and have no reason to believe the business will not be a going concern in the year ahead. The directors have reviewed the group'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 Vunani Capital Partners Limited and its subsidiaries have, and have access to, adequate resources to continue in operational existence for the foreseeable future and have continued to adopt the going concern basis in preparing the financial statements.

The auditor is responsible for reporting on whether the consolidated and separate financial statements are fairly presented in accordance with the applicable financial reporting framework.

APPROVAL OF CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

The directors acknowledge and accept full responsibility for the preparation and integrity of the information presented in the company and group financial statements for the year ended 28 February 2022. The company and group financial statements of Vunani Capital Partners Limited, which have been prepared in accordance with the Companies Act, the company's MOI and comply with ("IFRS").

The consolidated and separate financial statements of Vunani Capital Partners Limited, as identified in the first paragraph, were approved by the board of directors on 15 June 2022 and are signed on their behalf by:

NM Anderson
Chief executive officer

PR Gwaze
Chief financial officer

Authorised director
15 June 2022

Sandton

CERTIFICATION BY THE COMPANY SECRETARY

In terms of section 58(2) of the Companies Act, and Companies Regulations 2011, we hereby certify to the best of our knowledge and belief, that for the financial year ended 28 February 2022, Vunani Capital Partners Limited has lodged with the Companies and Intellectual Properties Commission, all such returns and notices as are required in terms of the Companies Act of South Africa, and that all such returns appear to be true, correct and up to date.

CIS Company Secretaries Proprietary Limited
Company secretary
15 June 2022

Sandton

DIRECTORS' REPORT

FOR THE YEAR ENDED 28 FEBRUARY 2022

REVIEW OF ACTIVITIES

Main business and operations

The company is an investment holding company comprising of a portfolio of private equity assets unbundled out of Vunani Limited (JSE listed) on 12 February 2021. The group's key focus areas include investments in resources and energy, gaming, financial services, fintech, BEE investments, commodity trading and property. The company listed on Equity Express Securities Exchange ("EESE") on 15 June 2021.

The operating results and state of affairs of the group and company are fully set out in the attached financial statements and do not in our opinion require any further comment, other than information below.

PERFORMANCE

The company generated an after-tax profit of R53.1 million for the year ended 28 February 2022, compared to a loss of R13.7 million in 2021. The take on values of the private equity assets were valued again at 12 February 2021 and a net write down of R11.8 million was effected largely reflecting the uncertainties of the post Covid-19 economy. This and the shortened reporting period was the main reason for the loss to February 2021. Vunani's profit for the year ended 28 February 2022, has shown an improvement compared to the prior period largely due to revenue generated from the resources and energy segment, positive fair value adjustments on investments that are carried at fair value through profit or loss (FVTPL) as well as earnings from associates.

DECLARATION OF DIVIDENDS

A gross interim dividend of 3c per shares was paid in the current year. A gross final dividend of 18c was declared on 15 June 2022. Refer to note 39 of the financial statements.

SPECIAL RESOLUTIONS

1. It was resolved that the non-executive directors' remuneration was approved with effect from 28 September 2021 until the next annual general meeting.
2. It was resolved that, subject to the company's Memorandum of Incorporation, the Companies Act and the EESE Listing Requirements in force from time to time, the company and/or any subsidiary of the company, be and are hereby authorised to repurchase or purchase shares issued by the company.
3. It was resolved that approval was provided authorising the group to provide direct or indirect financial assistance to any related or inter-related companies.

SHARE CAPITAL

Details of the company's authorised and issued share capital as at 28 February 2022 are shown in note 25 to the financial statements.

GOING CONCERN

The directors believe that the group and company have adequate financial resources to continue in operation for the foreseeable future and accordingly the financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the group and company are in a sound financial position and that the group and company have 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 group and 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.

For additional disclosures on going concern refer to note 38.

EVENTS AFTER REPORTING DATE

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

Refer to note 40 for additional disclosures on events after reporting date.

DIRECTORS

The directors of the company for the financial year and up to the date of this report are as follows:

Executive directors

E Dube (Executive deputy chairman)
NM Anderson (Chief executive officer)
PR Gwaze (Chief financial officer)

Non-executive directors

LI Jacobs (Chairman) – independent
BK Khoza
T Mika
GS Nzalo – independent
JR Macey – independent
NS Mazwi – independent
S Mthethwa
M Golding

SECRETARY

The Company Secretary is CIS Company Secretaries Proprietary Limited.

AUDITOR

SM Xulu Incorporated was appointed as auditor to the company at the AGM held on 28 September 2021.

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF VUNANI CAPITAL PARTNERS LIMITED

REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

We have audited the consolidated and separate financial statements of Vunani Capital Partners Limited, set out on pages 45 to 96, which comprise the consolidated and separate statements of financial position as at 28 February 2022, the consolidated and separate statements of comprehensive income, consolidated and separate statements of changes in equity and the consolidated and separate statement of cash flows for the year then ended 28 February 2022, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Vunani Capital Partners Limited as at 28 February 2022, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act, 71 of 2008.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the consolidated and separate 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 consolidated and separate 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 International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

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

Key audit matter	How it was addressed
The group earns revenue which is accounted for in terms of IFRS 15: *Revenue from contracts with Customers.* We presume a risk of material misstatement due to fraud related to revenue recognition as directed by ISA 240.	We obtained the list of revenue for the year and: ► we performed a detailed analysis of revenue and the timing of its recognition based on expectations derived from our knowledge of the Group. We will follow up on variances from our expectations; ► we reconciled revenue for the year with amounts declared in VAT; ► we ensured completeness of revenue; ► we tested amount for accuracy; ► we tested revenue for cut-off; ► we selected material revenue transactions ensured validity; ► we assessed the adequacy of the disclosures applied to these transactions; ► we assessed the revenue recognition policies for compliance with IFRS 15; and ► we assessed the validity of manual journal entries processed to revenue accounts and check for unusual transactions.

Key audit matter	How it was addressed
The group holds unlisted investments which are accounted for in terms of IFRS 13: *Fair value measurement.* Investments are a significant class of transaction whose fair value is established using level 3 valuation techniques in terms of the fair value hierarchy. Management establishment of value in terms of Level 3 valuation techniques is complex, highly judgemental and based on assumptions.	We obtained a list of unlisted investments for the year and: ► we have verified right related to the investments; ► we will ensure that the fair values are disclosed in line with IFRS requirements; ► we considered impairment indicators; and ► we are assessed the fair value at year end for reasonableness and in line with expected valuation techniques.
The group accounts for investments and loans in associates at cost in terms of IAS 28: *Investments in associates and joint ventures* and impairment in terms of IAS 36: *Impairment of assets.* The classification of investments in entities in which the Company has significant influence in terms of IAS 28 is based on management's judgement. A significant investment is made in associates, some of this value is now impaired.	We obtained the equity analysis prepared by management for each of the investments and performed the following procedures: ► We agreed the figures used by management in the equity analysis to the financial statements of the investee companies which are equity accounted. We noted no material differences. ► We re-performed management's calculation of the effective interest in each of the equity accounted investments. We agreed the inputs in management's calculation to the number of shares held by the Group and the issued share capital of the investee company. We noted no material differences. ► We tested the mathematical accuracy of the equity analysis by recalculating the Group's share in equity accounted earnings, other comprehensive income and equity movements and tracing it to the consolidation journals and the consolidation sheets. We noted no material differences. We recalculated management's consolidation workings to test for mathematical accuracy and assessed the completeness of journal entries with reference to the prior year journal entries and corporate transactions executed by the Group during the current year. We found no material inconsistencies. The financial information of significant equity accounted investments were audited by component auditors. We performed the following procedures regarding the work of the component auditors: ► We held discussions with the component auditors and issued them with Group instructions as described in the section 'How we tailored our Group audit scope'. ► We assessed the competence, knowledge, and experience of the component auditors. ► To assess the adequacy of the procedures performed by the component auditors of significant components to support our audit work, we examined their working papers on significant risks as well as the information they reported to us. We found the work performed by the component auditors to be sufficient and appropriate for our purposes. For investments which have year-ends that are non-coterminous with that of the Group, the following procedures were performed: ► We discussed with the Group's nominated directors to identify any significant or abnormal transactions that occurred in the period from 1 August 2021 to 28 February 2022, we found the accounting of these investments to be in line with IAS 28: *Investments in associates and joint ventures.* ► We performed procedure to verify the roll forward from non-coterminous investments as these were part of the consolidated financial statements submission.

Key audit matter	How it was addressed
	We obtained management's impairment assessment and independently assessed the equity accounted investments for indicators of impairment by comparing the carrying value to the fair value of the investments. We noted no material additional investments that required a detailed impairment test. We obtained management's calculations of the recoverable amount based on fair value less cost of disposal or value-in-use. Using this information, we performed the following procedures: ► Using our valuation expertise, we challenged management's key assumptions by comparing terminal growth rates and discount rates to industry benchmarks and economic forecasts. ► We agreed the underlying cash flow forecasts to approved budgets and the current trading performance of the investee companies and obtained reasons for the growth profiles used. We followed up on variances and obtained evidence for variances noted. Based on our work performed, we accepted the recoverable amounts based on management's value-in-use and fair value less cost of disposal calculations. For the impairments recognised, we recalculated the write-down of the equity accounted carrying value of the investments to the recoverable amounts and noted no material variances. For investments where no impairment loss was required, we compared the recoverable amount to the carrying value and noted no material impairment losses. We assessed the disclosures regarding the impairment losses, reversals and the impairment assessments in the consolidated financial statements against the requirements of IAS 36: *Impairment of assets.*

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the information included in the document titled "Vunani Capital Partners Limited Annual Report for the year ended 28 February 2022", which includes the Audit and risk committee report, the Certification by Company Secretary and the Directors' Report as required by the Companies Act of South Africa. The other information does not include the consolidated and separate financial statements and our auditor's report thereon.

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

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

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act, 71 of 2008, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

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

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

SM Xulu Inc.

SM Xulu Inc.
Chartered Accountants (SA)
Registered Auditors

Per: SM Xulu
Chartered Accountant (SA)
Registered Auditor
Director

15 June 2022

F16 & F17 Pinewood Square Pinewood
Office Park
33 Riley Street
Woodmead
2080

CONSOLIDATED AND SEPARATE STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 28 FEBRUARY 2022

		Group		Company	
Figures in R'000	Note	2022	2021	2022	2021
Revenue	5	**18 004**	167	**18 004**	167
Dividend income	6	**34**	–	**5 333**	–
Other income	7	**907**	–	**907**	–
Net profit on disposal of assets	8	**5 836**	–	**6 055**	–
Fair value adjustments	9	**13 706**	(10 192)	**13 706**	(10 192)
Impairments	10	**(2 941)**	(29 369)	**(2 941)**	(29 814)
Equity accounted earnings (net of taxation)	19	**39 544**	27 269	**–**	–
Operating expenses	11	**(17 516)**	(1 202)	**(17 502)**	(1 302)
Results from operating activities		**57 574**	(13 327)	**23 562**	(41 141)
Finance income	12	**2**	–	**2**	–
Finance costs		**–**	(20)	**–**	–
Net finance income/(costs)		**2**	(20)	**2**	–
Profit/(loss) before income tax		**57 576**	(13 347)	**23 564**	(41 141)
Taxation	13	**(4 520)**	(345)	**(4 520)**	112
Profit/(loss) for the year		**53 056**	(13 692)	**19 044**	(41 029)
Other comprehensive income					
Items that may be reclassified to profit or loss		**(344)**	–	**–**	–
Foreign currency translation reserve		**(344)**	–	**–**	–
Total comprehensive income for the year		**52 712**	(13 692)	**19 044**	(41 029)
Profit/loss attributable to:					
Owners of the company		**53 056**	(13 620)		
Non-controlling interest		**–**	(72)		
		53 056	(13 692)		
Total comprehensive income attributable to:					
Owners of the company		**52 712**	(13 620)		
Non-controlling interest		**–**	(72)		
		52 712	(13 692)		
Basic earnings/(loss) per share (cents)	14	**32.3**	(8.5)		
Basic earnings/(loss) per share (cents)		**32.3**	(8.5)		
Basic headline earnings per share (cents)	14	**29.5**	9.8		
Basic headline earnings per share (cents)		**29.5**	9.8		

This is the group's first 12 months results following the unbundling of the private equity assets out of Vunani Limited in February 2021. As the group only operated for less than a month in 2021, the figures will not be comparable.

CONSOLIDATED AND SEPARATE STATEMENT OF FINANCIAL POSITION

AT 28 FEBRUARY 2022

		Group		Company	
Figures in R'000	Note	2022	2021 Represented#	2022	2021 Represented#
Assets					
Plant and equipment	15	**–**	529	**–**	–
Investments in subsidiaries	16	**–**	–	**85 105**	85 142
Other investments	17	**34 891**	14 215	**34 891**	14 215
Investments in and loans to associates#	19	**214 158**	152 234	**61 734**	61 682
Other financial assets	20	**–**	28 119	**–**	–
Deferred tax asset	21	**258**	1 567	**258**	1 567
Total non-current assets		**249 307**	196 664	**181 988**	162 606
Other investments	17	**1 108**	–	**1 108**	–
Loans to associate companies	19	**2 932**	9 920	**8 671**	–
Loan to subsidiary companies	18	**–**	–	**289**	17 992
Trade and other receivables	22	**10 735**	13 365	**10 735**	2 145
Inventory	23	**–**	1 330	**–**	–
Cash and cash equivalents	24	**5 916**	647	**5 916**	–
Total current assets		**20 691**	25 262	**26 719**	20 137
Total assets		**269 998**	221 926	**208 707**	182 743
Equity					
Stated capital	25	**216 955**	211 166	**216 955**	211 166
Share-based payment reserve		**–**	10	**–**	–
Foreign currency translation reserve		**(344)**	–	**–**	–
Accumulated profit/(loss)		**34 547**	(13 543)	**(26 951)**	(41 029)
Non-controlling interest	32	**–**	77	**–**	–
Equity attributable to equity holders		**251 158**	197 710	**190 004**	170 137
Liabilities					
Other financial liabilities	26	**7 937**	6 985	**7 937**	6 985
Preference share liability	27	*****	–	**–**	–
Total non-current liabilities		**7 937**	6 985	**7 937**	6 985
Trade and other payables	28	**10 903**	17 231	**10 766**	5 621
Current liabilities		**10 903**	17 231	**10 766**	5 621
Total liabilities		**18 840**	24 216	**18 703**	12 606
Total equity and liabilities		**269 998**	221 926	**208 707**	182 743
Shares in issue (000s)	25	**165 541**	161 156	**161 156**	161 156
Net asset value per share (cents)		**151.7**	122.6	**117.9**	105.6

* *Less than R1 000.*

\# *The loans to subsidiary have been reclassified from non-current to current. The change has had no impact on the statement of comprehensive income nor the statement of cash flows. Furthermore, there was no tax impact as a result of the reclassification.*

CONSOLIDATED AND SEPARATE STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 28 FEBRUARY 2022

GROUP

Figures in R'000	Stated capital	Share-based payment reserve	Foreign currency translation reserve	Accumu-lated profit/ (loss)	Total	Non-controlling Interest	Total equity
Balance at 28 February 2020	–	–	–	–	–	–	–
Total comprehensive income for the period							
Loss for the period	–	–	–	(13 620)	(13 620)	(72)	(13 692)
Total comprehensive income for the period	–	–	–	(13 620)	(13 620)	(72)	(13 692)
Transactions with owners, recorded directly in equity							
Acquired via the unbundling	–	393	–	(393)	–	149	149
Shares issued	211 166	–	–	–	211 166	–	211 166
Share-based payments	–	87	–	–	87	–	87
Vesting of share awards *	–	(470)	–	470	–	–	–
Total transactions with owners	211 166	10	–	77	211 253	149	211 402
Balance at 28 February 2021	211 166	10	–	(13 543)	197 633	77	197 710
Total comprehensive income for the year							
Profit for the period	–	–	–	53 056	53 056	–	53 056
Other comprehensive income for the year	–	–	(344)	–	(344)	–	(344)
Total comprehensive income for the year	–	–	(344)	53 056	52 712	–	52 712
Transactions with owners, recorded directly in equity							
Transactions with equity holders &	–	(10)	–	–	(10)	(77)	(87)
Issue of shares	5 789	–	–	–	5 789	–	5 789
Dividends paid	–	–	–	(4 966)	(4 966)	–	(4 966)
Total transactions with owners	5 789	(10)	–	(4 966)	813	(77)	736
Balance at 28 February 2022	**216 955**	**–**	**(344)**	**34 547**	**251 158**	**–**	**251 158**

* *Shares that were issued to employees of the subsidiaries as part of the share-based payment scheme vested. The shares were transferred out of the share trust (held as treasury shares) to the qualifying employees. The cumulative share-based payment expense in the reserve has been transferred between the non-distributable reserve and retained income on vesting.*

& *Relates to the loss of control on the group's investment in a subsidiary.*

Consolidated and separate statement of changes in equity (continued)

COMPANY

Figures in R'000	Stated capital	Accumulated loss	Total equity
Balance at 29 February 2020	–	–	–
Total comprehensive income for the period			
Loss for the period	–	(41 029)	(41 029)
Total comprehensive income for the period	–	(41 029)	(41 029)
Transactions with owners, recorded directly in equity			
Shares issued	211 166	–	211 166
Total transactions with owners	211 166	–	211 166
Balance at 28 February 2021	211 166	(41 029)	170 137
Total comprehensive income for the year			
Profit for the year	**–**	**19 044**	**19 044**
Total comprehensive income for the year	**–**	**19 044**	**19 044**
Transactions with owners, recorded directly in equity			
Issue of shares	**5 789**	**–**	**5 789**
Dividends paid	**–**	**(4 966)**	**(4 966)**
Total transactions with owners	**5 789**	**(4 966)**	**823**
Balance at 28 February 2022	**216 955**	**(26 951)**	**190 004**

CONSOLIDATED AND SEPARATE STATEMENT OF CASH FLOWS

FOR THE PERIOD ENDED 28 FEBRUARY 2022

		Group		Company	
Figures in R'000	Note	2022	2021	2022	2021
Cash flows from operating activities					
Cash (utilised)/generated by operations	29	(2 845)	667	(2 824)	–
Interest received	12	2	–	2	–
Interest paid		–	(20)	–	–
Dividends paid to shareholders		(4 966)	–	(4 966)	–
Taxation paid	30	(3 211)	–	(3 211)	–
Net cash (utilised)/generated by operating activities		(11 020)	647	(10 999)	–
Cash flows from investing activities					
Disposal of subsidiaries net of cash		(647)	–	–	–
Proceeds from repayment of loans from associates		9 108	–	8 950	–
Advances of loans to associates		(2 242)	–	(2 105)	–
Dividends received from associates	19	5 281	–	5 281	–
Acquisition of other investments		(5 000)	–	(5 000)	–
Proceeds on disposal of other investments		4 000	–	4 000	–
Net cash inflow from investing activities		10 500	–	11 126	–
Cash flows from financing activities					
Proceeds from issue of shares	25	5 789	–	5 789	–
Net cash inflow from financing activities		5 789	–	5 789	–
Net increase in cash and cash equivalents		5 269	647	5 916	–
Cash and cash equivalents at the beginning of the year		647	–	–	–
Total cash and cash equivalents at the end of the year	24	5 916	647	5 916	–

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 28 FEBRUARY 2022

REPORTING ACTIVITIES

Vunani Capital Partners Limited ("the company") is a company domiciled in South Africa at Vunani House, Vunani Office Park, 151 Katherine Street in Sandton. The Consolidated and Separate Financial Statements of the company at and for the year ended 28 February 2022 comprise the company and its subsidiaries (together referred to as the "group") and the group's interest in associated entities.

1. BASIS OF PREPARATION

1.1 Statement of compliance

The company's financial statements are prepared in accordance with IFRS as issued by the IASB, its interpretations adopted by the IASB, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, Financial Pronouncements as issued by Financial Reporting Standards Council, and the South African Companies Act.

The Consolidated and Separate Financial Statements have been prepared under the supervision of PR Gwaze, CA(SA), the group chief financial officer.

The financial statements, which have been prepared on the going concern basis, were authorised for issue by the board of directors on 15 June 2022.

1.2 Basis of measurement

The financial statements are prepared on the historical cost basis, except for certain financial instruments (which include other investments, other non-current assets and certain other financial liabilities), which are measured at fair value.

1.3 Presentation currency

The financial statements are presented in South African Rand, which is the company's presentation currency.

All financial information presented in South African Rand have been rounded to the nearest thousand unless indicated otherwise.

1.4 Use of estimates and judgements

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Although estimates and associated assumptions are based on historical 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 estimate is revised, if revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

Information about assumptions and estimation uncertainties which have the most significant effect on the financial statements are set out below:

- Notes 17,36.4 and 36.5 – determining fair value of financial instruments based on significant unobservable inputs.
- Note 19 – equity accounted investees: whether the group has significant influence and impairment losses on loans to associates.
- Note 21 – utilisation of tax losses: the availability of future taxable profit against which deductible temporary differences and tax losses carried forward can be utilised.
- Note 22 – measurement of ECLs allowance for trade and other receivables: key assumptions in determining average loss rates.

2. ACCOUNTING POLICIES

The accounting policies applied in the preparation of the Consolidated and Separate Financial Statements are in terms of IFRS and are consistent with those applied in the previous consolidated financial statements. The group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

A number of other new standards are also effective in the current year, but they do not have a material effect on the group's financial statements.

2.1 Basis of consolidation

The consolidated financial statements include the assets, liabilities, and results of operations of the holding company, its subsidiaries and investments in associates.

2.1.1 *Subsidiaries*

Subsidiaries are entities controlled by the group. The group controls the entity when it is exposed to or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the group.

The company accounts for subsidiaries at cost less accumulated impairment losses in the separate financial statements.

2.1.2 *Investments in associates*

Associates are those entities in which the group has significant influence, but not control, over the financial and operating policies. Significant influence is the power to participate in the financial and operating policy decisions but not control them.

Investments in associates are accounted for using the equity method ("equity-accounted investees") and are recognised initially at cost. The consolidated financial statements include the group's share of profit or loss and other comprehensive income of the equity accounted investee from the date that significant influence commences until the date that significant influence ceases.

When the group's share of losses exceeds its interest in an equity-accounted investee, the carrying amount of that interest, including any long-term investments for which settlement is neither planned nor likely to occur in the foreseeable future, is reduced to nil, and the recognition of further losses is discontinued, except to the extent that the group has an obligation or has made payments on behalf of the investee.

When the group loses control of a subsidiary and as a result of that the remaining interest is accounted for as an associate, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as an equity-accounted investee.

The company accounts for associates at cost less accumulated impairment losses in the separate financial statements.

2.1.3 *Non-controlling interests*

Non-controlling interests are measured at either their proportionate share of the acquiree's identifiable net assets or at fair value at acquisition date.

Changes in the group's interest in a subsidiary that do not result in loss of control are accounted for as equity transactions.

2. ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of consolidation (continued)

2.1.4 *Transactions eliminated on consolidation*

Intra-group balances and transactions, and any unrealised profit or loss arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

2.2 Financial instruments

2.2.1 *Recognition and initial measurement*

Trade receivables are initially measured when they are originated. All other financial assets and financial liabilities are initially recognised when the group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

2.2.2 *Classification and subsequent measurement*

Financial assets

On initial recognition, a financial asset is classified as measured at amortised cost or FVTPL.

Financial assets are not reclassified subsequent to its initial recognition unless the group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortised cost as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

The group classifies non-derivative financial instruments into the following categories: FVTPL and financial assets at amortised cost.

Financial assets – Business model assessment:

The group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed, and information is provided to management. The information considered includes:

2. ACCOUNTING POLICIES (CONTINUED)

2.2 Financial instruments (continued)

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed; and
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets – Assessment whether contractual cash flows are solely payments of principal and interest:

For the purposes of this assessment, “principal” is defined as the fair value of the financial asset on initial recognition. “Interest” is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs).

In assessing whether the contractual cash flows are solely payments of principal and interest, the group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

Derivative financial assets – Policy applicable to 28 February 2021

Derivatives are recognised initially at fair value. Any directly attributable costs are recognised in profit or loss as they are incurred. Subsequent to initial recognition, derivatives are measured at fair value and changes therein are recognised in profit or loss.

Other financial assets – Policy applicable to 28 February 2021

Other financial assets consist of derivative and non-derivative financial assets not included in other investments and trade and other receivables. Other financial assets include the derivative option which relates to the group’s investment in Black Wattle (refer to note 20).

Other investments

Other investments are classified as at fair value through profit or loss. Other investments are recognised when the company becomes a party to the contractual provisions of the instrument. The investments are measured, at initial recognition, at fair value. Transaction costs are added to the initial carrying amount for those investments which have been designated as at fair value through other comprehensive income. All other transaction costs are recognised in profit or loss. Other investments are subsequently measured at fair value with changes in fair value recognised in profit or loss. Other investments are not subject to impairment provisions.

Loans to associates

Loans to associates are classified as financial assets subsequently measured at amortised cost. They have been classified in this manner because the contractual terms of these loans give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the company's business model is to collect the contractual cash flows on these loans. The amortised cost is the amount recognised on the loan initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

2. ACCOUNTING POLICIES (CONTINUED)

2.2 Financial instruments (continued)

Trade and other receivables

Trade and other receivables, excluding, when applicable, VAT and prepayments, are classified as financial assets subsequently measured at amortised cost. They have been classified in this manner because their contractual terms give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the company's business model is to collect the contractual cash flows on trade and other receivables. 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. The amortised cost is the amount recognised on the receivable initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Cash and cash equivalents

Cash and cash equivalents are initially stated at fair value. Cash and cash equivalents are subsequently measured at amortised cost. The group and company have concluded that impairment of these assets is not applicable, due to the short term over which the settlement of these assets occurs.

Financial liabilities

The group classifies non-derivative financial liabilities into the following categories: financial liabilities at FVTPL and financial liabilities at amortised cost.

Financial liabilities at amortised cost

Trade and other payables are recognised initially at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

Financial liabilities at fair value through profit or loss

The group designates certain financial liabilities at fair value through profit or loss on initial recognition. Ring-fenced structured entities have historically been used to house the group’s geared equity investments and any financial liabilities that relate to such investments. Financial assets and liabilities that arise in terms of these ring-fenced structures are both fair valued through profit or loss in terms of IFRS 9.

2.2.3 *Derecognition*

Financial assets

The group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The group enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

2. ACCOUNTING POLICIES (CONTINUED)

2.2 Financial instruments (continued)

2.2.4 *Offsetting*

Financial assets and financial liabilities are off-set and the net amount presented in the statement of financial position when, and only when, the company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

2.2.5 *Stated capital*

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

Treasury shares

Where share capital is repurchased, and held by a subsidiary or a trust, the amount of the consideration paid, which includes directly attributable costs, net of any tax effects, is recognised as a deduction from equity.

2.3 Dividend policy

The company distributes dividends to its shareholders as and when determined by the board of directors, subject always to:

- the liquidity and solvency requirements of the Companies Act of South Africa;
- any banking or other funding covenants by which the company is bound from time to time; and
- the operating requirements of the company.

2.4 Property, plant and equipment – Policy applicable to 28 February 2021

2.4.1 *Recognition and measurement*

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on the disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised within net profit or loss on disposal of assets.

2.4.2 *Subsequent costs*

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the group, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

2. ACCOUNTING POLICIES (CONTINUED)

2.4 Property, plant and equipment – Policy applicable to 28 February 2021 (continued)

2.4.3 *Depreciation*

Depreciation is calculated on the depreciable amount, which is the cost of an asset less its residual value.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the group will obtain ownership by the end of the lease term.

The estimated useful lives for the current and comparative periods are as follows:

Leasehold improvements	Remaining lease period
Motor vehicles	4 years
Furniture and fittings	6 years
Office equipment	3 – 5 years
Computer equipment	3 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted, if appropriate.

2.5 Goodwill

Goodwill arises on the acquisition of business combinations.

Acquisitions of non-controlling interests are accounted for as transactions with equity holders in their capacity as equity holders and therefore no goodwill is recognised as a result of such transactions.

Goodwill is measured at cost less accumulated impairment losses and is tested for impairment on an annual basis.

2.6 Impairment

2.6.1 *Non-derivative financial assets*

Financial instruments and contract assets

The group recognises loss allowances for expected credit losses ("ECLs") on:

- financial assets measured at amortised cost.

Loss allowances for trade receivables, loans to associates and contract assets are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the group's historical experience and informed credit assessment and including forward-looking information.

The group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

2. ACCOUNTING POLICIES (CONTINUED)

2.6 Impairment (continued)

The group considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the group in full, without recourse by the group to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

Twelve-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the company is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the group expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

Credit impaired financial assets

At each reporting date, the group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the group on terms that the group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cashflows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against receivables. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss. Interest is calculated on the amortised cost when the asset is credit impaired, and if it moves back to Stage 2 interest recognition resumes on the gross carrying amount.

2. ACCOUNTING POLICIES (CONTINUED)

2.6 Impairments (continued)

Incorporation of forward-looking information

The group incorporates forward-looking information into both the assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and the measurement of ECL. The group has identified key drivers of credit risk and credit losses for each portfolio of financial instruments and, using an analysis of historical data, has estimated relationships between macro-economic variables and credit risk and credit losses. Historical loss rates are appropriately adjusted to reflect the expected future changes in the portfolio condition and performance.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off when the group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery of balances from customers or receivables. The group expects no significant recovery from the amount written off. The group writes off a financial asset when there is information indicating that 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. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the group's procedures for recovery of amounts due. Any recoveries made are recognised in profit or loss.

2.6.2 *Non-financial assets*

The carrying amounts of the group's non-financial assets other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. For goodwill, the recoverable amount is estimated annually.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash generating units. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its fair value less cost to sell and its value in use. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. An impairment loss in respect of goodwill is not reversed.

2. ACCOUNTING POLICIES (CONTINUED)

2.7 Share-based payment transactions – Policy applicable to 28 February 2021

Share-based arrangements in which the group receives goods or services as consideration for its own equity instruments are accounted for as equity-settled share-based payment transactions, regardless of how the equity instruments are obtained by the group.

The grant date fair value of equity-settled share-based payment awards granted to employees is recognised as an employee expense with a corresponding increase in the share-based payment reserve in equity over the period that the employees become unconditionally entitled to the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

The equity instruments granted to employees of the subsidiary are recognised as an increase in the investment in the subsidiary in the separate financial statements, as the subsidiary receives services from employees that are paid for by the parent – thereby increasing the value of the subsidiary. The amount recognised as an additional investment is based on the grant-date fair value of the share-based payment. The increase in the investment and the corresponding increase in equity for the equity settled share-based payment is recognised by the parent over the vesting period of the share-based payment.

The valuation approach is based on risk-neutral valuation principles and excludes marketability assessments. The fair value of equity-settled awards is determined at the grant date and only updated for changes to non-market conditions at subsequent year-end valuations. As a result, inputs, and assumptions such as the spot share price and dividend yield are not updated at each subsequent year-end valuation date.

2.8 Revenue

The group generates revenue from management fees and commission income.

2.8.1 *Management fees and commission income*

Management fees and commission income from services rendered is recognised in profit or loss in proportion to the stage of completion of the transaction at the reporting date.

2.9 Other income

Sundry income

Income is recognised when the recognised when there is reasonable assurance that, the group will comply with the relevant conditions stipulated in the contracts and the income will be received.

2.10 Dividend income

Dividend income is recognised in profit or loss on the date that the group's right to receive payment is established, which in the case of quoted securities is the ex-dividend date.

2. ACCOUNTING POLICIES (CONTINUED)

2.11 Finance income and finance costs

The group's finance income and finance costs include interest income and interest expense. Interest income or expense is recognised using the effective interest method. Interest income is recognised using the agreed rate on with the relevant counterparty.

The "effective interest rate" is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

2.12 Income tax

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss, except to the extent that it relates to items recognised directly in equity or other comprehensive income.

Current taxation comprises taxation payable calculated based on the expected taxable income for the year, using the taxation rates enacted or substantively enacted at the reporting date, and any adjustment of taxation payable for previous years.

Deferred taxation is provided based on temporary differences. Temporary differences are differences between the carrying amounts of assets or liabilities for financial reporting purposes and their tax bases.

The amount of deferred taxation provided is based on the expected manner of realisation or settlement of the carrying amount of assets or liabilities using the taxation rate enacted or substantively enacted at the reporting date.

Deferred taxation is charged to profit or loss, except to the extent that it relates to a transaction that is recognised directly in equity or other comprehensive income, or a business combination that is an acquisition. The effect on deferred taxation of any changes in taxation rates is recognised in the profit or loss, except to the extent that it relates to items previously charged or credited directly to equity or other comprehensive income.

Deferred taxation is not recognised for the following temporary differences:

The initial recognition of goodwill, initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries and associates to the extent that the parent is able to control the timing of the reversal of the temporary differences and they will not reverse in the foreseeable future.

A deferred taxation asset is recognised to the extent that it is probable that future taxable profits will be available against which the associated unused taxation losses and deductible temporary differences can be utilised. Deferred taxation assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related taxation benefit will be realised. Deferred tax assets or liabilities are offset if there is a legally enforceable right to offset current tax liabilities or assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, and they intend to settle current tax liabilities or assets on a net basis or their tax assets or liabilities will be realised simultaneously.

2. ACCOUNTING POLICIES (CONTINUED)

2.13 Dividends withholding tax

Dividends withholding tax is a tax on shareholders receiving dividends and is applicable to all dividends declared on or after 1 April 2012.

The company withholds dividend tax on behalf of its shareholders at a rate of 20% on dividends declared. Amounts withheld are not recognised as part of a company's tax charge, but rather as part of the dividend paid recognised directly in equity.

Where withholding tax is withheld on dividends received, the dividend is recognised at the gross amount with the related withholdings tax recognised as part of tax expense unless it is otherwise reimbursable in which case it is recognised as an asset.

2.14 Earnings per share ("EPS")

Basic earnings per share

Earnings per share is calculated using the weighted average number of ordinary shares in issue during the period and is based on the profit after tax attributable to ordinary shareholders. For the purpose of calculating earnings per share, treasury shares are deducted from the number of ordinary shares in issue.

Headline earnings per share

Headline earnings is calculated by starting with the basic earnings number in terms of IAS 33 and then excluding all re-measurements that have been identified in terms of Circular 1/2021 issued by SAICA.

Diluted headline earnings per share

Diluted headline earnings per share is calculated by dividing the headline earnings attributable to ordinary shareholders of the company by the weighted average number of ordinary shares outstanding for the period after an adjustment for the effects of all dilutive potential ordinary shares.

2.15 Segment reporting

An operating segment is a component of the group that engages in business activities from which it may earn revenue and incur expenses, including revenue or expenses that relate to transactions with any of the group's other components. All operating segments' operating results are reviewed regularly by the group's chief executive officer who is defined by the group as the group's chief operating decision maker, to make decisions about resources to be allocated to each segment and assess its performance, and for which discrete financial information is available.

The group has the following operating segments:

- Resources and energy – comprise the group's investment in the mining sector.
- Gaming – comprise the group's investment in gaming entities across Africa.
- Financial services - comprise the group's investment in financial services entities, which provide fund management services, enterprise development.
- Fintech – comprise the group's investment in financial technology.
- BEE investments – the segment holds the group's listed and unlisted investments in which the group is the BEE partner.
- Commodity trading – comprise the group's investment in boron and chemical trading entities.
- Property – the segment comprises the group's investments in the property sector.

2. ACCOUNTING POLICIES (CONTINUED)

2.16 Foreign currencies

Foreign currency transactions

Transactions in foreign currencies are translated into the functional currency at the exchange rate ruling at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets or liabilities denominated in foreign currencies are recognised in profit or loss.

Non-monetary assets or liabilities, measured at historical cost in a foreign currency, are translated using the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency are translated using the foreign exchange rates at the dates the fair value was determined.

Foreign operations

The results and financial position of foreign operations that have a functional currency different from the group's presentation currency are translated into Rand, as follows:

- assets and liabilities are translated at the foreign exchange rate ruling at the reporting date; and
- income and expenses are translated at average exchange rates for the year, to the extent that such average rates approximate rates ruling at the dates of the transactions.

Exchange differences arising on translation are recognised directly in other comprehensive income and presented in the foreign currency translation reserve. When a foreign operation is sold, such exchange differences are reclassified to profit or loss as part of the gain or loss on sale.

2.17 Related party transactions

Related party transactions are transactions which result in a transfer of resources, services or obligations between related parties, regardless of whether a price is charged. Related parties refer to entities which the group, directly or indirectly, through one or more intermediaries' controls or is controlled by it, which is in common control or has significant influence over. These include the holding group, subsidiaries, fellow subsidiaries, associates and key management.

2.18 New standards and interpretations not yet adopted

In terms of IFRS, the group and company are required to include in their financial statements disclosures about the future impact of standards and interpretations issued but not yet effective at the issue date.

A number of new standards, amendments to standards and interpretations are not effective for annual periods beginning on or after 1 January 2021 and have not been applied in preparing these (consolidated and separate) financial statements. Those which may be relevant to the group and company are set out below. The group and company do not plan to adopt these standards early. These will be adopted in the period that they become mandatory unless otherwise indicated.

All standards and interpretations will be adopted at their effective dates (except for the effect of those standards and interpretations that are not applicable to the entity).

The directors will assess the impact of the new standards on the group's consolidated in the period in which they are effective. The table below details the standards and interpretations issued but not yet effective:

2. ACCOUNTING POLICIES (CONTINUED)

2.18 New standards and interpretations not yet adopted (continued)

Standards and amendments mandatorily effective from 1 January 2022

Standard	Details of amendment	Expected impact
Annual Improvements to IFRS: 2018-2020 Cycle	In May 2020, the IASB issued minor amendments to IFRS 1 *First-time Adoption of International Financial Reporting Standards*, IFRS 9 *Financial Instruments*, IAS 41 *Agriculture* and the Illustrative Examples accompanying IFRS 16 *Leases*.	No impact as the parent applies IFRS1, 9 and has no leases.
Conceptual Framework for Financial Reporting (Amendments to IFRS 3)	In May 2020, the IASB issued amendments to IFRS 3, which update a reference to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations. The amendments are effective for annual reporting periods beginning on or after 1 January 2022. Earlier application is permitted.	The standard will impact the group when it accounts for any business combination, as such the group will apply the amendments to the definition of a business.
IAS 37 *Provisions, Contingent Liabilities and Contingent Assets* (Amendment – Onerous Contracts – Cost of Fulfilling a Contract)	In May 2020, the IASB issued amendments to IAS 37, which specify the costs a company includes when assessing whether a contract will be loss- making and is therefore recognised as an onerous contract. These amendments are expected to result in more contracts being accounted for as onerous contracts because they increase the scope of costs that are included in the onerous contract assessment.	The standard will have an impact on the financial statements when the group enters into onerous contracts.
IAS 16 *Property, Plant and Equipment* (Amendment – Proceeds before Intended Use)	In May 2020, the IASB issued amendments to IAS 16, which prohibit a company from deducting amounts received from selling items produced while the company is preparing the asset for its intended use from the cost of property, plant and equipment. Instead, a company will recognise such sales proceeds and any related costs in profit or loss.	The standard will unlikely have an impact on the group's financial results.

2. ACCOUNTING POLICIES (CONTINUED)

2.18 New standards and interpretations not yet adopted (continued)

Standards and amendments mandatorily effective from 1 January 2023

Standard	Details of amendment	Expected impact
IAS 1 *Presentation of Financial Statements* (Amendment – Classification of Liabilities as Current or Non-Current)	The IASB, at its meeting held in June 2021, tentatively decided to amend the requirements in IAS 1 with respect to the classification of liabilities subject to conditions and disclosure of information about such conditions and to defer the effective date of the 2020 amendment by at least one year to annual reporting periods beginning no earlier than on or after 1 January 2024. In November 2021, the IASB issued an exposure draft to modify the 2020 amendments – Non-Current Liabilities with Covenants. This exposure draft aims to address the concerns raised by stakeholders. For more information, see 'Maintenance Projects' section below for information on the exposure draft. In February 2021, the IASB issued amendments to IAS 1, which change the disclosure requirements with respect to accounting policies from 'significant accounting policies' to 'material accounting policy information'. The amendments provide guidance on when accounting policy information is likely to be considered material. The amendments to IAS 1 are effective for annual reporting periods beginning on or after 1 January 2023, with earlier application permitted. As IFRS Practice Statements are non-mandatory guidance, no mandatory effective date has been specified for the amendments to IFRS Practice Statement 2.	The standard will unlikely have a material impact on the classification of debt and other financial liabilities and changes to accounting policies
Disclosure of Accounting Policies (Amendment to IAS 1 and IFRS Practice Statement 2)	In February 2021, the IASB issued amendments to IAS 1, which change the disclosure requirements with respect to accounting policies from 'significant accounting policies' to 'material accounting policy information'. The amendments provide guidance on when accounting policy information is likely to be considered material. The amendments to IAS 1 are effective for annual reporting periods beginning on or after 1 January 2023, with earlier application permitted. As IFRS Practice Statements are non-mandatory guidance, no mandatory effective date has been specified for the amendments to IFRS Practice Statement 2.	The group will only disclose material accounting policies as required by the standard
Definition of Accounting Estimates (Amendment to IAS 8)	In February 2021, the IASB issued amendments to IAS 8, which added the definition of Accounting Estimates in IAS 8. The amendments also clarified that the effects of a change in an input or measurement technique are changes in accounting estimates, unless resulting from correction of prior period errors.	The standard will unlikely have a material impact on the recognition of accounting estimates
Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)	In May 2021, the IASB issued amendments to IAS 12, which clarify whether the initial recognition exemption applies to certain transactions that result in both an asset and a liability being recognised simultaneously (e.g. a lease in the scope of IFRS 16). The amendments introduce an additional criterion for the initial recognition exemption under IAS 12.15, whereby the exemption does not apply to the initial recognition of an asset or liability which at the time of the transaction, gives rise to equal taxable and deductible temporary differences.	The standard will unlikely have an impact on the group's financial results.

3. DETERMINATION OF FAIR VALUES

Fair value

The fair value of a financial instrument is the price that would be received for the sale of an asset or paid for the transfer of a liability in an orderly transaction between market participants at the measurement date. Underlying the definition of fair value is a presumption that an entity is a going concern without any intention or need to liquidate, to curtail materially the scale of its operations or to undertake a transaction on adverse terms. Fair value is not, therefore, the amount that an entity would receive or pay in a forced transaction, involuntary liquidation or distressed sale.

The existence of published price quotations in an active market is the best evidence of fair value and, where they exist, they are used to measure the financial asset or financial liability. A market is considered to be active if transactions occur with sufficient volume and frequency to provide pricing information on an ongoing basis. Financial instruments fair valued using quoted prices would generally be classified as level 1 in terms of the fair value hierarchy and when fair valued indirectly (i.e. derived from prices) will be classified as level 2.

Where a quoted price does not represent fair value at the measurement date or where the market for a financial instrument is not active, the group establishes fair value by using valuation techniques. These valuation techniques include reference to the value of the assets of the underlying business, earnings multiples (e.g. unlisted investments), discounted cash flow analysis (e.g. unlisted investments, loans and advances) and various option pricing models.

Inputs used in valuation techniques for loans and advances, other investments, investments in associates and other financial liabilities, include discount rates, expected future cash flows, dividend yields, earnings multiples, volatility, equity prices and commodity prices.

Valuation methodologies and techniques applied for level 3 financial instruments include a combination of discounted cash flow analysis, application of earnings multiples on sustainable after-tax earnings and current and projected net asset values to determine overall reasonability. The valuation technique applied to specific financial instruments depends on the nature of the financial instrument and the most appropriate valuation technique is determined on that basis.

After the valuations of the unlisted financial assets and liabilities are performed, these are presented to the group's investment committee for independent review. All significant valuations are approved by the investment committee.

A number of the group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability. Fair values have been determined for measurement and/or disclosure purposes based on the following methods:

3.1 Investments in listed equity and debt securities

The fair value of listed financial assets at fair value through profit or loss is determined by reference to their quoted closing bid price at the reporting date.

3.2 Unlisted investments

Unlisted investments are fair valued annually by the directors using generally accepted valuation techniques. As with any valuation, a degree of subjective judgement is involved. These valuation techniques include reference to the value of the assets of underlying business, earnings multiples (e.g. unlisted investments), discounted cash flow analysis (e.g. unlisted investments, loans and advances) and various option pricing models. Operating businesses are valued using a combination of the following: discounted cash flow analysis, application of earnings multiples on sustainable after-tax earnings, current and projected net asset values to determine overall reasonability. The cash flows are based on expected future dividends that will be paid by the businesses.

3. DETERMINATION OF FAIR VALUES (CONTINUED)

3.3 Derivative financial assets – Policy applicable to 28 February 2021

The derivative is measured initially at fair value and subsequently at fair value with changes in fair value recognised in profit or loss.

The valuation technique used is the Monte-Carlo Simulation technique, which includes unobservable inputs used in the valuation of the Black Wattle Option.

3.4 Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

3.5 Financial liabilities at fair value through profit or loss

The group's financial liabilities held at fair value through profit or loss are all linked to listed equity investments held by the group through certain investments in associates. The fair value adjustments that relate to financial liabilities are not a result of the group's inability to discharge its obligation, but rather in terms of the agreements with its lenders. The terms of the financial liability are such that, in the event that asset fair value falls below the face value of the liability, the group is not obligated to pay the full face of the debt, but rather a value that is directly linked to the value of the related asset. The full fair value adjustment is considered to be as a result of a change in market conditions.

4. FINANCIAL RISK MANAGEMENT

The group and company have exposure to the following risks from its use of financial instruments:

- Liquidity risk
- Credit risk
- Market risk

This note presents information about the group's exposure to the above risks, the group's objectives, policies and processes for measuring and managing risk, and the group's management of capital. Further quantitative disclosures are included throughout these financial statements.

Risk management framework

The board of directors has overall responsibility for the establishment and oversight of the group's risk management framework. The board is responsible for developing and monitoring the group's risk management policies.

The group's risk management policies are established to identify and analyse the risks faced by the group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the group's activities.

The group audit and risk committee oversee how management monitors compliance with the group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the group.

4.1 Liquidity risk

Liquidity risk is the risk that the group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the group's reputation.

4.2 Credit risk

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

The group and company manage this risk by transacting with customers that have good credit records and good standing in the markets.

Financial assets, which potentially subject the group to concentrations of credit risk, consist principally of trade and other receivables, loans to associates, investments and cash and cash equivalents.

The trade and other receivables relate to trade receivables and loans. Loans granted to associates are reviewed annually for recoverability and impaired, if necessary.

The group's exposure to credit risk is influenced mainly by the individual characteristics of each client. However, management also considers the factors that may influence the credit risk of its client base, including the default risk of the industry. Each client is analysed individually for creditworthiness. The group reviews accounts receivable monthly. Other impairment indicators considered include bankruptcy and the insolvency of clients. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. Twelve-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The group deposits cash surpluses with major banks of good credit standing to address the related credit risk. Based on the high credit rating of the banks cash carries insignificant risk.

4.3 Market risk

Market risk is the risk that changes in the market prices, such as foreign exchange rates, interest rates and equity prices will affect the group's income or value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimising the return.

The group is exposed to interest rate risk as it borrows funds at variable interest rates. The group generally adopts a policy of ensuring that its exposure to changes in interest rates is limited by either fixing the rate or by linking the rate to the prime rate over the period of the respective loan. The group does not account for any fixed-rate financial liabilities, at FVTPL, and the group does not designate derivatives (interest rate swaps) as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the reporting date would not affect profit or loss. ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

The group is exposed to equity price risk on its listed investments that are not ring-fenced through underlying funding arrangements. The investments are not hedged and the pricing is reviewed daily. This risk is managed by linking the debt to the value of the underlying assets. This will ensure that the group will limit the amount payable on the underlying debt by limiting it to the value of the asset.

4.4 Currency risk

The group is exposed to currency risk on its investments in foreign operations, where fluctuations in exchange rates against the rand could impact the financial results. Exchange differences arising on translation are recognised directly in other comprehensive income. The group's investments in foreign operations are not hedged. Exchange differences on loans with foreign entities are recognised directly in profit or loss.

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

4.5 Capital management

The board's policy is to maintain a strong capital base to maintain investor, creditor and market confidences and to sustain future development of the business. The board of directors monitors the return on capital, which the group defines as: result from operating activities divided by total shareholders' equity and non-controlling interests. The board of directors also monitors the level of dividends to ordinary shareholders.

The board seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

The capital structure of the group consists of debt and equity as disclosed in the statement of financial position.

The company does not have any externally imposed capital requirements.

Figures in R'000	2022	2021
Gearing ratio		
Total debt	**18 840**	24 216
Less: Cash and cash equivalents	**(5 916)**	(647)
Net debt	**12 924**	23 569
Equity	**251 158**	197 710
Total capital managed	**264 082**	221 278
Debt equity ratio	**5.1%**	11.9%

	Figures in R'000	Group 2022	Group 2021	Company 2022	Company 2021
5.	**REVENUE**				
	Revenue	**18 004**	167	**18 004**	167
	Revenue includes commission income and management fees.				
	Disaggregation of revenue				
	The revenue relating to the core business operations of the group has been disaggregated as follows:				
	Commission income	**10 590**	–	**10 590**	–
	Management fees	**7 414**	167	**7 414**	167
		18 004	167	**18 004**	167
	Timing of revenue recognition				
	Services transferred at a point in time	**18 004**	167	**18 004**	167
	Revenue per segments (note 35)	**18 004**	167	**18 004**	167

Performance obligations and revenue recognition policies

Revenue is measured based on the consideration specified in the contract with a customer. The group and company recognises revenue when it transfers control over a good or service to a customer. Revenue from contracts with customers is recognised when (or as) the group and company satisfies a performance obligation, this is due at a point in time. Invoices are raised when a performance obligation is met. There are no significant differences in the timing and recognition of revenue from these services and therefore there is no significant impact on the financial statements.

The group and company recognises receivables (no contracts assets or liabilities are recognised) as it will have unconditional rights to revenue that would have been recorded from the rendering of services.

		Group 2022	Group 2021	Company 2022	Company 2021
6.	**DIVIDEND INCOME**				
	Dividend income from investments	**34**	–	**34**	–
	Dividend income from associates	**–**	–	**5 299**	–
		34	**–**	**5 333**	**–**
7.	**OTHER INCOME**				
	Sundry income	**781**	–	**781**	–
	Directors fees	**126**	–	**126**	–
		907	**–**	**907**	**–**
8.	**NET PROFIT ON DISPOSAL OF ASSETS**				
	Loss in control of subsidiaries	**10**	–	**229**	–
	Disposal of assets	**5 826**	–	**5 826**	–
		5 836	**–**	**6 055**	**–**
	Profit on disposal relates to once-off income on exiting a contract.				
9.	**FAIR VALUE ADJUSTMENTS**				
	Other investments	**14 658**	(17 988)	**14 658**	(17 988)
	Other financial liabilities	**(952)**	7 796	**(952)**	7 796
		13 706	(10 192)	**13 706**	(10 192)

	Group		Company	
Figures in R'000	**2022**	2021	**2022**	2021
10. IMPAIRMENTS				
Impairment of investment in associates	**(1 992)**	(7 486)	**(1 992)**	(7 486)
Impairment of loans to associates	**(949)**	–	**(949)**	–
Impairment of investment in subsidiaries	**–**	–	**–**	(22 328)
Impairment of goodwill	**–**	(21 883)	**–**	–
	(2 941)	(29 369)	**(2 941)**	(29 814)
11. OPERATING EXPENSES				
Operating expenses include:				
Auditors remuneration – current period	**433**	360	**303**	309
Management fees	**10 201**	615	**10 201**	615
Commissions paid	**5 295**	–	**5 295**	–
12. FINANCE INCOME				
Recognised in profit or loss				
Interest income – cash and cash equivalents	**2**	–	**2**	–
13. TAXATION				
Income tax				
Current period	**(3 211)**	–	**(3 211)**	–
Deferred tax				
Current period	**(1 309)**	(345)	**(1 309)**	112
Total taxation recognised in profit or loss	**(4 520)**	(345)	**(4 520)**	112
Reconciliation of effective tax rate	**%**	%	**%**	%
Income tax rate	**28.0**	28.0	**28.0**	28.0
Exempt income	*****		**(6.3)**	–
Impairments	**1.4**	(62.0)	**3.5**	(20.3)
Equity accounted earnings	**(19.2)**	57.4	**–**	–
Deferred tax assets not raised	**–**	1.90	**–**	0.8
Deferred tax asset utilised	**(0.4)**	–	**(0.9)**	
Fair value adjustments – capital gains tax rate	**(0.5)**	(0.21)	**(1.2)**	(0.1)
Fair value adjustments – recovered via dividends	**(3.8)**	(24.8)	**(9.3)**	(9.6)
Non-deductible expenses	**2.3**	2.34	**5.6**	0.9
Tax paid on foreign income receipts	**1.7**	–	**4.1**	–
Capital gains taxation	**(1.7)**	–	**(4.4)**	–
	7.9	2.59	**19.2**	(0.27)

* *Less than 0.1%*

The Minister of Finance announced on 23 February 2022 that the corporate tax rate in South Africa will be reduced to 27% for years of assessment beginning on or after 1 April 2022. The substantive enactment date is 23 February 2022.

Current tax

No impact as the corporate tax rate for the year ended 28 February 2022 is still 28% (22.4% for capital gains tax).

Deferred tax

The deferred tax balances at 28 February 2022 were analysed to calculate the portion that will realise / settle within 12 months. This portion of the deferred tax balance have remained at 28% (22.4% for capital gains tax). The portion expected to realise/settle after 12 months, and required to be remeasured to 27% (21.6% for capital gains tax) have been assessed as negligible, and have thus not been separately disclosed in the financial statements.

Figures in R'000	Group 2022	Group 2021	Company 2022	Company 2021
14. RECONCILIATION OF HEADLINE EARNINGS				
Profit for the year attributable to equity holders of VCP	**53 056**	(13 620)		
Adjusted for:				
Impairment of investment in associates	**–**	7 486		
Impairment of goodwill	**–**	21 883		
Profit on loss of control	**(10)**	–		
Taxation	**2**	–		
Profit on disposal of assets	**(5 826)**	–		
Taxation	**1 220**	–		
	48 442	15 749		
Basic headline earnings per share (cents)	**29.5**	9.8		
Basic earnings/(loss)per share (cents)	**32.3**	(8.5)		
Basic headline earnings per share (cents)	**29.5**	9.8		

Basic earnings/(loss) per share
The calculation of basic earnings per share at 28 February 2022 was based on the profit attributable to ordinary shareholders of R53.056 million (2021: loss of R13.620 million), and a weighted average number of ordinary shares outstanding of 164 304 million (2021: 161 156 million).

Headline earnings per share
The calculation of headline and diluted headline earnings per share at 28 February 2022 was based on headline earnings attributable to ordinary shareholders of R48.442 million (2021: R15.749 million), and a weighted average number of ordinary shares outstanding of 164 304 million (2021: 161 156 million).

	Group 2022	Group 2021	Company 2022	Company 2021
Net asset value per share (cents) Net asset value per share is the equity attributable to equity holders of Vunani Capital Partners Limited, utilising all shares in issue.	**151.7**	122.6		

Figures in R'000	Group Leasehold improvements	Motor vehicles	Office equipment	Computer equipment	Total
15. PLANT AND EQUIPMENT					
Cost					
Balance at 28 February 2021	214	695	533	26	1 468
Disposal	(214)	(695)	(533)	(26)	(1 468)
Balance at 28 February 2022	–	–	–	–	–
Accumulated depreciation and impairment losses					
Balance at 28 February 2021	(109)	(535)	(277)	(18)	(939)
Disposal	109	535	277	18	939
Balance at 28 February 2022	–	–	–	–	–
Carrying amounts					
At 28 February 2021	105	160	256	8	529
At 28 February 2022	–	–	–	–	–

The company did not carry any plant and equipment at year end.

The plant and equipment related to the group's investment in Vunani Resources Proprietary Limited, has been classified as an associate due to the loss of control.

Figures in R'000	Company % Holding **2022**	 **2021**	 Cost of investment **2022**	 **2021**
16. INVESTMENTS IN SUBSIDIARIES				
Investment in subsidiaries held at cost				
Vunani Mining Proprietary Limited	**100**	100	**106 781**	106 781
Vunani Resources Proprietary Limited	-	75	**–**	689
			106 781	107 470
Accumulated impairment				
Investment in Vunani Mining Proprietary Limited			**(21 676)**	(21 676)
Investment in Vunani Resources Proprietary Limited *			**–**	(652)
			(21 676)	(22 328)
Investment in subsidiaries net of impairment			**85 105**	85 142

* *The group assessed its ability to control its investment in Vunani Resources Proprietary Limited which has resulted in loss of control and having the entity classified as an associate.*

Factors considered in impairment of investments in subsidiaries

The investments in Vunani Mining Proprietary Limited and Vunani Resources Proprietary Limited were impaired in the prior period. The company assesses whether there is any indication that an asset may be impaired. The company reviews the budgets of the subsidiaries, which include projected revenue, profits and cash flow forecasts. The valuations of underlying assets of the subsidiaries are also reviewed. Investments in subsidiaries are impaired if the company believes that the carrying amount of the investment may be higher than its recoverable amount.

	Group 2022	Group 2021	Company 2022	Company 2021
17. OTHER INVESTMENTS				
Balance at the beginning of the year	**14 215**	–	**14 215**	–
Acquired through unbundling	**–**	14 215	**–**	14 215
Fair value adjustments	**14 658**	–	**14 658**	–
Additions	**10 860**	–	**10 860**	–
Disposals	**(4 000)**	–	**(4 000)**	–
Foreign exchange (loss)/gain	**266**	–	**266**	–
Balance at the end of the year	**35 999**	14 215	**35 999**	14 215
Non-current	**34 891**	14 215	**34 891**	14 215
Current	**1 108**	–	**1 108**	–
	35 999	14 215	**35 999**	14 215

Group and Company	Number of shares	% shareholding	Cost R'000	Fair value R'000
at 28 February 2022				
Vunani Limited Preference shares [%]	**500 000**	**2.34%**	**18 283**	**16 384**
Ferrox Holdings Limited [@]	**7 200 000**	**0.76%**	**5 638**	**5 999**
PawaTech Holdings Limited [&]	**6 605**	**0.40%**	**5 826**	**10 058**
PawaPay Holdings Pty Limited [&]	**6 605**	**0.40%**	**34**	**2 450**
Unit Trusts [#]		*****	**1 000**	**1 108**
			30 781	**35 999**
at 28 February 2021				
Vunani Limited Preference shares [%]	500 000	500 000	18 283	8 588
Ferrox Holdings Limited	7 200 000	7 200 000	5 638	5 627
			23 921	14 215

Other investments represent the group's financial assets that are carried at fair value through profit or loss. Refer to note 36.5 for additional disclosures on fair value of other investments.

% *Vunani Limited issued 500 000 preference shares to Vunani Capital Partners in relation to the African Legend investment shares. The terms of the preference shares are such that, inter alia, all contractual rights to cash flows related to the African Legend shares and the African Legend distributions, will be transferred to Vunani Capital Partners.*

@ *The investment in Ferrox was acquired via the unbundling of the private equity assets out of Vunani Limited in 2021.*

& *During the year, the group and company acquired 6 605 shares (0.4%) in Pawatech Holdings Limited for $400 000. The entity unbundled its fintech business, into a vehicle called PawaPay in which the group received the same number of shares at a subscription price of €0.30. Both investment were fair valued at year end.*

The group and company invested in Mi-Plan IP enhance income fund class A1. Units held in collective investment are reflected at fair value of R1.1 million at the end of the financial year.

* *less than 1%*

Figures in R'000	Company 2022	Company 2021
18. LOANS TO SUBSIDIARIES		
Loan to subsidiary		
Vunani Mining Proprietary Limited	**289**	9 239
Vunani Resources Proprietary Limited	**–**	8 753
	289	17 992

The loans to subsidiary companies are unsecured, have no fixed terms of repayment and interest free, with the exception of Vunani Resources which bears interest at the Standard Bank overdraft rate.

19. INVESTMENTS IN AND LOANS TO ASSOCIATES

Figures in R'000	Group Investment in associate	 Loans to associates	 Total
Investments in and loans to associates			
Balance at 28 February 2021	146 717	15 437	162 154
Forex movement	(344)	–	(344)
Increase in investments and loans to associates	135	2 755	2 890
Equity accounted earnings	39 544	–	39 544
Dividends received	(5 299)	–	(5 299)
Impairment of investment and loans to associates	(1 992)	(949)	(2 941)
Repayment of loans	–	(9 358)	(9 358)
Transfer from other non-current assets	28 119	–	28 119
Loss of control##	267	2 058	2 325
Balance at 28 February 2022	**207 147**	**9 943**	**217 090**

Figures in R'000	Company Investment in associate	 Loans to associates	 Total
Investments in and loans to associates			
Balance at 28 February 2021	56 448	5 234	61 682
Increase in investments and loans to associates	*	2 756	2 756
Impairment of investment and loans to associates	(1 992)	(949)	(2 941)
Repayment of loans	–	(250)	(250)
Loss of control ##	267	8 891	9 158
Balance at 28 February 2022	**54 723**	**15 682**	**70 405**

The loans to associate companies are unsecured, have no fixed terms of repayment and are interest free except the loan to Vunani Properties Pty Ltd which bears interest at prime rate.

As a result of loss of control, the investment in Vunani Resources Proprietary Limited has been equity accounted.

* *Less than R1000*

Accounting considerations

IAS 28 defines an associate as an entity over which an investor has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control of those policies.

The group holds more than 20% of the voting power of its associate investee companies and has meaningful representation on the board of directors of these associate companies. The group has the ability to participate in policy-making processes which include dividend decisions.

The group equity accounts certain investments where it holds 50% or more of the equity of a company. This is as a result of the group not having control of the company based on the shareholders' agreements in place that limits the group's ability to direct the relevant activities of the investee company.

19. INVESTMENTS IN AND LOANS TO ASSOCIATES (CONTINUED)

Impairments

The group reviews the recoverability of investments in associates and loans to associates by considering a broader range of information when assessing credit risk and measuring expected credit losses, including past events (cumulative loses are in excess of carrying amounts), current conditions (loss making investees), reasonable and supportable forecasts that affect the expected collectability of the future cash flows from the investees. This includes both quantitative and qualitative information and analysis, based on the group's historical experience and informed credit assessment and including forward-looking information.

Associates year ends and nature of operations

All associates are incorporated in the Republic of South Africa, with the exception of Purpose Vunani Asset Management (Private) Limited, which operates in Zimbabwe, BetBio Zambia Limited, which operate in Zambia and Alliance Capital which operates in Malawi. The carrying amounts of associates are shown net of impairment losses.

Associates that have different year-ends to the group are equity-accounted on the basis of the associates' year-end audited/unaudited financial information (which is within three months of the group's financial period end).

The group has accounted for losses incurred by associates to the extent of investments made.

The group has not recognised losses totalling R5.9 million (2021: Rnil) in relation to its interests in associates, because the group has no obligation in respect of these losses.

Below is a description of the nature of the operations and activities of associates:

Associate	Nature of operations and activities
Alliance Holdings Limited	Fund management
Anatrica SA Proprietary Limited	Commodities trading
BetBio Zambia Limited	Gaming activities
Black Wattle Colliery Proprietary Limited	Mining operations
Butsanani Energy Investments Proprietary Limited	Mining operations
Isilo Investments RF Proprietary Limited	Investment holding
Nevzospan Proprietary Limited	Gaming activities
Newshelf 1361 Proprietary Limited	Investment holding
Phakamani Impact Capital Proprietary Limited	Enterprise development – financial services
Purpose Asset Management Private Limited	Fund management
Ulricraft Proprietary Limited	Property management and investments
Vunani Fintech Fund Proprietary Limited	Fintech investments
Vunani Properties Proprietary Limited	Property management and investments
Vunani Resources Proprietary Limited	Coal trading
Verbicept Proprietary Limited	Investment holding

19. INVESTMENTS IN AND LOANS TO ASSOCIATES (CONTINUED)

Associates' net carrying amount is presented below:

	Group and Company					
Figures in R'000	Effective ownership	Cost of investment	Loans to/ (from) associates	Cumulative Impairments	Cumulative equity earnings net of dividends	Net carrying amount
2022						
Alliance Capital Limited	**45.00%**	**5 758**	**–**	**(5 758)**	**–**	**–**
Anatrica SA Proprietary Limited	**29.25%**	*****	**–**	**–**	**761**	**761**
BetBio Zambia Limited	**45.00%**	*****	**–**	**–**	**16 373**	**16 373**
Black Wattle Colliery Proprietary Limited	**37.50%**	**28 120**	**–**	**–**	**4 402**	**32 522**
Butsanani Energy Investments Proprietary Limited	**26.22%**	**63 000**	**–**	**–**	**6 684**	**69 684**
Isilo Investments RF Proprietary Limited	**51.00%**	**135**	**–**	**–**	**–**	**135**
Newshelf 1361 Proprietary Limited	**25.00%**	*****	**5 738**	**(5 738)**	**–**	**–**
Phakamani Impact Capital Proprietary Limited	**40.00%**	**1 899**	**500**	**–**	**24**	**2 423**
Purpose Vunani Asset Management (Private) Limited	**65.00%**	**3 892**	**–**	**(3 720)**	**1 341**	**1 513**
Vunani Fintech Fund Proprietary Limited	**20.00%**	*****	**–**	**–**	**19 522**	**19 522**
Vunani Properties Proprietary Limited	**70.00%**	*****	**6 032**	**(60)**	**–**	**5 972**
Vunani Resources Proprietary Limited	**75.00%**	**267**	**3 153**	**(889)**	**–**	**2 531**
Verbicept Proprietary Limited	**50.00%**	**52 386**	**(210)**	**–**	**12 063**	**64 239**
Other immaterial associates #		*****	**1 415**	**–**	**–**	**1 415**
		155 457	**16 628**	**(16 165)**	**61 170**	**217 090**
2021						
Alliance Capital Limited	45.00%	5 758	–	(3 766)	–	1 992
Anatrica SA Proprietary Limited	29.25%	*	1 095	–	761	1 856
BetBio Zambia Limited	45.00%	*	–	–	17 194	17 194
Black Wattle Colliery Proprietary Limited	37.50%	*	–	–	–	–
Butsanani Energy Investments Proprietary Limited	26.22%	63 000	9 108	–	–	72 108
Newshelf 1361 Proprietary Limited	25.00%	*	5 738	(5 738)	–	–
Phakamani Impact Capital Proprietary Limited	51.00%	1 899	500	–	(525)	1 874
Purpose Vunani Asset Management (Private) Limited	65.00%	3 892	–	(3 720)	–	172
Vunani Fintech Fund Proprietary Limited	20.00%	*	–	–	5 673	5 673
Vunani Properties Proprietary Limited	70.00%	*	5 016	–	–	5 016
Verbicept Proprietary Limited	50.00%	52 386	(283)	–	4 166	56 269
		126 935	21 174	(13 224)	27 269	162 154

* *Less than R1 000.*

\# *The other associates represents immaterial assets not presented individually.*

19. INVESTMENTS IN AND LOANS TO ASSOCIATES (CONTINUED)

A reconciliation of the movements in associates is shown below:

	Group		
2022	**Investment at cost**	**Loans to associates**	**Total**
Investment at cost and loans to associates	**155 457**	**16 628**	**172 085**
Cumulative impairments	**(9 478)**	**(6 687)**	**(16 165)**
Cumulative equity earnings net of dividends	**61 170**	**–**	**61 170**
	207 149	**9 941**	**217 090**
2021			
Investment at cost and loans to associates	126 935	21 174	148 109
Cumulative impairments	(7 486)	(5 738)	(13 224)
Cumulative equity earnings net of dividends	27 269	–	27 269
	146 718	15 436	162 154

	Company		
2022	**Investment at cost**	**Loans to associates**	**Total**
Investment at cost and loans to associates	**64 201**	**16 631**	**80 832**
Cumulative impairments	**(9 478)**	**(949)**	**(10 427)**
	54 723	**15 682**	**70 405**
2021			
Investment at cost and loans to associates	63 934	5 234	69 168
Cumulative impairments	(7 486)	–	(7 486)
	56 448	5 234	61 682

19. INVESTMENTS IN AND LOANS TO ASSOCIATES (CONTINUED)

Material associates' statement of financial position are presented below:

Figures in R'000	Current assets	Cash and cash equivalents	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Net assets
as at 28 February 2022								
Anatrica SA Proprietary Limited	**92 610**	**36 416**	**17**	**129 043**	**(119 743)**	**(6 698)**	**(126 441)**	**2 602**
BetBio Zambia Limited *	**14 150**	**19 232**	**228**	**33 609**	**(35 435)**	**–**	**(35 435)**	**(1 825)**
Black Wattle Colliery Proprietary Limited	**163 838**	**20 668**	**182 733**	**367 238**	**(273 942)**	**(48 511)**	**(322 453)**	**44 785**
Butsanani Energy Investments Proprietary Limited *	**141 731**	**61 595**	**388 829**	**592 155**	**(168 001)**	**(419 583)**	**(587 584)**	**4 571**
Phakamani Impact Capital Proprietary Limited	**1 320**	**4 876**	**989**	**7 184**	**(2 415)**	**(1 000)**	**(3 415)**	**3 770**
Purpose Asset Management Private Limited	**3 146**	**26**	**776**	**3 948**	**(747)**	**(336)**	**(1 083)**	**2 864**
Verbicept Proprietary Limited *	**210**	**6**	**158 791**	**159 007**	**(58)**	**(94 501)**	**(94 559)**	**64 448**
Vunani Fintech Fund Proprietary Limited *	**–**	**8 265**	**396 564**	**404 829**	**(518)**	**(306 701)**	**(307 219)**	**97 610**
Other immaterial associates #	**8 618**	**441**	**1 770**	**10 829**	**(17 597)**	**(1 475)**	**(19 071)**	**(8 242)**
	425 621	**151 524**	**1 130 697**	**1 707 843**	**(618 456)**	**(878 805)**	**(1 497 260)**	**210 582**
as at 28 February 2021								
Anatrica SA Proprietary Limited	92 610	36 416	17	129 043	(119 743)	(6 699)	(126 442)	2 601
BetBio Zambia Limited *	–	–	–	–	–	–	–	–
Butsanani Energy Investments Proprietary Limited *	–	–	–	–	–	–	–	–
Phakamani Impact Capital Proprietary Limited	1 763	5 943	527	8 233	(4 823)	(1 000)	(5 823)	2 410
Verbicept Proprietary Limited *	–	–	–	–	–	–	–	–
Vunani Fintech Fund Proprietary Limited *	–	–	–	–	–	–	–	–
Other immaterial associates #	–	–	–	–	–	–	–	–
	94 373	42 359	544	137 276	(124 566)	(7 699)	(132 265)	5 011

* *The net asset value is based on the fair values to February 2021, with the exception of Anatrica SA Pty Limited and Phakamani Impact Capital Proprietary Limited which have been based on the book values.*

19. INVESTMENTS IN AND LOANS TO ASSOCIATES (CONTINUED)

Material associates' statement of comprehensive income is presented below:

Figures in R'000	Revenue/ other income	Fair value adjustments	Depre-ciation	Interest Income/ (expense)	Income tax (expense)	Other expenses	Total compre-hensive income
for the year ended 28 February 2022							
Anatrica SA Proprietary Limited	–	–	–	–	–	–	–
BetBio Zambia Limited *	149 441	–	(130)	2	–	(140 069)	9 244
Black Wattle Colliery Proprietary Limited	887 880	–	(51 789)	(13 288)	(12 905)	(780 553)	29 345
Butsanani Energy Investments Proprietary Limited *	1 006 727	–	(1 938)	(30 874)	(18 412)	(930 040)	25 464
Phakamani Impact Capital Proprietary Limited	21 855	–	–	167	(522)	(20 127)	1 373
Purpose Asset Management Private Limited	8 283	1 100	(60)	–	(932)	(5 999)	2 391
Verbicept Proprietary Limited *	–	11 090	–	–	(3 139)	(54)	7 897
Vunani Fintech Fund Proprietary Limited *	–	96 293	–	(8 301)	(17 253)	(1 495)	69 244
Other immaterial associates #	3 794	–	(186)	–	–	(7 632)	(4 024)
	2 077 980	108 482	(54 102)	(52 293)	(53 163)	(1 885 971)	140 934
for the year ended 28 February 2021							
Anatrica SA Proprietary Limited	–	–	–		–	–	–
BetBio Zambia Limited	–	–	–		–	–	–
Butsanani Energy Investments Proprietary Limited	–	–	–		–	–	–
Phakamani Impact Capital Proprietary Limited	1 444	–	(20)	14	–	(2 751)	(1 313)
Verbicept Proprietary Limited	–	–	–		–	–	–
Vunani Fintech Fund Proprietary Limited	–	–	–		–	–	–
Other immaterial associates#	–	–	–		–	–	–
	1 444	–	(20)	14	–	(2 751)	(1 313)

The other associates represents immaterial assets not presented individually.

19. INVESTMENTS IN AND LOANS TO ASSOCIATES (CONTINUED)

A reconciliation of the investments in and loans to associates:

at 28 February 2022	Group and Company							
Figures in R'000	**Effective ownership**	**Net asset value**	**Share of net assets**	**Loans to associates**	**Impairments**	**Goodwill***	**Losses not accounted for**	**Net carrying amount**
Anatrica SA Proprietary Limited	**29.25%**	**2 602**	**–**	**–**	**–**	**761**	**–**	**761**
BetBio Zambia Limited*	**45.00%**	**(1 825)**	**(821)**	**–**	**–**	**17 194**	**–**	**16 373**
Black Wattle Colliery Proprietary Limited	**37.50%**	**44 785**	**6 718**	**–**	**–**	**25 804**	**–**	**32 522**
Butsanani Energy Investments Proprietary Limited*	**26.22%**	**4 571**	**1 199**	**–**	**–**	**68 485**	**–**	**69 684**
Phakamani Impact Capital Proprietary Limited	**40.00%**	**3 770**	**1 508**	**500**	**–**	**415**	**–**	**2 423**
Purpose Asset Management Private Limited	**65.00%**	**2 864**	**1 862**	**–**	**(3 720)**	**3 371**	**–**	**1 513**
Verbicept Proprietary Limited*	**50.00%**	**64 448**	**60 282**	**(210)**	**–**	**4 166**	**–**	**64 238**
Vunani Fintech Fund Proprietary Limited*	**20.00%**	**97 610**	**13 849**	**–**	**–**	**5 673**	**–**	**19 522**
Other immaterial associates#		**(8 242)**	**(156)**	**16 341**	**(12 445)**	**402**	**5 913**	**10 055**
		210 582	**84 440**	**16 631**	**(16 165)**	**126 272**	**5 913**	**217 090**
at 28 February 2021								
Anatrica SA Proprietary Limited	29.25%	–	–	1 095	–	761	–	1 856
BetBio Zambia Limited	45.00%	–	–	–	–	17 194	–	17 194
Butsanani Energy Investments Proprietary Limited	26.22%	–	63 000	9 108	–	–	–	72 108
Phakamani Impact Capital Proprietary Limited	40.00%	2 410	1 374	500	–	–	–	1 874
Verbicept Proprietary Limited	50.00%	52 386	52 386	(283)	–	4 166	–	56 269
Vunani Fintech Fund Proprietary Limited	20.00%	–	–	–	–	5 673	–	5 673
Other immaterial associates&		–	9 649	10 755	(13 224)	–	–	7 180
			126 409	21 175	(13 224)	27 794	–	162 154

& *The other associates represents immaterial assets not represented individually.*

* *In terms of IAS 28.32, on the date of acquisition of an equity accounted investee, fair values are attributable to the investee's identifiable assets and liabilities. Any positive difference between the cost of investment and the investor's share of the fair values of the identifiable net assets acquired is goodwill.*

Goodwill is included in the carrying amount of the investment in the equity accounted investee and is not shown separately.

Any excess in the investor's share in the fair value of identifiable net assets over cost is included in the investor's share of the investee's profit or loss in the period in which the investment is acquired. This above goodwill has been accounted for in the equity accounted earnings in the statement of comprehensive.

Figures in R'000	Group 2022	Group 2021	Company 2022	Company 2021
20. OTHER FINANCIAL ASSETS				
Non-current				
Black Wattle Option				
Opening balance	**28 119**	–	**–**	–
Acquired via the unbundling	**–**	28 119	**–**	–
Change in accounting treatment adjustment	**(28 119)**	–	**–**	–
Balance at 28 February 2022	**–**	28 119	**–**	–

During the financial period, Vunani Mining Proprietary Limited ("Vunani Mining"), a subsidiary of Vunani Capital Partners Limited, assessed its economic rights and ability to exercise significant influence in Black Wattle through its 37.5% shareholding consisting of 22.5% A ordinary shares and 15% ordinary shares. Vunani Mining has classified this investment as an associate as it has the ability to exercise significant influence in the company in relation to its 15% ordinary shares. This has resulted in the group reclassifying its investment from other financial assets to an investment in associate.

Figures in R'000	Group 2022	Group 2021	Company 2022	Company 2021
21. DEFERRED TAX ASSET				
Recognised deferred tax asset arises on:				
Fair value of investments	**(1 456)**	2	**(1 456)**	2
Other financial liabilities	**1 714**	1 565	**1 714**	1 565
	258	1 567	**258**	1 567
Reconciliation of movement in deferred tax				
Balance at the beginning of the period	**1 567**	–	**1 567**	–
Acquired	**–**	1 455	**–**	1 455
Recognised against profit or loss	**(1 309)**	(345)	**(1 309)**	112
	–	457	**–**	–
Balance at end of the year	**258**	1 567	**258**	1 567
Estimated tax losses available for utilisation against future taxable income		1 055	**–**	1 135
Recognised as deferred tax assets	**–**	–	**–**	–
Unrecognised estimated tax losses carried forward not accounted for in deferred tax	**–**	1 055	**–**	1 135

Deferred tax assets are raised when there is availability of future taxable profit against which deductible temporary differences and tax losses carried forward can be utilised.

Figures in R'000	Group 2022	Group 2021	Company 2022	Company 2021
22. TRADE AND OTHER RECEIVABLES				
Sundry accounts receivable	**4 514**	13 345	**4 514**	2 145
Trading debtors	**6 221**	2 211	**6 221**	–
Prepaid expenses	**–**	20	**–**	–
Provision for doubtful debts	**–**	(2 211)	**–**	–
	10 735	13 365	**10 735**	2 145
Reconciliation of movement in allowance for impairment				
Balance at the beginning of the year	**–**	–	**–**	–
Impairment allowance acquired	**–**	–	**–**	–
Impairment allowance	**–**	(2 211)	**–**	–
Balance at 28 February 2022	**–**	(2 211)	**–**	–

Factors considered in impairment
The group assesses impairment of trade and other receivables on a portfolio basis grouping those that possess shared credit risk characteristics. These have then been grouped based on the days past due. The group has therefore concluded that the expected loss rates calculated on the trade receivables are a reasonable approximation of the loss rates.

Figures in R'000	Group 2022	Group 2021	Company 2022	Company 2021
23. INVENTORY				
Inventory comprises:				
Balance at the beginning of the year	**1 330**	–	**–**	–
Acquired	**–**	1 330	**–**	–
Loss of control	**(1 330)**	–	**–**	–
Balance at 28 February 2022	**–**	–	**–**	–

Inventory comprise coal on hand, which was disposed off during the year, due to the group losing control in the subsidiary that held the inventory.

Figures in R'000	Group 2022	Group 2021	Company 2022	Company 2021
24. CASH AND CASH EQUIVALENTS				
Cash at bank and cash in hand	**5 916**	627	**5 916**	–
Short-term deposits	**–**	20	**–**	–
Cash and cash equivalents in the statement of cash flows	**5 916**	647	**5 916**	–

Figures in R'000	Group 2022	Group 2021	Company 2022	Company 2021
25. STATED CAPITAL AND SHARE CAPITAL				
Authorised				
500 000 000 (2021: 500 000 000) ordinary shares of no par value				
Issued – Ordinary shares				
165 541 441 (2021: 161 155 915) ordinary shares in issue	**216 955**	211 166	**216 955**	211 166
Reconciliation of the movement in stated capital (R'000)				
Balance at the beginning of the year	**211 166**	–	**211 166**	–
Shares issued	**5 789**	211 166	**5 789**	211 166
Balance at the end of the year	**216 955**	211 166	**216 955**	211 166
Reconciliation of movement in number of shares issued (000s):				
Balance at the beginning of the year	**161 156**	–	**161 156**	–
Shares issued	**4 385**	161 156	**4 385**	161 156
Balance at the end of the year	**165 541**	161 156	**165 541**	161 156
All issued shares have been paid in full. Unissued ordinary shares are under the control of the directors.				
Weighted average number of ordinary shares (000s)				
Issued ordinary shares at the beginning of the year	**161 156**	161 156	**161 156**	–
Shares issued	**3 148**	–	**3 148**	161 156
Weighted average number of shares in issue during the year	**164 304**	161 156	**164 304**	161 156

Figures in R'000	Group 2022	Group 2021	Company 2022	Company 2021
26. OTHER FINANCIAL LIABILITIES				
Carried at fair value through profit or loss				
Opening balance	**6 985**	–	**6 985**	–
Acquired via the unbundling	**–**	6 500	**–**	6 500
Fair value adjustment	**952**	485	**952**	485
Force Holdings Proprietary Limited	**7 937**	6 985	**7 937**	6 985

This represents the value of the option granted to Force Holdings Proprietary Limited to acquire Vunani's shareholding in Verbicept Proprietary Limited, at a 10% discount to the fair value calculated in terms of an agreement with Force Holdings Proprietary Limited.

Figures in R'000	Group 2022	Group 2021	Company 2022	Company 2021
27. PREFERENCE SHARE LIABILITY				
Class A Cumulative redeemable preference shares	*	–	–	–

Vunani Mining Proprietary Limited issued 300 "Class A" cumulative redeemable preference shares which are held 85% (255 shares) by Vunani Resources Proprietary Limited and 15% (45 shares) are held by Vunani Capital Partners Limited. These "Class A" cumulative redeemable preference shares entitles VR and VCP to participate in 85% and 15%, respectively, of all dividends accruing to Vunani Mining Proprietary Limited from the Butsanani Energy Holdings Proprietary Limited investment.
The liability component is measured as nil as no dividends have been received by Vunani Mining from the group's investment in Butsanani.

Figures in R'000	Group 2022	Group 2021	Company 2022	Company 2021
28. TRADE AND OTHER PAYABLES				
Trade creditors	**1 146**	701	**1 146**	–
Sundry payables	**3 510**	4 746	**3 510**	4 697
Expense accruals	**6 247**	2 094	**6 110**	924
Leave pay accrual	**–**	225	**–**	–
VAT receivable	**–**	9 465	**–**	–
	10 903	17 231	**10 766**	5 621

Figures in R'000	Group 2022	Group 2021	Company 2022	Company 2021
29. CASH (UTILISED)/GENERATED BY OPERATIONS				
Profit/(loss) before tax	**57 576**	(13 347)	**23 564**	(41 141)
Adjusted for:				
Finance income	**(2)**	–	**(2)**	–
Finance costs	**–**	20	**–**	–
Impairments	**2 941**	29 369	**2 941**	29 814
Expected credit losses	**–**	(389)	**–**	–
Equity accounted earnings	**(39 544)**	(27 269)	**–**	–
Profit on disposal of assets	**(5 836)**	–	**(6 055)**	
Dividend income	**(34)**	–	**(5 333)**	
Foreign exchange gain	**(266)**	–	**(266)**	
Fair value adjustments	**(13 706)**	10 192	**(13 706)**	10 192
	1 129	(1 424)	**1 143**	(1 135)
Changes in working capital:				
Decrease in trade and other receivables	**(6 593)**	(13 365)	**(6 595)**	(2 145)
Increase in trade and other payables	**2 619**	16 786	**2 628**	3 279
Decrease in inventory	**–**	(1 330)	**–**	–
Cash (utilised)/generated by operations	**(2 845)**	667	**(2 824)**	–
30. INCOME TAX PAID				
Payable at beginning of the year	**–**	–	**–**	–
Current year tax charge	**(3 211)**	–	**(3 211)**	–
Payable at end of the year	**–**	–	**–**	–
	(3 211)	–	**(3 211)**	–

31. RELATED PARTIES

Relationships

Major shareholder	Bambelela Capital Proprietary Limited
Subsidiaries	Refer to note 16
Associates	Refer to note 19
Directors	Per the Directors report

Figures in R'000	2022	2021
Related party balances		
Investments in subsidiaries	**85 105**	85 142
Loan to subsidiary company	**289**	17 992
Related party transactions		
Directors remuneration and benefits - note 33.		

32. NON-CONTROLLING INTEREST

The group lost control of its investment in Vunani Resources as such, the group does not recognised NCI.

The following table summarises the information relating to each of the group's subsidiaries' material non-controlling interest ("NCI") before intra-group eliminations. Intra-group transactions and balances that eliminate on consolidation are reflected separately.

28 February 2021

Figures in R'000	Vunani Resources Proprietary Limited	Intra-group eliminations	Total
NCI percentage	25%		
Non-current assets	1 624		
Current assets	18 935		
Non-current liabilities	–		
Current liabilities	(20 218)		
Net assets	342		
Carrying amount of NCI	85	(9)	76
Revenue	–		
Loss	(289)		
OCI	–		
Total comprehensive loss	(289)		
Loss allocated to NCI	(72)	–	(72)
OCI allocated to NCI	–		–
Net increase in cash and cash equivalents	162		
Dividends paid to non-controlling interest	–		

33. DIRECTORS REMUNERATION AND BENEFITS

Figures in R'000	Non-executive directors' fees	Salaries	Total
2022			
NM Anderson	–	*	–
PR Gwaze	–	*	–
E Dube	–	*	–
BM Khoza	–	*	–
T Mika	–	*	–
LI Jacobs (Chairman)	192	–	192
G Nzalo	98	–	98
JR Macey	120	–	120
N Mazwi	98	–	98
S Mthethwa	75	–	75
M Golding	75	–	75
Total	**657**	**–**	**657**

* *No emoluments were paid to directors in the February 2021 financial period.*

The rest of the directors are remunerated by Vunani Capital Proprietary Limited.

34. COMPARATIVE FIGURES

The company operated for less than one month in February 2021 as such, information presented is not comparable.

35. SEGMENTAL REPORTING

The group has the seven operating segments: resources and energy, gaming, financial services, fintech, BEE investments, commodity trading and property.

The following summary describes the operations in each of the group's reportable segments:

Basis of measurement

The group uses the following principles to determine segment profit or loss, segment assets and segment liabilities:

Any transactions between segments are eliminated.

All segment profits or losses and the group's profits or losses are measured in the same manner.

All segment assets and liabilities and the group's assets and liabilities are measured in the same manner.

There have been no changes from prior periods in the measurement methods used to determine reported segment profit or loss, except for the impact of new standards.

35. SEGMENTAL REPORTING (CONTINUED)

Figures in R'000	Resources and energy	Gaming	Financial services	Fintech	BEE investments	Commodity trading	Property	Total
Revenue	13 170	905	2 000	1 929	–	–	–	18 004
Other income	–	–	126	–	781	–	–	907
Finance income and interest received from investments	–	–	–	34	–	–	–	34
Profit on disposal of assets	10	5 826	–	–	–	–	–	5 836
Fair value adjustments and impairments	(408)	3 965	(1 992)	2 416	6 844	–	(60)	10 765
Equity accounted earnings	11 086	4 160	2 103	13 849	8 346	–	–	39 544
Taxation	(850)	(3 042)	(144)	(634)	150	–	–	(4 520)
Reportable segment profit/(loss) after tax	14 486	9 618	858	16 359	14 886	(1 856)	(1 295)	53 056
Reportable segment assets	121 571	32 366	4 527	21 450	82 472	761	6 851	269 998
Investment in and loans to associates	104 736	16 911	3 936	19 522	64 373	761	6 851	217 090
Reportable segment liabilities	(8 403)	(2 500)	–	–	(7 937)	–	–	(18 840)

28 February 2021

For the purposes of segmental reporting at 28 February 2021, gaming, financial services, fintech, BEE investments, commodity trading and property have been consolidated under other investments. The company operated from 11 February following the unbundling of the private equity assets out of Vunani Limited, as a result of this, information relating to segmental performance was not available.

Figures in R'000	Reportable segment profit/(loss) after tax 28 February	Total assets 28 February	Total liabilities 28 February
Resources and energy	(387)	92 556	(11 465)
Other investments	(13 305)	129 370	(12 751)
	(13 692)	221 926	(24 216)

Figures in R'000	Group Carrying amount	Undiscounted contractual cash flows	Less than 1 year
36. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT			
36.1 **Liquidity risk**			
28 February 2022			
Current assets			
Investments	**1 108**	**1 108**	**1 108**
Loans to associates	**2 932**	**2 932**	**2 932**
Trade and other receivables	**10 735**	**10 735**	**10 735**
Cash and cash equivalents	**5 916**	**5 916**	**5 916**
	20 691	**20 691**	**20 691**
Current liabilities			
Trade and other payables	**(10 903)**	**(10 903)**	**(10 903)**
	(10 903)	**(10 903)**	**(10 903)**
Net position (current assets less current liabilities)	**9 788**	**9 788**	**9 788**
In the prior year, the financial instruments were classified either as non-derivative financial assets or liabilities.			
28 February 2021			
Current assets			
Loans to associates	9 920	9 920	9 920
Trade and other receivables	13 365	13 365	13 365
Inventory	1 330	1 330	1 330
Cash and cash equivalents	647	647	647
	25 262	25 262	25 262
Current liabilities			
Trade and other payables	(17 231)	(17 231)	(17 231)
	(17 231)	(17 231)	(17 231)
Net position (current assets less current liabilities)	8 031	8 031	8 031

36. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

Figures in R'000	Company Carrying amount	Undiscounted contractual cash flows	Less than 1 year
28 February 2022			
Current assets			
Investments	**1 108**	**1 108**	**1 108**
Loans to associate companies	**8 671**	**8 671**	**8 671**
Loan to subsidiary companies	**289**	**289**	**289**
Trade and other receivables	**10 735**	**10 735**	**10 735**
Cash and cash equivalents	**5 916**	**5 916**	**5 916**
	26 719	**26 719**	**26 719**
Current liabilities			
Trade and other payables	**(10 766)**	**(10 766)**	**(10 766)**
	(10 766)	**(10 766)**	**(10 766)**
Net position (current assets less current liabilities)	**15 953**	**15 953**	**15 953**
28 February 2021			
Current assets			
Loan to subsidiary companies	17 992	17 992	17 992
Trade and other receivables	2 145	2 145	2 145
	20 137	20 137	20 137
Current liabilities			
Trade and other payables	(5 621)	(5 621)	(5 621)
	(5 621)	(5 621)	(5 621)
Net position (current assets less current liabilities)	14 516	14 516	14 516

The prior year disclosures have been amended to include current assets and current liabilities in order to enhance the disclosures.

Management of liquidity risk

The group's approach to managing liquidity by managing its working capital, capital expenditure and cash flows, is to ensure as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation. Ultimate responsibility for liquidity risk management rests with the board of directors. Typically the company ensures that it has sufficient cash on hand to meet operational expenses, including the servicing of financial obligations.

36. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

36.2 Credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure of credit risk was:

	Group		Company	
Figures in R'000	2022	2021	2022	2021
Loan to subsidiary companies	–	–	289	17 992
Trade and other receivables	10 735	13 365	10 735	2 145
Loans to associates	9 943	15 720	9 943	5 234
Cash and cash equivalents	5 916	647	5 916	–
	26 594	29 732	26 883	25 371

Impairment losses

The ageing of financial assets at the reporting date was:

	Group		
Figures in R'000	Total	Trade and other receivables	Loan to associates
2022			
Stage 1	21 627	10 735	10 892
Stage 2	–	–	–
Stage 3	5 738	–	5 738
Impairment	(6 687)	–	(6 687)
	20 678	10 735	9 943
2021			
Stage 1	29 085	13 365	15 720
Stage 2	–	–	–
Stage 3	7 949	2 211	5 738
Impairment	(7 949)	(2 211)	(5 738)
	29 085	13 365	15 720

	Company			
Figures in R'000	Total	Trade and other receivables	Loan to subsidiary company	Loan to associates
2022				
Stage 1	26 706	10 735	289	15 682
2021				
Stage 1	25 371	2 145	17 992	5 234

There is limited credit risk with intercompany loans, as the company does not have any intention to recall the loan. There is no expected repayment terms and thus the probability of default will almost be minimum. Covid-19 has had no impact on the ECL measurement, as such, no ECL has been raised on the loan balances in the current year.

36. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

	Group			
	2022		2021	
Figures in R'000	Carrying amount	Fair value	Carrying amount	Fair value
36.3 **Fair values**				
Financial assets at fair value				
Other investments	35 999	35 999	14 215	14 215
Financial assets at amortised cost				
Loan to associates	9 943	9 943	15 720	11 995
	45 942	45 942	29 935	26 210
Financial liabilities measured at fair value				
Other financial liabilities	(7 937)	(7 937)	(6 985)	(6 985)
	(7 937)	(7 937)	(6 985)	(6 985)

	Company			
	2022		2021	
Figures in R'000	Carrying amount	Fair value	Carrying amount	Fair value
Fair values				
Financial assets at fair value				
Other investments	35 999	35 999	14 215	14 215
Financial assets at amortised cost				
Loan to subsidiary company	289	289	17 992	14 775
Loan to associates	9 943	8 994	5 234	4 067
	46 231	45 282	37 441	33 057
Financial liabilities measured at fair value				
Other financial liabilities	(7 937)	(7 937)	(6 985)	(6 985)
	(7 937)	(7 937)	(6 985)	(6 985)

The carrying amounts of trade and other payables reasonably approximate their fair values and therefore not included in the table above.

36. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

36.4 Fair value hierarchy

The table below analyses recurring fair value measurements for financial assets and financial liabilities. These fair value measurements are categorised into different levels in the fair value hierarchy based on inputs to valuation techniques used. The different levels are defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The group and company do not have level 1 financial assets and liabilities

	Group		Company	
Figures in R'000	**2022**	2021	**2022**	2021
Level 2				
Financial assets measured at fair value	**1 108**	–	**1 108**	–
	1 108	–	**1 108**	–

Information about valuation techniques and inputs used to derive level 2 fair values:

The fair values of unit trusts is linked to active quoted prices of listed shares and are based on current market prices. Since actual market prices are available in determining fair values, no significant estimates or valuation models are applied in determining the fair value of the financial instruments held in the unit trust.

Any movements are recognised as fair value adjustments in the statement of profit or loss.

	Group		Company	
Figures in R'000	**2022**	**2021**	**2022**	**2021**
Level 3				
Financial assets measured at fair value	**34 891**	42 334	**34 891**	14 215
Financial assets measured at amortised cost	**9 943**	11 995	**9 283**	18 842
Financial liabilities measured at fair value	**(7 937)**	(6 985)	**(7 937)**	(6 985)
	36 897	47 344	**36 237**	26 072

A change in the unobservable inputs of the investment and liability at the reporting date would have increased/(decreased) equity and profit or loss by the amount shown below. This analysis assumes that all other variables remain constant.

36. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

Effect on statement of comprehensive income (profit/(loss)) and equity before taxation

	Group		Company	
Free cash flow	**2022**	2021	**2022**	2021
10% increase	**568**	4 710	**568**	1 477
10% decrease	**(568)**	(2 707)	**(568)**	(1 479)
Net asset value				
10% increase	**2 238**	1 422	**2 238**	1 422
10% decrease	**(2 238)**	(1 422)	**(2 238)**	(1 422)
Foreign exchange movements				
1% increase	**122**	1 422	**122**	1 422
1% decrease	**(122)**	(1 422)	**(122)**	(1 422)

36.5 Fair value information

Level 3

Information about valuation techniques and inputs used to derive level 3 fair values

Valuation processes applied by the Group

The group uses both internal staff members and external consultants to prepare the valuations. After the valuations are performed they are presented to the investment committee for independent review.

Valuation techniques

Where a quoted price does not represent fair value at the measurement date or where the market for a financial instrument is not active, the company establishes fair value by using a valuation technique. These valuation techniques may include: earnings multiples; discounted-cash flow analysis: various option pricing models; using recent arm's length market transactions between knowledgeable parties and reference to the value of the net assets of the underlying business.

In applying valuation techniques, the company uses estimates and assumptions that are consistent with available information about the estimates and assumptions that market participants would use in setting a price for the financial instrument.

Valuation techniques applied by the company would result in financial instruments being classified as level 2 or level 3 in terms of the fair value hierarchy. The determination of whether a financial instrument is classified as level 2 or level 3 is dependent on the significance of observable inputs versus unobservable inputs in relation to the fair value of the financial instrument.

Valuation methodologies and techniques applied for level 3 financial instruments include a combination of discounted cash flow analysis, application of earnings multiples on sustainable after tax earnings and or current and projected net asset values to determine overall reasonability. The valuation technique applied to specific financial instruments depend on the nature of the financial instrument and the most appropriate valuation technique is determined on that basis.

36. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

36.5 FAIR VALUE INFORMATION (CONTINUED)

Data is considered by the company to be 'market-based' if the data is: reliable, based on consensus within reasonable narrow, observable ranges, provided by sources that are actively involved in the relevant market and supported by actual market transactions.

It is not intended to imply that all of the above characteristics must be present to conclude that the evidence qualifies as observable market data. Judgement is applied based on the strength and quality of the available evidence.

Listed investments – inputs to valuation techniques

Equity prices: Prices (and indices of prices) of traded equity instruments are readily observable on the JSE Ltd or any other recognised international exchange.

Inputs are selected on a basis that is consistent with the characteristics of the instrument that market participants would take into account in a transaction for that instrument. Inputs to valuation techniques applied by the company include, but are not limited to, the following:

- **Discount rate:** Where discounted-cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate used is a market rate at the reporting date for an instrument with similar terms and conditions.
- **The time value of money:** The business may use well-accepted and readily observable general interest rates, or an appropriate swap rate, as the benchmark rate to derive the present value of a future cash flow.

Information about valuation techniques and inputs used to derive level 3 fair values

- **Foreign currency exchange prices:** Active currency exchange markets exist for most major currencies, and prices are quoted.
- **Volatility:** Measures of the volatility of actively traded items can be reasonably estimated by the implied volatility in current market prices. The shape and skew of the volatility curve is derived from a combination of observed trades and doubles in the market. In the absence of an active market, a methodology to derive these volatilities from observable market data will be developed and utilised.
- **Dividend yield:** Dividend yield is represented as a percentage and is calculated by dividing the value of dividends paid in a given year per share held by the value of one share.
- **Earnings multiples:** This is the share price divided by earnings per share.

The following sets out the company's principal valuation techniques used in determining the fair value of financial assets and financial liabilities classified as level 3 in the fair-value hierarchy:

Assets	Valuation technique	Key inputs
Loans and advances:	Discounted cash flow	Discount rates.
Unlisted investments:	Discounted cash flows, adjusted net asset value, earnings multiples, third-party valuations, dividend yields.	Discount rates, valuation multiples, dividend growth, foreign exchange rates.
Liabilities		
Other financial liabilities	Earnings multiples, dividend yields	Valuation multiples, dividend growth

37. OTHER LEGAL AND REGULATORY REQUIREMENTS

No matters have been reported in the current year.

38. GOING CONCERN

The consolidated and separate financial statements have been prepared on a going-concern basis. The group has recognised a profit of R53.1 million (2021: net loss after tax of R13.7 million) for the period ended 28 February 2022, and as at that date current assets, fairly valued, exceed current liabilities by R9.8 million(2021: R8.0 million).

The board undertook processes to ensure that the going-concern principle applies, which include:

- the group's and company's financial budgets and a 12-month rolling cash flow forecast;
- the performance of underlying business operations and their ability to make a positive contribution to the group's and company's objectives;
- the capital structure, liabilities and quality of the assets underpinning the statement of financial position; and
- the group's assets to ensure that these are sufficient to fund imminent liabilities and meet the group's and company's working capital requirements.

Management has a reasonable expectation that the group and company have adequate resources to continue in operational existence for the foreseeable future and that the group and company will extinguish liabilities in the normal course of business at the amounts stated in the consolidated and separate financial statements.

The board is of the view that, based on its knowledge of the group and company, assumptions regarding the outcome of the key processes under way and specific enquiries it has made, the group has adequate resources at their disposal to settle obligations as they fall due and the group and company will continue as going concerns for the foreseeable future.

COVID-19 IMPLICATIONS

The group has been successfully operating with no restrictions. The board and management continue to actively engage, communicate and monitor the impact of Covid-19 on the group's businesses to ensure the sustainability of the group given the conceivable adverse consequence on the economy. The group continues to carefully monitor the impact of Covid-19 on its businesses and has put strategic plans in place to ensure minimum disruptions.

Management continue to stringently monitor debtors to ensure the appropriate credit lines are expanded and are focused on cost containment. Given the abovementioned, management believes the group and company are going concerns and will continue to operate into the foreseeable future.

39. DIVIDENDS

Dividends paid

An interim dividend of 3 cents per share per share was paid to ordinary shareholders in December 2021, (2021: Rnil cents (2.40 cents net of dividend withholding tax). Total cash of R5.0 million (2021: Rnil) was paid to ordinary shareholders.

Dividend declared

Notice is hereby given that a gross ordinary dividend of 18 cents per share (2021: nil cents per share) has been declared out of income reserves on 15 June 2022 and are payable to ordinary shareholders in accordance with the following timetable.

In terms of dividend tax effective since 1 April 2012, the following additional information is disclosed:
The local Dividend Withholding Tax rate is 20%
165 541 441 shares are in issue
The gross ordinary dividend is 18.0000 cents per share for shareholders exempt from paying Dividend Withholding Tax
The net ordinary dividend is 14.4000 cents per share for ordinary shareholders who are not exempt from Dividend Withholding Tax
Vunani Capital Partners Limited's tax reference number is 9582898186

Timetable	2022
Declaration and finalisation date announcement	Wednesday, 15 June
Last day to trade *cum* dividend	Tuesday, 21 June
Shares commence trading *ex*-dividend	Wednesday, 22 June
Record date	Friday, 24 June
Dividend payment date	Thursday, 30 June

No dematerialisation or rematerialisation of shares will be allowed for the period from Tuesday, 21 June 2022 to Friday, 24 June 2022, both dates inclusive.

Dividends are declared in the currency of the Republic of South Africa. The directors have confirmed that the company will satisfy the liquidity and solvency requirements immediately after the payment of the dividend.

40. EVENTS AFTER REPORTING DATE

The invasion of Ukraine by Russian forces will likely result in lower global growth if the war continues for a significant period or if no negotiated settlement is reached in the immediate future. It is too early to tell with any certainty what impact this will have on the company. The war has contributed to an increase in fuel prices which will result in higher inflation, which would result in subdued economic growth and potentially the performance of the local markets. The performance of local and foreign markets could affect the performance of the group and company.

The floods in KwaZulu-Natal region are not expected to impact the group and company.

There have been no other material events between the period end and the date of the signing of the results.

05

SHAREHOLDER INFORMATION

ANALYSIS OF THE SHAREHOLDERS

FOR THE YEAR ENDED 28 FEBRUARY 2022

Shareholder spread	Number of Shareholdings	% of total shareholdings	Number of Shares	% of issued Capital
1 - 1,000	**378**	**63.21%**	60 230	0.04%
1,001 - 10,000	**106**	**17.73%**	329 396	0.20%
10,001 - 100,000	**64**	**10.70%**	2 081 454	1.26%
100,001 - 1,000,000	**35**	**5.85%**	11 405 993	6.89%
Over 1,000,000	**15**	**2.51%**	151 664 368	91.62%
Total	**598**	**100%**	165 541 441	100.00%

Distribution of shareholders	Number of Shareholdings	% of total shareholdings	Number of Shares	% of issued Capital
Companies and close corporations	**35**	**5.85%**	140 976 108	85.16%
Individuals	**546**	**91.30%**	22 645 773	13.68%
Trusts	**7**	**1.17%**	435 508	0.26%
Unincorporated entities	**10**	**1.67%**	1 484 052	0.90%
Total	**598**	**100%**	165 541 441	100%

Shareholder type	Number of shareholdings	% of total shareholdings	Number of shares	% of issued capital
Non-Public shareholders	**22**	**3.69%**	120 269 127	72.65%
Directors and Associates (Direct Holding)	**11**	**1.84%**	3 010 461	1.82%
Directors and Associates (Indirect Holding)	**5**	**0.84%**	61 059 236	36.88%
Strategic Holders: Geomer Investments (Pty) Ltd (>10%)	**1**	**0.17%**	30 040 389	18.15%
Bambelela Capital trusts	**5**	**0.84%**	26 159 041	15.80%
Public shareholders	**576**	**96.32%**	45 272 314	27.35%
Total	**598**	**100%**	165 541 441	**100%**

Shareholding greater than 5%	Number of Shares	% of issued Capital
Bambelela Capital Proprietary Limited	**79 360 463**	47.94%
Geomer Investments Proprietary Limited	**30 040 389**	18.15%
Baleine Capital Proprietary Limited	**10 000 000**	6.04%
Total	**119 400 852**	72.13%

SHAREHOLDERS' DIARY

FOR THE YEAR ENDED 28 FEBRUARY 2022

VUNANI CAPITAL PARTNERS LIMITED – COMPANY

Financial year-end	28 February 2022
Annual report release	15 June 2022
Annual general meeting	27 July 2022
Interim results release	October 2022

NOTICE OF ANNUAL GENERAL MEETING

VUNANI CAPITAL PARTNERS

VUNANI CAPITAL PARTNERS LIMITED
(Incorporated in the Republic of South Africa)
(Registration number 2019/431743/06)
Share code: EXVCP
ISIN: ZAEE00000062
("**VCP**" or "**the Company**")

This document is important and requires your immediate attention.

If you are in any doubt about what action you should take, consult your broker, Central Securities Depository Participant ("**CSDP**"), legal advisor, banker, financial advisor, accountant, or other professional advisor immediately.

If you have disposed of all your shares in the Company, please forward this document, together with the attached form of proxy, to the purchaser of such shares or the broker, CSDP, banker or other agent through whom you disposed of such shares.

NOTICE

NOTICE IS HEREBY GIVEN that the annual general meeting ("**AGM**") of Vunani Capital Partners Limited ("**the Company**") will be held (subject to any adjournment, postponement or cancellation) through electronic participation only at 11:00 on Wednesday, 27 July 2022 to consider and, if deemed fit to pass, with or without modification the resolutions as set out in this notice, in the manner required by the Companies Act, as read with the Equity Express Securities Exchange (Pty) Limited ("**EESE**") Listing Requirements ("**EESE Listing Requirements**").

IMPORTANT DATES APPLICABLE TO THE AGM

The board of directors of the Company has determined, in accordance with section 59(1)(a) and (b) of the Companies Act, the following record dates:

- **Notice Record Date**, being the date on which shareholders must be recorded in the shareholders' register to be eligible to receive the notice of the AGM - **Wednesday**, **15 June 2022.**
- **Voting Record Date**, being the date on which shareholders must be recorded as such in the shareholders' register to be eligible to participate in and vote at the AGM - **Friday, 15 July 2022**.
- Last day to trade in the Company's shares on the EESE in order to be entitled to participate in and vote at the AGM - **Friday, 22 July 2022**.
- Forms of proxy in respect of the AGM to be lodged at or received by **Wednesday, 20 July 2022 at 17:00**.
- General Meeting to be held on **Wednesday, 27 July 2022 at 11:00**.
- Results of AGM released on **Wednesday, 27 July 2022**.

ELECTRONIC PARTICIPATION

In terms of section 63(1) of the Companies Act, any person attending or participating in the AGM must present reasonably satisfactory identification, and the person presiding at the AGM must be reasonably satisfied that the right of any person to participate in and vote (as shareholder or as proxy for a shareholder) has been reasonably verified. Suitable forms of identification will include valid identity documents, driver's licences and passports.

Shareholders wishing to participate in this virtual AGM are required to email The Meeting Specialists ("**TMS**") on proxy@tmsmeetings.co.za, as soon as possible, but ideally no later than 17:00 pm on Wednesday, 20 July 2022. Notwithstanding the aforementioned, any shareholder who wishes to attend the AGM is entitled to contact TMS at any time prior to the commencement of the AGM in order to be verified and provided with access to the platform by TMS. TMS will assist shareholders with the requirements for virtual meeting participation. TMS is obliged to validate this information with the participant's CSDP before providing the necessary means to access the voting platform.

PRESENTATION OF FINANCIAL STATEMENTS

The consolidated audited financial statements of the Company and its subsidiaries ("**the Group**") (as approved by the board of directors of the Company), including the directors' report, the audit and risk committee report and the external auditor's report for the year ended 28 February 2022, have been distributed and will be presented to shareholders as required in terms of sections 30(3)(d) and 61(8)(a) of the Companies Act. The complete financial statements are set out on pages 36 to 96 of the annual report and are available on the Company's website.

RESOLUTIONS FOR CONSIDERATION AND ADOPTION

Ordinary Resolutions

Ordinary resolution number 1: Election and re-election of directors

To elect, by separate resolutions, Messrs E Dube, BM Khoza, T Mika and NM Anderson who, in accordance with the provisions of the Company's memorandum of incorporation, are obliged to retire at this AGM and, being eligible, have offered themselves for re-election. The board of directors of the Company assessed the performance of directors standing for election and re-election and has found them suitable for appointment and re-election.

For each of these resolutions to be passed, votes in favour must represent at least 50% + 1 (fifty per cent plus one) of all votes cast and/or exercised at the meeting in respect of each of these resolutions.

Ordinary resolution 1.1: Re-election of Mr E Dube as a director

"Resolved that the re-election of Mr E Dube as a director of the Company be approved."

Please refer to page 22 of the annual report for a brief *curriculum vitae*.

Ordinary resolution 1.2: Re-election of Mr BM Khoza as a non-executive director

"Resolved that the re-election of Mr MB Khoza as a non-executive director of the Company be approved."

Please refer to page 23 of the annual report for a brief *curriculum vitae*.

Ordinary resolution 1.3: Re-election of Mr T Mika as a non-executive director

"Resolved that the re-election of Mr T Mika as a non-executive director of the Company, be approved."

Please refer to page 23 of the annual report for a brief *curriculum vitae*.

Ordinary resolution 1.4: Re-election of Mr NM Anderson as a director

"Resolved that the re-election of Mr NM Anderson as a director of the Company be approved."

Please refer to page 22 of the annual report for a brief *curriculum vitae*.

Ordinary resolution number 2: Election of audit and risk committee members

To elect, by separate resolutions, audit and risk committee members comprising independent non-executive directors, as provided in section 94(4) of the Companies Act, and elected in terms of section 94(2) to hold office until the next annual general meeting. The board of the Company has assessed the performance of the Group audit and risk committee members standing for election and found them suitable for appointment. Brief résumés for these directors appear as an annexure to this notice.

For each of these resolutions to be passed, votes in favour must represent at least 50% + 1 (fifty per cent plus one) of all votes cast and/or exercised at the meeting in respect of each of these resolutions.

Ordinary resolution 2.1: Re-election of Mr GS Nzalo as a member and chairman of the audit and risk committee

"Resolved that Mr GS Nzalo be and is hereby re-elected as a member and the chairman of the audit and risk committee."

Please refer to page 24 of the annual report for a brief *curriculum vitae*.

Ordinary resolution 2.2: Re-election of Mr JR Macey as a member of the audit and risk committee

"Resolved that Mr JR Macey be and is hereby elected as a member of the audit and risk committee."

Please refer to page 24 of the annual report for a brief *curriculum vitae*.

Ordinary resolution 2.3: Re-election of Ms NS Mazwi as a member of the audit and risk committee

"Resolved that Ms NS Mazwi be and is hereby elected as a member of the audit and risk committee."

Please refer to page 24 of the annual report for a brief *curriculum vitae*.

Ordinary resolution 3: Re-appointment of independent external auditors

The committee reviewed SM Xulu Incorporated's performance, independence and suitability and nominated them for reappointment as independent external auditors of the Company, to hold office until the next annual general meeting

Resolved that, on the recommendation of the audit and risk committee, SM Xulu Incorporated, together with Sandile M Xulu as designated individual auditor, be and are hereby re-appointed as the independent auditors of the Company (for its financial year ending 28 February 2023), and that their appointment be of full force and effect until the conclusion of the Company's next AGM.

For this resolution to be passed, votes in favour must represent at least 50% + 1 (fifty per cent plus one) of all votes cast and/or exercised at the meeting in respect of this resolution.

Ordinary resolution 4: General authority to directors to allot and issue authorised but unissued ordinary shares

"Resolved that the directors be and are hereby authorised to allot and issue, at their discretion, the unissued share capital of the Company and/or grant options to subscribe for unissued shares, for such purposes and on such terms and conditions as they may determine, provided that such transaction(s) has/have been approved by the EESE as and when required, and are subject to the EESE Listing Requirements and the Companies Act and shareholders hereby waive any pre-emptive rights thereto."

Ordinary resolution 5: General authority to issue shares for cash

"Resolved that, subject to the restrictions set out below and subject to the provisions of the Companies Act and the EESE Listing Requirements, the directors of the Company be and are hereby authorised, until this authority lapses at the next Annual General Meeting of the company or 15 months from the date on which this resolution is passed, whichever is the earlier date, to allot and issue shares of the Company for cash, on the basis that:

a. the shares which are the subject of the issue for cash must be of a class already in issue or, where this is not the case, must be limited to such shares or rights as are convertible into a class already in issue;
b. the total aggregate number of shares which may be issued are the subject of general issues for cash shall not exceed 30 000 000 of the ordinary shares in issue provided that:
    i. in the event of a sub-division or consolidation of shares prior to this authority lapsing, the existing authority shall be adjusted accordingly to represent the same allocation ratio;
c. the maximum discount at which shares may be issued is 15% of the audited net asset value per share at February 2022; and

d. after the Company has issued shares in terms of this general authority to issue shares for cash representing on a cumulative basis within a financial year, 5% or more of the number of shares in issue prior to that issue, the Company shall publish an announcement containing full details of that issue, including, the number of shares issued, the average discount to the weighted average traded price of the shares over the 30 business days prior to the date that the issue is agreed in writing between the Company and the party/ies subscribing for the shares and an explanation, including supporting documentation (if any) of the intended use of the funds.

For this resolution to be passed, votes in favour must represent at least 50% + 1 (fifty per cent plus one) of all votes cast and/or exercised at the meeting in respect of this resolution.

SPECIAL RESOLUTIONS

For each of these resolutions to be passed, votes in favour must represent at least 75% (seventy-five per cent) of all votes cast and/or exercised at the meeting in respect of each of these resolutions.

Special resolution 1: Approval of remuneration payable to non-executive directors

Approval in terms of section 66(9) of the Companies Act is required to authorise the Company to remunerate non-executive directors for their service as directors. Furthermore, in terms of the King IV Report, remuneration payable to non-executive directors should be approved by shareholders in advance or within the previous two years.

"Resolved as a special resolution in terms of section 66(9) of the Companies Act, as read with section 65(11)(h), and subject to the provisions of the Company's Memorandum of Incorporation that the Company be and it is hereby authorised to pay remuneration to its non-executive directors for their service as directors for the period of two years from the passing of this resolution or until its renewal, whichever is the earlier date as follows:

Position	Fees
Chairman of the board	R301 600 per annum, includes remuneration for services provided to the group, including chairman of the nomination committee and member of the investment committee and remuneration committee
Base fee for other non-executive directors	R125 000 per annum base fee
Chairperson of the audit and risk committee	R33 000 per annum in addition to the base fee
Chairperson of the social and ethics committee	R33 000 per annum in addition to the base fee
Chairperson of the investment committee	R33 000 per annum in addition to the base fee
Chairperson of the remuneration committee	R33 000 per annum in addition to the base fee
Member of the audit and risk committee	R10 000 per annum in addition to the base fee
Member of the remuneration committee	R10 000 per annum in addition to the base fee
Member of investment committee	R10 000 per annum in addition to the base fee

The fees above exclude VAT where applicable and are payable by the Company.

Special resolution number 1 is proposed in order to comply with the requirements of the Companies Act. The aforementioned rates have been recommended in order to ensure that the remuneration of non-executive directors remains competitive, thereby enabling the company to attract persons of the calibre, capability, skill and experience required in order to make a meaningful contribution to the company. The remuneration proposed is considered to be both fair and reasonable and in the best interests of the company.

Special resolution 2: Repurchase of shares

"Resolved as a special resolution that, subject to the Companies Act, the EESE Listing Requirements and the restrictions set out below, the repurchase of shares of the Company either by the Company or by any subsidiary of the Company be and is hereby authorised by way of a general authority, on the basis that:

a. The general authority given in terms of this special resolution shall remain in force from the date of passing of this special resolution until the conclusion of the next Annual General Meeting of the Company or 15 months from the date on which this resolution is passed, whichever is the earlier date.

b. The general authority shall provide authorisation to the board of directors to repurchase on behalf of the Company, shares in the issued share capital of the Company as follows:

   i. it will be limited, in any financial year of the Company, to a maximum of 20% of the issued share capital of the Company (or 10% of the issued share capital of the Company where the repurchase is affected by a subsidiary) as at the date on which this special resolution is passed;

   ii. the repurchase of shares issued by the Company may not be at a price greater than 10% above the weighted average of the market value at which VCP shares of the same class traded on the EESE for the five business days immediately preceding the date on which the repurchase of shares is effected;

   iii. any such repurchase will be implemented through the order book operated by the EESE trading system and done without any prior understanding or arrangement between the Company and the counter party;

   iv. an announcement will be published as soon as the Company or any of its subsidiaries has repurchased ordinary shares constituting, on a cumulative basis, 3% of the number of ordinary shares in issue prior to the repurchase pursuant to which the aforesaid 3% threshold was reached (and for each 3% in aggregate of the initial number of that class acquired thereafter). Such announcement must contain full details of such repurchases;

   v. the Company (or any subsidiary) must be authorised to do so in terms of its Memorandum of Incorporation;

   vi. at any point in time, the Company may only appoint one agent to effect any repurchase(s) on the Company's behalf; and

   vii. repurchases may not take place during a prohibited period as defined in EESE Listing Requirements unless there is a repurchase programme in place, the dates and quantities of shares to be repurchased during the prohibited period are fixed, and full details thereof have been submitted to the EESE in writing prior to commencement of the prohibited period.

c. The exercise by the directors of the authority to procure the repurchase by the Company's subsidiaries of shares in terms of (b) shall be subject, mutatis mutandis, to the same terms and conditions as those set out above.

d. A resolution has been passed by the board of the Company or its subsidiaries authorising the repurchase, and the Company has passed the solvency and liquidity test as set out in section 4 of the Companies Act, and that there have been no material changes to the financial position of the Company since the application of the solvency and liquidity test by the board.

"Having considered the aggregate effect of the maximum repurchase of 20% of the Company's issued share capital in any one financial year pursuant to the general authority to repurchase shares, the Board of Directors is of the opinion that, for a period of 12 months after the date of this notice of Annual General Meeting":

- the Company and the Group will be able to repay their debts in the ordinary course of business;
- the Company's and the Group's assets will be in excess of the liabilities of the Company and the Group. For this purpose, the assets and liabilities should be recognised and measured in accordance with the accounting policies used in the latest audited Group annual financial statements; and
- the Company's and the Group's ordinary share capital, reserves and working capital will be adequate for ordinary business purposes.

The board is of the opinion that this authority should be in place so as to enable the Company, as and when the opportunity presents itself, to repurchase shares.

Reason for and effect of special resolution 2

The reason for the passing of special resolution 2 is to authorise the Company to repurchase shares issued by it and to enable its subsidiary companies to acquire shares in its share capital.

The effect of the passing of special resolution 2 is that the Company is authorised to repurchase shares issued by it and that the Company's subsidiary companies will be able to repurchase shares in the share capital of the Company, as set out above.

Special resolution 3: Financial assistance to related and inter-related parties

"Resolved that to the extent required by the Companies Act, the board may, subject to compliance with the requirements of the Company's Memorandum of Incorporation, the Companies Act and the EESE Listing Requirements, authorise the Company to provide direct or indirect financial assistance as contemplated in section 45 of the Companies Act by way of loans, guarantees, the provision of security or otherwise, to any of its present or future subsidiaries and/or any other Company or corporation that is or becomes related or inter-related (as defined in the Companies Act) to the Company for any purpose or in connection with any matter, such authority to endure for a period of two years from the date of the passing of this special resolution."

Reason for and effect of special resolution 3

The Company would like the ability to provide financial assistance, if necessary, in accordance with section 45 of the Companies Act. Under the Companies Act, the Company will, however, require the special resolution referred to above to be adopted. In the circumstances and in order to, *inter alia*, ensure that the Company's subsidiaries and other related and inter-related companies and corporations have access to financing and/or financial backing from the Company, it is necessary to obtain the approval of shareholders, as set out in special resolution 3. Therefore, the reason for, and effect of, special resolution 3 is to permit the Company to provide direct or indirect financial assistance (within the meaning attributed to that term in section 45 of the Companies Act) to the entities referred to in special resolution 3.

Ordinary resolution 6: Directors' authority to sign documentation

"Resolved that any director of the Company or the company secretary be and is hereby authorised to sign all such documents and do all such things as may be necessary or incidental to the implementation of ordinary resolutions and special resolutions".

In order for:

a. each of ordinary resolutions 1 to 5 to be adopted, the support of more than 50% of the total number of votes exercisable by shareholders, present in person or by proxy, is required;
b. each of special resolutions 1, 2 and 3 to be adopted, the support of at least 75% of the total number of votes exercisable by shareholders, present in person or by proxy, is required.

For this resolution to be passed, votes in favour must represent at least 50% + 1 (fifty per cent plus one) of all votes cast and/or exercised at the meeting in respect of this resolution.

Litigation

The directors are not aware of any legal or arbitration proceedings (including any such proceedings that are pending or threatened), which may have or have had, in the recent past, being at least the previous 12 months, a material effect on the group's financial position.

Material change

Other than the facts and developments reported on in this integrated annual report, there have been no material changes in the financial or trading position of the group since the company's financial year-end and the signature date of this annual report.

QUORUM

A quorum for the purposes of considering the resolutions above shall consist of three shareholders of the Company personally present or represented by proxy (and if the shareholder is a body corporate, the representative of the body corporate) and entitled to vote at the Annual General Meeting. In addition, a quorum shall comprise 25% of all voting rights entitled to be exercised by shareholders in respect of the resolutions above.

PROXIES

In terms of section 62(3) (e) of the Companies Act:

- a shareholder who is entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy or two or more proxies to attend and participate in and vote at the Annual General Meeting in the place of the shareholder, by completing the form of proxy in accordance with the instructions set out therein; and
- a proxy need not be a shareholder of the Company.

A form of proxy is attached for the convenience of any VCP shareholder holding certificated shares who cannot attend the Annual General Meeting of VCP shareholders, and/or who wishes to be represented thereat. Forms of proxy may also be obtained on request from the Company's registered office. For administrative purposes, the completed forms of proxy should be deposited at or posted to the office of the transfer secretaries of the Company to be received by 17.00 on 22 July 2022 to allow for processing of the proxy forms. Alternatively, the form of proxy may be handed to the Chairman of the Annual General Meeting or to the transfer secretaries at the Annual General Meeting at any time prior to the commencement of the Annual General Meeting or prior to voting on any resolution proposed at the Annual General Meeting. Any member who completes and lodges a form of proxy will nevertheless be entitled to attend and vote in person at the Annual General Meeting should the member subsequently decide to do so.

Shareholders who have already dematerialised their shares through a Central Securities Depository Participant ("**CSDP**") or broker and who wish to attend the Annual General Meeting of VCP shareholders must instruct their CSDP or broker to issue them with the necessary Letter of Representation to attend.

Dematerialised VCP shareholders, who have elected own-name registration in the sub-register through a CSDP and who are unable to attend, but wish to vote at the Annual General Meeting of VCP shareholders, must complete and return the attached form of proxy and lodge it with the transfer secretaries of the Company, by 17.00 on 20 July 2022 to allow for processing. Alternatively, the form of proxy may be handed to the Chairman of the Annual General Meeting at any time prior to the commencement of the Annual General Meeting or prior to voting on any resolution proposed at the Annual General Meeting.

Dematerialised VCP shareholders, who have not elected own-name registration in the sub-register through a CSDP and who are unable to attend but who wish to vote at the Annual General Meeting of VCP shareholders should ensure that the person or entity (such as a nominee) whose name has been entered into the sub-register maintained by a CSDP or broker completes and returns the attached relevant forms of proxy in terms of which they appoint a proxy to vote at the Annual General Meeting of VCP shareholders.

By order of the Board

NM Anderson
Chief executive officer
Date: 15 June 2022

FORM OF PROXY

VUNANI CAPITAL PARTNERS LIMITED
(Incorporated in the Republic of South Africa)
(Registration number 2019/431743/06)
Share code: EXVCP
ISIN: ZAEE00000062
("**VCP**" or "**the Company**")

To be completed by registered certificated shareholders and dematerialised shareholders with own-name registration only.

For use by holders of certificated VCP ordinary shares or holders of dematerialised VCP ordinary shares held through a Central Securities Depository Participant ("**CSDP**") or broker and who have selected own-name registration, at the Annual General Meeting of the Company to be held at 11.00 on 27 July 2022.

Additional forms of proxy are available from the transfer secretaries of the Company.

Not for use by holders of the Company's dematerialised ordinary shares who have not selected own-name registration. The CSDP or broker, as the case may be, of dematerialised VCP ordinary shareholders who have not elected own-name registration, should contact such VCP ordinary shareholders to ascertain the manner in which they wish to cast their vote at the Annual General Meeting and thereafter cast their vote in accordance with their instructions. Such instructions should be communicated to the CSDP or broker, as the case may be, in terms of the agreement between the VCP ordinary shareholder and his/her CSDP or broker. If such dematerialised VCP ordinary shareholder concerned has not been contacted, it would be advisable for them to contact their CSDP or broker, as the case may be, and furnish them with their instructions. Dematerialised VCP ordinary shareholders who are not own-name dematerialised VCP ordinary shareholders and who wish to attend the Annual General Meeting must obtain their necessary letter of representation from their CSDP or broker, as the case may be, and submit same to VCP's transfer secretaries to be received by 17.00 on 20 July 2022 to allow for processing. Alternatively, the letter of representation may be handed to the Chairman of the Annual General Meeting at any time prior to the commencement of the Annual General Meeting or prior to voting on any resolution proposed at the Annual General Meeting. This must be effected in terms of the agreement entered into between the dematerialised VCP ordinary shareholder and his/her/its CSDP or broker.

If the CSDP or broker, as the case may be, does not obtain instructions from such dematerialised VCP ordinary shareholder, they will be obliged to act in terms of the mandate furnished to them, or, if the mandate is silent in this regard, to abstain from voting.

I/We (names in block letters)

Of (address in block letters)

being the holder/s of shares in the Company do hereby appoint

or failing him/her,

or failing him/her,

The Chairman of the Annual General Meeting,

as my/our proxy to act for me/us at the Annual General Meeting of the Company to be held electronically on 27 July 2022, and at any adjournment thereof, and to vote for me/us on my/our behalf in respect of the undermentioned resolutions.

	Number of votes (one vote per ordinary share)		
	For	**Against**	**Abstain**
1. Re-election of directors			
Ordinary resolution number 1.1 Re-election of Mr E Dube as a director			
Ordinary resolution no. 1.2 Re-election of Mr BM Khoza as a non-executive director			
Ordinary resolution no. 1.3 Re-election of Mr T Mika as a non-executive director			
Ordinary resolution number. 1.4 Re-election of Mr NM Anderson as a director			
2. Election of audit and risk committee members			
Ordinary resolution number. 2.1 Re-election of Mr GS Nzalo as a member and chairman of the audit and risk committee			
Ordinary resolution number. 2.2 Re-election of Mr JR Macey as a member of the audit and risk committee			
Ordinary Resolution number. 2.3 Re-election of Ms NS Mazwi as a member of the audit and risk committee			
Ordinary resolution number 3 Re-election of SM Xulu Inc. as the auditor of the company			
Ordinary Resolution number 4 General authority to directors to allot and issue authorised but unissued ordinary shares			
Ordinary Resolution number 5 General authority to directors to allot and issue ordinary shares for cash			
Special resolution number 1 Approval of remuneration payable to non-executive directors			
Special resolution number 2 General authority to repurchase the shares			
Special resolution number 3 Financial assistance to related or inter-related parties			
Ordinary resolution no. 6 Directors' authority to sign documentation			

One vote per share held by shareholders recorded in the register on the voting record date.

**Mark "For", "Against" or "Abstain" as required. If no options are marked the proxy will be entitled to vote as he/she thinks fit.*

Each shareholder is entitled to appoint one or more proxies (who need not be a shareholder of the company) to attend, speak, and on a poll, vote in place of that shareholder at the AGM.

Signed at on the day of 2022

Signature(s)

Capacity

Please read notes on the following page.

NOTES TO THE FORM OF PROXY

Notes

1. A member may insert the name of a proxy or the names of two alternate proxies of the member's choice in the space(s) provided, with or without deleting "the chairman of the AGM". The person whose name stands first on this form of proxy and who is present at the AGM will be entitled to act as proxy to the exclusion of those whose names follow.
2. A member should insert an "X" in the relevant space according to how he wishes his votes to be cast. However, if a member wishes to cast a vote in respect of a lesser number of ordinary shares than he owns in the company, he should insert the number of ordinary shares held in respect of which he wishes to vote. Failure to comply with the above will be deemed to authorise the proxy to vote or to abstain from voting at the AGM as he deems fit in respect of all the member's votes exercisable at the AGM. A member is not obliged to exercise all of his votes, but the total of the votes cast and abstentions recorded may not exceed the total number of the votes exercisable by the member.
3. The completion and lodging of this form of proxy will not preclude the relevant member from attending the AGM and speaking and voting in person to the exclusion of any proxy appointed in terms hereof, should such member wish to so do.
4. The chairman of the AGM may reject or accept any form of proxy, which is completed and/or received, other than in compliance with these notes.
5. Shareholders who have dematerialised their shares with a CSDP or broker, other than with own name registration, must arrange with the CSDP or broker concerned to provide them with the necessary letter of representation to attend the AGM or the ordinary shareholders concerned must instruct their CSDP or broker as to how they wish to vote in this regard. This must be done in terms of the custody agreement entered into between the shareholders and the CSDP or broker concerned.
6. Any alteration to this form of proxy, other than the deletion of alternatives, must be signed, not initialled, by the signatory/ies.
7. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity (e.g. on behalf of a company, close corporation, trust, pension fund, deceased estate, etc.) must be attached to this form of proxy, unless previously recorded by the company or waived by the chairman of the AGM.
8. A minor must be assisted by his/her parent or guardian, unless the relevant documents establishing his/her capacity are produced or have been recorded by the company.
9. Where there are joint holders of shares:
   - any one holder may sign this form of proxy; and
   - the vote of the senior joint holder who tenders a vote, as determined by the order in which the names stand in the company's register of members, will be accepted.
10. To be valid, the completed forms of proxy must either: (a) be lodged or emailed to so as to reach the transfer secretaries by no later than the relevant time or (b) be lodged with the chairman of the AGM prior to the AGM so as to reach the chairman by no later than immediately prior to the commencement of voting on the ordinary and special resolutions to be tabled at the AGM.
11. The proxy appointment is revocable by the shareholders giving written notice of the cancellation to the company prior to the AGM or any adjournment thereof. The revocation of the proxy appointment constitutes a complete and final cancellation of the proxy's authority to act on behalf of the shareholders as of the later of: (i) the date stated in the written notice, if any or (ii) the date on which the written notice was delivered as aforesaid.
12. If the instrument appointing a proxy or proxies has been delivered to the company, any notice that is required by the Companies Act or the MOI to be delivered by the company to shareholders must (as long as the proxy appointment remains in effect) be delivered by the company to: (i) the shareholder or (ii) the proxy or proxies of the shareholder has directed the company to do so, in writing and pay it any reasonable fee charged by the company for doing so.

Summary of the rights

Established in terms of section 58 of the Companies Act.

For purposes of this summary, "shareholder" shall have the meaning ascribed thereto in the Companies Act.

1. At any time, a shareholder of a company is entitled to appoint an individual, including an individual who is not a shareholder of that company, as a proxy, to participate in, and speak and vote at, a shareholders' meeting on behalf of the shareholder, or give or withhold written consent on behalf of such shareholder in relation to an decision contemplated in section 60 of the Companies Act.
2. A proxy appointment must be in writing, dated and signed by the relevant shareholder, and such proxy appointment remains valid for one year after the date upon which the proxy was signed, or any longer or shorter period expressly set out in the appointment, unless it is revoked in a manner contemplated in section 58(4)(c) of the Companies Act or expires earlier as contemplated in section 58(8)(d) of the Companies Act.
3. Except to the extent that the MOI of a company provides otherwise:
   a. a shareholder of the relevant company may appoint two or more persons concurrently as proxies, and may appoint more than one proxy to exercise voting rights attached to different securities held by such shareholder;
   b. a proxy may delegate his authority to act on behalf of a shareholder to another person, subject to any restriction set out in the instrument appointing the proxy; and
   c. a copy of the instrument appointing a proxy must be delivered to the relevant company, or to any other person on behalf of the relevant company, before the proxy exercises any rights of the shareholder at a shareholders' meeting.
4. Irrespective of the form of instrument used to appoint a proxy, the appointment of the proxy is suspended at any time and to the extent that the shareholder who appointed that proxy chooses to act directly and in person in the exercise of any rights as a shareholder of the relevant company.
5. Unless the proxy appointment expressly states otherwise, the appointment of a proxy is revocable. If the appointment of a proxy is revocable, a shareholder may revoke the proxy appointment by cancelling it in writing, or making a later inconsistent appointment of a proxy, and delivering a copy of the revocation instrument to the proxy and the company.
6. The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy's authority to act on behalf of the relevant shareholder as of the later of the date: (a) stated in the revocation instrument, if any or (b) upon which the revocation instrument is delivered to the proxy and the relevant company as required in section 58(4)(c)(ii) of the Companies Act.
7. If the instrument appointing a proxy or proxies has been delivered to the relevant company, as long as that appointment remains in effect, any notice that is required by the Companies Act or the relevant company's MOI to be delivered by such company to the shareholder, must be delivered by such company to the shareholder, or to the proxy or proxies, if the shareholder has directed the relevant company to do so in writing and paid any reasonable fee charged by the company for doing so.
8. A proxy is entitled to exercise, or abstain from exercising, any voting right of the relevant shareholder without direction, except to the extent that the MOI, or the instrument appointing the proxy provides otherwise.
9. If a company issues an invitation to shareholders to appoint one or more persons named by such company as a proxy, or supply a form of instrument for appointing a proxy:
   a. such invitation must be sent to every shareholder who is entitled to notice of the meeting at which the proxy is intended to be exercised;
   b. the invitation, or form of instrument supplied by the relevant company, must: (a) bear a reasonably prominent summary of the rights established in section 58 of the Companies Act; (b) contain adequate blank space, immediately preceding the name or names of any person or persons named in it, to enable a shareholder to write in the name and, if so desired, an alternative name of a proxy chosen by such shareholder and (c) provide adequate space for the shareholder to indicate whether the appointed proxy is to vote in favour or against the applicable resolution/s to be put at the relevant meeting, or is to abstain from voting;
   c. the company must not require that the proxy appointment be made irrevocable; and
   d. the proxy appointment remains valid only until the end of the relevant meeting at which it was intended to be used, unless revoked as contemplated in section 58(5) of the Companies Act.

ELECTRONIC PARTICIPATION IN THE VUNANI CAPITAL PARTNERS LIMITED VIRTUAL ANNUAL GENERAL MEETING TO BE HELD ON 27 JULY 2022

THE ANNUAL GENERAL MEETING

- Shareholders or their proxies who wish to participate in the annual general meeting via electronic communication ("**Participants**"), must apply to the company's meeting scrutineers to do so by e-mailing the form below ("the application") to the e-mail address of the company's meeting scrutineers, The Meeting Specialist (Proprietary) Ltd ("**TMS**"), by no later than 17:00 on 20 July 2022. The e-mail address is as follows: proxy@tmsmeetings.co.za.
- The application may also be posted, at the risk of the Participant, to TMS, PO Box 62043, Marshalltown, 2107, so as to be received by the meeting scrutineers by no later than the time and date set out above.
- Shareholders who have dematerialised their shares, other than those shareholders who have dematerialised their shares with "own name" registration, should contact their Central Securities Depository Participant ("**CSDP**") or broker in the manner and time stipulated in their agreement with their CSDP or Broker:
  - to furnish them with their voting instructions; and
  - in the event that they wish to participate in the meeting, to obtain the necessary authority to do so.
- Participants will be able to vote during the general meeting through an electronic participation platform. Such Participants, should they wish to have their vote(s) counted at the general meeting, must provide TMS with the information requested below.
- Each shareholder, who has complied with the requirements below, will be contacted between 20 July and 26 July 2022 via email/mobile with a unique link to allow them to participate in the virtual general meeting.
- The cost of the Participant's phone call or data usage will be at his/her own expense and will be billed separately by his/her own telephone service provider.
- The cut-off time, for administrative purposes, to participate in the meeting will be 17:00 on 20 July 2022.
- The Participant's unique access credentials will be forwarded to the email/cell number provided below.

APPLICATION FORM

Name and surname of shareholder	
Name and surname of shareholder representative	(if applicable)
Date	
ID number of shareholder or representative	
Email address	
Cell phone number	Telephone number
Name of CSDP or broker	
(If shares are held in dematerialised format)	
SCA number/broker account number or	
Own name account number	
Number of shares	
Signature	
Date	

By signing this form, I agree and consent to the processing of my personal information above for the purpose of participation in the general meeting.

TERMS AND CONDITIONS FOR PARTICIPATING AT THE VUNANI CAPITAL PARTNERS LIMITED ANNUAL GENERAL MEETING TO BE HELD ON 27 JULY 2022 VIA ELECTRONIC COMMUNICATION

- The cost of dialling in using a telecommunication line/webcast/web-streaming to participate in the annual general meeting is for the expense of the Participant and will be billed separately by the Participant's own telephone service provider.
- The Participant acknowledges that the telecommunication lines/webcast/web-streaming are provided by a third party and indemnifies Vunani Capital Partners Limited, EESE and TMS and/or their third-party service providers against any loss, injury, damage, penalty or claim arising in any way from the use or possession of the telecommunication lines/webcast/web-streaming, whether or not the problem is caused by any act or omission on the part of the Participant or anyone else. In particular, but not exclusively, the Participant acknowledges that he/she will have no claim against Vunani Capital Partners Limited, EESE and TMS and/or its third party service providers, whether for consequential damages or otherwise, arising from the use of the telecommunication lines/webcast/ web-streaming or any defect in it or from total or partial failure of the telecommunication lines/webcast/web-streaming and connections linking the telecommunication lines/webcast/web-streaming to the general meeting.
- Participants will be able to vote during the annual general meeting through an electronic participation platform. Such Participants, should they wish to have their vote(s) counted at the annual general meeting, must act in accordance with the requirements set out above.
- Once the Participant has received the link, the onus to safeguard this information remains with the Participant.
- The application will only be deemed successful if this application form has been fully completed and signed by the Participant and delivered or e-mailed to TMS at proxy@tmsmeetings.co.za.

Shareholder name

Signature

Date

Important: You are required to attach a copy of your identity document/driver's licence/passport when submitting the application form.

GENERAL INFORMATION

Registration number	2019/431743/06
Country of incorporation and country of domicile	Republic of South Africa
Headquarters	Sandton, South Africa
EESE code	EXVCP
ISIN	ZAEE00000062
Listing date	15 June 2021
Shares in issue at 28 February 2022	165 541 441
Business address and registered office	Vunani House Vunani Office Park 151 Katherine Street Sandown Sandton
Website	https://vunanicapitalpartners.co.za/
Telephone	011 263 9500
Email	info@vunanicapitalpartners.co.za
Transfer secretaries	Singular Systems (Pty) Ltd 25 Scott Street, Waverley, Johannesburg South Africa, 2090 Tel: +27 (0)10 271 4320 Email: vcp@singular.co.za
Company Secretary	CIS Company Secretaries (Pty) Ltd
Issuer representative	David Steinbuch – Vunani Corporate Finance
External auditors	SM Xulu Inc.

ACRONYMS, ABBREVIATIONS, AND DEFINITIONS

FINANCIAL DEFINITIONS

Basic earnings per share ("EPS") (cents)	Earnings attributable to ordinary shareholders divided by the weighted average number of ordinary shares calculated in cents.
Diluted basic earnings per share (cents)	Earnings attributable to ordinary shareholders divided by the weighted average number of ordinary shares, adjusted for the potential dilutive ordinary shares resulting from share-based payments calculated in cents.
Diluted headline earnings per share (cents)	Headline earnings attributable to ordinary shareholders divided by the weighted average number of ordinary shares, adjusted for the potential dilutive ordinary shares resulting from share-based payments calculated in cents.
Dividends per share (cents)	Total dividends paid to ordinary shareholders divided by the number of ordinary shares issued calculated in cents.
Dividends per share (cents)	Total dividends paid to ordinary shareholders divided by the number of ordinary shares issued calculated in cents.
Headline earnings	Determined in terms of the circular issued by the South African Institute of Chartered Accountants at the request of the JSE, by excluding from reported earnings specific separately identifiable re-measurements net of related tax and non-controlling interests.
Headline earnings per share ("HEPS") (cents)	Headline earnings divided by the weighted number of ordinary shares calculated in cents.
Net asset value per share (cents)	Equity attributable to equity holders of Vunani Capital Partners Limited, divided by the total shares in issue, including treasury shares calculated in cents.
Return on equity (%)	Net income after tax attributable to equity holders of Vunani Capital Partners Limited divided by equity attributable to equity holders of Vunani Capital Partners Limited.
Return on investment (%)	Net income after tax attributable to the investment divided by the cost (equity and loans) of the investment.
Shares in issue (number)	The number of ordinary shares in issue as listed by EESE.
Weighted average number of shares (number)	The number of shares in issue at the beginning of a period, adjusted for shares cancelled, bought back, or issued during the period, multiplied by a time-weighting factor.

SUBSIDIARIES AND ASSOCIATES

African Legend	African Legend Investment Proprietary Limited
Alliance	Alliance Holdings Limited
Anatrica	Anatrica Holdings or Anatrica SA Proprietary Limited
Bambelela Capital	Bambelela Capital Proprietary Limited
BetBio	Betbio Zambia Limited
Black Wattle	Black Wattle Colliery Proprietary Limited
Butsanani Energy	Butsanani Energy Investment Holdings Proprietary Limited
Ferrox	Ferrox Holdings Limited
Isilo	Isilo Investments (RF) Proprietary Limited
PawaPay	Pawa P Holdings Limited
PawaTech	PawaTech Group Limited
Phakamani Impact Capital	Phakamani Impact Capital Proprietary Limited
Purpose Vunani	Purpose Asset Management (Private) Limited

Verbicept	Verbicept Proprietary Limited
Vunani	Vunani Limited
Vunani Capital	Vunani Capital Proprietary Limited
Vunani Capital Partners Limited	A company incorporated in the Republic of South Africa, registration number 2019/431743/06EESE code: EXVCP ISIN: ZAEE00000062 Listed on EESE, ("VCP")
Vunani Fintech Fund	Vunani Fintech Fund Proprietary Limited
Vunani Mining	Vunani Mining Proprietary Limited
Vunani Properties	Vunani Properties Proprietary Limited
Vunani Resources	Vunani Resources Proprietary Limited
Workforce Holdings	Workforce Holdings Limited

OTHER DEFINITIONS

Black	African, Coloured, Indian, and South African Chinese people (who fall within the ambit of the definition of black people in the relevant legislation as determined by court ruling).
Broad-Based Black Economic Empowerment	Socio-economic term concerning formalised initiatives and programmes to enable historically disadvantaged black individuals and groups to participate gainfully and equitably in the mainstream economy.
Companies Act	The Companies Act of South Africa
CPI (%)	A South African index of prices used to measure the change in the cost of basic goods and services.
International Reporting Standards (IFRS)	International Reporting Standards Accounting Standards Board (IASB).
The board	Vunani Capital Partners Limited's board of directors.
The group	Vunani Capital Partners Limited and its subsidiaries
The company	Vunani Capital Partners Limited and its subsidiaries
Special purpose vehicle	An entity created to accomplish a narrow and well-defined objective.

ACRONYMS AND ABBREVIATIONS

AGM	Annual general meeting
AUA	Assets under administration
AUM	Assets under management
BBBEE or BEE	Broad-Based Black Economic Empowerment
bps	Basis points
CA	Chartered Accountant
CEO	Chief executive officer
CFA	Chartered financial analyst
CFO	Chief financial officer
CPI	Consumer price index
DBSA	Development Bank of Southern Africa
DIF	
EBITDA	Earnings before interest, tax depreciation and amortisation
EESE	Equity Express Securities Exchange Proprietary Limited
EPS	Earnings per share
EME	Exempt Micro Enterprises
ESD	Enterprise and Supplier Development

ESG	Environmental, social, and corporate governance
FFS	Fairheads Financial Services Proprietary Limited
FSCA	Financial Sector Conduct Authority
FCTR	Foreign currency translation reserve
GAI	Governance Assessment Instrument
GDP	Gross domestic products
HEPS	Headline earnings per share
IFRS	International Financial Reporting Standards
IoDSA	Institute of Directors in Southern Africa
IRR	Internal rate of return
ISIN	International Securities Identification Number
IT	Information technology
King IV	The King IV Report on Corporate Governance in South Africa
KPI	Key performance indicator
LOM	Life of mine
LSE	London Stock Exchange
LSM	Living standards measure
M&A	Mergers and acquisitions
MBA	Master of Business Administration
MD	Managing director
MOI	Memorandum of Incorporation
MTIS	Mineable Tonnes In-Situ
NAV	Net asset value
NCI	Non-controlling interest
OCI	Other comprehensive income
OECD	The Organisation for Economic Co-operation and Development
PVAM	Purpose Vunani Asset Management
PAT/PBT	Profit after tax/Profit before tax
QSE	Qualifying Small Enterprises
ROE	Return on equity
ROI	Return on investment
REIT	Real estate investment trusts
SADC	Southern African Development Community
SANAS	South African National Accreditation System
SARS	South African Revenue Services
SPV	Special purpose vehicle
SMME	Small, Medium and Micro Enterprises
The group	Vunani Capital Partners Limited
The company	Vunani Capital Partners Limited
VCF	Vunani Corporate Finance, a division of Vunani Capital
VFM	Vunani Fund Managers Proprietary Limited, as subsidiary of Vunani Limited

NOTES

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("VCP" or "the company" or "the group")
Country of incorporation and domicile: South Africa
Registration number: 2019/431743/06
EESE code: EXVCP
ISIN: ZAEE00000062
Listed on the Equity Express Securities Exchange Proprietary Limited ("EESE")
https://vunanicapitalpartners.co.za