VUNANI

CAPITAL PARTNERS

Annual Report
for the year ended 28 February 2023

Agility. Endurance. Performance

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

Contents

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' second annual report to its shareholders which aims to provide a comprehensive review of the company's performance during FY23. Our reporting is intended to enable our stakeholders to make informed assessments of our ability to create value in the short- to medium-term and outlines all opportunities, risks and impacts influencing our ability to create sustainable purpose-driven value.

The report covers the company's activities and the 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
Equity Express Securities Exchange ("EESE") listing requirements	Compliance with listing requirements	Issuer representative: Pride R Gwaze and company secretary

Our approach to materiality

The report discloses VCP'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; and
- the need for a flexible business model for a rapidly changing business environment.

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.

Chairman's and CEO's report

Vunani Capital Partners' operational performance over the past year has been positive, with the key stand out being its ability to generate cash and pay dividends to shareholders. It is unlikely that we will experience the same level of cash generation in the forthcoming 2024 financial year given the decline in coal prices combined with logistical challenges on the coal line to the Richards Bay Coal Terminal.

Operational overview for the year

The investments held by Vunani Capital Partners have not been immune to the challenging micro and macroeconomic environment. These have been driven by high energy prices (which benefited our resources and energy assets) and inflation. Even in challenging times there are good opportunities and we will attempt to position our investments to take advantage of this or pivot where it becomes necessary.

In early January, we concluded a partnership with Ditikeni Trust, through the establishment of an *en commandite* partnership (the Ditikeni Investment Partners Fund 1 Partnership, referred to as "Fund 1") which holds a portfolio of 10 private equity investments and a portfolio of listed Black Economic Empowerment (BEE) schemes. Dividends received by the Ditikeni Trust are paid out to its NPO beneficiaries.

Ditikeni Trust represents a broad base of NPOs that work with children and youth, in crime prevention and reintegration, community development, education and training, HIV and AIDS, land and agricultural rights, people with disabilities, women and gender-based violence, and poverty alleviation. It is estimated that more than 2 million people benefit from the success of Ditikeni Trust.

Through a subsidiary, Vunani Capital Partners Management Company, we provide management services to Fund I. Vunani Capital Partners and Ditikeni Trust are in the process of establishing a second fund where both parties will commit R20 million respectively for new investments.

We have made a commitment to conclude investments in the energy sector that are outside of coal and we are pleased to report that we have made progress on this through an investment in Upgrade Energy Africa (UEA). UEA is a renewable energy developer focused mainly on utility scale solar and wind projects. We are currently assessing other energy deals which we hope to conclude during the current financial year.

Strategy

The unbundling of Vunani Capital Partners out of Vunani Limited and its listing in June 2021 gave us the mandate to focus on the seven investment sectors that we have identified and to continue to grow these with our partners. An example of this is Phakamani Impact Capital's recent acquisition of a majority interest in Maccauvlei Learning Academy which has strong synergies with Phakamani's focus on small- to medium-sized enterprise development.

We will continue to look for opportunities through partnerships and acquisitions within the seven sectors as well as through our investment partnership with the Ditikeni Trust.

Our people

We have an amazing team that has done extremely well since the 2021 unbundling. The team has been exceptional and we are very proud of them. They have continued to deliver great results and value for shareholders and we hope this will continue well into the future. The unbundling from Vunani Limited allowed the VCP team to fully focus on the projects they were running, producing favourable results despite challenges faced while operating in a volatile economy. They continue to find opportunities that will bring opportunities to VCP along with its shareholders.

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. See pages 25 for further detail on our governance.

The board

There have been no changes to the board since the last integrated report.

Looking ahead

The sustainability and longevity of our business will come from the fantastic management team and great partnerships. We are close to the ground and are knowledgeable about what is happening in the regions we operate in. Our team's proven track record to efficiently navigate a tough environment will enable us to identify great opportunities and areas we should focus on.

We expect the macroeconomic challenges to continue, particularly on the African continent. It is how we navigate these challenges to the advantage of our shareholders that ultimately matters.

Appreciation

We appreciate the ongoing support of all of our stakeholders and loyal clients. We express our gratitude in particular to our committed and hard working staff for their dedication during a difficult year. Thank you to the board and its subcommittees for their assistance and guidance in ensuring that the strategy was followed with consistency.

Lionel Jacobs
Independent chairman
19 June 2023

Mark Anderson
Chief executive officer

"We have an excellent team that has done extremely well since the unbundling. The team is very committed and has performed strongly. We are pleased with the results and value to shareholders"

Lionel Jacobs, Chairman

"Our team's track record in navigating tough economic environments will enable us to manage our investments and identify great opportunities"

Mark Anderson, CEO

Highlights

Financial highlights

Revenue from operations of
R15.7 million
(FY22: R18.0 million)

First investment in renewable energy of
R5.3 million

Placed
3.85 million
shares at an average of 239 cents per share raised R9.2 million

Earnings per share of
68.3c
(FY22: 32.3c)

Profit from operations of
R128.3 million
(FY22: R53.1 million)

Interim dividend declared of
38.0c
(FY22: 3.0c)

Total dividend paid of
R98.8 million
since listing

Non-financial highlights

Financial services

Phakamani Impact Capital acquired a majority stake in MLA and launched its own training division

Entered into an *en commandite* partnership with Ditikeni

Property

Four developments secured in Hout Bay and Plettenburg, two residential and two residential and retail

01

VUNANI IN A SNAPSHOT

01 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 JSE-listed financial services group, Vunani Limited, 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 shareholders of VCP.

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 EESE on 15 June 2021.

OUR MILESTONES

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 Net asset value ("NAV") for the seven sectors

2023
Secured first investment in renewable energy

01 Investment focus

INVESTMENT CASE

- EESE listed
- Dividend growth
- Highly cash generative
- Investments in seven sectors
- Investing in renewables, looking into transitioning
- Growing portfolio in high growth Fintech
- Shares trading at a premium

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 and 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 mine. Black Wattle Colliery, which is situated in Middleburg has a 120 000 tonnes per month washing plant and access to rail facilities, enabling the mine to sell both domestic and export coal. In 2022, Black Wattle Colliery secured additional resource rights which has extended the life of mine.

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 ("RMC") 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 ("tpm") over its life of mine. RMC added a 50 000 tonnes washing plant (Pernaby Plant) and is expanding washing capacity with an additional 175 000 tpm washing plant (the Cyclone Plant), which is expected to complete in 2023. This product is sold into the domestic market at a significant premium to Eskom prices.

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 recently invested into Upgrade Energy Africa Proprietary Limited ("UEA") by advancing a convertible loan. If converted, VCP will hold 5% in the Belgian entity which holds UEA. In addition, an option to acquire a further 16% (hold up to 26% with Ditikeni) at a pre-money value of USD6 million has been agreed. This will increase VCP's shareholding to 13%.

VCP is exploring more opportunities which will allow it to transition into renewable energy investments.

Gaming

Together with its partners, VCP has secured gaming licenses in various African countries, namely Cameroon, Democratic Republic of Congo ("DRC"), Malawi, Zambia, Zimbabwe and has activated an online sports betting license in Tanzania through Bookeebet.

Positive dividends are being generated from the licenses in DRC, Malawi and Zambia.

Pawatech

Vunani Capital Partners holds 0.4% shareholding in Pawatech Group Limited (through the flip up of its gaming licence in Ghana). Pawatech operates under the Betpawa brand and provides management services to licences held by VCP in DRC, Malawi and Zambia.

Investment focus (continued)

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.

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 established a separate training division focused primarily on skills development for entrepreneurs and business owners. Phakamani Impact Capital acquired a 54.68% stake in Maccauvlei Learning Academy ("MLA") in October 2022, which is complementary to their training offering.

Fintech

Vunani Fintech Fund

Vunani Fintech Fund is an investment vehicle which enables 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 11 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 R192.3 million. At 28 February 2023 the audited fair value was R446.2 million (FY22: R393.8 million) which is an increase of R52.4 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 in 2022. A rights issue took place, in which VCP further invested R0.5 million and currently holds 0.3% valued at R2.3 million.

Vunani has been working with Betpawa for over five years in a number of these countries as their local partner and license holder and is familiar with their operations and management team.

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 (a Special Purpose Vehicle ("SPV")). VCP's effective shareholding is 21.45 million shares in Workforce Holdings, which is listed on the Alternative Exchange ("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.

African Legend

VCP 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

VCP owns an effective 26% in Isilo Steel, the trading arm of BSI Steel ("BSI"). The entity purchases steel for 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. Isilo was established jointly by BSI and VCP as a majority BEE owned steel trader.

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 has four developments in the Western Cape where it has taken equity stakes and provides development services. Development management services are also provided on a fee only basis to a number of other property projects.

Ditikeni partnership

In January 2023, VCP and Ditikeni established an *en commandite* partnership called the Ditikeni Investment Partners Fund I Partnership ("Fund I"). Fund I holds an unlisted portfolio of investments.

Through a subsidiary company, VCP Management Company, VCP provides management services to Fund I for a fee and a carried interest.

VCP and Ditikeni are in the process of establishing a second *en commandite* partnership called the Ditikeni Vunani Transformation Fund GP ("Fund II"). Fund II will undertake new investments and will also be managed by VCP Managment Company. VCP and Ditikeni have each committed R20 million to Fund II.

01 Our strategy

Our purpose is embedded in and empowered by our integrated strategy, which ensures that we construct and manage surroundings in a way that benefits lives. By concentrating on the business, we make related investments rather than focus on just one industry, and we take an agile approach to conducting business. 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 VCP and listing on EESE has provided a platform for us to more clearly distil and communicate our strategy.

The objectives of the group are to:

- Unlock shareholder value;
- Provide transparency of financial reporting and simplify the process of valuing VCP; and
- Enable 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 7.

Advancing BEE

As a BEE 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	Progress made
Set measurable return benchmarks for the company and its underlying investments	▶ Return on investment ("ROI"), payback period, internal rate of return ("IRR") ▶ Competitor analysis	Set/establish metrics	Ongoing process, achievable overtime
Find a solution for category II licence requirement	▶ Examine alternatives ▶ Establish Fairheads Financial Services ("FFS") as licenced vehicle	Successfully conclude	Process underway. Identified a compliance service provider to assist with the process
Identify key potential investors in our product suite	▶ Institutional clients ▶ Pension funds ▶ DFIs	Successfully identify targets	Ongoing process, achievable overtime
Maintain a dividend paying culture	▶ Balance between NAV growth and dividend payout ▶ At least one dividend per annum ▶ Dividend growth	Interim base 3 cps Final base 18 cps	Dividend grew to 38cps
NAV growth	▶ Consider some gearing, but must be cash flow dependent	Growth of 30% per annum	11% growth achieved between FY22 and FY23
Assets under management ("AUM")	▶ Add R1 billion of AUM ▶ Target R2 billion of AUM in the long-term	Achieving target AUM	Ongoing process, achievable over the long-term

Strategic issues

During the year VCP held an in-depth workshop by management to identify relevant issues, assess their importance and level of priority. The key outcomes were to:

- Focus on investment opportunities that have the potential to be cash generative in the short to medium-term
- Maintain focus on the seven themes, while being open to expanding into other segments
- Build strategic partnerships
- Leverage off the wider Vunani Group
- Establish a balance between cash retention (for investment) and dividend distributions to VCP shareholders

01 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 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 investee company's directive. Group management assesses these risks 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.

The risks identified within the group are presented and discussed at both the audit and risk committee meeting as well as at the board meeting.

The process encompasses both an enterprise-wide risk assessment and divisional assessments. The plans and processes detail 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.

Key risks and mitigation measures

The company is exposed to the following risks:

Key: High | Medium | Low

Key risk	Probability assuming no mitigation controls	Impact	Mitigation
The group's ability to meet its financial obligations and the maintenance of working capital. Unnecessarily expending resources on activities that will not yield the desired objectives.			▶ 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 Chief financial officer ("CFO"), and ultimately the Chief executive officer ("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. ▶ 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.
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.
VCP's focus includes mining-related initiatives within its resources and energy sector.			▶ 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.

Internal audit provides a written assessment of the system of internal controls, including financial controls and risk management processes, and conducts annual reviews to assess the adequacy of the risk management process. To meet its obligations, internal audit has to work with underlying businesses and design, test and embark on a combined assurance review process that is risk-based and draws upon appropriate functional expertise.

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

	People and processes	Management supervision and oversight	Risk management and compliance	Internal audit action	Board committee oversight	Independent external assurance
Top-down approach	Combined risk assurance model	Investee boards	CFO, CEO and company secretary	Review, advisory, report to audit and risk committee	Audit and risk committee	Review and report to audit and risk committee
Combined risk assurance process	Line 1		Line 2	Line 3		Line 4
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.

02

PERFORMANCE REVIEW

02

Chief financial officer's report

Results highlights

Revenue from operations of **R15.7 million** (2022: R18.0 million)	Profit from operations of **R128.3 million** (2022: R53.1 million)
Earnings per share of **68.3 cents** (2022: 32.3 cents)	Total dividend paid of **R98.8 million** since listing in June 2021

Executive summary

The financial year that ended on 28 February 2023 was a very successful one for Vunani Capital Partners Limited, and the group is pleased to report an increase of 142% in profit for the year to R128.3 million (2022: R53.1 million).

This was as a result of increases in interest on cash and cash equivalents and equity accounted earnings particularly from the resources and energy sector.

The group generated revenue from operations of R15.7 million (2022: R18.0 million), other income of R1.3 million (2022: 0.9 million), net profit on disposal of assets of R2.4 million (2022: R5.8 million) and equity accounted earnings of R170.9 million (2022: R39.5 million) which have contributed to the overall performance of the group during the year.

The group generated earnings per share of 68.3 cents up from 32.3 cents in the prior year, while net asset value per share increased by 8.2% from 151.7 cents to 164.1 cents at 28 February 2023. 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 38 on page 98.

Statement of comprehensive income

Revenue from operations of R15.7 million (2022: R18.0 million) for the year ended 28 February 2023 was generated from the group's investment in resources and energy, Fintech and commodity trading where the group earns management fees.

The resources and energy sector contributed 58.0% (2022: 73.2%), followed by commodity trading at 29.3% (2022: nil) and lastly Fintech at 12.7% (2022: 10.7%). The resources and energy sector continues to be the group's top revenue contributor.

Net profit on disposal of assets and associates represent one-off items, which has come down by 59% compared to prior year.

Adverse fair value adjustments and impairments of R25.3 million (2022: positive R10.8 million resulted from impairment losses on investment in associates, in particular, the groups' investment in Workforce Holdings Limited, held via Verbicept. The investment was previously carried at R3.70 per share in 2022 and has come down in value to R1.65 per share which has resulted in the group raising an impairment loss in the current year. The group holds an effective R21.45 million shares.

The group's investments that carried at fair value through profit or loss ("FVTPL") continue to generate positive fair value adjustments. These have come down from R13.6 million in 2022 to R1.3 million as the group has taken a more conservative approach in the valuation of these investments.

Equity accounted earnings represent the group's share of profit generated by the investees. The earnings have improved by 332% to R170.6 million from R39.5 million in February 2022. The energy and resources sector contributed R164.1 million representing 96% (2022: R11.1 million, 28%), followed by gaming of R7.2 million representing 4.2% (2022: R4.2 million, 10.5%), and the financial services, Fintech and commodity trading contributed a combined R6.8 million representing 4% (2022: R16.0 million, 40%). In the current year, the BEE segment has contributed negative earnings of R7.1 million (2022: R8.3 million) due to the write-down of the group's investment in Workforce.

Operating expenses of R31.4 million (2022: R17.5 million) were incurred for the year to 28 February 2023. 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 is a top priority.

Pride
Gwaze

"The financial year that ended on 28 February 2023 was a very successful one and the group is pleased to report an increase of 142% in profit for the year to R128.3 million (2022: R53.1 million)."

Statement of financial position

Investments in and loans to associates represents 74% (2022: 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 5.1% from R217.1 million to R228.2 million. The net movement is as a result of positive earnings of R170.9 million generated by investee companies, dividends of R151.8 million received from associates, net loans advanced of R18.3 million and impairment losses of R26.6 million.

Other investments have come down from R35.0 million at 28 February 2022 to R28.3 million as a result of negative fair value adjustments on the group's investments carried at FVTPL. The valuation of these investments is performed in consultation with the investment committee and corporate finance professionals (Vunani Corporate Finance). 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.

During the year, VCP made its first investment in the renewables energy sector of R5.3 million by advancing a convertible loan to UEA. If converted, VCP will hold 5% in the Belgian entity which holds UEA.

The authorised stated capital as at 28 February 2023 was 500 million ordinary shares of no par value (2022: 500 million ordinary shares of no par value). As at 28 February 2023, 169 394 818 shares were in issue (2022: 165 541 441). The stated capital increased by R9.2 million (2022: R5.9 million) as a result of new shares issued during the year.

Dividends

Dividends paid to VCP's shareholders during the year amounted to R93.8 million (net of treasury shares). The dividends paid in 2022 amount to R5.0 million. Total dividends paid since listing in June 2021 amount to R98.8 million.

Cash flow

Cash and cash equivalents increased by R20.1 million (2022: R5.3 million) from R5.9 million to R26.0 million to 28 February 2023. Net cash utilised in operating activities amounted to R113.8 million due to the dividend paid to shareholders (2022: R11.0 million). Net cash inflows from investing activities amounted to R126.4 million (2022: R10.5 million). The positive inflows are attributable to proceeds from repayment of loans and dividends received from associates. Net cash inflows from financing activities were R7.5 million (2022: R5.9 million) 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 goal of Vunani's investment strategy is to create value for all parties, but most importantly for the shareholders of VCP and to improve its partnerships. The results for the 2023 financial year show that the group's strategy and investment methodology are successful.

Pride Gwaze
Chief financial officer

19 June 2023

02 Investment portfolio report

Highlights

Dividends received up
R151.8 million
(2 737%) (2022: R5.3 million)

Equity accounted earnings up
R170.9 million
(333%) (2022: R39.5 million)

Loans advanced up
R21.8 million
(891%) (2022: R2.2 million)

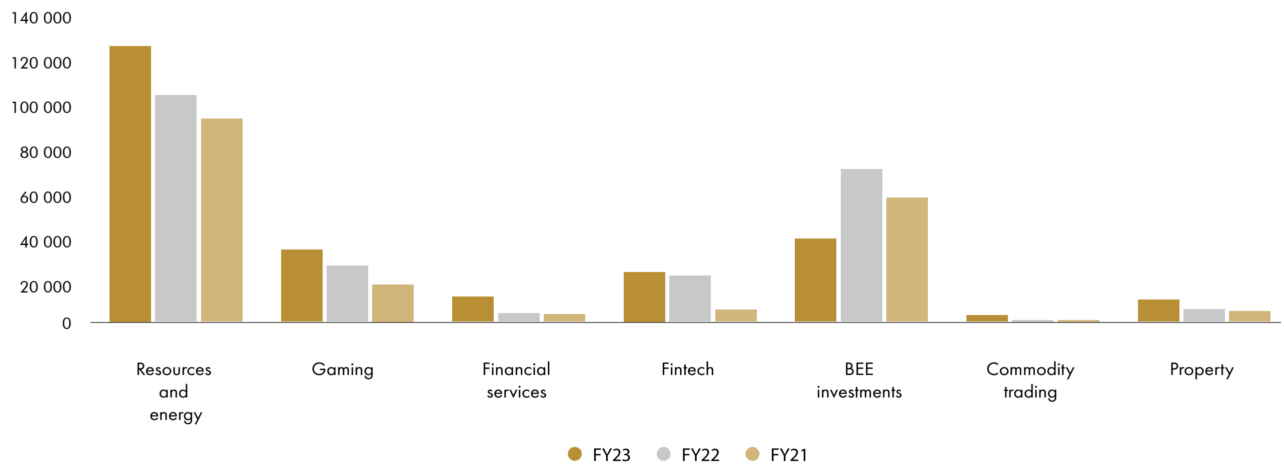
Executive summary

VCP is a diversified investment holding company, that holds several investments across seven sectors.

Investments by sector three-year review

Sector	28 February 2023	28 February 2022	28 February 2021
Resources and energy	**131 792**	108 204	97 011
Gaming	**34 263**	26 702	17 733
Financial services	**11 905**	3 936	3 537
Fintech	**23 682**	21 972	5 673
BEE investments	**39 574**	72 822	59 163
Commodity trading	**3 037**	761	761
Property	**10 350**	5 972	5 017
Total*	**254 603**	**240 369**	**188 895**

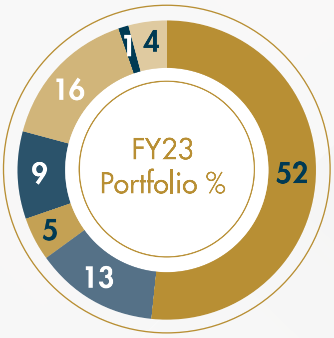
** audited financial statement of financial position figures.*



Investment portfolio report (continued)

Investment values, shareholding, and accounting treatment

Sector/Investment	Accounting treatment	% Shareholding	Audited 28 February 2023	Audited 28 February 2022	% movement
Resources and energy			**131 792**	**108 204**	**21.8**
Butsanani Energy Investment Holdings	Equity accounting	26.25	**60 823**	69 684	(12.7)
Black Wattle Colliery	Equity accounting	37.50	**61 724**	32 521	89.8
Ferrox Limited	FVTPL	0.76	**3 945**	5 999	(34.2)
Upgrade Energy Africa	Convertible loan	5.00	**5 300**	–	–
Gaming			**34 262**	**26 702**	**28.3**
Betbio Zambia Limited	Equity accounting	45.00	**16 403**	16 372	0.2
Nevzospan Proprietary	Loan	22.5	**5 098**	539	845.8
PawaTech Limited	FVTPL	0.40	**12 761**	9 791	30.3
Financial services			**11 905**	**3 936**	**202.5**
Phakamani Impact Capital	Equity accounting	40.00	**4 475**	2 423	84.7
Purpose Asset Management	Equity accounting	65.00	**4 798**	1 513	217.1
Vunani Limited	FVTPL	0.60	**2 631**	–	–
Ditikeni Investment Partners Fund I	FVTPL	10.00	**1**	–	–
Fintech			**23 683**	**21 972**	**7.8**
Vunani Fintech Fund	Equity accounting	20.00	**21 400**	19 522	9.6
PawaPay Holdings	FVTPL	0.33	**2 283**	2 450	(6.8)
BEE investments			**39 575**	72 822	(45.7)
Workforce Holdings Limited	Equity accounting	50.00	**29 758**	56 303	(47.1)
African Legend Investment	FVTPL	2.34	**9 682**	16 384	(40.9)
Isilo Investments RF	Equity accounting	51.00	**135**	135	–
Commodity trading			**3 037**	**761**	**299.1**
Anatrica SA	Equity accounting	29.25	**3 037**	761	299.1
Property			**10 350**	5 972	73.3
Vunani Properties	Equity loan	70.00	**10 350**	5 972	73.3
Total value of investments			**254 604**	240 369	5.9



- Resources and energy
- Gaming
- Financial services
- Fintech
- BEE investments
- Commodity trading
- Property

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. He has initiated empowerment shareholdings in many listed and unlisted companies. He has been an executive director of the Bidvest Group and many of its subsidiaries since 1990 until his retirement in 2012. He currently further promotes empowerment participation in businesses as a director in a renewable energy company, a packaging company and a wine producing company. He is currently the Hon President of The League of Friends of the Blind which promotes and provides care and welfare for the visually impaired citizens of the Western Cape.

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 (64) | 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 (40)

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 from 2020 to April 2023. Prior to joining Vunani, he worked at Southern Asset Management and Futuregrowth.

Marcel JA Golding (63)

Non-executive director	BArts (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 (53)

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 Smit Amandla Marine ("SAM"). He has been in charge of all the investing and mergers and acquisitions ("M&A") activity at Mion since its inception.

Independent non-executive directors

John Macey (61)

Independent non-executive director | BBusSci (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 (49)

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 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 https://vunanicapitalpartners.co.za.

GOVERNANCE STRUCTURE

Board members

Members

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

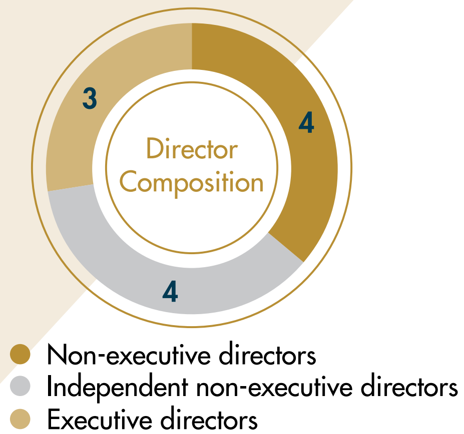
Marcel Golding –
Non-executive director

Sithembiso Mthethwa –
Non-executive director

John Macey –
Independent non-executive director

Nambita Mazwi –
Independent non-executive director

Gordon Nzalo –
Independent non-executive director



Responsibilities

- Promoting the interests of stakeholders and acting fairly and responsibly.
- Formulating and approving strategy.
- Ensuring the correct implementation of corporate governance, risk management and internal control policies and structures.
- Retaining effective control over the business.
- Providing strategic leadership.
- Leading the group in achieving its goals and objectives.
- Managing the performance and affairs of the group.
- Delegating authority to management and monitoring and evaluating the implementation of policies, strategies and business plans.
- Embracing transparency, integrity and ethical business conduct.

Board sub-committees

Audit and risk committee	Investment committee	Remuneration committee	Nomination committee	Social, ethics and transformation committee
Members				
See pages 36 to 37 for full report	See page 31 for full report	See page 32 for full report	See page 33 for full report	See page 34 for full report
Gordon Nzalo *(Chairman)* John Macey Nambita Mazwi	John Macey *(Chairman)* Ethan Dube Sithembiso Mthethwa Lionel Jacobs Mark Anderson A Pieterse Marcel Golding*	John Macey *(Chairman)* Lionel Jacobs	Lionel Jacobs *(Chairman)* John Macey	Nambita Mazwi *(Chairman)* Tafadzwa Mika* Nkosinathi Nconco Pride R Gwaze Inshaaf Ross*
* *Invitees*				
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. ▶ 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.	▶ 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.		▶ 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. ▶ The Broad-Based Black Economic Empowerment Act.
Independent				
3/3	3/6	2/2	2/2	2/3

Board and sub-committee meeting attendance

Director	Board 3 meetings	Audit and risk committee 3 meetings	Investment committee 6 meetings	Remuneration committee 1 meeting	Nomination committee	Social, ethics and transformation committee 1 meeting
Lionel Jacobs	3	N/A	6	1	N/A	N/A
Ethan Dube	3	N/A	3	N/A	N/A	N/A
Mark Anderson (CEO)	3	3	6	1	N/A	N/A
Pride R Gwaze (CFO)	3	3	6	1	N/A	1
Tafadzwa Mika	3	3	6	1	N/A	1
Gordon Nzalo	3	3	N/A	N/A	N/A	N/A
John Macey	3	3	6	1	N/A	N/A
Marcel Golding	3	N/A	5*	N/A	N/A	N/A
Butana Khoza	3	N/A	N/A	N/A	N/A	N/A
Nambita Mazwi	2	3	N/A	N/A	N/A	1
Sithembiso Mthethwa	3	N/A	5	N/A	N/A	N/A

* *Invitee*

Committee focus areas

See the audit and risk committee report on page 36, investment committee report on page 31, remuneration committee report on page 32, nomination committee report on page 33 and the social, ethics and transformation committee report on page 34.

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:

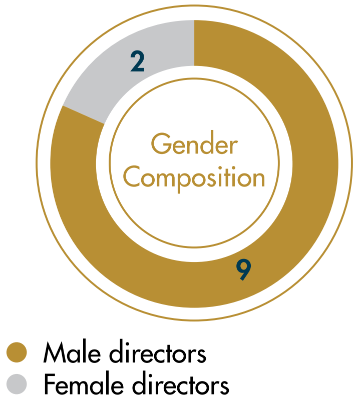
- acting in the best interests of shareholders and other stakeholders;
- implementing policies and strategies as determined by the board;
- managing and monitoring the business and the affairs of the group in accordance; with approved policies, strategies, plans and budgets;
- prioritising the allocation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

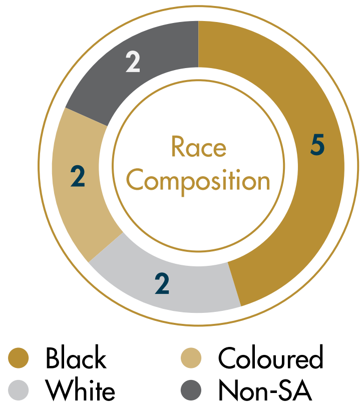
All proposed policies and procedures have to be approved by the relevant committee and then the board for final approval.

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 FY24 year to confirm 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 Teresa van Niekerk and Mosa Kgothadi 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 Kgothadi 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 Kgothadi 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 Kgothadi 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 Memorandum of Incorporation ("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, all the directors classified as, "independent", are independent and act in an independent manner.

Financial reporting

The group provides financial reports to its shareholders biannually. Details regarding significant transactions are reported in the appropriate format, as required by the EESE Listing Requirements, and in accordance with the International Financial Reporting Standards ("IFRS").

Internal audit

MASA Risk Advisory Services was appointed as the external provider of internal audit services to the group during the year. An internal audit plan for the 2023/24 financial year was presented to and approved by the audit and risk committee.

The internal audit plan is based on an assessment of risk areas identified by the internal auditors and management and is reviewed and updated annually. The approved internal audit plan was executed in various stages throughout the 2023 financial year. This process included a risk-based assessment of the adequacy and effectiveness of the group's systems of internal controls and risk management procedures.

Internal audit reports are submitted directly to the audit and risk committee, and the internal audit representatives attended all the audit and risk committee meetings during the year. At each meeting, they provided feedback to the committee covering progress in relation to the audit plan, highlighting areas of significant control weakness and presenting recommendations to correct these weaknesses.

The key responsibilities of the internal audit include:

- evaluating the group's governance processes and ethics;
- performing an objective assessment of the effectiveness of risk management and the internal control framework;
- systematically analysing and evaluating business processes and associated controls; and
- investigating and reporting on any instances of fraud, corruption, unethical behaviour and irregularities as appropriate.

Dealing in securities

A policy is in place whereby all directors and employees of the Vunani wider group are prohibited from trading in the company's securities during defined closed periods. These periods run from the end of the interim and annual reporting periods until the financial results have been announced on EESE. Similar restrictions apply during any period in which the company is trading under a cautionary notice or where they may be in possession of price sensitive information.

Once a trade is executed, details are released on EESE.

Legal compliance

The board is ultimately responsible for ensuring compliance with laws and regulations. In regularly reviewing the company's governance structures, the board exercises and ensures effective and ethical leadership, always acting in the best interests of the company and at the same time concerning itself with the sustainability of its business operations.

New legislation that affects the group is discussed at board meetings with the assistance of the company secretary. The chief financial officer is responsible for ensuring compliance with the external regulations including EESE and King IV as well as internal systems of control.

No fines or non-monetary sanctions were imposed on the group for non-compliance with any laws or regulations during the year under review, nor has the group been party to any legal actions for anti-competitive behaviour or antitrust.

Vunani Capital Partners has complied with the provision of the Companies Act, particularly with reference to the incorporation provisions set out therein, and has operated in conformity with its MOI.

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.

Areas of focus include:

- The value delivery on IT infrastructure and operations;
- Reviewing IT-related risks;
- Reviewing its long-term IT strategy;
- Ensuring that intellectual property contained in information systems is protected;
- Ensuring that adequate business arrangements are in place for disaster recovery;
- Ensuring that all personal information is treated by the company as an important business asset and is identified;
- Ensuring adequate safeguards are in place to improve cybersecurity.

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 director 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. Attendance at committee meetings is set out on page 27.

The committee's 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 Listings 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;
- 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.

During FY23, the committee:

- approved the group's investments into Upgrade, MLA, Specialised Solar Investments;
- Reviewed the valuations of the group's unlisted and listed investments;
- Approved the investments into the property projects;
- Approved the set up of the Ditikeni Fund I and Fund II.

In FY24 the committee intends to:

- Identify investment opportunities in order to ensure sustainable growth for the group.

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

19 June 2023

03 Remuneration report

The remuneration committee makes proposals to the board regarding the remuneration of non-executive directors. The remuneration committee's report apprises shareholders and other stakeholders of the work done by the committee in the period under review.

The committee is chaired by independent non-executive director JR Macey and further comprises independent non-executive director LI Jacobs. Attendance at committee meetings is set out on page 27.

The committee assists the board in discharging its duties related to:

- setting levels of remuneration for non-executive directors that are fair, reasonable, relevant and competitive; and
- encouraging executives to promote ethical culture and corporate citizenship.

During FY23, the committee:

- Benchmarked the remuneration of non-executive directors;
- Reviewed the remuneration committee charter.

In FY24, the committee intends to:

- Ensure that the remuneration of non-executive directors is in line with market benchmarks.

Shareholder engagement

At the AGM on 27 July 2022, the non-executive director remuneration was approved by shareholders. At the meeting there were no specific concerns raised about the remuneration.

Executive directors' remuneration

The directors are remunerated via the management contract with Vunani Capital Proprietary Limited.

Non-executive directors' remuneration

Non-executive directors receive fixed fees for their services as directors of the board and as members of board sub-committees. The remuneration committee proposes the fees for non-executive directors, and these are confirmed by the board and approved by shareholders. Fees are reviewed annually.For details regarding fees paid during the current period and prior year, refer to note 32 on page 88 of the financial statements.

JR Macey
Remuneration committee chairman

19 June 2023

03 Nomination committee report

The nomination committee makes proposals to the board regarding the nomination, the evaluation, and re-appointment of directors, and the appointment and induction of new directors.

The committee is chaired by independent non-executive director LI Jacobs, and further comprises independent non-executive director JR Macey. Attendance at committee meetings is set out on page 27.

The committee assists the board in discharging its duties related to:

- reviewing the performance of the executive directors;
- developing succession plans for the CEO and executive directors;
- identifying, evaluating, recommending and approving appointees to the board and board committees;
- considering and making recommendations on a periodic basis regarding the composition and membership of the board, the needs of the board and any gaps perceived in the composition of the board; and
- conducting annual evaluations of the effectiveness and performance of the board as a whole and considering the contribution of each non-executive director.

During FY23, the committee:

- Reviewed the nomination charter.

In FY24 the committee intends to:

- Review the gender diversity policy and set targets.

LI Jacobs
Nomination committee chairman

19 June 2023

03

Social, ethics and transformation committee report

The social, ethics and transformation committee was established to monitor adherence to ethical standards, to provide guidelines for acceptable behaviour and to allow for formal oversight of the group's activities, all with reference to the prevailing codes of best practice.

The committee is chaired by independent non-executive director N Mazwi and further comprises executive director Pride R Gwaze and non-board members N Chonco. Attendance at committee meetings is set out on page 27.

The committee assists the board in discharging its duties related to:

- the group's legal obligations;
- prevailing codes of good practice pertaining to social and economic development and good corporate citizenship;
- the environment, health and public safety, including the impact of the company's activities and of its products or services; and
- compliance with applicable laws and regulations.

During FY23, the committee:

- reviewed the charter and developed a work plan; and
- reviewed the BEE scorecards for the group.

In the FY24 financial year, the committee intends to:

- develop group policies and frameworks; and
- review laws and regulations affecting the group.

NS Mazwi
Social, ethics and transformation committee report

19 June 2023

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 19 June 2023.

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 2023

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	7 June 2022	12 October 2022	9 February 2023
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 and internal 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

- Recommended the reappointment of SM Xulu Inc. as external auditor;
- Considered and satisfied itself that the external auditor was independent;
- Recommended for approval by the board the fees to be paid to the external auditor for the 2022/2023 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; and
- Confirmed that no reportable irregularities had been identified or reported by the auditors under the Auditing Profession Act.

Internal audit

- Recommended the appointment of the internal audit service provider;
- Reviewed and approved the annual internal audit plan and evaluated the independence, effectiveness and performance of the internal audit function;
- Reviewed issues raised by internal audit and the adequacy of corrective action taken by management in response;
- Reviewed the effectiveness of the company's systems of internal control, including internal financial control and business risk management and the maintenance of effective internal control systems; and
- Assessed the adequacy of the performance of the internal audit function and found it to be satisfactory.

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; and
- Considered the expertise; resources; and experience of the finance function; and concluded that these were satisfactory.

Reporting

- Reviewed the report to 28 February 2023, 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; and
- 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; and
- 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 2023 comply, in all material respects, with the requirements of the Companies Act of South Africa, International Financial Reporting Standards (IFRS), 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

19 June 2023
Sandton

Directors' responsibility statement and approval of the financial statements

for the year ended 28 February 2023

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 2023, 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 2024 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 2023. 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, comply with IFRS, Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, and the EESE Listing Requirements.

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 19 June 2023 and are signed on their behalf by:

NM Anderson
Chief executive officer

PR Gwaze
Chief financial officer

Authorised director
19 June 2023

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 2023, 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
19 June 2023

Sandton

Directors' report

for the year ended 28 February 2023

Review of activities

Main business and operations

The company is an investment holding company comprised 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 group generated total comprehensive income for the year of R128.3 million compared to R53.1 million for the year ended 28 February 2022. Vunani's profit for the year ended 28 February 2023, has shown an improvement compared to the prior year due to the increase in equity accounted earnings particularly from the resources and energy sector which was driven by high energy prices.

Special resolutions

1. It was resolved that the non-executive directors' remuneration was approved with effect from 27 July 2022 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.

Stated capital

Details of the company's authorised and issued stated capital as at 28 February 2023 are shown in note 24 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 36.

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 38 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 Inc. was reappointed as auditor to the company at the AGM held on 27 July 2022.

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 46 to 98, which comprise the consolidated and separate statements of financial position as at 28 February 2023, 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 2023, 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 2023, 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.

<table>
<tr><th>Key audit matter</th><th>How it was addressed</th></tr>
<tr><td>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.</td><td>We obtained a list of unlisted investments for the year and:
► we have verified right related to the investments;
► we ensured that the fair values are disclosed in line with IFRS requirements; and
► we assessed the fair value at year end for reasonableness and in line with expected valuation techniques.</td></tr>
<tr><td>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.</td><td>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 assessed the competence, knowledge, and experience of the component auditors.
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 September 2022 to 28 February 2023, 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.</td></tr>
</table>

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 2023", 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.

We also provide the directors with a statement that we complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats of safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that SM Xulu Inc. has been the auditor of Vunani Capital Partners Limited for 3 years.

SM Xulu Inc.

SM Xulu Inc.
Chartered Accountants (SA)
Registered Auditors

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

19 June 2023

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

Consolidated and separate statement of comprehensive income

for the year ended 28 February 2023

		Group		Company	
Figures in R'000	Note	**2023**	2022	**2023**	2022
Revenue	5	**15 697**	18 004	**15 579**	18 004
Dividend income	6	**515**	34	**137 116**	5 333
Other income	7	**1 288**	907	**1 288**	907
Net profit on disposal of assets	8	**2 372**	5 836	**2 372**	6 055
Fair value adjustments	9	**1 324**	13 706	**2 134**	13 706
Impairments	10	**(26 632)**	(2 941)	**(22 466)**	(2 941)
Equity accounted earnings (net of taxation)	18	**170 857**	39 544	**–**	–
Operating expenses	11	**(31 376)**	(17 516)	**(31 009)**	(17 502)
Results from operating activities		**134 045**	57 574	**105 014**	23 562
Finance income	12	**2 254**	2	**2 254**	2
Finance costs	12	**(370)**	–	**(370)**	–
Net finance income		**1 884**	2	**1 884**	2
Profit before income tax		**135 929**	57 576	**106 898**	23 564
Taxation	13	**(7 614)**	(4 520)	**(7 790)**	(4 520)
Profit for the year		**128 315**	53 056	**99 108**	19 044
Other comprehensive income *					
Items that may be subsequently reclassified to profit or loss		**339**	(344)	**–**	–
Foreign currency translation reserve		**339**	(344)	**–**	–
Total comprehensive income for the year		**128 654**	52 712	**99 108**	19 044
Profit attributable to:					
Owners of the company		**114 242**	53 056		
Non-controlling interest		**14 073**	–		
		128 315	53 056		
Total comprehensive income attributable to:					
Owners of the company		**114 581**	52 712		
Non-controlling interest		**14 073**	–		
		128 654	52 712		
Basic earnings per share (cents)	14	**68.3**	32.3		
Basic earnings per share (cents)		**68.3**	32.3		
Basic headline earnings per share (cents)	14	**79.6**	29.5		
Basic headline earnings per share (cents)		**79.6**	29.5		

* *There are no tax implications on the items included in other comprehensive income.*

Consolidated and separate statement of financial position

at 28 February 2023

		Group		Company	
Figures in R'000	Note	2023	2022	2023	2022
Assets					
Investments in subsidiaries	15	–	–	85 106	85 105
Other investments	16	28 673	34 891	28 673	34 891
Investments in and loans to associates	18	228 214	214 158	61 065	61 734
Other financial assets	19	5 300	–	5 300	–
Deferred tax asset	20	–	258	–	258
Total non-current assets		262 187	249 307	180 144	181 988
Other investments	16	2 631	1 108	5 208	1 108
Loans to associate companies	18	–	2 932	5 195	8 671
Loans to subsidiary companies	17	–	–	425	289
Trade and other receivables	21	8 222	10 735	8 222	10 735
Cash and cash equivalents	23	33 515	5 916	33 515	5 916
Total current assets		44 368	20 691	52 565	26 719
Total assets		306 555	269 998	232 709	208 707
Equity					
Stated capital	24	226 178	216 955	226 178	216 955
Treasury shares	24	(1 766)	–	–	–
Foreign currency translation reserve		(5)	(344)	–	–
Accumulated profit/(loss)		53 567	34 547	(22 010)	(26 951)
Equity attributable to equity holders		277 974	251 158	204 168	190 004
Non-controlling interest	31	(32)	–	–	–
		277 942	251 158	204 168	190 004
Liabilities					
Other financial liabilities	25	–	7 937	–	7 937
Preference share liability	26	*	*	*	*
Deferred tax liabilities	20	1 475	–	1 651	–
Total non-current liabilities		1 475	7 937	1 651	7 937
Trade and other payables	27	19 598	10 903	6 400	10 766
Loans from subsidiary companies	17	–	–	12 950	–
Bank overdraft	23	7 540	–	7 540	–
Current liabilities		27 138	10 903	26 890	10 766
Total liabilities		28 613	18 840	28 541	18 703
Total equity and liabilities		306 555	269 998	232 709	208 707
Shares in issue (000s)	24	169 395	165 541	169 395	165 541
Net asset value per share (cents)		164.1	151.7	120.5	114.8

* *Less than R1 000.*

Consolidated and separate statement of changes in equity

for the year ended 28 February 2023

Group

Figures in R'000	Stated capital	Treasury shares	Share-based payment reserve	Foreign currency translation reserve	Accumulated profit/ (loss)	Total	Non-controlling Interest	Total equity
Balance at 28 February 2021	211 166	–	10	–	(13 543)	197 633	77	197 710
Total comprehensive income for the period								
Profit for the period	–	–	–	–	53 056	53 056	–	53 056
Other comprehensive income for the year	–	–	–	(344)	–	(344)	–	(344)
Total comprehensive income for the period	–	–	–	(344)	53 056	52 712	–	52 712
Transactions with owners, recorded directly in equity								
Transactions with equity holders	–	–	(10)	–	–	(10)	(77)	(87)
Shares issued	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
Total comprehensive income for the year								
Profit for the period	**–**	**–**	**–**	**–**	**114 242**	**114 242**	**14 073**	**128 315**
Other comprehensive income for the year	**–**	**–**	**–**	**339**	**–**	**339**	**–**	**339**
Total comprehensive income for the year	**–**	**–**	**–**	**339**	**114 242**	**114 581**	**14 073**	**128 654**
Transactions with owners, recorded directly in equity								
Acquisition of treasury shares	**–**	**(1 766)**	**–**	**–**	**–**	**(1 766)**	**–**	**(1 766)**
Issue of shares	**9 223**	**–**	**–**	**–**	**–**	**9 223**	**–**	**9 223**
Dividends paid/payable	**–**	**–**	**–**	**–**	**(93 805)**	**(93 805)**	**(14 105)**	**(107 910)**
Dividends paid - preference shares	**–**	**–**	**–**	**–**	**(1 417)**	**(1 417)**	**–**	**(1 417)**
Total transactions with owners	**9 223**	**(1 766)**	**–**	**–**	**(95 222)**	**(87 765)**	**(14 105)**	**(101 870)**
Balance at 28 February 2023	**226 178**	**(1 766)**	**–**	**(5)**	**53 567**	**277 974**	**(32)**	**277 942**

Consolidated and separate statement of changes in equity (continued)

Company

Figures in R'000	Stated capital	Accumulated loss	Total equity
Balance at 28 February 2021	211 166	(41 029)	170 137
Total comprehensive income for the period			
Profit for the period	–	19 044	19 044
Total comprehensive income for the period	–	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
Total comprehensive income for the year			
Profit for the year	**–**	**99 108**	**99 108**
Total comprehensive income for the year	**–**	**99 108**	**99 108**
Transactions with owners, recorded directly in equity			
Issue of shares	**9 223**	**–**	**9 223**
Dividends paid	**–**	**(94 167)**	**(94 167)**
Total transactions with owners	**9 223**	**(94 167)**	**(84 944)**
Balance at 28 February 2023	**226 178**	**(22 010)**	**204 168**

Consolidated and separate statement of cash flows

for the period ended 28 February 2023

Figures in R'000	Note	Group 2023	Group 2022	Company 2023	Company 2022
Cash flows from operating activities					
Cash utilised by operations	28	**(15 988)**	(2 845)	**(15 729)**	(2 824)
Interest received	12	**2 254**	2	**2 254**	2
Interest paid		**(370)**	–	**(370)**	–
Dividends paid to shareholders		**(93 805)**	(4 966)	**(94 167)**	(4 966)
Taxation paid	29	**(5 881)**	(3 211)	**(5 881)**	(3 211)
Net cash utilised by operating activities		**(113 790)**	(11 020)	**(113 893)**	(10 999)
Cash flows from investing activities					
Disposal of subsidiaries net of cash		**–**	(647)	**–**	–
Preference dividends paid		**(1 417)**	–	**–**	–
Proceeds from loans from subsidiaries		**–**	–	**12 814**	–
Proceeds from repayment of loans from associates	18	**2 455**	9 108	**3 486**	8 950
Advances of loans to associates	18	**(21 807)**	(2 242)	**(21 807)**	(2 105)
Dividends received from associates	18	**151 760**	5 281	**136 238**	5 281
Acquisition of other investments	17	**(1 143)**	(5 000)	**(2 909)**	(5 000)
Proceeds on disposal of associates		**221**	–	**221**	–
Dividends received from investments		**515**	–	**878**	–
Proceeds on disposal of other investments	17	**1 108**	4 000	**1 108**	4 000
Advances of loans to other non-current assets	19	**(5 300)**	–	**(5 300)**	–
Net cash inflow from investing activities		**126 392**	10 500	**124 729**	11 126
Cash flows from financing activities					
Proceeds from issue of shares	24	**9 223**	5 789	**9 223**	5 789
Acquisition of treasury shares	24	**(1 766)**	–	**–**	–
Net cash inflow from financing activities		**7 457**	5 789	**9 223**	5 789
Net increase in cash and cash equivalents		**20 059**	5 269	**20 059**	5 916
Cash and cash equivalents at the beginning of the year		**5 916**	647	**5 916**	–
Effect of movement in exchange rate on cash held		**.**	–	**.**	–
Total cash and cash equivalents at the end of the year	23	**25 975**	5 916	**25 975**	5 916

Notes to the consolidated and separate financial statements

for the year ended 28 February 2023

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 2023 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 International Reporting Standards Accounting Standards Board ("IASB"), its interpretations adopted by the IASB, 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 19 June 2023.

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 16, 34.4 and 34.5 – determining fair value of financial instruments based on significant unobservable inputs.
- Note 18 – equity accounted investees: whether the group has significant influence and impairment losses on investments in and loans to associates.
- Note 20 – utilisation of tax losses: the availability of future taxable profit against which deductible temporary differences and tax losses carried forward can be utilised.
- Note 21 – measurement of expected credit losses ("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 *Investments in unconsolidated entities*

Investments in entities that meet the definition of a structured entity are disclosed in terms of IFRS 12.

The disclosure includes information that enables users of the group's financial statements to:

- understand the nature and extent of its interests in unconsolidated structured entities; and
- to evaluate the nature of, and changes in, the risks associated with its interests in unconsolidated structured entities.

2. Accounting policies (continued)

2.1 Basis of consolidation (continued)

2.1.4 *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.

2.1.5 *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.

2. Accounting policies (continued)

2.2 Financial instruments (continued)

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:

- 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.

Other financial assets

Other financial assets consist of derivative and non-derivative financial assets not included in other investments. Other financial assets include the convertible loan which relates to Upgrade Energy Africa (refer to note 19).

Other investments

Other investments are classified as at fair value through profit or loss (FVTPL). 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 (FVTPL) 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 Impairment

2.4.1 *Non-derivative financial assets*

Financial instruments and contract assets

The group recognises loss allowances for expected credit losses 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.

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.

2. Accounting policies (continued)

2.4 Impairment (continued)

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.

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.

2. Accounting policies (continued)

2.4 Impairment (continued)

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.

2.4.2 *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 ("CGUs"). 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.

2.5 Revenue

The group generates revenue from management fees and commission income.

2.5.1 *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. Accounting policies (continued)

2.6 Other income

Sundry income

Income is 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.

2.7 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.

2.8 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.

2.9 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.

2. Accounting policies (continued)

2.9 Income tax (continued)

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.

2.10 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.

2.11 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.

2.12 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.

2. Accounting policies (continued)

2.12 Segment reporting (continued)

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 investments in boron and chemical trading entities; and
- Property – the segment comprises the group's investments in the property sector.

2.13 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.

2.14 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 to which the company directly or indirectly through one or more intermediaries controls or is controlled by or is in common control with. These include the holding company, subsidiaries and fellow subsidiaries, directors and key management of the company and holding company.

2. Accounting policies (Continued)

2.15 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:

Standard	Details of amendment	Annual periods beginning on or after	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*.	1 January 2022	No impact as the parent applies IFRS 1, 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.	1 January 2022	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.	1 January 2022	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.	1 January 2022	The standard will unlikely have an impact on the group's financial results.

2. Accounting policies (continued)

2.15 New standards and interpretations not yet adopted (continued)

Standard	Details of amendment	Annual periods beginning on or after	Expected impact
IAS 1 *Presentation of Financial Statements* (Amendment – Classification of Liabilities as Current or Non-Current)	In January 2020, the IASB issued amendments to IAS 1, which clarify how an entity classifies liabilities as current or non-current.	1 January 2024	The standard will unlikely have a material impact on the classification of liabilities as current or non-current.
IAS 1 *Presentation of Financial Statements* (Amendment – Non-current liabilities with Covenants)	The amendment clarifies that only covenants with which an entity is required to comply on or before the reporting date affect the classification of a liability as current or non-current, with additional guidance to explain how an entity should disclose information in the notes to understand the risk that non-current liabilities with covenants could become repayable within twelve months.	1 January 2024	The group will provide disclosures required for non-current liabilities with covenants.
IAS 1 *Presentation of Financial Statements* (Amendment – Disclosure of Accounting Policies)	The amendments require companies to disclose their material accounting policy information rather than their significant accounting policies, with additional guidance added to the Standard to explain how an entity can identify material accounting policy information with examples of when accounting policy information is likely to be material.	1 January 2023	The standard will unlikely have a material impact when group disclose their material accounting policy information.
IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* (Amendment – Definition of Accounting Estimates)	The amendments clarify how companies should distinguish changes in accounting policies from changes in accounting estimates, by replacing the definition of a change in accounting estimates with a new definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". The requirements for recognising the effect of change in accounting prospectively remain unchanged.	1 January 2023	The standard will unlikely have an impact on the group's financial results.
IAS 12 *Income Taxes* (Amendment – Deferred Tax related to Assets and Liabilities arising from a Single Transaction)	The amendment clarifies 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.	1 January 2023	The standard will unlikely have an impact on the group's financial results as it does not have leases accounted for in terms of IFRS 16.

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 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.

3.4 Financial liabilities at fair value through profit or loss

The group's financial liabilities held at fair value through profit or loss (FVTPL) 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 oversees 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. Financial risk management (continued)

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. Financial risk management (continued)

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.

4.5 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	2023	2022
Gearing ratio		
Total debt	**28 613**	18 840
Less: Cash and cash equivalents	**(33 515)**	(5 916)
Net debt	**(4 902)**	12 924
Equity	**277 974**	251 158
Total capital managed	**273 072**	264 082
Debt equity ratio	**(1.8%)**	5.1%

Figures in R'000	Group 2023	Group 2022	Company 2023	Company 2022
5. Revenue				
Revenue	**15 697**	18 004	**15 579**	18 004
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	**6 517**	10 590	**6 517**	10 590
Management fees	**9 180**	7 414	**9 062**	7 414
	15 697	18 004	**15 579**	18 004
Timing of revenue recognition				
Services transferred at a point in time	**15 697**	18 004	**15 579**	18 004
Revenue per segments (note 33)	**15 697**	18 004	**15 579**	18 004

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.

Figures in R'000	Group 2023	Group 2022	Company 2023	Company 2022
6. Dividend income				
Dividend income from investments	**515**	34	**878**	34
Dividend income from associates	**–**	–	**136 238**	5 299
	515	34	**137 116**	5 333
7. Other income				
Sundry income	**1 278**	781	**1 278**	781
Directors' fees	**10**	126	**10**	126
	1 288	907	**1 288**	907
8. Net profit on disposal of assets				
Disposal of associates	**2 372**	–	**2 372**	–
Loss in control of subsidiaries	**–**	10	**–**	229
Disposal of assets	**–**	5 826	**–**	5 826
	2 372	5 836	**2 372**	6 055
Profit on disposal relates to once-off income.				
9. Fair value adjustments				
Other investments	**(6 613)**	14 658	**(5 803)**	14 658
Other financial liabilities	**7 937**	(952)	**7 937**	(952)
	1 324	13 706	**2 134**	13 706

Figures in R'000	Group 2023	Group 2022	Company 2023	Company 2022

10. Impairments

	Group 2023	Group 2022	Company 2023	Company 2022
Impairment of investment in associates	**(26 642)**	(1 992)	**(22 476)**	(1 992)
Impairment reversal of loans to associates	**10**	(949)	**10**	(949)
	(26 632)	(2 941)	**(22 466)**	(2 941)

The current fair value of certain investments in associates was less than its carrying amount which resulted in the impairment of those investments.

11. Operating expenses

Operating expenses include:

	Group 2023	Group 2022	Company 2023	Company 2022
Auditor's remuneration – current period	**524**	433	**417**	303
Management fees	**22 392**	10 201	**22 392**	10 201
Commissions paid	**3 260**	5 295	**3 260**	5 295

Management fees have increased from prior year due to improved performance (increase in dividends generated from associates) in the group which has resulted in an increase in the performance fee payable to the management company.

12. Finance income and finance costs

Recognised in profit or loss

	Group 2023	Group 2022	Company 2023	Company 2022
Interest income – cash and cash equivalents	**2 254**	2	**2 254**	2
Interest charge – bank overdraft	**(370)**	–	**(370)**	–
Net finance income	**1 884**	2	**1 884**	2
Interest expense on financial liabilities measured at amortised cost	**(370)**	–	**(370)**	–

13. Taxation

	Group 2023	Group 2022	Company 2023	Company 2022
Income tax				
Current period	**(5 881)**	(3 211)	**(5 881)**	(3 211)
Deferred tax				
Current period	**(1 733)**	(1 309)	**(1 909)**	(1 309)
Total taxation recognised in profit or loss	**(7 614)**	(4 520)	**(7 790)**	(4 520)

Reconciliation of effective tax rate

	Group 2023 %	Group 2022 %	Company 2023 %	Company 2022 %
Income tax rate	**28.0**	28.0	**28.0**	28.0
Exempt income	**(0.1)**	*	**(35.9)**	(6.3)
Impairments	**5.5**	1.4	**5.9**	3.5
Equity accounted earnings	**(35.2)**	(19.2)	**–**	–
Change in tax rate - deferred tax #	*	–	**(0.1)**	–
Deferred tax asset utilised	**–**	(0.4)	**–**	(0.9)
Fair value adjustments – capital gains tax rate	**0.3**	(0.5)	**0.5**	(1.2)
Fair value adjustments – recovered via dividends	**1.4**	(3.8)	**1.8**	(9.3)
Legal fees, expenses not in the production of taxable income	**5.9**	2.3	**6.4**	5.6
Tax paid on foreign income receipts	**0.3**	1.7	**1.3**	4.1
Capital gains taxation	**(0.5)**	(1.7)	**(0.6)**	(4.4)
Prior year underpayment	*	–	*	–
	5.6	7.9	**7.2**	19.2

* *Less than 0.1%*

13. Taxation (continued)

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 2023 is still 28% (22.4% for capital gains tax). The change in tax rate will affect years of assessment ending 31 March 2023 and after.

Deferred tax

The deferred tax balances at 28 February 2023 were analysed to calculate the portion that will realise/settle within 12 months. This portion of the deferred tax balance has 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) has been assessed, and has thus been separately disclosed in the financial statements.

	Group	
Figures in R'000	**2023**	2022
14. Reconciliation of headline earnings		
Profit for the year attributable to equity holders of VCP	**114 242**	53 056
Adjusted for:		
Impairment of investment and loans in associates	**26 632**	–
Taxation	**(5 966)**	–
Profit on loss of control	**–**	(10)
Taxation	**–**	2
Profit on disposal of assets	**(2 372)**	(5 826)
Taxation	**531**	1 220
	133 067	48 442
Basic headline earnings per share (cents)	**79.6**	29.5
Basic earnings per share (cents)	**68.3**	32.3
Basic headline earnings per share (cents)	**79.6**	29.5

Basic earnings per share
The calculation of basic earnings per share at 28 February 2023 was based on the profit attributable to ordinary shareholders of R114.242 million (2022: R53.056 million), and a weighted average number of ordinary shares outstanding of 167 199 million (2022: 164 304 million) per note 24.

Headline earnings per share
The calculation of headline and diluted headline earnings per share at 28 February 2023 was based on headline earnings attributable to ordinary shareholders of R133.067 million (2022: R48.442 million), and a weighted average number of ordinary shares outstanding of 167 199 million (2022: 164 304 million) per note 24.

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.	**164.1**	151.7

Figures in R'000	Company % Holding 2023	Company % Holding 2022	Company Cost of investment 2023	Company Cost of investment 2022
15. Investments in subsidiaries				
Investment in subsidiaries held at cost				
Vunani Mining Proprietary Limited	**100**	100	**106 781**	106 781
Vunani Resources 2 Proprietary Limited	**78.75**	–	*	–
Vunani Fund I GP (RF) Proprietary Limited	**100**	–	1	–
			106 782	**106 781**
Accumulated impairment				
Investment in Vunani Mining Proprietary Limited			(21 676)	(21 676)
			(21 676)	(21 676)
Investment in subsidiaries net of impairment			**85 106**	85 105

Factors considered in impairment of investments in subsidiaries

The investment in Vunani Mining Proprietary Limited was 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.

Figures in R'000	Group 2023	Group 2022	Company 2023	Company 2022
16. Other investments				
Balance at the beginning of the year	**35 999**	14 215	**35 999**	14 215
Fair value adjustments (note 9)	**(6 613)**	14 658	**(5 803)**	14 658
Additions	**3 292**	10 860	**5 059**	10 860
Transfer/disposals	**(1 108)**	(4 000)	**(1 108)**	(4 000)
Foreign exchange (loss)/gain	**(266)**	266	**(266)**	266
Balance at the end of the year	**31 304**	35 999	**33 881**	35 999
Non-current	**28 673**	34 891	**28 673**	34 891
Current	**2 631**	1 108	**5 208**	1 108
	31 304	35 999	**33 881**	35 999

16. Other investments (continued)

	Group and Company			
	Number of shares	% shareholding	Cost R'000	Fair value R'000
at 28 February 2023				
Vunani Limited Preference shares [%]	**500 000**	**2.34%**	**18 283**	**9 682**
Ferrox Holdings Limited [@]	**7 200 000**	**0.76%**	**5 638**	**3 945**
PawaTech Holdings Limited [&]	**6 605**	**0.40%**	**5 826**	**12 762**
PawaPay Holdings Pty Limited [^]	**8 059**	**0.33%**	**463**	**2 283**
Vunani Limited [#]	**954 477**	**0.60%**	**2 864**	**2 631**
DIP [^]			**1**	**1**
Total - Group			**33 075**	**31 304**
In addition to the above the company holds additional investments				
Listed shares	**974 477**	**0.56%**	**1 766**	**2 577**
Total - Company			**34 841**	**33 881**
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
Total - group and company			30 781	35 999

Other investments represent the group's financial assets that are carried at fair value through profit or loss. Refer to note 34.5 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.*

[&] *In 2022, the group and company acquired 6 605 shares (0.4%) in Pawatech Holdings Limited for $400 000 (R5.8 million). The investment was fair valued at year end to R12.8 million.*

[^] *In the prior year, PawaTech Holdings Limited unbundled its fintech business, into a vehicle called PawaPay in which the group received the same number of shares (6 605 shares) at a subscription price of €0.30. The group acquired an additional 1 454 shares for R0.4 million. The investment was fair valued at year end to R2.3 million.*

[#] *The group acquired 0.6% representing 954 477 shares held in Vunani Limited, a JSE listed financial services group.*

[^] *The group invested in the Ditikeni Investment Partners Fund I Partnership. Refer to the related party note 30 for additional disclosures.*

[*] *less than 1%*

Figures in R'000	Company 2023	Company 2022
17. Loans to/(from) subsidiaries		
Loan to/(from) subsidiaries		
Vunani Mining Proprietary Limited	**425**	289
Vunani Resources 2 Proprietary Limited	**(12 950)**	–
	(12 525)	289

The loans to subsidiary companies are unsecured, have no fixed terms of repayment and are interest free.

Figures in R'000	Group Investment in associate	 Loans to associates	 Total
18. Investments in and loans to associates			
Investments in and loans to associates			
Balance at 28 February 2022	207 147	9 943	217 090
Forex movement	339	–	339
Increase in investments and loans to associates	–	21 807	21 807
Equity accounted earnings	170 857	–	170 857
Dividends received	(151 760)	–	(151 760)
(Impairment)/ impairment reversal of investment and loans to associates	(26 642)	10	(26 632)
Repayment of loans	–	(3 487)	(3 487)
Balance at 28 February 2023	199 941	28 273	228 214

Figures in R'000	Company Investment in associate	 Loans to associates	 Total
Investments in and loans to associates			
Balance at 28 February 2022	54 723	15 682	70 405
Increase in investments and loans to associates	–	21 807	21 807
(Impairment)/ impairment reversal of investment and loans to associates	(22 476)	10	(22 466)
Repayment of loans	–	(3 486)	(3 486)
Balance at 28 February 2023	32 247	34 013	66 260

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

* *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.

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.

18. Investments in and loans to associates (continued)

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 operates 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 R12.0 million (2022: R5.9 million) 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
Vunani Fintech Fund Proprietary Limited	Fintech investments
Vunani Properties Proprietary Limited	Property management and investments
VP Devco Proprietary Limited	Property management and investments
Vunani Properties Asset Management Proprietary Limited	Property management and investments
Vunani Resources Proprietary Limited	Coal trading
Verbicept Proprietary Limited	Investment holding

18. **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
2023						
Alliance Capital Limited	28.20%	3 607	–	(3 607)	–	–
Anatrica SA Proprietary Limited	29.25%	*	–	–	3 781	3 781
BetBio Zambia Limited	45.00%	*	–	–	16 372	16 372
Black Wattle Colliery Proprietary Limited	37.50%	28 120	–	–	33 605	61 725
Butsanani Energy Investments Proprietary Limited	26.25%	63 000	–	–	(2 177)	60 823
Isilo Investments RF Proprietary Limited	51.00%	135	–	–	–	135
Newshelf 1361 Proprietary Limited	25.00%	*	–	–	–	–
Nevzospan Proprietary Limited	22.50%	*	4 271	–	–	4 271
Phakamani Impact Capital Proprietary Limited	40.00%	1 899	500	–	2 077	4 476
Purpose Vunani Asset Management (Private) Limited	65.00%	3 892	2 870	(3 720)	1 380	4 422
Vunani Fintech Fund Proprietary Limited	20.00%	*	–	–	21 400	21 400
Vunani Properties Proprietary Limited	70.00%	*	7 537	(60)	–	7 477
VP Devco Proprietary Limited	70.00%	*	12 155	–	–	12 155
Vunani Properties Asset Management Proprietary Limited	70.00%	*	718	–	–	718
Vunani Resources Proprietary Limited	75.00%	267	(391)	–	–	(124)
Verbicept Proprietary Limited	50.00%	52 386	(152)	(26 642)	4 166	29 758
Other immaterial associates #		*	825	–	–	825
		153 306	28 333	(34 029)	80 604	228 214

18. Investments in and loans to associates (continued)

	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

* *Less than R1 000.*

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

18. **Investments in and loans to associates** (continued)

A reconciliation of the movements in associates is shown below:

2023	Group Investment at cost	Loans to associates	Total
Investment at cost and loans to associates	153 306	28 333	181 639
Cumulative impairments	(33 969)	(60)	(34 029)
Cumulative equity earnings net of dividends	80 604	–	80 604
	199 941	28 273	228 214
2022			
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

2023	Company Investment at cost	Loans to associates	Total
Investment at cost and loans to associates	62 050	34 003	96 053
Cumulative impairments	(29 803)	10	(29 793)
	32 247	34 013	66 260
2022			
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

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 2023								
Anatrica SA Proprietary Limited	61 037	81 462	704	143 203	(130 277)	–	(130 277)	12 926
BetBio Zambia Limited *	1 646	42 054	152	43 852	(45 679)	–	(45 679)	(1 827)
Black Wattle Colliery Proprietary Limited *	116 083	46 014	332 121	494 218	(299 092)	(78 198)	(377 290)	116 928
Butsanani Energy Investments Proprietary Limited *	129 648	38 530	401 966	570 144	(191 366)	(394 215)	(585 581)	(15 437)
Phakamani Impact Capital Proprietary Limited	9 218	19 827	8 219	37 264	(18 287)	(7 741)	(26 028)	11 236
Purpose Asset Management Private Limited *	1 655	14	869	2 538	(230)	(20)	(250)	2 288
Verbicept Proprietary Limited	152	5	70 848	71 005	(64)	(41 031)	(41 095)	29 910
Vunani Fintech Fund Proprietary Limited	2 470	1 390	455 660	459 520	(216)	(352 305)	(352 521)	106 999
Other immaterial associates #	2 282	440	20 680	23 402	(17 515)	(27 757)	(45 272)	(21 870)
	324 191	229 736	1 291 219	1 845 146	(702 726)	(901 267)	(1 603 993)	241 153

18. Investments in and loans to associates (continued)

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

* *The associates are accounted for based on their year ends being December.*

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

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 2023							
Anatrica SA Proprietary Limited	**559 333**	**–**	**(80)**	**799**	**(3 097)**	**(549 172)**	**7 783**
BetBio Zambia Limited	**271 691**	**–**	**–**	**152**	**–**	**(255 905)**	**15 938**
Black Wattle Colliery Proprietary Limited @	**1 780 622**	**–**	**(22 607)**	**(7 802)**	**(238 941)**	**(904 129)**	**607 143**
Butsanani Energy Investments Proprietary Limited *	**1 165 892**	**–**	**(13)**	**(41 077)**	**24 565**	**(1 220 353)**	**(70 986)**
Phakamani Impact Capital Proprietary Limited &	**37 200**	**–**	**(394)**	**(324)**	**(2 396)**	**(28 204)**	**5 882**
Purpose Asset Management Private Limited	**23 044**	**126**	**(75)**	**–**	**(920)**	**(21 321)**	**854**
Verbicept Proprietary Limited	**–**	**(53 471)**	**–**	**–**	**18 996**	**(66)**	**(34 541)**
Vunani Fintech Fund Proprietary Limited	**–**	**46 358**	**–**	**(23 963)**	**(10 013)**	**(2 992)**	**9 390**
Other immaterial associates #	**5 513**	**–**	**(3)**	**(40)**	**–**	**(16 760)**	**(11 290)**
	3 843 295	**(6 987)**	**(23 172)**	**(72 255)**	**(211 806)**	**(2 998 902)**	**530 173**

18. **Investments in and loans to associates** (continued)

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

@ *The group holds a 37.5% interest in Black Wattle Colliery Proprietary Limited through a vendor financed transaction. The 37.5% shareholding consists of 22.5% A ordinary shares and 15% ordinary shares. In addition, the group has 50% economic interest in B shares. The group equity accounts 15% and 50% of the profit derived on the ordinary and B shares. Of the R607 143 total comprehensive income, the group has equity accounted R171 249 for its share of the profits.*

* *The associate made total comprehensive income of R70 986. R27.4m is allocated to equity holders, of which the group's share is 26.25% resulting in losses of R7.2m. The balance is allocated to NCI.*

& *The associate made total comprehensive income of R5 882. R5 131 is allocated to equity holders, of which the group's share is 40% resulting in equity earnings of of R2.1m. The balance is allocated to NCI.*

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

18. Investments in and loans to associates (continued)

A reconciliation of the investments in and loans to associates:

at 28 February 2023 Figures in R'000	**Group and Company** 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%**	**12 926**	**3 020**	**–**	**–**	**761**	**–**	**3 781**
BetBio Zambia Limited *	**45.00%**	**(1 827)**	**(822)**	**–**	**–**	**17 194**	**–**	**16 372**
Black Wattle Colliery Proprietary Limited	**37.50%**	**116 928**	**36 253**	**–**	**–**	**25 473**	**–**	**61 726**
Butsanani Energy Investments Proprietary Limited *	**26.25%**	**(15 437)**	**(4 052)**	**–**	**–**	**64 875**	**–**	**60 823**
Phakamani Impact Capital Proprietary Limited	**40.00%**	**11 236**	**4 494**	**500**	**–**	**(518)**	**–**	**4 476**
Purpose Asset Management Private Limited	**65.00%**	**2 288**	**1 487**	**2 870**	**(3 720)**	**3 785**	**–**	**4 422**
Verbicept Proprietary Limited *	**50.00%**	**29 910**	**52 386**	**(152)**	**(26 642)**	**4 166**	**–**	**29 758**
Vunani Fintech Fund Proprietary Limited *	**20.00%**	**106 999**	**15 727**	**–**	**–**	**5 673**	**–**	**21 400**
Other immaterial associates #		**(21 870)**	**(8 397)**	**25 115**	**(3 667)**	**361**	**12 044**	**25 456**
		241 153	**100 096**	**28 333**	**(34 029)**	**121 770**	**12 044**	**228 214**
at 28 February 2022								
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

& *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 income.

Figures in R'000	Group 2023	Group 2022	Company 2023	Company 2022
19. Other financial assets				
Non-current				
Black Wattle Option				
Opening balance	–	28 119	–	–
Change in accounting treatment adjustment	–	(28 119)	–	–
Balance at 28 February 2023	–	–	–	–

In the prior year, 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 2023	Group 2022	Company 2023	Company 2022
Convertible loan				
Upgrade Energy Africa Proprietary Limited				
Convertible Loan	**5 300**	–	**5 300**	–

During the year, the group invested in a convertible loan in Upgrade Energy Africa Proprietary Limited ("UEA"), which will be converted into equity of 5% in Upgrade holding company – Upgrade Energy Holdings Company Naamloze Vernootschap ("UEH").

Figures in R'000	Group 2023	Group 2022	Company 2023	Company 2022
20. Deferred tax asset/(liability)				
Recognised deferred tax asset arises on:				
Fair value of investments	**(1 475)**	(1 456)	**(1 651)**	(1 456)
Other financial liabilities	–	1 714	–	1 714
	(1 475)	258	**(1 651)**	258
Reconciliation of movement in deferred tax				
Balance at the beginning of the year	**258**	1 567	**258**	1 567
Recognised against profit or loss	**(1 733)**	(1 309)	**(1 909)**	(1 309)
Balance at end of the year	**(1 475)**	258	**(1 651)**	258

The group and company do not have any estimated tax losses available for utilisation against future taxable income.

Figures in R'000	Group 2023	Group 2022	Company 2023	Company 2022
21. Trade and other receivables				
Financial instruments:				
Sundry accounts receivable	**5 415**	4 514	**5 415**	4 514
Trading debtors	**796**	6 221	**796**	6 221
Trade receivables at amortised cost	**6 211**	10 735	**6 211**	10 735
Non-financial instruments:				
Vat receivable	**2 011**	–	**2 011**	–
Total trade and other receivables	**8 222**	10 735	**8 222**	10 735

Expected credit losses

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. No credit losses have been raised as these were immaterial.

Figures in R'000	Group 2023	Group 2022	Company 2023	Company 2022
22. Inventory				
Inventory comprises:				
Balance at the beginning of the year	**–**	1 330	**–**	–
Loss of control	**–**	(1 330)	**–**	–
Balance at 28 February 2023	**–**	–	**–**	–

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

Figures in R'000	Group 2023	Group 2022	Company 2023	Company 2022
23. Cash and cash equivalents				
Cash at bank and cash in hand	**21**	5 916	**21**	5 916
Short-term deposits	**33 494**	–	**33 494**	–
Bank overdraft	**(7 540)**	–	**(7 540)**	–
Cash and cash equivalents in the statement of cash flows	**25 975**	5 916	**25 975**	5 916

Figures in R'000	Group 2023	Group 2022	Company 2023	Company 2022
24. Stated capital				
Authorised				
500 000 000 (2022: 500 000 000) ordinary shares of no par value				
Issued – Ordinary shares				
169 394 818 (2022: 165 541 441) ordinary shares in issue	**226 178**	216 955	**226 178**	216 955
954 477 (2022: nil) treasury shares	**(1 766)**	–	**–**	–
	224 412	216 955	**226 178**	216 955
The treasury shares comprises the cost of the company's shares held by the group. At 28 February 2023, the group held 957 477 shares of the company's shares (2022: nil).				
Reconciliation of the movement in stated capital (R'000)				
Balance at the beginning of the year	**216 955**	211 166	**216 955**	211 166
Shares issued	**9 223**	5 789	**9 223**	5 789
Treasury shares acquired	**(1 766)**	–	**–**	–
Balance at the end of the year	**224 412**	216 955	**226 178**	216 955
Reconciliation of movement in number of shares issued (000s):				
Balance at the beginning of the year	**165 541**	161 156	**165 541**	161 156
Shares issued during the year	**3 853**	4 385	**3 853**	4 385
Treasury shares acquired	**(954)**	–	**–**	–
Balance at the end of the year (excluding treasury shares)	**168 440**	165 541	**169 394**	165 541
All issued shares are fully paid. Unissued ordinary shares are under the control of the directors in terms of a resolution of members passed at the last annual general meeting. This authority remains in force until the next annual general meeting.				
Weighted average number of ordinary shares (000s) *				
Issued ordinary shares at the beginning of the year	**165 541**	161 156	**165 541**	161 156
Shares issued during the year	**2 137**	3 148	**2 137**	3 148
Effect of own shares held	**(479)**	–	**(479)**	–
Weighted average number of shares in issue at the end of the year	**167 199**	164 304	**167 199**	164 304
Number of shares in issue at the end of the year	**169 395**	165 541	**169 395**	165 541

* *There is no impact of dilution on the shares in issue.*

	Group		Company	
Figures in R'000	2023	2022	2023	2022
25. Other financial liabilities				
Carried at fair value through profit or loss				
Opening balance	7 937	6 985	7 937	6 985
Fair value adjustment	(7 937)	952	(7 937)	952
Force Holdings Proprietary Limited	–	7 937	–	7 937

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.

	Group 2023	Group 2022	Company 2023	Company 2022
26. 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 entitle 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 dividends received by Vunani Mining from the group's investment in Butsanani have been distributed to the preference shareholders. Dividends are subject to Butsanani's cash requirements.

	Group 2023	Group 2022	Company 2023	Company 2022
27. Trade and other payables				
Trade creditors	594	1 146	594	1 146
Sundry payables	18 198	3 510	5 124	3 510
Expense accruals	806	6 247	682	6 110
	19 598	10 903	6 400	10 766

Figures in R'000	Group 2023	Group 2022	Company 2023	Company 2022
28. Cash utilised by operations				
Profit before tax	**135 929**	57 576	**106 898**	23 564
Adjusted for:				
Finance income	**(2 254)**	(2)	**(2 254)**	(2)
Finance costs	**370**	–	**370**	–
Impairments	**26 632**	2 941	**22 466**	2 941
Expected credit losses	**–**	–	**–**	–
Equity accounted earnings	**(170 857)**	(39 544)	**–**	–
Profit on disposal of assets	**–**	(5 836)	**–**	(6 055)
Profit on disposal of associates	**(2 372)**	–	**(2 372)**	
Dividend income	**(515)**	(34)	**(137 116)**	(5 333)
Foreign exchange loss/gain	**266**	(266)	**266**	(266)
Fair value adjustments	**(1 324)**	(13 706)	**(2 134)**	(13 706)
	(14 125)	1 129	**(13 876)**	1 143
Changes in working capital:				
Increase/(decrease) in trade and other receivables	**2 514**	(6 593)	**2 514**	(6 595)
(Decrease)/increase in trade and other payables	**(4 377)**	2 619	**(4 367)**	2 628
Cash utilised by operations	**(15 988)**	(2 845)	**(15 729)**	(2 824)
29. Income tax paid				
Payable at beginning of the year	**–**	–	**–**	–
Current year tax charge	**(5 881)**	(3 211)	**(5 881)**	(3 211)
Payable at end of the year	**–**	–	**–**	–
	(5 881)	(3 211)	**(5 881)**	(3 211)

30. Related parties

Relationships

Major shareholder	Bambelela Capital Proprietary Limited
Associates	Refer to note 18
Directors	Per the Directors report

Direct and indirect subsidiaries	Effective equity holding 2023	2022
Tutuni Investments 14 Proprietary Limited *	**100%**	100%
Vunani Mining Proprietary Limited	**100%**	100%
Locivert Proprietary Limited	**100%**	100%
Hanomark Proprietary Limited *	**100%**	100%
VCP Management Company Proprietary Limited	**95%**	–
Vunani Fund I GP (RF) Proprietary Limited #	**100%**	–
Vunani Resources 2 Proprietary Limited	**78.75%**	–

* *Vunani has entered into a legal agreement with the shareholders and the companies which entitles Vunani, inter alia, to the economic benefits accruing from the activities of the companies. The directors of these companies are executive directors of Vunani. These directors are responsible for the strategic and operational activities of these companies and therefore on this basis, 100% of the company's results have been consolidated in the group's results.*

\# *Investment in unconsolidated entities*

30. Related parties (continued)

During the year, the group via its 100% subsidiary Vunani Fund I GP (RF) Proprietary Limited established an *en commandite* partnership, Ditikeni Investment Partners Fund I Partnership in which the Ditikeni Trust contributed its legacy assets. The Ditikeni Trust has 90% of the carried interest of the fund and the remaining 10% carried interest is attributed to the VCP. The purpose of the partnership is to deliver and perform all transaction-related activities in the Ditikeni Fund with the aim of receiving investment returns. VCP holds 99% of the committed capital and has no part in the management or control of the business/affairs of the fund.

Vunani Fund I GP (RF) holds 1% of the committed capital and has full power and authority to manage the fund without limitation. VCP Management Company Proprietary Limited was appointed to provide investment advisory and management services for a fee. All investment and divestment decisions in relation to the fund shall be made by the Investment Committee ("IC").

The rights attaching to the 10% carried interest (carried interest) entitles the company to participate in profits/losses of the fund. The carried interest is assessed by the group under IAS 32 *Financial Investments: Presentation* (IAS 32) and IFRS 9 *Financial Instruments* (IFRS 9). The fund has recognised the 10% carry at R0.7 million, however, this is recognised as nil in Vunani Fund I as the probability of realising the gains or losses on disposal was assessed as zero at year end.

The information presented below is applicable to investment in Ditikeni Investment Partners Fund I Partnership:

	DIP Fund I Partnership	
	2023	2022
Total comprehensive income for the year	**14 997**	–
Statement of financial position		
Assets		
Investment in Ditikeni Investment Company Limited at fair value	**222 124**	–
Cash and cash equivalents	**429**	–
	222 553	–
Equity and liabilities		
Ditikeni Trust	**221 861**	–
Vunani Fund I	**692**	–
Trade and other payables	*	–
	222 553	–

* less than R 1000

Figures in R'000	2023	2022
Related party balances		
Investments in subsidiaries	**85 106**	85 105
Loan to subsidiary company	**425**	289
Loan from subsidiary company	**(12 950)**	
Related party transactions		
Directors remuneration and benefits - note 32.		

31. Non-controlling interest

In the current year, the group held 78.75% in Vunani Resources 2 Proprietary Limited with 21.25% being held by non-controlling interest ("NCI").

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

28 February 2023

Figures in R'000	Vunani Resources 2 Proprietary Limited	Intra-group eliminations	Total
NCI percentage	21.25%		
Non-current assets	–		
Current assets	12 950		
Non-current liabilities	–		
Current liabilities	(13 100)		
Net assets	(150)		
Carrying amount of NCI	(32)	–	(32)
Revenue	–		
Profit	66 225		
OCI	–		
Total comprehensive loss	66 225		
Profit allocated to NCI	14 073	–	14 073
Other comprehensive income ("OCI") allocated to NCI	–		–
Net increase in cash and cash equivalents	–		
Dividends payable to non-controlling interest	(14 105)		

The balance of NCI was nil in February 2022.

32. Directors remuneration and benefits

Figures in R'000	Vunani Capital Partners Non-executive directors' fees	Vunani Capital Partners Remuneration for services as director of the company (Note 1)	Vunani Capital Partners Total	VC Remuneration paid for services to VCP and VC's related companies (Note 2)
2023				
NM Anderson	–	2 886	2 886	8 656
PR Gwaze	–	1 003	1 003	2 780
E Dube	–	2 855	2 855	12 852
BM Khoza	–	385	385	8 656
T Mika	–	293	293	4 400
LI Jacobs (Chairman)	302	–	302	–
G Nzalo	158	–	158	–
JR Macey	201	–	201	–
N Mazwi	168	–	168	–
S Mthethwa	135	–	135	–
M Golding	135	–	135	–
Total	**1 099**	**7 422**	**8 521**	**37 344**
2022				
NM Anderson	–	1 654	1 654	7 684
PR Gwaze	–	1 000	1 000	2 173
E Dube	–	1 227	1 227	11 832
BM Khoza	–	331	331	7 734
T Mika	–	130	130	3 704
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	–
	658	4 342	5 000	33 127

Note 1 Through the management and investment services agreement between the company and Vunani Capital Proprietary Limited ("VC"), the company pays management fees to VC in connection with the carrying on of the affairs of the company. The fees paid for key management personnel amounted to R7.4 million (2022: R4.3 million).

Note 2 The management fees are not paid by the company to the individual directors, but directly to VC. VC is responsible for the payment of the remuneration to the directors above. The amounts disclosed above do not represent additional remuneration paid to the directors. The total remuneration paid for services to VCP and VC's related companies has been disclosed above, which amounted to R37.3 million (2022: R33.1 million).

The prior year disclosures have been amended to reflect the portion of the fees paid by the company to Vunani Capital for each of the directors' contribution to the carrying on of VCP's activities.

33. 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.

33. Segmental reporting (continued)

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.

28 February 2023

Figures in R'000	Resources and energy	Gaming	Financial services	Fintech	BEE investments	Commodity trading	Property	Total
Revenue	9 097	–	–	2 000	–	4 600	–	15 697
Other income	–	–	10	–	1 278	–	–	1 288
Finance income and interest received from investments	2 254	–	–	–	–	–	–	2 254
Profit on disposal of assets	–	–	2 372	–	–	–	–	2 372
Fair value adjustments and impairments	(1 164)	2 971	(233)	(596)	(25 407)	–	(879)	(25 308)
Equity accounted earnings	164 054	7 173	2 607	1 878	(7 132)	2 276	–	170 856
Taxation	(4 502)	(2 335)	(64)	51	(673)	(169)	78	(7 614)
Reportable segment profit/(loss) after tax	146 681	5 549	3 446	2 427	(32 499)	5 012	(2 301)	128 315
Reportable segment assets	167 991	39 552	11 534	23 683	39 574	3 783	20 438	306 555
Investment in and loans to associates	122 420	21 470	8 898	21 400	29 893	3 783	20 350	228 214
Reportable segment liabilities	(15 366)	(5 364)	–	(343)	–	–	(7 540)	(28 613)

28 February 2022

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)

Figures in R'000	Group Carrying amount	Group Undiscounted contractual cash flows	Group Less than 1 year
34. Financial instruments and risk management			
34.1 Liquidity risk			
28 February 2023			
Current assets			
Investments	**2 631**	**2 631**	**2 631**
Loans to associates	**–**	**–**	**–**
Trade and other receivables	**8 222**	**8 222**	**8 222**
Cash and cash equivalents	**33 515**	**33 515**	**33 515**
	44 368	**44 368**	**44 368**
Current liabilities			
Trade and other payables	**(19 598)**	**(19 598)**	**(19 598)**
Bank overdraft	**(7 540)**	**(7 540)**	**(7 540)**
	(27 138)	**(27 138)**	**(27 138)**
Net position (current assets less current liabilities)	**17 230**	**17 230**	**17 230**
In the prior year, the financial instruments were classified either as non-derivative financial assets or liabilities.			
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

34. **Financial instruments and risk management** (continued)

Figures in R'000	Company Carrying amount	Company Undiscounted contractual cash flows	Company Less than 1 year
28 February 2023			
Current assets			
Investments	5 208	5 208	5 208
Loans to associate companies	5 195	5 195	5 195
Loans to subsidiary companies	425	425	425
Trade and other receivables	8 222	8 222	8 222
Cash and cash equivalents	33 515	33 515	33 515
	52 565	52 565	52 565
Current liabilities			
Trade and other payables	(6 400)	(6 400)	(6 400)
Bank overdraft	(7 540)	(7 540)	(7 540)
	(13 940)	(13 940)	(13 940)
Net position (current assets less current liabilities)	38 625	38 625	38 625
28 February 2022			
Current assets			
Investments	1 108	1 108	1 108
Loans to associate companies	8 671	8 671	8 671
Loans 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

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. The group also has access to R10.0 million working capital facility, which may be used to manage its financial obligations if necessary.

34. Financial instruments and risk management (continued)

34.2 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	2023	2022	2023	2022
Loan to subsidiary companies	–	–	425	289
Trade and other receivables	8 222	10 735	8 222	10 735
Loans to associates	28 273	9 943	34 013	9 943
Cash and cash equivalents	33 515	5 916	33 515	5 916
	70 010	26 594	76 175	26 883

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
2023			
Stage 1	36 555	8 222	28 333
Impairment	(60)	–	(60)
	36 495	8 222	28 273
2022			
Stage 1	21 627	10 735	10 892
Stage 3	5 738	–	5 738
Impairment	(6 687)	–	(6 687)
	20 678	10 735	9 943

	Company			
Figures in R'000	Total	Trade and other receivables	Loan to subsidiary company	Loan to associates
2023				
Stage 1	42 660	8 222	425	34 013
2022				
Stage 1	26 706	10 735	289	15 682

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. No ECL has been raised on the loan balances in the current year and prior year.

34. Financial instruments and risk management (continued)

Figures in R'000	Group 2023 Carrying amount	Group 2023 Fair value	Group 2022 Carrying amount	Group 2022 Fair value
34.3 Fair values				
Financial assets at fair value				
Other investments	31 304	31 304	35 999	35 999
Financial assets at amortised cost				
Loan to associates	28 273	22 671	9 943	9 943
	59 577	53 975	45 942	45 942
Financial liabilities measured at fair value				
Other financial liabilities	–	–	(7 937)	(7 937)
	–	–	(7 937)	(7 937)

Figures in R'000	Company 2023 Carrying amount	Company 2023 Fair value	Company 2022 Carrying amount	Company 2022 Fair value
Fair values				
Financial assets at fair value				
Other investments	33 881	33 881	35 999	35 999
Financial assets at amortised cost				
Loan to subsidiary company	425	425	289	289
Loan to associates	34 013	27 678	9 943	8 994
	68 319	61 984	46 231	45 282
Financial liabilities measured at amortised cost				
Loan from subsidiary company	(12 950)	(10 784)	–	–
Financial liabilities measured at fair value				
Other financial liabilities	–	–	(7 937)	(7 937)
	(12 950)	(10 784)	(7 937)	(7 937)

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

34. Financial instruments and risk management (continued)

34.4 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	**2023**	2022	**2023**	2022
Level 1				
Financial assets measured at fair value	**2 631**	–	**5 208**	–
Level 2				
Financial assets measured at fair value	**–**	1 108	**–**	1 108
	2 631	1 108	**5 208**	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	**2023**	2022	**2023**	2022
Level 3				
Financial assets measured at fair value	**33 973**	34 891	**33 973**	34 891
Financial assets measured at amortised cost	**22 671**	9 943	**28 103**	9 283
Financial liabilities measured at fair value	**–**	(7 937)	**–**	(7 937)
	56 644	36 897	**62 076**	36 237

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.

34. Financial instruments and risk management (continued)

34.4 Fair value hierarchy (continued)

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

	Group		Company	
	2023	2022	**2023**	2022
Free cash flow				
10% increase	**1 363**	568	**1 363**	568
10% decrease	**(1 363)**	(568)	**(1 363)**	(568)
Net asset value				
10% increase	**2 298**	2 238	**2 297**	2 238
10% decrease	**(2 298)**	(2 238)	**(2 297)**	(2 238)
Foreign exchange movements				
15% (2022:1%) increase	**2 848**	122	**2 848**	122
15% (2022:1%) decrease	**(2 848)**	(122)	**(2 848)**	(122)

34.5 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.

34. Financial instruments and risk management (continued)

34.5 Fair value information (continued)

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.

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 Limited, EESE 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.

34. Financial instruments and risk management (continued)

34.5 Fair value information (continued)

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

35. Other legal and regulatory requirements

No matters have been reported in the current year.

36. Going-concern

The consolidated and separate financial statements have been prepared on a going-concern basis. The group has recognised a profit of R128.3 million (2022: R53.1 million) for the year ended 28 February 2023, and as at that date current assets, fairly valued, exceed current liabilities by R17.2 million (2022: R9.8 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.

37. Dividends

Dividends paid

Dividend number 2 and 3

Dividend number 2 of 18 cents (14.4 cents net of dividend withholding tax) and dividend number 3 of 38 cents per share (30.4 cents net of dividend withholding tax) were paid to ordinary shareholders in 30 June 2022 and 28 October respectively. Total cash of R93.8 million (net of treasury shares held) was paid to ordinary shareholders.

2022: Dividend number 1

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

38. Events after reporting date

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

05

SHAREHOLDER INFORMATION

Analysis of the shareholders

for the year ended 28 February 2023

Shareholder spread	Number of shareholders	% of total shareholdings	Number of issued shares	% of issued shares
1 – 1,000	297	40.46%	8 238	*
1,001 – 10,000	185	25.20%	64 112	0.04%
10,001 – 100,000	105	14.31%	242 846	0.14%
100,001 – 1,000,000	19	2.59%	136 123	0.08%
Over 1,000,000	128	17.44%	168 943 499	99.74%
Total	734	100.00%	169 394 818	100.00%

Distribution of shareholders	Number of shareholders	% of total shareholdings	Number of issued shares	% of issued shares
Companies and close corporations	36	4.90%	144 622 783	85.38%
Individuals	682	92.92%	23 603 983	13.93%
Trusts	6	0.82%	563 840	0.33%
Unincorporated entities	10	1.36%	604 212	0.36%
Total	734	100.00%	169 394 818	100.00%

Shareholder type	Number of shareholders	% of total number of shareholders	Number of issued shares	% of issued shares
Non-Public shareholders	22	3.00%	122 719 569	72.45%
Directors and associates (Direct Holding)	11	1.50%	3 470 376	2.05%
Directors and associates (Indirect Holding)	5	0.68%	63 049 763	37.22%
Strategic Holders: Geomer Investments (Pty) Ltd (>10%)	1	0.14%	30 040 389	17.73%
Bambelela Capital trusts	5	0.68%	26 159 041	15.45%
Public shareholders	712	97.00%	46 675 249	27.55%
Total	734	100.00%	169 394 818	100.00%

* *Less than 0.01%*

Shareholding greater than 5%	Number of shares held	% of issued shares
Bambelela Capital Proprietary Limited	79 360 463	46.85%
Geomer Investments Proprietary Limited	30 040 389	17.73%
Baleine Capital Proprietary Limited	10 000 000	5.90%
Total	119 400 852	70.48%

Shareholders' diary

for the year ended 28 February 2023

Vunani Capital Partners Limited – Company

Financial year-end	28 February 2023
Trading update release	7 June 2023
Annual report release	19 June 2023
Year end results presentation	20 June 2023
Annual general meeting	25 July 2023
Interim results release	October 2023

Notice of annual general meeting

for the year ended 28 February 2023

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 Tuesday, 25 July 2023 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 Proprietary 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 - **Monday, 19 June 2023.**
- **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, 21 July 2023**.
- 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 - **Thursday, 20 July 2023**.
- Forms of proxy in respect of the AGM to be lodged at or received by **Friday, 21 July 2023 at 17:00**.
- General Meeting to be held on **Tuesday, 25 July 2023 at 11:00**.
- Results of AGM released on **Tuesday, 25 July 2023**.

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 **Friday, 21 July 2023**. 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 2023, 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 46 to 98 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, Mr Lionel Jacobs, Mr Marcel Golding, Mr Sithembiso Mthethwa and Ms Pride Gwaze 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 re-election and has found them suitable for 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 Lionel Jacobs as an independent non-executive director

"Resolved that the re-election of Mr Lionel Jacobs 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 Marcel Golding as a non-executive director

"Resolved that the re-election of Mr Marcel Golding 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 Sithembiso Mthethwa as a non-executive director

"Resolved that the re-election of Mr Sithembiso Mthethwa 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 Ms Pride Gwaze as a director

"Resolved that the re-election of Ms Pride Gwaze 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 2024), 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 2023; 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	R324 220 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	R134 375 per annum base fee
Chairperson of the audit and risk committee	R35 475 per annum in addition to the base fee
Chairperson of the social and ethics committee	R34 475 per annum in addition to the base fee
Chairperson of the investment committee	R34 475 per annum in addition to the base fee
Chairperson of the remuneration committee	R34 475 per annum in addition to the base fee
Member of the audit and risk committee	R10 750 per annum in addition to the base fee
Member of the remuneration committee	R10 750 per annum in addition to the base fee
Member of investment committee	R10 750 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 Friday, 21 July 2023 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 Friday, 21 July 2023 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: 19 June 2023

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**")

VUNANI CAPITAL PARTNERS

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 Tuesday, 25 July 2023.

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 Friday, 21 July 2023 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 25 July 2023, 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 Lionel Jacobs as an independent non-executive director			
Ordinary resolution no. 1.2 Re-election of Mr Marcel Golding as a non-executive director			
Ordinary resolution no. 1.3 Re-election of Mr Sithembiso Mthethwa as a non-executive director			
Ordinary resolution number. 1.4 Re-election of Ms Pride Gwaze 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 2023

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 25 July 2023

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 Limited ("TMS"), by no later than 17:00 on Friday, 21 July 2023. 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 21 July and 24 July 2023 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 21 July 2023.
- 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.

Electronic participation in the Vunani Capital Partners Limited virtual annual general meeting to be held on 25 July 2023 (continued)

Terms and conditions for participating at the Vunani Capital Partners Limited Annual General Meeting to be held on 25 July 2023 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 2023	169 394 818
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 Proprietary Limited 25 Scott Street, Waverley, Johannesburg South Africa, 2090 Tel: +27 (0)10 271 4320 Email: vcp@singular.co.za
Company secretary	CIS Company Secretaries Proprietary Limited
Issuer representative	Pride R Gwaze
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
Ditikeni Investment Partners Fund I	Ditikeni Investment Partners Fund I
Ferrox	Ferrox Holdings Limited
Isilo	Isilo Investments (RF) Proprietary Limited
Hanomark	Hanomark Proprietary Limited
Nevzospan	Nevzospan Proprietary Limited
Locivert	Locivert Proprietary Limited
PawaPay	Pawa P Holdings Limited
PawaTech	PawaTech Group Limited
Phakamani Impact Capital	Phakamani Impact Capital Proprietary Limited
Maccauvlei Learning Academy	Maccauvlei Learning Academy Proprietary Limited
Purpose Vunani	Purpose Asset Management (Private) Limited
Tutuni Investments	Tutuni Investments 14 Proprietary Limited
Upgrade Energy Africa	Upgrade Energy Africa Proprietary 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 2019/431743/06 EESE code: EXVCP ISIN: ZAEE00000062 Listed on EESE, ("VCP")
VCP Management Company	VCP Management Company Proprietary Limited
Vunani Fintech Fund	Vunani Fintech Fund Proprietary Limited
Vunani Fund I	Vunani Fund I GP (RF) Proprietary Limited
Vunani Mining	Vunani Mining Proprietary Limited
Vunani Properties	Vunani Properties Proprietary Limited
VP Devco	VP Devco Proprietary Limited
Vunani Properties Asset Management	Vunani Properties Asset Management Proprietary Limited
Vunani Resources	Vunani Resources Proprietary Limited
Vunani Resources 2	Vunani Resources 2 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
DIF	Development Finance Institution
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
MLA	Maccauvlei Learning Academy
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
VCP	Vunani Capital Partners Limited

Notes

("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