Inala Capital Limited
(Registration number 2364 of 2017)
Financial statements
for the year ended 31 December 2023

Inala Capital Limited
(Registration number 2364 of 2017)

General Information

Country of incorporation and domicile	Kingdom of Eswatini
Company registration number	2364 of 2017
Nature of business and principal activities	Investment holding
Business address	1st Floor, Matsapha Link Portion 3 of Plot 582, along College Road & Lihamu Matsapha Eswatini
Fund manager	African Alliance Eswatini Limited
Auditor	SNG Grant Thornton Chartered Accountants (Eswatini)
Banker	Nedbank (Eswatini) Limited Swazi Plaza Mbabane, Eswatini PO Box 70
Functional currency	The financial statements are expressed in Emalengeni the currency of Kingdom of Eswatini

Contents

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

Directors' Responsibilities and Approval

The Directors are responsible for preparing the Directors' report and the Company's financial statements in accordance with International Financial Reporting Standards and in the manner required by the Eswatini Companies Act of 2009 and Eswatini Stock Exchange Listing Rules. Company law requires the Directors to prepare the Company's financial statements for each financial year, which meet the requirements of the Eswatini Companies Act of 2009. In addition, the directors have elected to prepare the Company's financial statements in accordance with International Financial Reporting Standards.

The Company's financial statements are required by law to give a true and fair view of the state of affairs of the Company and of the profit or loss for the year. In preparing these financial statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether they have been prepared in accordance with International Financial Reporting Standards; and
- Prepare the Company's financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Eswatini Companies Act no. 8 of 2009, International Financial Reporting Standards and the Eswatini Stock Exchange Listing Requirements. They have general responsibilities for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

The external auditors are responsible for independently auditing and reporting on the company's financial statements. The financial statements have been audited by the company's external auditors and their report is presented on pages 7 to 10.

The financial statements set out on pages 11 to 42, which have been prepared on the going concern basis, were approved by the board of directors on 26 April 2024 and were signed on their behalf by:

Approval of financial statements

Director **Director**

Directors' Report

The directors have pleasure in submitting their report on the financial statements of Inala Capital Limited for the year ended 31 December 2023.

1. Incorporation

The company was incorporated on 01 November 2017 and obtained its certificate to commence business on the same day.

2. Nature of business

The Company is registered and incorporated in the Kingdom of Eswatini. As an investment holding company, it offers shareholders long- term capital appreciation by indirectly investing in a diversified portfolio of unlisted private equity-type investments.

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

3. Review of financial results and activities

The financial statements have been prepared in accordance with International Financial Reporting Standards and the requirements of the Companies Act no. 8 of 2009. The accounting policies have been applied consistently compared to the prior year.

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

4. Share capital

There have been no changes to the authorised or issued share capital during the year under review.

5. Dividends

The board of directors do not recommend the declaration of a dividend for the year.

6. Directorate

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

Directors	Office	Designation	Nationality
AT Dlamini	Chairperson	Non-executive	LiSwati
W D Thwala	Director	Non-executive	LiSwati
SS Msibi	Director	Non-executive	LiSwati
S Khumalo	Director	Non-executive	LiSwati
N K Mabuza	Chief Operating Officer and Executive Director	Executive	LiSwati
A M B de Castro	Director	Executive	LiSwati

7. Audit Committee

The Audit Committee of the Company for the year and at the date of this report is as follows:

Name	Position	Nationality
S S Msibi	Non-executive chairman	LiSwati
H S Dlamini	Non-executive member	LiSwati
S Khumalo	Non-executive member	LiSwati

8. Investment committee

The Investment Committee of the Company for the year and at the date of this report is as follows:

Name	Nationality
Z S Nhleko (Chairperson)	LiSwati
T B Dlamini	LiSwati
L P Mahlalela	LiSwati
M N Simelane	LiSwati

9. Events after the reporting period

During the year ended 31 December 2023, the directors of the company embarked on a strategic initiative aimed at expanding the company's equity interests within the food and agriculture sectors as part of a regional consolidation strategy.

As part of this initiative, a resolution was made to dispose of the company's investment in General Africa Foods Eswatini (Pty) Limited (refer to Note 6 of the financial statements). The disposition is structured as part of a larger transaction involving the acquisition of equity in an entity that specializes in operating quick-service fast-food outlets within Eswatini. The proposed acquisition would be facilitated through a share swap arrangement, whereby the company would exchange its minority interest in General Africa Foods Eswatini (Pty) Limited for a stake in the fast-food outlet operator.

The execution of these transactions is subject to the successful negotiation of terms and the satisfaction of various conditions precedent, which may encompass regulatory consents, comprehensive due diligence processes, and the finalisation of mutually agreeable terms between all parties involved. At this stage, the directors are actively engaged in negotiations and are working diligently to advance these transactions to a conclusion. The company expects that these strategic transactions will be finalised by the end of 2024, although the exact timing is contingent upon the progress of negotiations and the satisfaction of all necessary conditions. Also, refer to Note 14.

The financial impact of these events will be assessed and recognized in the financial statements of the year in which the transactions are concluded. As of the date of these financial statements, no adjustments have been made to the financial statements for the year ended 31 December 2023, as the transactions were not completed and the outcomes were not determinable at the reporting date.

In February 2024, the Eswatini minister of finance announced a reduction in the corporate tax rate from 27.5% to 25%. The impact of this change on the financial statements for the year ended 31 December 2023 will be a decrease in the deferred tax asset of approximately E74 826 in the subsequent financial period. The figure is a provisional estimate and the actual effect will be calculated based on the deferred tax balances at the date when the change in tax rate becomes effective in 2024. The financial statements have been prepared using the historical tax rate of 27.5%.

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

10. Going concern

The financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The directors believe that the company has 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 company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

We draw attention to the fact that at 31 December 2023, the company had accumulated losses of E 10 616 925. The company's total assets exceed its total liabilities by E 62 756 198.

The directors have concluded that Inala has adequate resources to continue operating for the foreseeable future and that it is appropriate to adopt the going concern basis in preparing the financial statements.

11. Secretary

The company secretary is Bongiwe Dlamini.

Business address:	African Alliance Eswatini Limited at 2nd Floor Nedbank Centre Cnr Sishayi and Sozisa Roads P.O. Box 5727 Mbabane H100 Kingdom of Eswatini

12. Auditors

SNG Grant Thornton Chartered Accountants (Eswatini) were appointed as the company's auditors for the year under review in accordance with the Eswatini Companies Act, 2009.

13. Corporate governance

Sound corporate governance structures and processes are in the process of being established at the company and are considered by the board to be pivotal to delivering sustainable growth in the interest of all stakeholders. Governance structures and processes will be regularly reviewed and adapted to accommodate internal corporate developments and to reflect national and international best practice to the extent considered in the best interest of the Company.

The board meets regularly, retains control over the Company and monitors executive management. The board reserves to itself a range of key decisions to ensure that it retains proper direction and control of the company. The roles of the Chairperson and the Chief Executive Officer do not vest in the same person and the Chairperson is a non-executive director. The Chairperson provides leadership and guidance to the company’s board, encourages proper deliberation of all matters requiring the board’s attention, obtains optimum input from the other directors and ensures all decisions of the board are clearly worded and are likely to advance the Company’s interests.

The board retains control over its operations and has established an Investment Committee and an Audit Committee. The Investment Committee is a sub-committee of the board and does provide an advisory function to the board by doing an independent assessment of a transaction presented, and then make a recommendation to the board.

14. Spread of shareholders

The shareholder spread and analysis of shareholdings are detailed in note 28.

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Independent Auditors' Report

To the shareholders of Inala Capital Limited

Opinion

We have audited the financial statements of Inala Capital Limited which comprise the statement of financial position as at 31 December 2023, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, the notes to the financial statements, including a summary of material accounting policies, other explanatory notes set out on pages 11 to 44 and the directors' report as set out on page 4 to 6.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Inala Capital Limited as at 31 December 2023, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Eswatini Companies Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of Inala Capital Limited in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code) together with the ethical requirements that are relevant to our audit in Eswatini and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

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

Valuation of level 3 financial instruments

The disclosure associated with the valuation of level 3 financial instruments is set out in the following accounting policies and notes:

- Accounting policy 1.2-Significant accounting judgements, estimates and assumptions.
- Note 3-Investment in associate.
- Note 14 -non-current asset held for sale
- Note 6 -Investment at fair value through profit or loss.

Key audit matter	**How our audit addressed the matter**
The company has investments which are measured at fair value and classified as level 3 financial instruments in the fair value hierarchy. As at 31 December 2023, the fair value of these investments, which comprise unlisted equities, investments in associate, non-current assets held for sale amounted to E33 423 124. The Company has applied a valuation technique to determine the fair value of the financial instruments that are not quoted in active markets. The valuation technique applied by the Company is discounted cash flow which involves subjective judgements and assumptions. Valuation of level 3 financial instruments has been identified as a key audit matter because of the significance of the judgements and estimates made in determining the fair value of the financial instruments.	Our audit work included the following procedures: • We evaluated the independence, technical competence and objectivity of the independent valuation specialist used by management. We engaged our internal valuation specialists who performed the following procedures: • Reviewed the appropriateness of the valuation methodologies applied by management specialist. • Verified the mathematical accuracy of the free cash flows. • Evaluated the appropriateness and sufficiency of the assumptions applied in the overall fair value assessment. • Assess the reasonableness of any premiums or discounts applied. • Assess the appropriateness of net debt adjustments included in the valuation. • Performed sensitivity analysis on the significant unobservable inputs to evaluate the overall reasonability of the fair values. We reviewed the appropriateness of the of the underlying assumptions (both macro-economic and micro-economic, entity level, and business plan/business model-based assumptions among others) related to both the forecasts and the related free cash flows that were used as a basis by management specialist. We reviewed the compilation of the underlying financial information and any assumptions used (historical and budgeted), on which the valuation performed by management specialist was based on. We reviewed the overall reasonableness of the historical information and forecasts. We assessed the adequacy of the disclosures on the financial statements against the requirements of *IFRS 9, Financial Instruments*.

Other information

The directors are responsible for the other information. The other information comprises the Directors' responsibilities and approval, the detailed income statement and Annexure A-Prime interest rates and currencies. Other information does not include the financial statements and our auditors' report thereon.

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

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

Responsibilities of the Directors for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide the directors with a statement that we have 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, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's 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.

SNG Grant Thornton

SNG Grant Thornton Chartered Accountants (Eswatini)
Per VM Nkabindze
Chartered Accountant (Eswatini)
Registered Auditor

30 April 2024

Inala Capital Limited
(Registration number 2364 of 2017)

Statement of Financial Position as at 31 December 2023

Figures in Emalangeni	Note(s)	2023	2022
Assets			
Non-Current Assets			
Investment in associate	3	30 260 923	23 050 000
Investment at fair value through profit or loss	6	-	9 305 000
Deferred tax	8	1 012 369	-
		31 273 292	**32 355 000**
Current Assets			
Amounts owing by related parties	4	2 012 110	-
Trade and other receivables	5	823 471	6 932
Other financial assets	7	25 564 765	22 723 053
Cash and cash equivalents	9	675 573	4 046 849
		29 075 919	**26 776 834**
Non-current asset held for sale	14	3 162 201	-
Total Assets		**63 511 412**	**59 131 834**
Equity and Liabilities			
Equity			
Share capital	10	73 373 123	73 373 123
Accumulated loss		(10 616 925)	(14 807 055)
		62 756 198	**58 566 068**
Liabilities			
Current Liabilities			
Other payables	13	725 516	544 366
Amounts owing to related parties	11	29 698	13 082
Other financial liabilities	12	-	8 318
		755 214	**565 766**
Total Equity and Liabilities		**63 511 412**	**59 131 834**

The financial statements and the notes on pages 11 to 42, were approved by the board of directors on the 26 April 2024 and were signed on its behalf by:

Director **Director**

The accounting policies on pages 15 to 22 and the notes on pages 23 to 42 form an integral part of the financial statements.

Inala Capital Limited
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Statement of Profit or Loss and Other Comprehensive Income

Figures in Emalangeni	Note(s)	2023	2022
Revenue		1 909 091	-
Operating gains (losses)	15	1 068 124	(3 545 000)
Operating expenses		(2 895 993)	(3 047 061)
Operating profit (loss)	16	**81 222**	**(6 592 061)**
Interest income	17	3 152 279	2 604 046
Finance costs	18	(1 950)	-
Profit (loss) before taxation		**3 231 551**	**(3 988 015)**
Taxation	19	958 579	-
Profit (loss) for the year		**4 190 130**	**(3 988 015)**
Other comprehensive income		-	-
Total comprehensive income (loss) for the year		**4 190 130**	**(3 988 015)**
Earnings per share			
Per share information			
Basic and diluted earnings (loss) per share	20	0,06	(0,06)

The accounting policies on pages 15 to 22 and the notes on pages 23 to 42 form an integral part of the financial statements.

Inala Capital Limited
(Registration number 2364 of 2017)

Statement of Changes in Equity

Figures in Emalangeni	Share capital	Share premium	Total share capital	Accumulated loss	Total equity
Balance at 01 January 2022	**719 940**	**72 653 183**	**73 373 123**	**(10 819 040)**	**62 554 083**
Loss for the year	-	-	-	(3 988 015)	(3 988 015)
Other comprehensive income	-	-	-	-	-
Total comprehensive loss for the year	**-**	**-**	**-**	**(3 988 015)**	**(3 988 015)**
Balance at 01 January 2023	**719 940**	**72 653 183**	**73 373 123**	**(14 807 055)**	**58 566 068**
Profit for the year	-	-	-	4 190 130	4 190 130
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the year	**-**	**-**	**-**	**4 190 130**	**4 190 130**
Balance at 31 December 2023	**719 940**	**72 653 183**	**73 373 123**	**(10 616 925)**	**62 756 198**
Note(s)	10	10	10		

The accounting policies on pages 15 to 22 and the notes on pages 23 to 42 form an integral part of the financial statements.

Statement of Cash Flows

Figures in Emalangeni	Note(s)	2023	2022
Cash flows from operating activities			
Cash used in operations	21	(3 525 034)	(3 061 764)
Interest income	17	298 457	286 541
Dividends received		1 909 091	-
Finance costs	18	-	-
Tax paid		(53 790)	-
Net cash from operating activities		**(1 371 276)**	**(2 775 223)**
Cash flows from investing activities			
Cash advance to group companies	4	(2 000 000)	-
Cash flows from financing activities			
Proceeds from other financial liabilities	12	-	21 400
Total cash movement for the year		**(3 371 276)**	**(2 753 823)**
Cash and cash equivalents at the beginning of the year		4 046 849	6 800 672
Cash and cash equivalents at the end of the year	9	**675 573**	**4 046 849**

Accounting Policies

1. Significant accounting policies

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

1.1 Basis of preparation

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

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

These accounting policies are consistent with the previous period.

1.2 Significant judgements and sources of estimation uncertainty

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

Key sources of estimation uncertainty

Impairment of financial assets

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

Fair value estimation

The valuation of the company's investment portfolio is based on the principle of fair value and is compliant with the International Private Equity and Venture Capital Valuation (“IPEV”) Guidelines and IFRS. The valuation process involves the determination of the fair value of each of the investments the Company invested in, ie. after acquisition. While the earnings multiple approach is a common valuation technique, the Discounted Cash Flow (“DCF”) method is used to reflect the present value of an investment more accurately for the Company.

Future expected after taxation cash flows and the terminal value, which represent the free cash flows to the company, are estimated and discounted to present value using the risk adjusted rate that mirrors the investment's weighted average cost of capital (“WACC”). The enterprise value derived from the DCF method is then adjusted for net debt to establish an appropriate equity value. Further adjustments may be made for any surplus non operating assets or liabilities associated with the investment.

The maintainable earnings, which inform the DCF calculations, take into account historical earnings figures deemed relevant and reliable. After determining an enterprise value, it is adjusted for any surplus assets, excess liabilities, and financial instruments that have priority over the company's investments. The resulting attributable enterprise value is apportioned to the company based on its shareholding in the underlying equity of the investment companies.

Management exercises significant judgement, particularly in these uncertain times, in assessing maintainable EBITDA and net debt for each Portfolio Company. Consequently, valuations of unlisted investments carry a degree of uncertainty, and the assumptions used may not always hold true over time.

While the determination of fair value is undertaken with the utmost diligence and best judgement, it is important to note that any valuation technique employed has limitations when applied to the types of securities the company invests in. Thus, the fair values reported may not necessarily reflect realisable amounts in immediate market transactions.

1.2 Significant judgements and sources of estimation uncertainty (continued)

Taxation

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

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

1.3 Investments in associates

Associates are all entities over which the company has significant influence but not control or joint control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for at fair value through profit or loss (“FVTPL”), after initially being recognised at cost. Management determined the company to be a venture capital organisation (“VCO”). When an investment in an associate is held by an entity that is a VCO, as per IAS 28, the company may elect to measure that investments at FVTPL.

1.4 Financial instruments

Financial instruments held by the company are classified in accordance with the provisions of IFRS 9 Financial Instruments.

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

Financial assets which are equity instruments:
- Mandatorily at fair value through profit or loss.

Financial assets which are debt instruments:
- Amortised cost. (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is met by holding the instrument to collect contractual cash flows); or
- Fair value through other comprehensive income. (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is achieved by both collecting contractual cash flows and selling the instruments); or
- Mandatorily at fair value through profit or loss. (This classification automatically applies to all debt instruments which do not qualify as at amortised cost or at fair value through other comprehensive income); or
- Designated at fair value through profit or loss. (This classification option can only be applied when it eliminates or significantly reduces an accounting mismatch).

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

Financial liabilities:
- Amortised cost.

Amounts owing by related parties

Classification

Amounts owing by related parties are classified as financial assets subsequently measured at amortised cost.

1.4 Financial instruments (continued)

Recognition and measurement

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

They are subsequently measured at amortised cost.

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

Impairment

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

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

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

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

Write off policy

The company writes off a loan 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. Loans written off may still be subject to enforcement activities under the company recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Measurement and recognition of expected credit losses

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

1.4 Financial instruments (continued)

Trade and other receivables

Classification

Trade and other receivables, excluding, when applicable, VAT and prepayments, are classified as financial assets subsequently measured at amortised cost (note 5).

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

Recognition and measurement

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

They are subsequently measured at amortised cost.

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

Amounts owing to related parties and other financial liabilities

Classification

Amounts owing to related parties and other financial liabilities are classified as financial liabilities subsequently measured at amortised cost.

Recognition and measurement

Amounts owing to related parties and other financial liabilities are recognised when the company becomes a party to the contractual provisions of the loan. The loans and other financial liabilities are measured, at initial recognition, at fair value less transaction costs, if any.

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

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

Interest expense, calculated on the effective interest method, is included in profit or loss in finance costs (note 18.)

1.4 Financial instruments (continued)

Other payables

Classification

Other payables are initially measured at fair value less any directly attributable transaction costs.Other payables are subsequently measured at amortised cost using the effective interest method.

Recognition and measurement

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

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

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

Cash and cash equivalents

Cash and cash equivalents are stated at amortised cost which approximates its fair value.

Derecognition

Financial assets

The company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the company retains substantially all the risks and rewards of ownership of a transferred financial asset, the company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities

The company derecognises financial liabilities when, and only when, the company obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Offsetting

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if :

- there is a currently enforceble legal right to offset the recognised amounts, and

- there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Other financial assets

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.

1.5 Tax

Current tax assets and liabilities

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

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

Deferred tax assets and liabilities

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

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

Tax expenses

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

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

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

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

1.6 Non-current assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets (or disposal groups) held for sale (distribution to owners) are measured at the lower of their carrying amount and fair value less costs to sell (distribute).

A non-current asset is not depreciated (or amortised) while it is classified as held for sale (held for distribution to owners), or while it is part of a disposal group classified as such.

Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale (distribution to owners) are recognised in profit or loss.

1.7 Share capital and equity

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

If the Company reacquires its own equity instruments, those instruments are deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company’s own equity instruments. Consideration paid or received shall be recognised directly in equity.

Ordinary shares are recognised at par value and classified as 'share capital' in equity. Any amounts received from the issue of shares in excess of par value is classified as 'share premium' in equity. Dividends are recognised as a liability in the company in which they are declared.

1.7 Share capital and equity (continued)

Incremental costs that are directly attributable to the issue of new shares are deducted from equity.

1.8 Provisions and contingencies

Provisions are recognised when:

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

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

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement shall be treated as a separate asset. The amount recognised for the reimbursement shall not exceed the amount of the provision.

Provisions are not recognised for future operating losses.

If an entity has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision.

A constructive obligation to restructure arises only when an entity:

- has a detailed formal plan for the restructuring, identifying at least:
  - the business or part of a business concerned;
  - the principal locations affected;
  - the location, function, and approximate number of employees who will be compensated for terminating their services;
  - the expenditures that will be undertaken; and
  - when the plan will be implemented; and
- has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

After their initial recognition contingent liabilities recognised in business combinations that are recognised separately are subsequently measured at the higher of:

- the amount that would be recognised as a provision; and
- the amount initially recognised less cumulative amortisation.

1.9 Revenue

Interest income from financial assets is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time proportion basis, by reference to the principal outstanding and at the effective interest rate applicable, net of any anticipated impairments. Interest income is included as investment income in the Statements of Comprehensive Income. Any discount to par achieved on money market instruments is amortised to cost over the maturity period of the investment and recognised as interest income, whereas any premium paid to par on such investments is amortised against the cost of the investment over its residual hold period and recognised as a charge against interest income.

Dividend income from investments is recognised when the right to receive payment has been established, provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Dividend income is included as investment income in the Statements of Comprehensive Income.

Investment gains/losses are recognised if any fair value adjustments relating to investments held at fair value are required and are included as fair value gains/losses in the Statements of Comprehensive Income.

1.10 Borrowing costs

Finance costs include interest expense. Interest expense is recognised using the effective interest method

1.11 Translation of foreign currencies

Foreign currency transactions

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

At the end of the reporting period:

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

In circumstances where the company receives or pays an amount in foreign currency in advance of a transaction, the transaction date for purposes of determining the exchange rate to use on initial recognition of the related asset, income or expense is the date on which the company initially recognised the non-monetary item arising on payment or receipt of the advance consideration.

If there are multiple payments or receipts in advance, company determines a date of transaction for each payment or receipt of advance consideration.

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

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

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

2. New Standards and Interpretations

2.1 Standards and interpretations effective and adopted in the current year

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

Initial application of IFRS 17 and IFRS 9 - Comparative information

A narrow-scope amendment to the transition requirements of IFRS 17 for entities that first apply IFRS 17 and IFRS 9 at the same time. The amendment regards financial assets for which comparative information is presented on initial application of IFRS 17 and IFRS 9, but where this information has not been restated for IFRS 9. Under the amendment, an entity is permitted to present comparative information about a financial asset as if the classification and measurement requirements of IFRS 9 had been applied to that financial asset before. The option is available on an instrument-by-instrument basis. In applying the classification overlay to a financial asset, an entity is not required to apply the impairment requirements of IFRS 9.

The effective date of the amendment is for years beginning on or after 01 January 2023.

The company has adopted the amendment for the first time in the 2023 financial statements.

The impact of the amendment is not considered material.

Deferred tax related to assets and liabilities arising from a single transaction - Amendments to IAS 12

The amendment adds an additional requirement for transactions which will not give rise to the recognition of a deferred tax asset or liability on initial recognition. Previously, deferred tax would not be recognised on the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting profit or loss. The additional requirement provides that the transaction, at the time of the transaction must not give rise to equal taxable and deductible temporary differences.

The effective date of the amendment is for years beginning on or after 01 January 2023.

The company has adopted the amendment for the first time in the 2023 financial statements.

The impact of the amendment is not considered material.

Disclosure of accounting policies: Amendments to IAS 1 and IFRS Practice Statement 2.

IAS 1 was amended to require that only material accounting policy information shall be disclosed in the financial statements. The amendment will not result in changes to measurement or recognition of financial statement items, but management will undergo a review of accounting policies to ensure that only material accounting policy information is disclosed.

The effective date of the amendment is for years beginning on or after 01 January 2023.

The company has adopted the amendment for the first time in the 2023 financial statements.

The impact of the amendment is not considered material.

Definition of accounting estimates: Amendments to IAS 8

The definition of accounting estimates was amended so that accounting estimates are now defined as "monetary amounts in financial statements that are subject to measurement uncertainty."

The effective date of the amendment is for years beginning on or after 01 January 2023.

The company has adopted the amendment for the first time in the 2023 financial statements.

The impact of the amendment is not considered material.

2. New Standards and Interpretations (continued)

IFRS 17 Insurance Contracts

The IFRS establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts issued.

The effective date of the standard is for years beginning on or after 01 January 2023.

The company expects to adopt the standard for the first time in the 2023 financial statements.

The impact of the standard is not considered material.

2.2 Standards and interpretations not yet effective

The company has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the company's accounting periods beginning on or after 01 January 2024 or later periods:

Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

If a parent loses control of a subsidiary which does not contain a business, as a result of a transaction with an associate or joint venture, then the gain or loss on the loss of control is recognised in the parent's profit or loss only to the extent of the unrelated investors' interest in the associate or joint venture. The remaining gain or loss is eliminated against the carrying amount of the investment in the associate or joint venture. The same treatment is followed for the measurement to fair value of any remaining investment which is itself an associate or joint venture. If the remaining investment is accounted for in terms of IFRS 9, then the measurement to fair value of that interest is recognised in full in the parent's profit or loss.

The effective date of the amendment is to be determined by the IASB.

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

Lease liability in a sale and leaseback

The amendment requires that a seller-lessee in a sale and leaseback transaction, shall determine 'lease payments' or 'revised lease payments' in a way that the seller-lessee would not recognise any amount of the gain or loss that relates to the right of use retained by the seller-lessee.

The effective date of the amendment is for years beginning on or after 01 January 2024.

The company expects to adopt the amendment for the first time in the 2024 financial statements.

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

Figures in Emalangeni	2023	2022

3. Investment in associate

The following table lists all of the associates in the company:

Name of company	Type of shares	% ownership interest 2023	% ownership interest 2022	Carrying amount 2023	Carrying amount 2022
Alliance Foods (Pty) Limited	Ordinary	27,27 %	27,27 %	30 260 923	23 050 000

Cost of shares is E 22 500 000 (2022: E 22 500 000).

Reconciliation of financial assets at fair value through profit or loss measured at level 3:

2023	Opening balance	Unrealised fair value gain	Closing balance
Alliance Foods (Pty) Limited	23 050 000	7 210 923	30 260 923

2022	Opening balance	Unrealised fair value gain	Closing balance
Alliance Foods (Pty) Limited	22 100 000	950 000	23 050 000

The Company follows International Accounting Standard (“IAS”) 28 "Investments in Associates" for accounting for its investments in associates. The Company qualifies for and applies the exemption from using the equity method of accounting provided by IAS 28 for its investment in associates, recognising them at fair value through profit or loss.

Management has concluded that the Company operates as a Venture Capital Organisation (“VCO”) based on the following criteria:

1. The Company's investment in associates is held as part of a diversified investment portfolio. The primary value driver for these investments is their fair market value, not necessarily the underlying business activities of the associate.
2. The Company's investment objective is to generate medium-term growth in the value of its portfolio through targeted exit strategies identified at the time of investment.
3. The associate operates in businesses unrelated to the core business of the Company.
4. The Company manages its investment in associates at fair value.
5. The Company fulfills the membership requirements of a recognized VCO platform, which include:
   - Good industry standing.
   - Principal business activity of providing equity financing to unquoted companies with returns generated primarily through short- to medium-term capital gains.
   - Investment activities encompassing start-up, early-stage expansion, management buy-out or buy-in transactions, including "equity-type" returns.

By meeting these criteria, the Company is entitled to exempt its investment in associates from equity accounting under IAS 28. This results in the recognition of these investments at fair value through profit or loss, reflecting the Company's business model and risk profile as a Venture Capital Organisation.

3. Investment in associate (continued)

Fair value hierarchy of financial assets at fair value through profit or loss

For financial assets recognised at fair value, disclosure is required of a fair value hierarchy which reflects the significance of the inputs used to make the measurements.

Level 1 represents those assets which are measured using unadjusted quoted prices for identical assets.

Level 2 applies inputs other than quoted prices that are observable for the assets either directly (as prices) or indirectly (derived from prices).

Level 3 applies inputs which are not based on observable market data.

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

	2023	2022
Level 3		
Alliance Foods (Pty) Limited	30 260 923	23 050 000

Summarised financial information of material associates

Summarised Statement of Profit or Loss and Other Comprehensive Income	**Alliance Foods (Pty) Limited**	
	2023	**2022**
Revenue	120 696 698	102 694 142
Other income and expenses	(99 319 685)	(88 183 219)
Profit before tax	21 377 013	14 510 923
Tax expense	(5 840 761)	(4 076 283)
Profit for the year	15 536 252	10 434 640
Total comprehensive income	**15 536 252**	**10 434 640**

Summarised Statement of Financial Position	**Alliance Foods (Pty) Limited**	
	2023	**2022**
Assets		
Non-current	110 886 768	111 908 022
Current	18 911 989	16 599 351
Total assets	**129 798 757**	**128 507 373**
Liabilities		
Non-current	24 727 188	33 168 950
Current	29 932 206	28 735 313
Total liabilities	**54 659 394**	**61 904 263**
Total net assets	**75 139 363**	**66 603 110**

Figures in Emalangeni	2023	2022

4. Amounts owing by related parties

	2023	2022
Current		
General Africa Foods Eswatini (Pty) Limited	2 012 110	-

Unless specified, the balances are current, unsecured and have no fixed terms of repayment. Interest is charged at 2% over the prime interest rate of the lender's country [Annexure A].

All amounts owing by related parties are receivable in Emalangeni.

5. Trade and other receivables

	2023	2022
Financial instruments:		
Trade receivables	818 181	-
Non-financial instruments:		
Prepayments	5 290	6 932
Total trade and other receivables	**823 471**	**6 932**

Maturity analysis of trade receivables

	2023 Trade receivables	2023 Expected credit loss	2022 Trade receivables	2022 Expected credit loss
Expected credit loss:				
Current	818 181	-	-	-
>30 days	-	-	-	-
>60 days	-	-	-	-
>90 days	-	-	-	-
Total	**818 181**	**-**	**-**	**-**

The following table represents categorisation of trade receivables into stages 1 - 3:

	Stage 1	Stage 2	Stage 3	Total
Carrying amount as at 01 January 2023	-	-	-	-
Received during the year	818 181	-	-	818 181
Carrying amount as at 31 December 2023	**818 181**	**-**	**-**	**818 181**

Figures in Emalangeni	2023	2022

6. Investments at fair value

	2023	2022
At fair value through profit or loss:		
General Africa Foods Eswatini (Pty) Limited	-	9 305 000
This represents 5.97% shareholding (16 ordinary shares costing E 20 000 000)		
	-	**9 305 000**

Reconciliation of financial assets at fair value through profit or loss measured at level 3:

2023	**Opening balance**	**Unrealised fair value loss**	**Reclassification to asset held for sale***	**Closing balance**
General Africa Foods Eswatini (Pty) Limited	9 305 000	(6 142 799)	(3 162 201)	-

*Refer to note 14 for details on non-current asset held for sale.

2022	**Opening balance**	**Unrealised fair value loss**	**Closing balance**
General Africa Foods Eswatini (Pty) Limited	13 800 000	(4 495 000)	9 305 000

Fair value hierarchy of financial assets at fair value through profit or loss

For financial assets recognised at fair value, disclosure is required of a fair value hierarchy which reflects the significance of the inputs used to make the measurements.

Level 1 represents those assets which are measured using unadjusted quoted prices for identical assets.

Level 2 applies inputs other than quoted prices that are observable for the assets either directly (as prices) or indirectly (derived from prices).

Level 3 applies inputs which are not based on observable market data.

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

	2023	2022
Level 3		
General Africa Foods Eswatini (Pty) Limited	-	9 305 000

6. Investments at fair value (continued)

2023

Description	**Fair Value E000**	**Valuation technique**	**Unobservable input**	**Weighted average input**	**Reasonable possible shift '+/- (absolute value)**	**Change in valuation '+/- E000**
Alliance Foods (Pty) Limited*	30 261	Discounted Cash Flow	Weighted Average Cost of Capital	21.00%	10%	8 730
			Terminal Growth	5.00%	10%	1 834
			Minority Discount	11.20%	10%	193
			Liquidity discount	13.10%	10%	763
General Africa Foods Eswatini (Pty) Limited*	3 162	Discounted Cash Flow	Weighted Average Cost of Capital	24.80%	10%	836
			Terminal Growth	4.50%	10%	200
			Minority Discount	18.00%	10%	78
			Liquidity discount	18.00%	10%	112

2022

Description	**Fair Value E000**	**Valuation technique**	**Unobservable input**	**Weighted average input**	**Reasonable possible shift '+/- (absolute value)**	**Change in valuation '+/- E000**
Alliance Foods (Pty) Limited	30 261	Discounted Cash Flow	Weighted Average Cost of Capital	21.90%	10%	6 650
			Terminal Growth	5.00%	10%	1 397
			Minority Discount	11.20%	10%	147
			Liquidity discount	13.10%	10%	581
General Africa Foods Eswatini (Pty) Limited	3 162	Discounted Cash Flow	Weighted Average Cost of Capital	26.10%	10%	2 459
			Terminal Growth	4.65%	10%	588
			Minority Discount	18.00%	10%	229
			Liquidity discount	18.00%	10%	329

Figures in Emalangeni	2023	2022

6. Investments at fair value (continued)

Investments valuation methodology

** Alliance Foods (Pty) Limited (refer to note 2)*

The Company has an investment in Alliance Foods (Pty) Limited which has 11 Kentucky Fried Chicken ("KFC") stores in Eswatini. Alliance Foods is the sole KFC franchisee in Eswatini.

The Company has used the discounted cash flow methodology to estimate the fair value as at the valuation date. This methodology has been adopted as it reflects the cash flows expected to be received. In addition, this methodology is widely considered as the most accurate valuation methodology and the discount rate applied takes into account the cost of the funds invested.

** General Africa Foods Eswatini (Pty) Limited (refer to note14)*

General Africa Foods Eswatini Proprietary Limited is an investment holding company having its primary investment in Esdi Butcher, a lower end protein offering retailer.

The Company has used the discounted cash flow methodology to estimate the fair value as at the valuation date. This methodology has been adopted as it reflects the cash flows expected to be received. In addition, this methodology is widely considered as the most accurate valuation methodology and the discount rate applied takes account of the cost of the funds invested.

Afripack Proprietary Limited, a fully owned subsidiary of General Africa Foods Eswatini Proprietary Limited, has secured the West Pack Lifestyle Master Franchise Rights in Eswatini as well as West Pack Lifestyle stores in South Africa. West Pack Lifestyle is a plastic ware shop or a packaging supplier who supplies a variety of products for your day-to-day requirements, ranging from: indoor to outdoor perishables, storage solutions, toys, party accessories, pet care, and garden essentials. Over the years the product range and offering has increased exponentially – so much so that the brand is now positioned as a lifestyle retail store that has become a destination shopping experience.

7. Other financial assets

	2023	2022
At amortised cost		
Lesana Lesotho Limited *The promissory note has a principal amount of E11 086 575, bears interest at 11.5% per annum and has a maturity date of 03 May 2023.*	-	11 935 382
Lesana Lesotho Limited *The promissory note has a principal amount of E10 000 000, bears interest at 11.5% per annum and has a maturity date of 26 April 2023.*	-	10 787 671
Lesana Lesotho Limited *The promissory note has a principal amount of E23 511 532, bears interest at 12.75% per annum and has a maturity date of 26 April 2024.*	25 564 765	-
Split between non-current and current portions		
Current assets	25 564 765	22 723 053

These have short term maturity dates and effect of discounting is not material.

Figures in Emalangeni	2023	2022

8. Deferred tax

Deferred tax asset	1 012 369	-

The balance comprises temporary differences attributable to:

Tax losses	1 012 369	-

In February 2024, the Eswatini minister of finance announced a reduction in the corporate tax rate from 27.5% to 25%. The impact of this change on the financial statements for the year ended 31 December 2023 will be a decrease in the deferred tax asset of approximately E74 826 in the subsequent financial period. The figure is a provisional estimate and the actual effect will be calculated based on the deferred tax balances at the date when the change in tax rate becomes effective in 2024. The financial statements have been prepared using the historical tax rate of 27.5%.

9. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balances	675 573	4 046 849

Cash at bank and short-term deposits, excluding cash on hand

Financial institution		
Nedbank (Eswatini) Limited	2 525	32 257
African Alliance Lilangeni Fund*	673 048	4 014 592
	675 573	**4 046 849**

*African Alliance Lilangeni Fund is a related party as the fund is managed by a fully owned subsidiary of the Investment manager, African Alliance Eswatini Limited (Note 22).

Money market funds are presented as cash equivalents as they have a maturity of three months or less from the date of acquisition and are repayable with 24 hours' notice with no loss of interest.

The company does not hold any restricted cash and cash equivalents. All bank balances are held in Emalangeni.

10. Share capital

Authorised		
250 000 000 Ordinary shares of E0.01 each	250 000 000	250 000 000

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

Issued		
71 994 000 Ordinary shares of E0.01 each	719 940	719 940
Share premium	72 653 183	72 653 183
	73 373 123	**73 373 123**

Figures in Emalangeni	2023	2022

11. Amounts owing to related parties

Current

African Alliance Eswatini Limited	29 698	13 082

Unless specified, the balances are current, unsecured and have no fixed terms of repayment. Interest is charged at 2% over the prime interest rate of the lender's country.

All amounts owing to related parties are payable in Emalangeni. The carrying amount is a reasonable approximation of the fair value of the balance owed to the related party as the amount is payable within the next 12 months.

Split between non-current and current portions

Current liabilities	29 698	13 082

12. Other financial liabilities

At amortised cost		
African Alliance Limited	-	8 318

Split between non-current and current portions

Current liabilities	-	8 318

13. Other payables

Financial instruments:		
Other payables	-	9 671
Management fees payable	725 516	534 695
	725 516	**544 366**

Management fees

The Company concluded a Management Agreement ("Agreement") on 21 June 2018 with African Alliance Eswatini Limited ("the Manager") in terms of which the Company appointed the Manager exclusively to manage, administer and control the business and assets of the Company in accordance with its objectives. The Company and Manager agree a management fee payment which is equal to 2% per annum of the market capitalisation of the Company payable quarterly in arrears and a cash performance fee.

Performance fees

The Manager is entitled to a cash performance fee in respect of each period of twelve months ending on the last day of the Company's financial year ("the Calculation Period") equal to 20% of the appreciation in the Net Asset Value ("NAV") of the Company during the Calculation Period (in each case after taking into account the effect of any new share issues, and adding back dividends and other distributions made during the Calculation period (the "adjusted NAV"). The performance fee is only payable on the appreciation in the adjusted NAV of the Company in excess of the prior high NAV of the Company. No such fee was paid out in the current year due to the NAV decreasing from the prior year.

The carrying amount of other payables approximates its fair value. The effect of discounting is not material due to the short term nature.

14. Non-current asset held for sale

During 2023, the directors of the company decided to sell its investment in General Africa Foods Eswatini (Pty) Limited (note 6). The company is in the process of executing a strategic expansion of its equity interests in the food and agriculture sectors through a series of negotiations and transactions. The aim is to strengthen its position through a regional consolidation strategy, focusing on growth in the food, agriculture, and related industries.

The company is negotiating to acquire shares in a company that operates quick-service fast-food outlets in Eswatini. To acquire the stake, the company plans to engage in a share swap where it will dispose of its minority stake in General Africa Foods Eswatini (Pty) Limited. General Africa Foods Eswatini (Pty) Limited is known for providing a range of fresh, frozen meat products, and other grocery items to consumers in Eswatini.

The manner and timing of these disposals and acquisitions will depend on the progress of negotiations and the fulfillment of requisite conditions, which may include regulatory approvals, due diligence, and satisfactory agreements between the involved parties. The company anticipate the transaction to be completed before the end of 2024.

	2023	2022
Non-current assets held for sale		
Investments at fair value through profit or loss	3 162 201	-

Details pertaining to the investments are shown below:

2023	**Number of shares**	**% Holding**	**Cost of shares (E)**
General Africa Foods Eswatini (Pty) Limited	16 Ordinary shares	5,97 %	20 000 000

Investment at fair value through profit or loss classified as held for sale during the reporting period was measured at fair value through profit or loss. The fair value of the investment at fair value through profit or loss was determined using the discounted cash flow methodology, as described in note 6. This is a level 3 measurement as per the fair value hierarchy set out in note 24.

Reconciliation of financial assets at fair value through profit or loss measured at level 3:

2023	**Opening balance**	**Reclassification to asset held for sale***	**Closing balance**
General Africa Foods Eswatini (Pty) Limited	-	3 162 201	3 162 201

*Refer to note 6 for the reclassification from investments at fair value.

15. Operating gains (losses)

	Note	2023	2022
Fair value gains (losses)			
Investments	3, 6	1 068 124	(3 545 000)

16. Operating profit (loss)

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

	Note	2023	2022
Auditor's remuneration - external			
Audit fees		324 581	363 647
Other			
Professional fees		165 623	150 566
Directors' emoluments	22	117 920	304 393
Management fees	22	2 015 832	1 974 016

Figures in Emalangeni		2023	2022

17. Interest income

Interest income			
Investments in financial assets:			
Bank and other cash		298 457	286 541
Promissory notes		2 841 712	2 317 505
Related parties	22	12 110	-
Total interest income		**3 152 279**	**2 604 046**

18. Finance costs

Other interest paid		1 950	-

19. Taxation

Major components of the tax income

Current			
Current tax		53 790	-
Deferred			
Deferred tax	8	(1 012 369)	-
		(958 579)	**-**

Reconciliation of the tax expense

Reconciliation between applicable tax rate and average effective tax rate.

Applicable tax rate	27,00 %	27,50 %
Exempt income	(16,31)%	- %
Unutilised tax losses	- %	(27,50)%
Deferred tax asset recognised	(31,88)%	- %
Fair value gains (losses)	(9,12)%	- %
Other	0,04 %	- %
	(30,27)%	**- %**

In February 2024, the Eswatini minister of finance announced a reduction in the corporate tax rate from 27.5% to 25%. The impact of this change on the financial statements for the year ended 31 December 2023 will be a decrease in the deferred tax asset of approximately E74 826 in the subsequent financial period. The figure is a provisional estimate and the actual effect will be calculated based on the deferred tax balances at the date when the change in tax rate becomes effective in 2024. The financial statements have been prepared using the historical tax rate of 27.5%.

20. Earnings per share

Basic and diluted earnings per share are based on total comprehensive profit of E 4 190 130 (2022: E (3 988 015)) and the weighted average number of ordinary shares of 71 994 000 (2022: 71 994 000).

Notes to the Financial Statements

Figures in Emalangeni		2023	2022

21. Cash used in operations

Profit/(loss) before taxation		3 231 551	(3 988 015)
Adjustments for non-cash items:			
Fair value (gains) losses		(1 068 124)	3 545 000
Adjust for items which are presented separately:			
Interest income		(3 152 279)	(2 604 046)
Dividend income		(1 909 091)	-
Finance costs		1 950	-
Changes in working capital:			
(Increase) decrease in trade and other receivables		(816 539)	(6 932)
Increase (decrease) in trade and other payables		181 150	(7 771)
Net movement in balance held with related parties		6 348	-
		(3 525 034)	**(3 061 764)**

22. Related parties

Relationships

Investment manager:	African Alliance Eswatini Limited, incorporated in the Kingdom of Eswatini
Associate	Refer to note 3
Collective Investment Scheme	African Alliance Lilangeni Fund (refer to note 9)

Related party transactions

Management fees			
African Alliance Eswatini Limited		2 015 832	1 974 016
Interest income			
General Africa Foods Eswatini (Pty) Limited	17	12 110	-
Compensation to directors and other key management			
Directors' emoluments		117 920	304 393

All transactions are made at terms equivalent to those prevailing in arm's length transactions. There have been no guarantees provided or received for any related party receivables or payables.

23. Financial instruments and risk management

Categories of financial instruments

Categories of financial assets

2023

	Note(s)	Fair value through profit or loss	Amortised cost	Total
Investment in associate	3	30 260 923	-	30 260 923
Amounts owing by related parties	4	-	2 012 110	2 012 110
Other financial assets	7	-	25 564 765	25 564 765
Non current assets held for sale	14	3 162 201	-	3 162 201
Trade and other receivables	5	-	818 180	818 180
Cash and cash equivalents	9	-	675 573	675 573
		33 423 124	**29 070 628**	**62 493 752**

2022

	Note(s)	Fair value through profit or loss	Amortised cost	Total
Investment in associate	3	23 050 000	-	23 050 000
Investments at fair value	6	9 305 000	-	9 305 000
Other financial assets	7	-	22 723 053	22 723 053
Cash and cash equivalents	9	-	4 046 849	4 046 849
		32 355 000	**26 769 902**	**59 124 902**

Categories of financial liabilities

2023

	Note(s)	Amortised cost	Total
Trade and other payables	13	725 516	725 516
Amounts owing to related parties	11	29 698	29 698
		755 214	**755 214**

2022

	Note(s)	Amortised cost	Total
Trade and other payables	13	544 366	544 366
Amounts owing to related parties	11	13 082	13 082
Other financial liabilities	12	8 318	8 318
		565 766	**565 766**

23. Financial instruments and risk management (continued)

Capital risk management

The overall governance structure and high-level policies relating to the manner in which the company manages its risk exposure have been described in its Investment Policy, Board Charter and Responsible Investing Policy.

The board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The board of directors monitors the return on capital which the Company defines as net operating income divided by total shareholders' equity. 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 Company’s objectives when managing capital are to:

- safeguard its ability to continue as a going concern, to provide investors with superior long-term returns; and
- maintain an optimal capital structure to reduce the cost of capital.

To maintain or adjust the capital structure of the company, management may adjust the quantum of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

During the year ended 31 December 2023, management maintained a conservative approach to capital management, which was unchanged from 2022.

There are no regulatory capital requirements.

As a long-term investment vehicle, the intention is to target a dividend pay-out of 1% of Net Asset Value annually. The funds to pay out as dividends will come from either dividend income, interest income, or the realization of an underlying investment. Ultimately, it will be at the discretion of the Board of Inala to pay out a dividend or not.

Investors can elect, at their discretion, to acquire more shares on the open market from any dividends they receive.

There are no externally imposed capital requirements.

Financial risk management

Overview

The company is exposed to the following risks from its use of financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk (currency risk, interest rate risk and price risk).

Credit risk

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

Credit risk consists mainly of cash and cash equivalents, amounts owing by related parties, other financial assets and trade receivables. The Company only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party. Other financial assets are with a company with high credit quality and limits exposure to one company.

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

23. Financial instruments and risk management (continued)

		2023			2022		
		Gross carrying amount	**Credit loss allowance**	**Amortised cost / fair value**	**Gross carrying amount**	**Credit loss allowance**	**Amortised cost / fair value**
Amounts owing by related parties	4	2 012 110	-	2 012 110	-	-	-
Other financial assets	7	25 564 765	-	25 564 765	22 723 053	-	22 723 053
Trade and other receivables	5	823 470	-	823 470	6 932	-	6 932
Cash and cash equivalents	9	675 573	-	675 573	4 046 849	-	4 046 849
		29 075 918	**-**	**29 075 918**	**26 776 834**	**-**	**26 776 834**

Liquidity risk

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

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, Company treasury maintains flexibility in funding by maintaining availability under committed credit lines.

The Company's risk to liquidity is a result of the funds available to cover future commitments. The Company manages liquidity risk through an ongoing review of future commitments and credit facilities.

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

2023

		Carrying amount
Current liabilities		
Trade and other payables		725 516
Amounts owing to related parties	11	29 698
		755 214

2022

		Carrying amount
Current liabilities		
Trade and other payables	13	544 366
Amounts owing to related parties	11	13 082
Other financial liabilities	12	8 318
		565 766

23. Financial instruments and risk management (continued)

Market risk

Market risk is the potential change in the value of a financial instrument resulting from changes in market conditions or market parameters. The risk of a decrease in the value of the portfolio can be measured by the susceptibility of that portfolio to movements in the overall market conditions or any of the investment specific parameters. These risks are monitored by the Board.

Foreign currency risk

The Company is not exposed to significant foreign exchange risks as its main geographic region of operation is in the Common Monetary Area (CMA).

Interest rate risk

The Company's activities exposes it to significant financial risks of changes in interest rate. The Company uses a mix of fixed-rate and floating-rate debt to maintain a balance between stability and flexibility in the capital structure. The Company could enter into interest rate swap agreements to mitigate exposure to fluctuating interest rates. No interest rate swap agreements or hedges were entered into by the Company during the year ended 31 December 2023. The Company performs regular assessments of its interest rate risk profile using sensitivity analyses and stress testing to evaluate the potential impact of changes in interest rates on its financial position and cash flows. This proactive approach to interest rate risk management allows the Company to align its debt obligations with its long-term strategic objectives while protecting its profitability and maintaining investor confidence.

Interest rate profile

The interest rate profile of interest bearing financial instruments at the end of the reporting period was as follows:

	Note	Carrying amount	
		2023	2022
Variable rate instruments:			
Assets			
Amounts owing by related parties	4	2 012 110	-
Cash and cash equivalents	9	675 573	4 046 849
		2 687 683	**4 046 849**
Liabilities			
Amounts owing to related parties	11	(41 808)	-
Net variable rate financial instruments		**2 645 875**	**4 046 849**

Interest rate sensitivity analysis

The following sensitivity analysis has been prepared using a sensitivity rate which is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates. All other variables remain constant. The sensitivity analysis includes only financial instruments exposed to interest rate risk which were recognised at the reporting date. No changes were made to the methods and assumptions used in the preparation of the sensitivity analysis compared to the previous reporting period.

	2023	2023	2022	2022
Increase or decrease in rate	**Increase**	**Decrease**	**Increase**	**Decrease**
Impact on profit or loss:				
Variable rate instruments (100 bps)	26 459	(26 459)	40 468	(40 468)

23. Financial instruments and risk management (continued)

Impact on equity:				
Variable rate instruments (100 bps)	19 183	(19 183)	29 339	(29 339)
Total impact on profit or loss and equity	**45 642**	**(45 642)**	**69 807**	**(69 807)**

Price risk

The Company has investments in various collective investment undertakings the value of which are subject to fluctuations in net asset value prices.

Price risk sensitivity analysis

The table below summarises the impact of increases of the net asset value price on the Company's pre-tax profit for the year. The analysis is based on the assumption that the net asset value price increased by 5% with all other variables held constant.

	Note	2023	2022
Impact on pre-tax profit or loss:			
Investment at fair value through profit or loss	6	-	465 250
Investment in associate	3	1 513 046	1 152 500
Non-current asset held for sale		158 110	-
		1 671 156	**1 617 750**
Impact on equity:			
Investment at fair value through profit or loss		-	337 306
Investment in associate		1 096 958	835 563
Non-current asset held for sale		114 630	-
		1 211 588	**1 172 869**
Total impact on profit or loss and equity		**2 882 744**	**2 790 619**

Pre-tax profit for the year would increase as a result of gains on investments classified as at fair value through profit or loss.

A decrease in the net asset value price will have a corresponding inverse effect on the Company's pre-tax profit for the year.

24. Fair value information

Fair value hierarchy

The table below analyses assets and liabilities carried at fair value. The different levels are defined as follows:

Level 1: Quoted unadjusted prices in active markets for identical assets or liabilities that the company can access at measurement date.

Level 2: fair values are calculated using valuation techniques based on observable inputs, either directly (ie as prices) or indirectly (ie derived from prices). This category includes instruments valued using quoted market prices in active markets for similar instruments,quoted prices for identical or similar instruments in markets that are considered less than active or other valuation techniques where all significant inputs are directly or indirectly observable from market data. As at year end, the fair value approximated the carrying amount of the financial assets.

Level 3: fair values are based on valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument’s valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Figures in Emalangeni	Note(s)	2023	2022

24. Fair value information (continued)

Levels of fair value measurements

Level 3

Recurring fair value measurements

Assets	Note(s)		
Investment in associate	3		
Equity shares		30 260 923	23 050 000
Investment at fair value through profit or loss	6		
Equity shares		-	9 305 000
Total		**30 260 923**	**32 355 000**

Non recurring fair value measurements

Asset held for sale and disposal groups in accordance with IFRS 5			
Investment at fair value through profit and loss	14	3 162 201	-
Total		**3 162 201**	**-**

25. Segmental information

The Company invests in a diversified portfolio of investee companies that operate in the agricultural and food business. These investee companies are managed by separate management teams with a high degree of autonomy.

The Company's operating segments are defined in a manner consistent with the internal reporting provided to the Chief Operating Decision-Maker (“CODM”). The CODM, in this case, is the Executive Committee comprising the Chief Financial Officer (CFO), Managing Director, and other Directors who make strategic decisions for the Company.

An operating segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are distinct from those of other business segments. It can be defined geographically or by the key markets it serves.

The Company's operating segments reflect its regionalised management structure and are identified based on two key criteria:

1. Geography: Segments are identified based on the specific economic environment in which they operate. This considers factors like local regulations, market dynamics, and competitive landscape.
2. Key Markets: Segments are further defined by the specific markets they serve. This considers the types of products or services offered and the customer base catered to within each market.

Management concluded that the Company operates in one segment and that no more information is needed to be disclosed concerning the segmental reporting for the Company.

26. Going concern

The financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

26. Going concern (continued)

The directors believe that the company has 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 is satisfied is that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors is not aware of any new material changes that may adversely impact the company. The directors is 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.

We draw attention to the fact that at 31 December 2023, the company had accumulated losses of E 10 616 925. The company's total assets exceed its total liabilities by E 62 756 198.

27. Events after the reporting period

During the year ended 31 December 2023, the directors of the company embarked on a strategic initiative aimed at expanding the company's equity interests within the food and agriculture sectors as part of a regional consolidation strategy.

As part of this initiative, a resolution was made to dispose of the company's investment in General Africa Foods Eswatini (Pty) Limited (refer to Note 6 of the financial statements). The disposition is structured as part of a larger transaction involving the acquisition of equity in an entity that specializes in operating quick-service fast-food outlets within Eswatini. The proposed acquisition would be facilitated through a share swap arrangement, whereby the company would exchange its minority interest in General Africa Foods Eswatini (Pty) Limited for a stake in the fast-food outlet operator.

The execution of these transactions is subject to the successful negotiation of terms and the satisfaction of various conditions precedent, which may encompass regulatory consents, comprehensive due diligence processes, and the finalisation of mutually agreeable terms between all parties involved. At this stage, the directors are actively engaged in negotiations and are working diligently to advance these transactions to a conclusion. The company expects that these strategic transactions will be finalised by the end of 2024, although the exact timing is contingent upon the progress of negotiations and the satisfaction of all necessary conditions. Also, refer to Note 14.

The financial impact of these events will be assessed and recognized in the financial statements of the year in which the transactions are concluded. As of the date of these financial statements, no adjustments have been made to the financial statements for the year ended 31 December 2023, as the transactions were not completed and the outcomes were not determinable at the reporting date.

In February 2024, the Eswatini minister of finance announced a reduction in the corporate tax rate from 27.5% to 25%. The impact of this change on the financial statements for the year ended 31 December 2023 will be a decrease in the deferred tax asset of approximately E74 826 in the subsequent financial period. The figure is a provisional estimate and the actual effect will be calculated based on the deferred tax balances at the date when the change in tax rate becomes effective in 2024. The financial statements have been prepared using the historical tax rate of 27.5%.

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

28. Spread of shareholders

The below table indicates shareholders who own greater than 5% of the Company.

	% holding	% holding
African Alliance Eswatini Ligcebesha Fund	29,09 %	29,09 %
African Alliance Eswatini Portfolio Fund	23,63 %	23,63 %
Eswatini Electricity Company Pension Fund	13,89 %	13,89 %
Nedbank Eswatini Pension Fund	6,95 %	6,95 %
African Alliance Eswatini Managed Fund	6,17 %	6,17 %
Other (< 5%)	20,27 %	20,27 %
	100,00 %	**100,00 %**

Inala Capital Limited
(Registration number 2364 of 2017)

Detailed Income Statement

Figures in Emalangeni	Note(s)	2023	2022
Revenue			
Dividend income		1 909 091	-
Operating gains (losses)			
Fair value gains (losses)		1 068 124	(3 545 000)
Operating expenses			
Advertising		(16 294)	-
Auditors remuneration	16	(324 581)	(363 647)
Bad debts		9 670	-
Bank charges		(9 121)	(9 585)
Management fees		(2 015 832)	(1 974 016)
Computer expenses		(4 500)	-
Professional fees		(165 623)	(150 566)
Directors' emoluments		(117 920)	(304 393)
Brokerage fees		(150 000)	(210 000)
Fines and penalties		(4 290)	(9 170)
Insurance		(7 990)	(1 386)
Secretarial fees		(64 314)	-
Subscriptions		(25 198)	(24 298)
		(2 895 993)	**(3 047 061)**
Operating profit (loss)	16	**81 222**	**(6 592 061)**
Interest income	17	3 152 279	2 604 046
Finance costs	18	(1 950)	-
Profit (loss) before taxation		**3 231 551**	**(3 988 015)**
Taxation	19	958 579	-
Profit (loss) for the year		**4 190 130**	**(3 988 015)**

Inala Capital Limited
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Annexure A - Prime interest rates and currencies

	2023	2022
Prime Interest rates (as quoted by a reputable local bank)		
Botswana	6,76 %	5,25 %
Ghana	30,00 %	27,00 %
Isle of Man	5,25 %	3,50 %
Kenya	14,16 %	12,39 %
Lesotho	11,25 %	8,56 %
Malawi	23,60 %	16,60 %
Mauritius	9,50 %	9,00 %
South African	11,75 %	10,50 %
Eswatini	11,00 %	10,00 %
Uganda	16,79 %	18,98 %

Eswatini Emalangeni equals:		
Mauritian Rupee (MUR)	2,405	2,600
South African Rand (ZAR)	1,000	1,000
United States Dollar (USD)	0,055	0,059
Botswana Pula (BWP)	0,734	0,749