INTEGRATED REPORT

Ecsponent Ltd and its subsidiaries

31 MARCH 2020

2020

The Company changed its financial year-end from 30 June to 31 March. This change was made to closer align the Company's financial reporting deadline with MyBucks S.A. (its major investment). The change resulted in the 31 March 2020 financial period being reduced to a nine-month period that commenced on 01 July 2019. The impact of the change is that the current nine-month period ended 31 March 2020 is compared to the twelve-month prior period.

ecsponent Limited

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ABOUT THIS REPORT

This report covers Ecsponent Limited's activities for the 9-month financial period ending 31 March 2020 and includes material issues up to the date of publication of this report.

It provides an assessment of the Group's ability to create value, by reflecting on the past financial period and considering the issues that are material to the business and our stakeholders.

Basis of preparation

In preparing and finalising the information presented in this report, we were informed and guided by local and international reporting frameworks and guidelines. The report highlights the Group's strategy and the drivers influencing the achievement of our objectives in the medium to long term. It provides key operating and financial information, executive commentaries and relevant governance and risk reviews. Where applicable, information in this report has been extracted from other publications from our reporting platform.

This includes the Group Consolidated Financial Statements for the 9-months ended 31 March 2020, which have been audited by Nexia SAB&T who expressed an unmodified opinion with a material uncertainty paragraph on the going concern. These reports provide the necessary information to enable stakeholders to make informed assessments of the Group's performance and identify its outlook in the short, medium and long term. The management of the Group's business units have reviewed and approved the Integrated Report's content. The Group's Audit and Risk committee reviewed and recommended the Integrated Report to the Board of Directors for approval.

2020 reporting suite

This 2020 Integrated Report provides an overview of the Group's economic and governance performance. Complementing this report are several other reports that are produced for specific stakeholders and which also provide more detailed financial and governance information, as well as social and environmental information. A list of these reports may be found on the contents page. These and other associated reports are available on the Group's corporate website at www.ecsponentlimited.com/2020-financialresults/ and should be read in conjunction with this report. These reports provide the necessary information to enable stakeholders to make informed assessments of the Group's performance and identify with the Group's outlook in the short, medium and long term.

Forward-looking statements

This document contains certain forward-looking statements with respect to the financial condition, results of operations and business of Ecsponent as well as certain of the plans and objectives of the Group. Examples of forward-looking statements include statements made about our strategy and future developments in our organic business. Forward-looking statements can be identified generally as those containing words such as "anticipates", "assumes", "believes", "estimates", "expects", "should", "will", "will likely result", "forecast", "outlook", "projects", "may" or similar expressions. By their nature, forward-looking state These factors include, but are not limited to, domestic and global economic and business conditions, the successful implementation of our strategy and our ability to realise the benefits of this strategy, our ability to develop and market new products, changes in legislation, competitive activity, changes in exchange and interest rates, changes in tax rates, pension costs and actuarial assumptions and employee costs, our ability to identify and complete successful acquisitions and to integrate those acquisitions into our business, our ability to successfully exit certain businesses or restructure our operations, the rate of technological changes, political, economic and other developments in countries where Ecsponent operates, industry consolidation and competition. As a result, Ecsponent's actual future results may differ materially from the plans, goals and expectations set forth in such forward-looking statements. For a discussion of factors that could cause future results to differ from such forward-looking statements, also see comments on Risk Management on page 22 of this report.

Feedback

We look forward to receiving your feedback on our reports to assist us in providing meaningful and relevant information. Please contact us at investor.relations@ecsponent.com.

Statement from the Board of Ecsponent Limited

The Board of directors acknowledges its responsibility for overseeing the integrity and completeness of this report and has applied its collective mind to its preparation and presentation, including the appropriateness of the reporting framework used. As a collective, the Board has appropriately and diligently considered all aspects, including material matters, and is satisfied that the report reflects the Group's performance and strategy accurately. In addition, the Board believes in the application of good governance and as such has applied the King IV principles throughout this report.

CHAIRPERSON AND CEO'S REPORT

ECSPONENT INTEGRATED REPORT FOR THE NINE MONTHS ENDED 31 MARCH 2020
CHAIRMAN AND CEO LETTER TO STAKEHOLDERS

Dear Stakeholder,

The impact of COVID-19 has no doubt changed the way we think and act in business as well as our personal lives. These are unprecedented times with economic turmoil, currency volatility and weak economic performance impacting all of the major southern African markets in which the Group operates.

For Ecsponent's reconstituted board and new management team, the nine-month financial period ending 31 March 2020 represents a watershed year for the Company as we continue to navigate these uncertain times.

To ensure the ongoing sustainability of the Group, the new board implemented drastic measures by way of a three-step approach. The operational report and timeline contained elsewhere in this report provide more detail on these initiatives.

We spent a significant amount of time and focus on ensuring the right leadership is in place to effectively execute on our strategy, including several restructuring initiatives and investments in order to re-engineering the business to be able to grow from sustainable platforms in renewable energy, finance and mining. These initiatives saw Ecsponent's long-standing CEO, Terence Gregory, depart from the business.

Our internal investigations into the events leading to the default of Ecsponent's preference share programme, among other corporate governance matters are ongoing, and stakeholders will be updated as and when appropriate.

During the latter part of the financial period, our focus shifted to the restructuring of the balance sheet to suit the growth platforms created. This resulted in the capital event post balance sheet date on 27th May 2020, when the Group successfully converted R1.8bn debt to ordinary equity, greatly improving solvency and liquidity. At the same time, R0.5bn of debt was converted to hybrid preference shares, which are also equity-accounted under International Financial Reporting Standards.

Our efforts in turning around the legacy under-performance of Frankfurt-listed MyBucks S.À. ("MyBucks"), our largest investment, gained further momentum post the reporting period.

This followed changes to the board of MyBucks in November 2019 and the exit of its founder and Chief Executive, Dave van Niekerk. Since Ecsponent increased its stake in the company and effected a management change, MyBucks has taken several rationalisation steps in order to return to profitability.

Head office employees were reduced by approximately 100 staff members, certain non-core assets have been monetised and negotiations with MyBucks Noteholders to defer repayment by three years were successfully concluded. In addition, in-country management teams were established to further reduce overheads.

At the start of the restructuring process on 31 March 2019, MyBucks' residual debt was €108 million, which was successfully reduced in the first restructuring phase by €83 million to a balance of circa €25 million. MyBucks completed its second phase of financial restructuring by reducing external debt by approximately €26.5 million through the disposal of operations in Botswana and the sale of equity stakes in Mozambique and Zambia. The company's Malawian operations were further strengthened through the introduction of a local partner, unlocking liquidity of €6 million which will be utilised for further debt reduction. MyBucks current debt is circa €25 million.

In June 2020, we announced our first trigger event in terms of hybrid preference share classes D and G, with the disposal of Ecsponent's investment in MHMK Capital Proprietary Limited to the black founding members of Ngwedi Capital Holdings Proprietary Limited for a profit of R18 million.

The purchase consideration is payable to Ecsponent on or before 31 December 2020 and we will announce the distribution to these classes of hybrid preference shares at an appropriate time at a future date.

Post the balance sheet date, Mr Cobus Beetge was appointed to the board as a non-executive director with effect from 5 June 2020. Mr Beetge serves as director of several companies and is one of the largest investors in the Company's hybrid preference shares.

Effective on the same date, Messrs Craig Lyons and Patrick Matute resigned as non-executive chairman and director and as non-executive director of Ecsponent, respectively. They have been reassigned to assist and support the Company's key investment, MyBucks as members of its board and to focus on strengthening the MyBucks underlying businesses.

On behalf of the board of Ecsponent, we sincerely thank Craig and Patrick for the invaluable input during the past number of months and look forward to the impact they will have on the sustainability of MyBucks. We also welcome Mr Beetge to the board and look forward to his contribution.

Despite the impact of COVID-19, the new board of Ecsponent remains confident of the strategy to unlock shareholder value in the medium to long term. We will continue to focus on the optimal structuring of our underlying portfolio and are particularly excited about our investments in renewable energy, impact banking and resource extraction.

We placed great emphasis on engagement and transparency during the reporting period and wish to thank all our stakeholders for their continued support during these challenging times. We will continue to keep you updated on our progress.

Keith Rayner

Independent non-executive chairman

George Manyere

Chief Executive Officer

ECSPONENT AT A GLANCE

Who we are

Ecsponent has started on the path to reinvent itself from an African, financial services group with a historical over-concentration in its investment in MyBucks, both from a credit and private equity perspective, to a diversified investment holding company focused on investing in selected markets primarily in Southern Africa, as reflected below.

Over the past 9-months, Ecsponent has built the basis for a diversified regional portfolio of assets in the following sectors located in Southern Africa:

FINANCIAL SERVICES | RENEWABLE ENERGY | MINING

We will continue on our path of renewal through diversification and investments based on a philosophy of conservative, ethical and passionate investment.

ONE	THREE	SEVEN	THIRTY
Employing over 1,000 people across Africa	Diversified portfolio strategy	Investments in 7 Sub-Saharan African countries	Target IRR of 30%

Our vision is to be the leading investment firm of choice in our markets for entities seeking proactive, trusted and value-adding investors.

OPERATIONAL OVERVIEW

The operational overview of the 9-month period ending 31 March 2020 is presented in uncertain times with unprecedented worldwide social and economic turmoil, currency volatility, as well as weak economic performance within the major southern African markets in which the Group's main investments operate. The Group was significantly exposed to this volatility, which reflects in the Groups' financial metrics and operational results.

The past 9-month has been the most turbulent period in the history of Ecsponent. The under-performance of MyBucks and Ecsponent's over-exposure to this Group has resulted in significant short-term losses for the Group. Under-performing credit assets were converted into equity to obtain greater influence over the Group's underlying investments. This resulted in a misalignment between the Group's main funding vehicle, the R5 billion preference share programme, which required monthly returns to investors, against the equity investments held by the group, which requires a medium to long term outlook for growth.

Ecsponent's Board had to implement drastic measures, which included a 3-step approach to stabilise the business and protect the underlying value for stakeholders. Below are the key interventions the group has implemented up to the date of this report:

Key highlights of restructuring process

HR Changes	
13 March 2019	Changes to the Board of MyBucks S.A. and the exit of CEO Dave Van Niekerk
31 December 2019	G Manyere appointed as acting CEO
31 December 2019	Resignation of Terence Gregory
12 February 2020	Changes to Ecsponent Board
31 March 2020	Resignation of Dirk van der Merwe as CFO and appointment of Tertius de Kock as CFO
5 June 2020	Redeployment of Ecsponent directors to MyBucks Board
30 June 2020	Reduction of head office staff from approximately 80 to 12

Step 1 - Restructuring initiatives	
14 December 2018	Ecsponent increased its stake in MyBucks to 23.8% due to the settlement of non-performing loans with MyBucks shares
22 January 2019	Ecsponent Increased its stake in MyBucks to 38% due to the settlement of non-performing loans with MyBucks shares
20 November 2019	Conversion of R450million of non-performing MyBucks loans into equity of Mybucks resulting in a 42.97% stake
31 December 2019	Cancellation of Crosscorn Acquisition
11 February 2020	Announcement of default on preference share programme and cancellation of new issues
20 March 2020	Announcement of debt to equity conversion for R215mill
27 May 2020	Conclusion of preference share restructure resulting in conversion of R1.8billion into ordinary shares and R521 million into hybrid preference shares

Step 2 - Exit of non-core investment	
23 August 2019	Disposal of Ecsponent Business Credit
31 March 2020	Disposal of Eswatini division
31 March 2020	Head office restructuring reducing staff and overhead costs by 50%
5 June 2020	Secondment of 2 Board members to largest investment
9 June 2020	Exit from investment in Capitis Equities
22 June 2020	Disposal of MHMK and asset management business

Step 3 - Diversification of investment	
31 December 2019	Investment in 70% of Invest Solar Africa, commencing renewable energy division
31 December 2019	Investment in 51% of Chrome Valley Mining

We believe the steps taken were necessary to protect the Group's investments. The Group believes that the investments have the potential to realise significant value for all stakeholders over the medium to longer term.

Key reasons for the drastic approach

Over the past three years, the Group has increased its shareholding in investee companies, largely as a result of the conversion of a material amount of its under-performing business-to-business interest-bearing loans into the underlying equity investments.

Most notably was the substantial increase in the equity investment in MyBucks to convert non-performing loans into equity and in so doing, restructure the MyBucks balance sheet and obtain greater influence over the direction of the MyBucks group, given the Company's exposure to MyBucks. A material amount of loans owing by MyBucks to the Company was converted into equity.

These necessary steps changed the nature of the investments in the underlying entities from debt to equity, meaning that the investment strategy changed from diversified financial services to that of a private equity group and as a result of this, the Company's strategic focus has shifted from a group which focused on both private equity investments and financial services to that of almost exclusively a private equity investment business.

In order to remedy MyBucks' financial challenges, the MyBucks board appointed a new Chairman and group CEO, and restructured the company's senior management team, which led to various strategic changes within the company.

Under the new leadership, MyBucks addressed its considerable debt levels by negotiating with their various debt holders to convert their debt claims into MyBucks equity. Further structural changes will be made within the business. MyBucks will no longer position itself as a fintech company but rather as a digital bank. As demonstrated in MyBucks' 2019 annual and interim financial results, despite having low penetration levels, MyBucks' banking subsidiaries have been consistently profitable, resulting in the decision to focus the MyBucks' resources in growing the untapped digital banking market.

Private Equity

The Board implemented various restructuring initiatives which included a strategic shift from a Group which focused on both private equity investments and financial services to a financial institution that focuses almost exclusively on private equity investment.

Fundamental to Ecsponent's future success is the portfolio of equity assets that provide platforms to unlock sustainable medium to long term returns. The Equity business unit invests strategically in companies with significant intellectual property, which provide high barriers to entry, command sustainable margins and apply a robust business model. At 31 March 2020, the Group held investments in banking, financial services, asset management, renewable energy and mining.

The Group's current investment portfolio consist of:

42.97% in MyBucks S.A.

32.8% in GetBucks Microfinance Bank Limited ("GetBucks Zimbabwe")

70% in Invest Solar Africa Limited ("Invest Solar")

25% in Ecsponent Financial Services Limited (Zambia)*

34.3% in Ngwedi Capital Holdings Proprietary Limited ("Ngwedi")*

100% in Ecsponent Credit Services Proprietary Limited

51% in Chrome Valley Mining Private Limited ("Chrome Valley Mining" or "CMV")

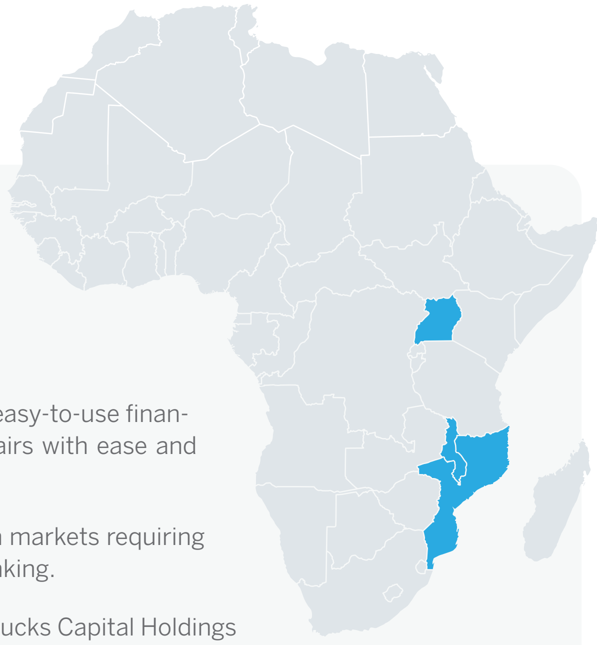
70% in MHMK Capital Proprietary Limited*

*Disposed after year-end

Details of the key investments are reflected below:

Financial services

Summary of Asset:



MyBucks

MyBucks is an African focused banking group incorporated in Luxembourg and listed on the Frankfurt Stock Exchange.

Its vision is to build a Digital Banking Platform enabled bank with easy-to-use financial technology, allowing customers to manage their banking affairs with ease and convenience.

This would in turn lead to the increase in financial inclusion within markets requiring the breaking down of barriers previously created by traditional banking.

Ecsponent owns 42.97% of MyBucks, the parent company of MyBucks Capital Holdings Limited (MBCH).

Headquartered in Botswana, MBCH is a Digital Banking Group that uses technology to provide financial services and products to the underbanked and unbanked customers primarily in Southern Africa. MBCH believes technology is an enabler that can assist to exponentially increase financial inclusion.

MBCH currently has banking operations in Malawi, Mozambique and Uganda. It provides financial products and services such as impact loans, unsecured credit, banking solutions and insurance products.

MBCH has a clear strategy of taking a significant market share at the bottom and middle of the pyramid today, and grow through the value chain with these customers in each market.

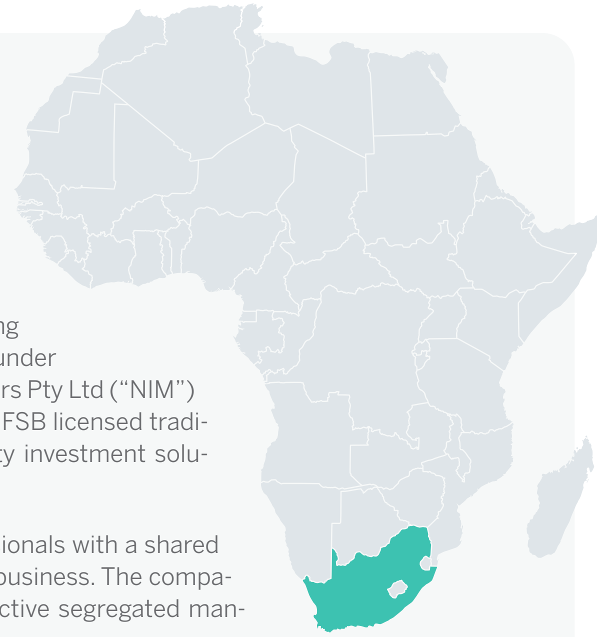
Historical performance

The results of MyBucks over the past 12 months have been particularly disappointing which culminated in a fair value loss for Ecsponent of R1.18billion during the current 9-month period. This necessitated significant intervention by Ecsponent to protect its investment in the medium to long term. Ecsponent implemented various initiatives to stabilize its investment in MyBucks, which has started to show some improved results.

Since exercising greater influence over MyBucks last year, Ecsponent has led initiatives that have seen MyBucks residual debt being reduced by €83 million from €108 million to €25 million.

Ecsponent has made progress with strengthening the management and corporate governance at MyBucks through the appointment of its former directors, Mr. Craig Lyons, as a director and Chairman of MyBucks while Mr. Patrick Matute will become an Executive Director of MyBucks, effective 5 June 2020.

Ecsponent will continue with initiatives to turn around the results of MyBucks and return value to its stakeholders.



NGWEDI INVESTMENT MANAGERS

Summary of Asset:

Ngwedi is an emerging black-controlled Asset Management Holding Company. The South African domiciled holding company operates under two wholly owned subsidiaries, namely Ngwedi Investment Managers Pty Ltd ("NIM") and Ngwedi Alternative Investment Managers ("NAIM"). NIM is an FSB licensed traditional asset manager offering fixed income, multi-asset and equity investment solutions to both institutional and retail clients.

Ngwedi was founded in 2018 by a team of industry leading professionals with a shared ideal of building a premium empowered investment management business. The company offers organically-developed investment capabilities through active segregated mandates or unit trusts to sophisticated clients.

NIM's product offering is complemented by NAIM, which offers a full suite of alternative investment products covering private credit, private equity and hedge fund solutions. The group has managed to grow its assets under management (AUM) close to R5 billion in its first 15 months of operation.

Ngwedi offers a comprehensive range of investment solutions in both the institutional and retail space, together with the highest level of client service and support.

At 31 March 2020, Ecsponent owned an effective stake of 34.3% in Ngwedi.

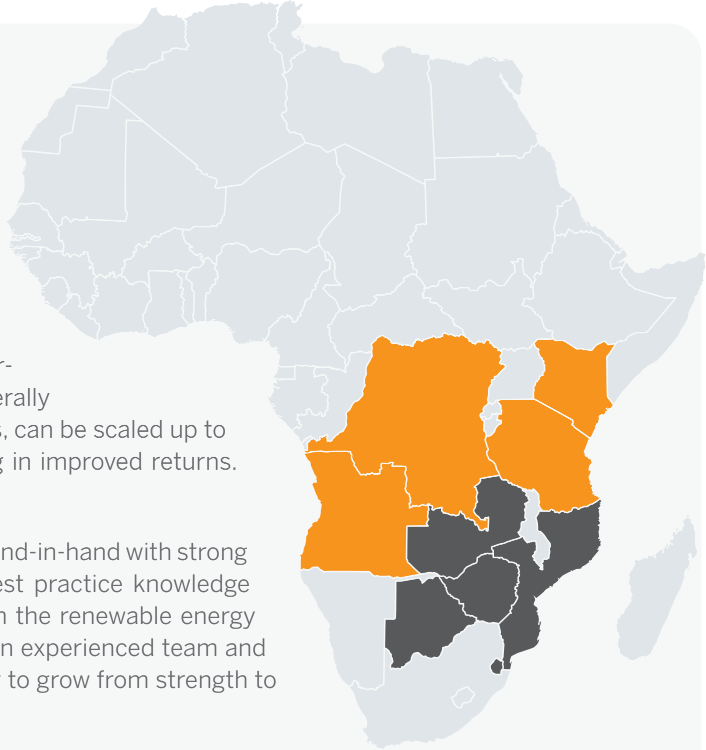
Historical performance

The historical performance on Ngwedi has been positive which has seen value accretion to Ecsponent from an initial nominal investment to a fair value of R18 million within the space of 18 months.

Ecsponent announced in June 2020 that it will be disposing of its total effective interest for a consideration of R18million as part of exiting its non-core assets.

Renewable Energy

The Group secured its first investment in its renewable energy portfolio, through the acquisition of a 70% stake in Invest Solar Africa Ltd.



INVESTSOLAR AFRICA
INVESTMENTS | DEVELOPMENT | MAINTENANCE

Summary of asset

Invest Solar is an investment vehicle focused on renewable energy opportunities in markets within Africa. It focuses on projects of up to 30 megawatts, a niche that early movers often ignore owing to a preference for larger scale projects. This size of projects generally attract higher feed-in tariffs and, as technology evolves, can be scaled up to reduce the overall investment per megawatt, resulting in improved returns. The company currently has a head office in Botswana.

It's experienced corporate management team works hand-in-hand with strong project level management, equipped with training, best practice knowledge shared by experts and high technical standards within the renewable energy industry. Invest Solar's project pipeline, coupled with an experienced team and a clear strategic path forward, should enable the entity to grow from strength to strength.

The company's target is to raise and direct a total sum of USD 150 million (debt and equity) in funding for renewable energy projects with an aggregate generation capacity of over 300 megawatts over the next 5-years.

Invest Solar is in the final phases of commissioning the 20-megawatt Harava Phase 1 Solar project in Zimbabwe. The 30-megawatt Zhenje and the 20-megawatt Harava Phase 2 Solar projects in Zimbabwe are in initial construction phase.

The company has further commenced with the development of the following projects, which, in combination with the Zimbabwean projects, total a pipeline of 150 megawatts:

- a 20-megawatt plant in Botswana;
- a 20-megawatt plant in eSwatini;
- a 20-megawatt plant in Mozambique; and
- a 20-megawatt plant Zambia.

The renewable energy division will be a core focus in the future strategy of the Group.

Mining

The Group also secured its first investment in its Mining portfolio, through the acquisition of a 51% stake in Chrome Valley Mining (Pty) Ltd.

Chrome Valley Mining

Summary of asset

Chrome Valley Mining is a joint venture set up by Ecsponent and its partners for the purposes of exploring, developing and exploiting the minerals that fall under claims owned by CVM in the northern part of The Great Dyke in Zimbabwe. The claims cover an area of 2 400 ha.

Ecsponent obtained 51% of CVM on 31 December 2019.

CVM will be focused on mining chrome ore, other minerals found in the Great Dyke include chromium, platinum, gold, silver and nickel.

12% of the world's resource of metallurgical chrome are found on the Great Dyke, with a chromic oxide range of 47% to 60%. Giant chromium ore crystals of up to 1.5m have been found on the Great Dyke. Chrome is mainly used in stainless steel production, as a metal coating, in the chemical industry and in metallurgical processes.

An independent valuation was undertaken to obtain the mineral asset value performed in compliance with all sections relevant to exploration companies of the South African Code for the Reporting of Exploration Results, Mineral Resources and Mineral Reserves ("the SAMREC Code") and the South African Code for the Reporting of Mineral Asset Valuation ("the SAMVAL Code").

The initial trenching work focused mainly on the 600ha first phase, comprising about 25% of the total Mining Claims. 753 metric kiloton (kt) of the Chrome mineral resources potential of 1 903kt was upgraded from a "deposit" to an inferred mineral resource as a result of the trenching work. Further exploration, appraisal and evaluation are required to determine the existence of a significant quantity of potentially extractable chrome deposits, and therefore the estimated mineral resource tonnage and grade have an associated risk of discovery and development. It is anticipated that further planned assessments during the next phase, being the initial diamond drilling exploration work will result in an increase in confidence and an upgrade of some or all of the inferred mineral resources to indicated or measured resources.

The investment is classified as an exploration asset and will be a key focus of the prospects of the Group.

CORPORATE GOVERNANCE

Board of directors

KA Rayner (Chairman)	Independent non-executive
G Nyengedza	Independent non-executive
RMH Pitt	Independent non-executive
C Beetge	Non-executive
G Manyere	CEO
TJ de Kock	CFO

Audit and Risk committee · Nomination and remuneration committee · Social and ethics committee · Investment Committee

RJ Connellan	Resigned 28 February 2020. Was an independent non-executive director, chairman of board and member of the NRC and ARC.
KA Rayner	Independent non-executive director, appointed chairman of the Board on 5 June 2020. Member of NRC and ARC. Former member of the SEC till 5 June 2020.
TP Gregory	Resigned 31 December 2019, was CEO and member of the SEC.
PJ Matute	Resigned 5 June 2020. Was a non-executive director, chairman of the NRC as well as SEC and a member to the ARC.
G Manyere	CEO, was executive vice chairman till 5 March 2020, replaced as chairman and member of the NRC on 1 April 2020.
W Oberholzer	Resigned from Board and chairman of the SEC and member of the ARC with effect from 31 July 2019.
DP van der Merwe	Resigned 31 March 2020 as financial director and member of the SEC.
G Nyengedza	Appointed 1 January 2020 as independent non-executive director. 9 March 2020 appointed member of the ARC, NRC and SEC, appointed chairman of SEC on 5 May 2020.
S Sisulu	Appointed 1 January 2020 as independent non-executive director. Resigned 10 February 2020.
RMH Pitt	Appointed 9 March 2020 as independent non-executive director and member of ARC, SEC and NRC. 9 March 2020 appointed chairman the ARC and NRC.
TJ de Kock	Appointed as CFO on 31 March 2020 and member of the SEC.
C Lyons	Appointed 1 April 2020 as non-executive director and chairman of the board and member of the NRC. Resigned 5 June 2020.
C Beetge	Appointed 5 June 2020 as non-executive director.

Composition of Board and sub-committees

1 July 2019 - 31 March 2020

Attendance at meetings

	Appointment date to the board	Board	% attendance	Social and Ethics Committee (SEC)	% attendance	Nomination & Remuneration Committee (NRC)	% attendance	Audit and Risk Committee (ARC)	% attendance
		6	meetings	0	meetings	2	meetings	2	meetings
RJ Connellan	Feb-11	5	100%	Invitee		2	100%	2	100%
KA Rayner	Jan-11	6	100%	N/A	N/A	Invitee		2	100%
TP Gregory	Sep-10	2	100%	N/A	N/A	Invitee		Invitee	
PJ Matute	Mar-17	5	83%	N/A	N/A	2	100%	2	100%
G Manyere	Mar-17	6	100%	Invitee		2	100%	Invitee	
W Oberholzer	Mar-17	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
DP van der Merwe	Feb-18	6	100%	N/A	N/A	Invitee		Invitee	
G Nyengedza	Jan-20	4	100%	N/A	N/A	N/A	N/A	N/A	N/A
S Sisulu	Jan-20	3	100%	Invitee		Invitee		Invitee	
RMH Pitt	Mar-20	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
TJ de Kock	Mar-20	N/A	N/A	N/A	N/A	Invitee		Invitee	
C Lyons	Apr-20	N/A	N/A	Invitee		N/A	N/A	Invitee	
C Beetge	Jun-20	N/A	N/A	Invitee		Invitee		Invitee	

Protecting stakeholder value

Our Board of directors provides leadership and strategic guidance to protect stakeholder value creation within a framework of prudent and effective controls. This makes it possible to assess and manage risk to ensure long-term sustainable development and growth. The Board is led by the Chairman, Keith Rayner.

The Board is ultimately responsible for the Group's performance and affairs, which includes protecting and enhancing the Group's wealth and resources, timely and transparent reporting, and always acting in the best interest of the Group and its stakeholders. It is also responsible for ensuring that controls and procedures are in place to ensure the accuracy and integrity of accounting records. The Board is responsible for ensuring that controls and procedures are in place to warrant that the accounting records provide reasonable assurance that assets are safeguarded from loss or unauthorised use and that the financial records may be relied upon for maintaining accountability for assets and liabilities and preparing the financial statements.

The sub-committees assist the Board in the discharge of its duties and responsibilities. Each Board committee has a formal written term of reference that are reviewed regularly and effectively delegated in respect of certain of the Board's responsibilities. The Board monitors these responsibilities to ensure effective coverage of, and control over, the operations of the Group.

The Board's alignment with the King IV governance framework

The Group is committed to the principles of openness, integrity and accountability as contained in King IV. As a result, "governance" implies far more than compliance with relevant legislation and best-practice principles. Instead, it revolves around a culture of accountability, transparency, efficiency, ethical conduct, respect, and a value-driven approach.

Corporate governance is incorporated across all areas of the Group's operations and enables enhanced accountability, effective risk management, clear performance management, greater transparency and effective leadership. The Board works to fulfil the primary governing roles and responsibilities recommended in King IV, which creates the foundation from which to determine responsibilities and objectives which include:

- In fulfilling its mandate, the Board deliberates with executive management over strategic direction, financial goals, resource allocation and risk appetite. The strategy is filtered through to management, which guides the Group's activities within the governance framework to create value for all stakeholders.
- Through this framework, the Board delegates the Group's day-to-day management to the executive directors, without relinquishing the Board's responsibility Delegation of authority The Board, in consultation with the Group finance function reviews the delegation of authority framework annually to ensure that financial limits remain appropriate, taking into consideration the size of the Group and its specific operational context.

Code of Ethics

The Board subscribes to a high level of professionalism and integrity in conducting its business and dealing with all of its stakeholders. The Board is guided by the following broad principles:

- Businesses should operate and compete in accordance with the principles of free enterprise;
- Free enterprise will be constrained by the observance of relevant legislation and generally accepted principles regarding ethical behaviour in business;
- Ethical behaviour is predicated on the concept of utmost good faith and characterised by integrity;
- Reliability and a commitment to avoid harm;
- Business activities will benefit all participants through a fair exchange of value or satisfaction of needs; and
- Equivalent standards of ethical behaviour are expected from individuals and companies with whom business is conducted.

Structure of the Board

The Board continues to operate with the majority of members being non-executive directors. Of these, the majority are independent, including the Chairman. The Company conforms to King IV, JSE Listings Requirements and the Companies Act 71 of 2008 ("the Companies Act"). of South Africa's requirements. All Ecsponent's committees are constituted appropriately with the majority of committee members being independent non-executive directors.

Independence of the Board and Board balance

There is a clear division of responsibilities between directors and the roles of the Chairman and chief executive officer are separated to ensure a balance of power and authority.

There exists a clear balance of power and authority at Board level ensuring that no one director has unfettered powers of decision-making.

All non-executive directors earn market-related fees. The appropriate balance of non-executive directors on the Board, of which the majority are independent, ensures independent decision making. The non-executive directors were selected based on their experience and skill set. The independent non-executive directors provide independent opinion with no extraneous factors that materially affect their judgment. If there is an actual or potential conflict of interest, the director (executive or non-executive) concerned, after declaring his/her interest in terms of the Companies Act, is excluded from the related decision-making process.

Trading Company shares

The policy for dealing in shares by all directors is as prescribed by the JSE's Listings Requirements. The policy also applies to all staff members.

Corporate governance statement

The Ecsponent Group endorses the principles contained in the King IV report on corporate governance and confirms its commitment to the characteristics of integrity, confidence, fairness, accountability, responsibility and transparency as advocated therein. The board strives to ensure that the Group is ethically managed according to prudently determined risk parameters and in compliance with generally.

Policy for the appointment of Directors

Directors' appointments are made in a formal and transparent manner. At least 50% of Directors are elected by Shareholders and the remaining Directors are nominated by the Board. A Nomination Committee has been established which assists the Board in considering the appropriateness of appointments. Appointments made by the Board are approved by Shareholders at the annual general meeting of Shareholders.

The Nomination Committee, which has been merged with the Remuneration Committee, consists of only independent non-executive directors and the Chairman is RMH Pitt.

Curricula vitae and categorisation of each director

Brief curricula vitae of each director standing for election or re-election is included in the notice to the annual general meeting of the Company each year can be viewed here ecsponentlimited.com.

Policy evidencing clear balance of power and authority on the Board

The board comprises six directors – two executives, three independent non-executives and one non-executive.

There is no one director with unfettered decision-making powers. The roles of the Chairman and chief executive officer are separated in order to further ensure a balance of power and authority.

If there is an actual or potential conflict of interest, the director concerned, after declaring his interest in terms of the Companies Act, is excluded from the related decision-making process.

Appointment of chief executive officer

G Manyere is appointed as the Company's chief executive officer with effect from 1 January 2020. The role of chairman is fulfilled by KA Rayner, who is an independent non-executive director.

Appointment of chief financial officer

The Company has appointed Tertius de Kock as its full-time chief financial officer. The Audit and Risk Committee has confirmed that it is satisfied that Tertius de Kock has the necessary and appropriate expertise and experience required of a chief financial officer. The Audit and Risk Committee assesses the expertise and experience of the chief financial officer on an annual basis and communicates their findings to shareholders annually in the integrated report released by the Company.

Company Secretary

The Board considers on an annual basis, and is satisfied that the Company Secretary, Lezanne du Preez-Cilliers, had the necessary and appropriate competence, qualifications and experience. This will be communicated to shareholders annually in the integrated report released by the Company.

The Company Secretary is not a Director of the Company. An arm's length relationship is maintained between the Board and the Company Secretary.

Gender and race diversity

The Company currently has no female representation on the Board. Although the Board, through its Nomination and Remuneration Committee, is aware of the need to promote gender representation, the Directors believe that the composition of a board that provides effective leadership is driven by a wide variety of factors. In terms of paragraph 3.84(j) of the Listings Requirements, companies are required to have a policy on the promotion of race diversity at Board level. The Company supports this and believes that the current composition of the Board reflects its race diversity policy.

Accordingly, each individual board member is selected based on skills, experience, industry knowledge, independence and integrity, and the board does not prioritise gender above these factors.

The Company supports the principles and aims of appropriate gender and race diversity at Board level and has adopted a formal policy in this regard and is mindful of the advantages of gender diversity in setting its nominations policies.

The Company will continue to monitor its gender and race diversity and disclose the results to the Shareholders on an annual basis.

Board committees

The committees all operate in terms of approved charters, which define their roles. Details of the sub-committees, including responsibilities are described below.

Investment Committee

The company has also established an investment committee, to assist the board in assessing and recommending investments for the group.

The Investment Committee consists of the following members:

Name	Function
KA Rayner	Chairman
G Manyere	Member
DP van der Merwe	Member

AUDIT AND RISK COMMITTEE REPORT

This report is provided by the Audit and Risk Committee in respect of the 9-month financial period of Ecsponent and its subsidiaries ended 31 March 2020.

The Audit and Risk Committee is constituted as a delegated Board committee with duties assigned by the Board in accordance with the King IV, the Companies Act and the JSE Listing Requirements as follows:

- Evaluating the Group's systems of internal financial and operational control and ensuring it has established appropriate financial reporting procedures and that those procedures are operating properly;
- Reviewing accounting policies and financial information to be issued to the public;
- Reviewing the Group's financial results and recommending these to the Board for approval;
- Facilitating effective communication between the Board, management and the external auditors;
- Recommending the appointment of, and determining the fees payable to, the external auditors;
- Ensuring suitability of the appointment of external auditors and the designated individual partner, specifically taking into account any information pursuant to paragraph 22.15(h) of the JSE Listings Requirements;
- Approving the level of non-audit services provided by the external auditors;
- Ensuring annually that the chief financial officer has the appropriate expertise and experience;
- Reviewing the critical business, operational, financial and compliance exposures and sustainability issues facing the Group, taking into account the severity and probability of such risks, and determining required solutions;
- Reviewing and approving any material amendment to the Group's risk appetite statement on an annual basis;
- Reviewing significant risk exposures and the steps, including policies and procedures, that management has taken to identify, measure, monitor, control, limit and report such exposures, including, without limitation, credit, market, fiduciary, liquidity, reputational, operational, fraud, strategic, technology (data-security, information, business-continuity risk, etc.), and risks associated with incentive compensation plans;
- Evaluating risk exposure and tolerance;
- Reviewing and evaluating the Group's practices with respect to risk assessment and risk management;
- Reviewing reports and significant findings with respect to the risk management and compliance activities of the Group, together with management's responses and follow-up to these reports, and reviewing significant reports from regulatory agencies relating to risk management and compliance issues, and management's responses.

Members of the Audit and Risk Committee

The members of the Audit and Risk Committee are all independent non-executive directors during the financial period and up to date of this report. The committee currently comprises of the following independent directors:

Director	Function	Appointment Date	% attendance
KA Rayner	Member (*Former Chairman)	Jan-11	100%
G Nyengedza	Member	Jan-20	N/A
RMH Pitt	Chairman	Mar-20	N/A

The remaining directors are invited to attend the committee meetings.

As at the date of this report, the Chairman of the Board is a member of the committee, in order to fill a vacancy until appointment of an alternate independent non-executive director to the Board, with the requisite skills and knowledge.

The Board has approved the committee terms of reference and is satisfied that the members thereof have the required knowledge and experience as set out in Section 94(5) of the Companies Act and Regulation 42.

The committee performs the duties required by Section 94(7) of the Companies Act by holding meetings with the key role players on a regular basis and by the unrestricted access to the external auditors. The committee held two scheduled meetings during the financial period and all the committee members attended all meetings.

The committee has an independent role with accountability to both the Board and shareholders. The committee does not assume the functions of management, which remain the responsibility of the executive directors, officers and other members of senior management.

Responsibilities

The committee's responsibilities include the statutory duties prescribed by the Companies Act, activities recommended by King IV as well as additional responsibilities assigned by the Board. The Board has established and maintains internal controls and procedures, which are reviewed on a regular basis.

These are designed to manage the risk of business failures and to provide reasonable assurance against such failures. However, this is not a guarantee that such risks are eliminated.

It is the duty of the committee, inter alia, to monitor and review:

- the appointment of external auditors and review of reports;
- evaluation of the performance of the chief financial officer;
- the governance of information technology (IT) and the effectiveness of the Group's information systems;
- interim and annual financial and operating reports, the audited consolidated annual financial statements and all other distributed financial documents;
- accounting policies of the Group and proposed revisions;
- compliance with applicable legislation, requirements of appropriate regulatory authorities and Ecsponent's Code of Ethics;
- the integrity of the annual financial report and associated reports (by ensuring that its content is reliable and recommending it to the Board for approval);
- policies and procedures for preventing and detecting fraud;
- approve and periodically review policies and plans for risk management to enhance the Group's ability to achieve its strategic objectives; and
- oversee the operation of the Group's risk management framework, which shall be commensurate with the structure, risk profile, complexity, activities, and size of the Group, including:
  - policies and procedures establishing risk management governance, risk management procedures, and risk control infrastructure for global operations; and
  - processes and systems for implementing and monitoring compliance with such policies and procedures, including processes and systems to:
    - › Identify and report risks and risk management deficiencies, including emerging risks, and ensure effective and timely implementation of actions to address emerging risks and risk management deficiencies for the Group's operations;
    - › Establish managerial and employee responsibility for risk management; and
    - › Ensure the independence of the risk management function.

The auditors have unrestricted access to the committee, the committee chairman and the Chairman of the Board, ensuring that auditors are able to maintain their independence. The external auditors attended the audit and risk committee meetings by invitation. The auditors attend the Company's annual general meeting where the annual financial statements are presented, in order to answer any questions relevant to the audit of the financial statements.

External auditor review

The Company is required in accordance with section 90(1) of the Companies Act to appoint an external audit firm and designated audit partner that is compliant with section 90(2) of the Companies Act and JSE Listings Requirements, which appointment must be approved by shareholders at the Company's AGM.

Accordingly, in compliance with the Companies Act and paragraph 3.84(g)(iii) of the JSE Listings Requirements, the committee assessed the suitability for re-appointment of the current appointed audit firm, being Nexia SAB&T with J Engelbrecht appointed as the designated auditor ("Auditor Suitability Review").

The committee examined and reviewed:

- The results of the most recent Independent Regulatory Board of Auditors (IRBA), International Standard on Quality Control (ISQC) 1, engagement inspection of Nexia SAB&T and all audit engagement partners involved with the Ecsponent Group audit, including the designated individual auditor;
- Confirmed the firm's ongoing registration with the Public Company Accounting Oversight Board (PCAOB); and
- A summary and results of any legal and disciplinary proceedings that may have been concluded within the past seven years, instituted in terms of any legislation or by any professional body of which the audit firm and/or designated auditor are a member or regulator to whom they are accountable, including where the matter is settled by consent order or payment of a fine.

- As part of the Auditor Suitability Review, the committee met with the relevant audit partner of Nexia SAB&T's responsible for the Ecsponent audit to assess the status of the review.

Based on the results of the Auditor Suitability Review and a review of the independence of Nexia SAB&T and the designated audit partner, the committee is satisfied that there are no current material matters that have not been addressed by Nexia SAB&T, and accordingly recommends that Nexia SAB&T be re-appointed as the auditors of the Company.

The committee further recommends the re-appointment of J Engelbrecht as the designated auditor partner. The committee has satisfied itself that both Nexia SAB&T and J Engelbrecht are accredited in terms of the JSE Listings Requirements. The Board concurred with the recommendation and has further recommended to shareholders the re-appointment of Nexia SAB&T and J Engelbrecht as recorded in the notice of annual general meeting.

In addition, the committee has recommended to the Board that in order to further improve the governance relating to the appointment of an audit firm, that such appointment be subject to a comprehensive review process every five years.

Auditor independence and fees

The committee has reviewed and assessed the independence of the external auditor and has confirmed in writing that the criteria for independence, as set out in the rules of IRBA and international bodies, have been followed. The committee is satisfied that Nexia SAB&T is independent of the Group.

The committee also reviewed and confirms that it is satisfied that the external audit firm and designated audit partner have the necessary independence, experience, qualifications and skills, and that audit and other fees were reviewed and approved.

The committee determines the nature and extent of non-audit services that the firm can provide and pre-approves all permitted non-audit assignments by the Group's independent auditor. The external auditor did perform non-audit services to the Group during the accounting period in that it served and performed functions to the Group by acting as the reporting accountant in respect of corporate actions. All non-audit services are approved by the committee.

The committee approves the annual audit plan presented by the external auditors. The audit plan provides the committee with the necessary assurance on risk management, internal control environments and IT governance.

Annual financial statements

The committee reviewed the external audit scope, plans and findings, as well as management reports in order to determine the effectiveness of management systems and internal controls during the year. The committee continued to monitor key risks identified and their mitigation and how subsidiaries are performing to achieve the Group's strategy.

The audit involved performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depended on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors considered internal control relevant to the Company's preparation and fair presentation of the financial statements 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. The audit included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

The committee has reviewed and is satisfied the accounting policies and financial statements of the Group are appropriate and comply with IFRS, the JSE Listings Requirements and the requirements of the Companies Act.

The valuation of loans and receivables, investment in associates, other financial assets and going concern were considered significant audit matters by the committee.

The audit included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

Committee statement

After review and consideration of feedback received from management and the external auditors, the committee has resolved that the financial records may be relied upon as the basis for preparation of the audited consolidated annual financial statements.

The committee has considered and discussed the audited annual financial statements and associated reports with both management and the external auditors. During this process, the committee inter alia:

- evaluated significant judgements and reporting decisions;
- determined that the going-concern basis of reporting is appropriate;
- evaluated the material factors and risks that could impact the annual financial report and associated reports;
- evaluated the completeness of the financial and sustainability discussion and disclosures, and is satisfied that the Ecsponent Group has established appropriate financial reporting procedures and that those procedures are operating in accordance with paragraph 3.84(g)(ii) the JSE Listings Requirements; and
- discussed the treatment of significant and unusual transactions with management and the external auditors.
- The committee is satisfied that the expertise and experience of the chief financial officer is appropriate to meet the responsibilities of the position. This is based on the qualifications, levels of experience, and the Board's assessment of the financial knowledge of the chief financial officer. The committee is also satisfied as to the appropriateness, expertise and adequacy of resources of the finance function and the experience of senior members of management responsible for the finance function.

The Group has internal controls and systems designed to provide assurance as to the reliability and integrity of the financial statements. The system of internal control is designed to manage, rather than eliminate, the risk of failure to achieve the Group's business objectives. The committee considers that the audited annual financial statements comply in all material respects with the statutory requirements of the various laws and regulations governing disclosure and reporting of the audited annual financial statements and that the audited annual financial statements comply in all material respects with IFRS, the SAICA Financial Reporting Guides and Financial Reporting Pronouncements, as well as the requirements of the Companies Act and the JSE Listings Requirements.

The committee has recommended to the Board that the audited annual financial statements be adopted and approved by the Board.

On behalf of the Audit and Risk Committee

Roger Pitt

Chairman Audit & Risk Committee

31 August 2020

NOMINATION & REMUNERATION COMMITTEE REPORT

This report is provided by the Nomination & Remuneration Committee in respect of the 9-month financial period ended 31 March 2020.

The Nomination & Remuneration Committee is constituted as a delegated Board committee with duties assigned by the Board in accordance with the King IV, the Companies Act and the JSE Listing Requirements.

- Determining the broad policy for executive and senior management remuneration and the remuneration of the executive directors, Company Secretary and senior management;
- Reviewing executive directors, Company Secretary and senior management's fees;
- Assisting the Board in the appointment of directors that are suitably skilled, and after taking into account its policies on race and gender diversity;
- Ensuring the establishment of a formal process for the appointment of directors, including:
  - Identifying suitable members of the Board;
  - Performing reference and background checks of candidates prior to nomination;
  - Confirming directors' appointment through an agreement between the Company and the director;
  - Overseeing the development of a formal induction programme for new directors;
  - Ensuring that inexperienced directors are developed through a mentorship programme;
- Overseeing the development and implementation of continuing professional development programmes for directors;
- Considering the performance of directors and taking steps to remove directors who do not make an appropriate contribution;
- Finding and recommending to the Board a replacement for the chief executive officer when that becomes necessary; and
- Ensuring that formal succession plans for the Board, chief executive officer and senior management appointments are developed and implemented.

Members of the Nomination & Remuneration Committee

The committee currently comprises of non-executive and executive directors:

Director	Function	Appointment Date	% attendance
KA Rayner	Member (*Former Chairman)	Jan-11	N/A
G Nyengedza	Member	Jan-20	N/A
RMH Pitt	Chairman	Mar-20	N/A

The remaining directors are invited to attend the committee meetings.

The committee met twice during the period ended 31 March 2020, and attendances by the members were 100%.

The role of the committee is to:

- assist the Board by performing an objective and independent review of the functioning of the organisation's remuneration mechanisms. It exercises its functions through close liaison and communication with management.
- operate as an overseer and a provider of recommendations to the Board for its consideration and
- final approval regarding nominations to the Board. The committee assists the Board to ensure that:
    - the Board has the appropriate composition for it to execute its duties effectively;
    - directors are appointed through a formal process;
    - induction and ongoing training and development of directors takes place; and
    - formal succession plans for the Board, chief executive officer and senior management appointments are in place.

Background statement: Remuneration committee

The Group will remunerate staff fairly and consistently according to their role and individual value. The consistent application of the remuneration system throughout the Group is a priority. Remuneration trends are taken into consideration so as to position the Group strategically to ensure competitive remuneration within the parameters of affordability, as far as is achievable and sustainable.

At the annual general meeting of shareholders held 18 December 2019, 100% votes were received in favour of the remuneration policy and the implementation report.

It is intended that the Company's remuneration policy and implementation report will be tabled for a separate nonbinding advisory vote by shareholders at each annual general meeting. In the event that the remuneration policy or the implementation report are voted against by 25% or more of the votes exercised, the announcement on the voting results will provide an invitation to dissenting shareholders to engage with the Company and will specify the manner and timing of such engagement.

No substantial changes were made to the remuneration policy, nor were any remuneration consultants used during the reporting period.

Background statement: Nominations committee

The committee is satisfied that there is a balance of skills, experience, diversity, independence and knowledge needed to discharge its role and responsibilities and that it has fulfilled its responsibilities in accordance with the terms of reference for the reporting period.

The committee has identified the need to promote gender and race representation. The committee will continue to monitor its gender and race diversity.

Remuneration policy

The Group's remuneration policy is reviewed by the committee and approved by the Board.

The aim of the remuneration philosophy is to:

- communicate the remuneration commitments and expectations to the staff;
- strengthen the organisational culture and underlying values of the Group;
- guide and facilitate the remuneration implementation plan;
- describe the manner in which the Group manages remuneration at the organisational level so that it is fair and consistent; and
- serve as standard for the evaluation of the successful implementation of the remuneration policy and remuneration strategy.

The Group's philosophy is to emphasise the link between remuneration and performance. In order to implement the philosophy, an appropriate performance management system will be developed and implemented to differentiate between excellent, average and below average performers. A major objective of the remuneration system is to reward overall contribution rather than status or position. Performance awards are subject to affordability and based on excellent, world-class performance. Performance awards are earned every year from scratch.

The policy ensures that all staff are remunerated fairly, responsibly and in line with industry standards so as to attract and retain the talent required to achieve the Group's strategy and to create sustainable value. The remuneration policy can be viewed on the Company's website.

Implementation report

The remuneration of the Board and executive management is disclosed in the annual financial statements.

Non-executive fees are motivated by the executive directors and ratified by shareholders by special resolution at each annual general meeting.

On behalf of the Nomination and Remuneration Committee

Roger Pitt

Chairman Nomination and Remuneration Committee

31 August 2020

SOCIAL AND ETHICS COMMITTEE REPORT

This report is provided by the Social and Ethics Committee in respect of the 9-month financial period ended 31 March 2020.

The Social and Ethics Committee is constituted as a delegated Board committee with duties assigned by the Board in accordance with the King IV, the Companies Act and the JSE Listing Requirements.

- Monitoring all aspects associated with the sustainable development performance of the Group, specifically relating to:
    - Stakeholder engagement;
    - Health and public safety, which includes occupational health and safety as well as the clinical quality of the Group's services;
    - Broad-based black economic empowerment;
    - Labour relations and working conditions;
    - Training and skills development of the Group's employees;
    - Management of the Group's environmental impacts;
    - Ethics and compliance; and
    - Corporate social investment.

Members of the Social and Ethics Committee

The board has allocated the oversight of, and reporting on, organisational ethics, responsible corporate citizenship, sustainable development and stakeholder relationships to the Social and Ethics Committee ("the committee"), which has adopted the requirements of the Companies Act and principles of King IV.

Save for its duties provided for in the Companies Act, the committee has no executive powers with regard to its findings and recommendations.

The committee currently comprises of non-executive and executive directors:

Director	Function	Appointment Date	% attendance
G Nyengedza	Chairman	Jan-20	N/A
RMH Pitt	Member	Mar-20	N/A
TJ de Kock	Member	Mar-20	N/A

The remaining directors are invited to attend the committee meetings.

The Chairman of the committee represents the committee at the annual general meeting of the Company each year in order to address any enquiries that may be raised and reports to shareholders as required in terms of the Companies Act.

Terms of Reference

The committee has adopted formal terms of reference as incorporated in the Board Charter which have been approved by the Board of Directors. The terms of reference are reviewed and amended as and when necessary. The committee has conducted its affairs in compliance with these terms of reference and has discharged its responsibilities contained therein.

Key activities and mandate of the committee

The committee anticipates proposing to the Board of Directors at the next committee meeting the adoption a formal Code of Ethics and Standards of Business Conduct ("the Code") applicable to all personnel in order to pursue the highest standards of ethical conduct in the interests of shareholders and all other stakeholders.

Areas covered in the proposed Code include:

- act honestly and in good faith and in the best interests of the Company;
- use due care and diligence in fulfilling the functions;
- be independent in judgment and actions;
- not bring the Company in disrepute;
- be transparent;
- be an ambassador of the Company;
- business integrity;
- integrity of qualitative and quantitative information;
- gifts, entertainment and bribery;
- protection and use of property;
- confidential information;
- insider trading;
- safety, health, quality and the environment;
- competition law;
- compliance;
- accountability; and
- corporate governance.

Conflicts of interest

Directors and employees are required to formally declare any arising conflicts of interests and interests in contracts. This is a standing agenda item at all board meetings and management are required to annually declare their interests and possible conflicts in a standard company document. Any conflicts which may arise are noted and managed under an appropriate conflict management plan.

A formal Information Policy has been adopted that deals with price sensitive information and the trading in the Company's securities. This policy incorporates the JSE Listings Requirements and the requirements of the Financial Markets Act, 2012.

Human rights and labour practices

The Employment Code of Conduct requires all employees and others to be treated with fairness, equality and respect to foster an open, transparent, progressive and trusting environment that is free from prejudice, discrimination, bias, harassment and/or violation. The reference to discrimination includes gender, race, physical health, sexual orientation and/or belief systems.

Environment, health and safety

The committee monitors the Group's activities in respect of the environment, health and safety (including employees and the public) and does so while having regard to any relevant legislation, other legal requirements or prevailing codes of best practice.

On behalf of the Social and Ethics Committee

Godwin Nyengedza

Chairman Social and Ethics Committee

31 August 2020

RISK MANAGEMENT

Risk Governance and Organisation

The Board articulates the level of risk that the Group is willing to accept in the normal course of business ('risk appetite') and thus sets the overall risk profile for the Group. It supervises risk management through the Audit and Risk Committee of the Board.

The Audit and Risk Committee proposes risk policies and the overall approach to risk management and monitors the adequacy of controls, compliance with risk policies and the Group's risk profile.

Key Risks

The key risks facing the Group and mitigation measures are in place to limit those risks are as follows:

Credit Risk

Credit risk comprises counterparty risk, settlement risk and concentration risk. These risk types are defined as follows:

i. Counterparty risk is the risk of credit loss to the Group as a result of failure by a counterparty to meet its financial and/or contractual obligations to the Group. This risk type has three components:
   - Primary credit risk, which is the exposure at default (EAD) arising from lending activities.
   - Pre-settlement credit risk arises from the default of the counterparty to the transaction and is measured as the cost of replacing the transaction at current market rates.
   - Issuer risk is the possibility that changes in the financial condition of the issuer of a security, changes in general economic conditions, or changes in economic conditions that affect the issuer may impact its actual or perceived willingness or ability to make timely payments of interest or principal.

ii. Settlement risk is the risk of loss to the Group from settling a transaction where value is exchanged, but where the Group may not receive all or part of the counter value.

iii. Credit concentration risk is the risk of loss to the Group as a result of excessive build-up of exposure to a single counterparty, an industry, market, product, financial instrument or type of security, a country or geography, or a maturity. This concentration typically exists where a number of counterparties are engaged in similar activities and have similar characteristics, which could result in their ability to meet contractual obligations being similarly affected by changes in economic or other conditions.

Control and Mitigation

Credit risk is principally controlled by segregation of duties between credit origination and approval authorities as well as establishing cut off lending grades in addition to setting up of exposure levels to counterparties and securing debts with appropriate collateral.

Credit risk mitigation policies and procedures ensure that credit risk mitigation techniques are acceptable, used consistently, valued appropriately and regularly, and meet the risk requirements of operational management for legal, practical and timely enforcement. Detailed processes and procedures are in place to guide each type of mitigation used.

The loan book is reviewed regularly with the intention of minimizing the exposure to bad debts.

Market Risk

Market risk, the risk of loss arising from adverse changes in market conditions during the period required to close out the Group's positions. The key categories of market risk are as follows

i. Interest Rate Risk - These risks result from the different re-pricing characteristics of assets and liabilities. They include re-pricing risk, basis risk and yield curve risk. The risk exposure principally involves managing the potential adverse effect of interest rate movements on net interest income and the economic value of equity.

ii. Foreign Exchange Risk - this risk arises from the changes in exchange rates and originates from mismatches between the values of assets and liabilities denominated in different currencies and can lead to losses if there is an adverse movement in exchange rate where open positions either spot or forward, are taken for both on and off statement of financial position transactions.

Control and Mitigation

Risk limits are set with respect to changes in forecasted net interest income and the economic value of equity

Liquidity Risk

Liquidity risk arises when the Group, despite being solvent, cannot maintain or generate sufficient cash resources to meet its payment obligations as they fall due, or can only do so on materially disadvantageous terms. This inability to maintain or generate sufficient cash resources occurs when counterparties who provide the Group with funding withdraw or do not roll over that funding, or as a result of a general disruption in asset markets that renders normally liquid assets illiquid.

Control and Mitigation

The Group manages liquidity in accordance with applicable regulations and international best practice. As part of a comprehensive liquidity management process, the Group distinguishes between structural and contingency liquidity risk.

i. Structural - With actual cash flows typically varying significantly from the contractual position, behavioural profiling is applied to assets, liabilities and off-balance sheet commitments with an indeterminable maturity or drawdown period, as well as to certain liquid assets. Behavioural profiling assigns probable maturities based on historical customer behaviour. This is used to identify significant additional sources of structural liquidity

ii. Contingency liquidity risk - contingency funding plans are in place to protect stakeholder interests and maintain market confidence to ensure a positive outcome in the event of a liquidity crisis. The plans incorporate an early warning indicator methodology supported by clear crisis response strategies.

Operational Risk

Operational risk exists in the natural course of business activity and it is defined as the risk of loss suffered as a result of inadequacy of, or a failure in, internal processes, people and systems, or from external events.

Control and Mitigation

Operational risk management forms part of the day-to-day responsibilities of management and staff at all levels.

The operational risk management framework includes qualitative and quantitative methodologies and tools to assist management to identify, assess, monitor, control and mitigate operational risks. These methodologies and tools include:

- An incident database of operational risk events, including near misses.
- Risk and control self-assessment process (RCSA) to analyse business activities and identify and assess operational risks. Risk and control self-assessments are designed to be forward-looking. This enables the development of a risk profile and allows for an understanding of the residual risk.
- Key risk indicators (KRI) used across the Group to monitor the relevant risks and controls highlighted in the risk and control self-assessment process. The main purpose is to assist management by providing an early-warning indicator of potential risk exposures and/or a potential breakdown of controls.

The Group also ensures that adequate insurance to cover key insurable risks is maintained.

IT Security

The integrity of IT systems and data security is given a high focus by management because all major business processes have been automated.

Control and Mitigation

Regular IT audits guard against potential failures and security threats. Procedures are also in place to ensure that data is adequately backed up and replicated to disaster recovery servers.

Legal

Legal risk arises where the Group's businesses or functions may not be conducted in accordance with applicable laws in the countries in which it operates; the incorrect application of regulatory requirements takes place; the Group may be liable for damages to third parties; and contractual obligations may be enforced against the Group in an adverse way, resulting from legal proceedings being instituted against it.

Control and Mitigation

The Group has frameworks and policies to identify, measure and manage legal risk.

Reputational Risk

Reputational risk is the risk of damage to the Group's image which may impair its ability to retain and generate business. Such damage may result from a breakdown of trust, confidence or business relationships.

Control and Mitigation

Safeguarding the Group's reputation is of paramount importance to its continued success and is the responsibility of every member of staff. Each business unit is responsible for identifying, assessing and determining all reputational risks that may arise within their respective areas of business.

Compliance Risk

Compliance risk is the risk of legal or regulatory sanctions, financial loss or loss to reputation that the Group may suffer as a result of its failure to comply with laws, regulations, codes of conduct and standards of good practice that are applicable to its financial services activities

Control and Mitigation

The Group's approach to managing compliance risk is proactive and premised on internationally accepted principles in complying with current and emerging regulatory developments, including money laundering and terrorist financing control, sanctions management, identifying and managing market abuse and mitigating reputational risk.

Strategic Risk

The Group's strategy may fail, causing damage to the Group's ability to generate or retain business. Strategic risk may arise when the Company launches a new product or service, or when it implements a new strategy.

Control and Mitigation

In making strategic decisions, the Group carefully assesses the impact of external factors and the feedback from clients, shareholders and regulators

Tax Risk

Unanticipated tax liabilities from strategic decisions or from unexpected changes in tax legislation may cause significant financial loss to the Group

Control and Mitigation

The Group proactively engages tax consultants identify, assess and manage tax-related risk.

Inflation Risk

Inflation is the risk that inflation will undermine an investment's returns through a decline in purchasing power.

Control and Mitigation

The Group manages inflation risk through proactive investments in assets that retain value.

Environmental & Social Risk

Environmental risk is the risk of pollution or destruction of the natural environment (land, water, air, natural habitats, and animal and plant species) through accidental or deliberate actions, and social risk is the risk of a customer not meeting acceptable standards related to employment, working conditions and business ethics.

Control and Mitigation

The Group' risk management framework was amended to incorporate the identification, assessment and evaluation of Environmental and Social Risks associated with investments.

Performance Risk

The Group may fail to deliver investment performance in excess of client benchmarks or below peers resulting in a loss of Assets Under Management.

Control and Mitigation

The Group sets a clear investment philosophy and rigorous investment process.

FINANCIAL STATEMENTS

31 MARCH 2020

CORPORATE INFORMATION

Registered address	1st Floor, The Wedge 43 Garsfontein road Waterkloof Pretoria 0145
Share Issuer Code	ECS
Debt Issuer Code	ECSP
Hybrid Issuer Code	ECSH
Primary exchange	JSE
ISIN	ZAE000179594

COMPANY SECRETARY CERTIFICATION

Declaration by the Company Secretary in respect of Section 88(2) (e) of the Companies Act.

In terms of Section 88(2)(e) of the Companies Act, I certify that, to the best of my knowledge and belief, the Company has lodged with the Commissioner all such returns as are required in terms of the Companies Act and that all such returns are true, correct and up to date.

L du Preez-Cilliers

Company Secretary

28 August 2020

DIRECTORS' REPORT

The Group's financial results for the period under review reflect the difficult decisions that the Group had to take in order to stabilise the business and position itself for future growth in the medium to long term, amidst extremely challenging operating conditions such as a weak global economy, the Covid 19 impact, subdued consumer sentiment and currency volatility.

During the period, the Group implemented a major strategic shift from a focus on its credit and investment business, to rebuilding and diversifying its private equity portfolio. The Group experienced a significant devaluation in its largest investment, MyBucks, which resulted in a downward fair value adjustment of R1.18billion. Ecsponent successfully executed significant corporate actions both during and subsequent to year end, with the most significant being in Frankfurt listed, fintech company MyBucks and the restructure of the preference share programme.

The Group's total assets decreased from R3.17 billion as at June 2019 to R1.5 billion, a 53% decrease, mainly due to the devaluation of R1.18billion in the MyBucks investment, a devaluation of R330million in the GetBucks Zimbabwe investment as a result of the application of hyperinflation in Zimbabwe and credit impairments of R356million from the application of expected credit losses. In addition the Group converted R450million of credit loan assets into equity. The Conversion of the Preference share programme was only completed subsequent to year end, resulting in interest expenses and finance costs decreasing from R182 million to R101 million and increase from R165 million to R258 million respectively.

An after-tax loss of R2 billion was reported against a loss of R245 million in the prior 12-month period, with a negative net cash from operations position of R255 million at year end against R516.7 million in the prior 9-month reporting period. Earnings and headline earnings per share subsequently contracted to a loss of 187.158 and 186.501 cents per share respectively.

Ecsponent's Board implemented the following interventions up to the date this report, to improve the solvency and liquidity of the Group:

- The restructure of the preference share programme with the intention of matching the liquidity profile of the Group's equity investments, which resulted in Ecsponent reclassifying total preferences share debt of R2.3 billion to equity, of which R1.8billion converted into ordinary shares and R521 million converting into new hybrid preference shares;
- Diversification of its private equity investments to reduce its over-exposure to MyBucks;
- Rationalisation of the business operations to reduce costs, which resulted in a reduction of staff from approximately 80 to 12 and operational cost savings of up to 50%;
- New appointments to the Board of Directors of Ecsponent and redeployment of two directors to the Board of its largest investment, MyBucks;
- A reassessment of non-core investments and operations, which resulted in the exit of various non-core investments and operations of the Group;
- Disposal of the Ecsponent Eswatini operations at net asset value; and
- The announcement on 20 March 2020 of the intended issue of 8 808 624 705 Ecsponent ordinary shares to settle debt of R215,8m.

The Board is confident that the interventions implemented will be able to right-size the business and provide returns in the medium to long term.

Acquisitions and disposals

The Board actively considers investment opportunities that could contribute to the group, which continues to provide sustainable returns. Similarly, the Group remains committed to its focused investment strategies and following a series of transactions to further refine the Group's business focus, the Group has disposed of several non-core assets and achieved significant asset growth.

The following acquisitions/investments were concluded during the financial period:

Transactions

20 November 2019

The Board announced on 26 March 2019 and on 13 September 2019 that the Company had concluded agreements with MyBucks setting out the terms which would enable Ecsponent to facilitate a restructure of the various loans owing to and from entities in the MyBucks Group and the Ecsponent Group (through the Debt Restructure). MyBucks issued 27,829,312 equalling €27,829,312, being R450 million at the Euro/ZAR Exchange Rate. The transaction was approved at a general meeting of shareholders held on 20 November 2019 resulting in Ecsponent owning 42.97% of Mybucks.

31 December 2019

The Group entered into two strategic investments, details of which are disclosed under the operational review included in the Integrated Report, and acquired for a nominal value, holdings in renewable energy and mining vehicles. Further details of these transactions are included in note 35 and note 14, to the annual financial statements.

- 51% interest in Chrome Valley Mining
- 70% in Invest Solar Africa Ltd

31 March 2020

The Group entered into a transaction dated 31 March 2020, whereby all subsidiaries of the Group within the Eswatini jurisdiction, were disposed for a value of R1. Details of this transactions are included in note 36, the annual financial statements.

Special resolutions

Shareholders voted and approved, with the prerequisite majority, several special resolutions during the financial period. Below we provide a high-level summary of the special resolutions adopted during the financial period.

2019 Annual General Meeting

During the annual general meeting held on 18 December 2019 shareholders approved:

› Approval of the non-executive directors' remuneration and fees for ad hoc services rendered
› General authority to enter into funding arrangements in terms of sections 44 and 45 of the Companies Act
› General authority to repurchase the Company's ordinary shares
› General authority to repurchase the Company's preference shares

Events after the reporting period

The directors are not aware of any material event, other than the disclosure in the subsequent events note 37 to the financial statement, which occurred after the reporting date and up to date of this report.

Ordinary dividends

The Company's dividend policy is to consider an interim and a final dividend in respect of each financial period. At its discretion, the Board may consider a special dividend, where appropriate. Depending on the perceived need to retain funds for expansion or operating purposes, the Board may pass on the declaration of dividends. No dividends have been declared and no dividend is proposed.

Preference dividends

The value of preference share dividends paid or accrued during the financial period amounted to R208 million.

Share capital

During the current period, the number of issued ordinary shares of the Company remained the same at 1 079 555 364 ordinary shares.

Borrowing powers

In terms of the Memorandum of Incorporation of the Company, the directors may exercise all the powers of the Company to borrow money, as they consider appropriate, subject to the delegation of authority approved by the Board. The Board has passed a resolution to limit the Group borrowings to R500 million, excluding the liabilities related to the R5 billion preference share programme, and provided the shareholders with written notice thereof.

Company Secretary

Lezanne du Preez-Cilliers continued as the Company Secretary for the Group until 28 August 2020. Acorim (Pty) Ltd has been appointed as Company Secretary from 1 September 2020.

Auditors

Nexia SAB&T continued in office as auditors for the Group for the 2020 financial period. At the Annual General Meeting, the shareholders will be requested to reappoint Nexia SAB&T as the independent external auditors of the Group and to confirm Johandré Engelbrecht as the designated lead audit partner for the 2021 financial period.

Sponsor

Questco (Pty) Ltd ("Questco") remains the Company's appointed debt and equity sponsor.

Litigation statement

The Group is not involved in any claims and/or lawsuits incidental to its business which individually or in aggregate are expected to have a material adverse effect on its business or assets, other than those disclosed below:

FSCA investigation into EFS

The FSCA finalised their investigation into the conduct of Ecsponent Financial Services (Pty) Ltd ("EFS") post year end. The FSCA decided to withdraw the licence of EFS and imposed an administrative penalty of R3 million. The FSCA's investigation focused solely on the advice and intermediary activities of EFS and not those of Ecsponent. The Company, with effect from 11 February 2020, did not provided financial advice on any new business and the Company will resolve to unwind EFS. In addition, the FSCA decided to debar the key individuals of EFS for a period of two years. The Company and EFS consider the FSCA's investigation, which focused solely on the advice and intermediary activities of EFS and not those of Ecsponent, to be finally concluded and regards the matter as closed.

Damages claim – Preference share conversion

The Group has received a number of damages claims from preference shareholders due to the restructuring programme completed on 27 May 2020. The Board believes that at all times, the completion of the preference share restructuring programme was in line with the programme memorandum and is therefore actively defending these claims.

Directors' interest in the Company

At 31 March 2020 the directors' direct and indirect beneficial interests in the Company amounted to 58.8% (2019: 62.5%). No associates of any of the directors held any

shares at 31 March 2020 or at the date of approval of the consolidated financial statements. The shareholding of Directors interest changed significantly post the preference share restricting as detailed in the subsequent events note.

Directors' interest in contracts

The Group entered into a number of agreements in which Mr G Manyere (executive director) had an indirect interest. The details of these transactions as listed below, are included under the acquisition and disposal section of the directors' report above:

- Recapitalisation of MyBucks
- Disposal of Swaziland Group
- Acquisition of Invest Solar Africa Ltd
- Acquisition of Chrome Valley Mining (Pty) Ltd

Interest in subsidiaries

Ecsponent is the holding Company of several operating subsidiaries incorporated in the consolidated Group financial statements. The relevant investments in subsidiaries, including the interest of the Group in the profits and losses of its subsidiaries for the period ended 31 March 2020, are disclosed in note 43 of the consolidated financial statements.

Holding Company

At the 31 March 2020 reporting date MHMK Group owned 56.6% of Ecsponent Limited. The holding reduced to 1.39% as a result of the preference share restructuring, at the date of this report.

Going concern

Refer to note 38 for the assessment of the going concern of the Group.

Review of results and financial position

The consolidated and Company financial statements de-tailed on pages 35 - 129 provide adequate disclosure of the financial results and position for the financial period ended 31 March 2020.

Date of authorisation for issue of financial statement

The consolidated financial statements have been authorised for issue by the directors on 31 August 2020.

INDEPENDENT AUDITOR'S REPORT

To the shareholders of Ecsponent Limited

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated and separate financial statements of Ecsponent Limited and its subsidiaries (the Group), as set out on pages 35 to 129, which comprise the consolidated and separate statement of financial position as at 31 March 2020, and the consolidated and separate statement of profit or loss and comprehensive income, consolidated and separate statement of changes in equity and consolidated and separate statement of cash flows for the nine months then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Ecsponent Limited and its subsidiaries (the Group) as at 31 March 2020, and its consolidated and separate financial performance and consolidated and separate statements cash flows for the nine months then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of our report. We are independent of the Group in accordance with the sections 290 and 291 of the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (Revised January 2018), parts 1 and 3 of the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (Revised November 2018) (together the IRBA Codes) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities, as applicable, in accordance with the IRBA Codes and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Codes are consistent with the corresponding sections of the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) respectively. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 38 in the financial statements, which indicates that the Group incurred a total comprehensive loss of R2.1 billion for the nine month period ended 31 March 2020 and, as of that date, the Group's current liabili-ties exceeded its current assets by R2.8 billion, and its total liabilities exceed its total assets by R2.2 billion. As stated in Note 38, these events or conditions, along with other matters as set forth in Note 38, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. We have considered the ad-equacy of the disclosures made in Note 38 to the financial statements concerning the Group's ability to continue as a going concern and we assessed the solvency and liquidity of existing assets on the statement of financial position. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the con-solidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opin-ion on these matters. In addition to the matter described in the Material Uncertainty Related to Going Concern section above, we have determined the matters described below to be the key audit matters to be communicated in our report on the consolidated financial statements.

<table>
<tr><th>Key Audit Matter</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td colspan="2">Impairment assessment of loans and advances and other financial assets</td></tr>
<tr><td>As at 31 March 2020, the Group recognised loans and advances at amortised cost, as disclosed in note 5, and other financial assets at amortised cost, as disclosed in note 6, in the amount of R240 million (2019: R973 million) and R75 million (R66 million) respectively.

These assets have been recognised in the consolidated statement of financial position as a consequence of transactions entered into by the Group.

As described in the notes to the group financial statements the impairment loss is determined in accordance with IFRS 9 - Financial Instruments.

The application of IFRS 9's requirements related to credit loss allowances ("ECL") is subject to a significant degree of judgement in assessing the impairment of financial instruments.

Those judgements include amongst others, the classification of the financial instrument on initial recognition, defining the default period, determining the stage of impairment the financial instrument falls within and estimating the recoverable amount of the underlying security.

Accordingly, the expected credit loss assessment of these assets is considered to be a key audit matter.</td><td>Our procedures focused on testing the assumptions and judgements applied in the ECL model of loans and advances and other financial assets.

Our procedures included, amongst others:
• Obtaining an understanding of the group's process for estimating the credit loss allowance;
• Using the knowledge of senior personnel and industry specific resources to assist us in evaluating the assumptions and methodologies used by the Group;
• Assessing the financial health of customers to which loans have been advanced to determine the reasonability of the present value of future cash flows;
• Assessing the adequacy of the present value of securities held against loans advanced to customers;
• Assessing stages 1 – 3 categories and probability of default;
• Researching current market conditions and macro-economic indicators for indications of financial distress, including an assessment of the impact associated with the COVID-19 pandemic on projected future cash flows;
• Testing forward-looking assumptions of the ECL;
• Assessing reasonability of management assumptions used the in calculation of ECL;
• Testing the mathematical accuracy of the model to ensure the calculation is reasonable.</td></tr>
<tr><td colspan="2">Fair value determination of investments in associates carried at Fair Value through Profit or Loss (FVTPL)</td></tr>
<tr><td>Investments in associates comprise a combination of listed and unlisted investments carried at fair value through profit or loss in the financial statements, amounting to R625 million (2019: R1.494 billion).

Fair value of the investment in associates has been determined by the directors primarily utilising a combination of the income approach and market approach valuation techniques.

Some of the valuations were determined in US Dollars/Euro and translated to the Group's reporting currency of Rands, at the official year-end exchange rate.

The use of an income approach valuation requires the estimation of a number of significant inputs, including the future expected cash flows and the weighted average cost of capital used to perform the discounting. The use of the market approach requires the estimation of unobservable market information. Many of these inputs may have a material impact on the valuation.

These valuations are level 3 type valuations in accordance with IFRS 13: Fair Value Measurement, where the fair value is not based on observable market data. The directors believe the recorded fair values to be appropriate within a reasonable range of fair values.

We identified these valuations as a key audit matter due to the significant judgements associated with determining the fair value of these material investment.</td><td>In assessing the fair value of the investments in associates, we obtained an understanding of the overall control environment as well as the processes which have been implemented by management and which have been overseen by the Board of directors and our further procedures included, amongst others:
• Testing the mathematical accuracy of the valuation models, by performing a recalculation of each valuation;
• Assessing the budgeting process, and confirming reasonability of the forecasts;
• Comparing the actual performance to that of the previous year's forecast;
• Comparing the inputs to the weighted average cost of capital discount rate to independently obtained data such as the cost of debt, risk free rates in the market, market risk premiums, debt/equity ratios as well as the beta of comparable companies;
• Independently confirming market information to external sources;
• Considered the assumptions made in respect of profitability with the calculation of the fair values.</td></tr>
</table>

Key Audit Matter	How our audit addressed the key audit matter
Recoverability of deferred taxation assets	
The group recognised R284 million (2019: R138 million) of deferred taxation assets as disclosed in note 17 to the financial statements. Where there is objective evidence that the Group would be able to recover the income tax losses against future taxable profits, tax credits have been recognised in the Groups financial statements, taking into consideration the recoverability of the deferred taxation assets. This is performed through profit forecasts. There are a number of key judgements made in determining the inputs into these models which include revenue growth and operating margins, and identified this to be a key audit matter.	Our audit procedures included the evaluation of the key judgements and estimates used in the directors' determination of the future taxable profits against which the tax losses can be utilised. Our audit work included, but was not restricted to: • Recalculating the deferred tax asset calculations to confirm the accuracy thereof; • Evaluating management's assessment on the sufficiency of future taxable income in support of the recognition of the deferred tax assets by comparing management's forecasts of future profits to historical results and evaluating the assumptions used in those forecasts; • Inspecting the communications between the Group and taxation authorities regarding the Group's tax positions.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Integrated Report - Ecsponent Limited and its subsidiaries and the Financial Statements for the nine months then ended 31 March 2020" which includes the Directors' Report, the Audit Committee's Report and the Company Secretary's Certificate as required by the Companies Act of South Africa, which we obtained prior to the date of this report. The other information does not include the consolidated and separate financial statements and our auditor's report thereon.

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

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

Responsibilities of Management and Those Charged with Governance for the Consolidated and Separate Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, management is responsible for assessing the Group'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 management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 consolidated and separate financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group'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 director's 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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated and separate financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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 consolidated and separate 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.

Report on Other Legal and Regulatory Requirements

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that Nexia SAB&T has been the auditor of Ecsponent Limited and its subsidiaries for 6 years.

Nexia SAB&T

Nexia SAB&T

Director: J. Engelbrecht

Registered auditor

31 August 2020

Centurion

119 Witch- Hazel, Technopark, Centurion

DIRECTORS' RESPONSIBILITIES AND APPROVAL

The directors are required in terms of the Companies Act of South Africa to maintain adequate accounting records and are responsible for the content and integrity of the consolidated financial information included in this report.

It is the directors' responsibility to ensure that the financial statements fairly present the state of affairs of the Group as at the end of the financial period and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards. The financial statements are prepared in accordance with International Financial Reporting Standards, the SAICA Financial Reporting Guidelines, the Companies Act and the JSE's Listings Requirements and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates. The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the Group and place considerable importance on maintaining a strong control environment.

To enable the directors to meet these responsibilities, the Board sets standards for internal control aimed at reducing the risk of error or loss in a cost-effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the Group and all employees are required to maintain the highest ethical standards in ensuring the Group's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the Group is on identifying, assessing, managing and monitoring all known forms of risk across the Group. While operating risk cannot be fully eliminated, the Group endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints. The directors are of the opinion, based on the information and explanations given by management that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the Group's cash flow forecast and, in the light of this review and the current financial position, they are satisfied that the Group has or has access to the adequate resources to continue in operational existence for the foreseeable future. The external auditors are responsible for independently reviewing and reporting on the Group's financial statements. The financial statements have been examined by the Group's external auditors and their report is presented on pages 30-33. The financial statements set out on pages 35 - 129, which have been prepared on the going concern basis, were approved by the Board on 31 August 2020 and were signed on its behalf by:

G. Manyere
Group Chief Executive

T.J de Kock
Financial Director

CONSOLIDATED AND SEPARATE STATEMENT OF FINANCIAL POSITION

		GROUP		COMPANY	
		At 31 March	At 30 June	At 31 March	At 30 June
		2020	2019	2020	2019
	Notes	R '000	R '000	R '000	R '000
Assets					
Cash and cash equivalents	10	9 511	37 658	59	12 081
Inventories		-	223	-	-
Assets held for sale	11	3 248	-	-	-
Current tax receivable		6 132	7 130	6 208	7 157
Trade and other receivables	12	30 387	56 928	1 358	8 672
Loans to group companies	13	-	-	750 666	1 133 731
Loans and advances	5	240 665	973 045	17 469	124 847
Other financial assets	6	243 624	416 461	146 802	976 478
Investments in associates	7	648 139	1 533 896	23 724	52 237
Mineral and exploration asset	14	23 719	-	-	-
Investments in subsidiaries	15	-	-	10 885	25 885
Intangible assets and goodwill	16	-	5 704	-	-
Deferred tax asset	17	284 527	138 586	66 499	17 445
Property, plant and equipment	18	15 841	4 953	7 879	1 024
Total assets		**1 505 793**	**3 174 584**	**1 031 549**	**2 359 557**
Liabilities					
Bank overdraft	10	81	803	45	21
Current tax payable		23	2 368	-	-
Trade and other payables	19	61 838	19 112	28 222	3 123
Preference shares	8	2 341 548	2 285 357	2 324 911	2 000 396
Other financial liabilities	9	1 068 100	677 379	148 802	93 605
Note programme	20	161 099	65 395	161 099	65 395
Deferred tax liability	17	63 653	185 027	41 664	54 314
Lease liabilities	21	9 339	201	7 945	201
Total liabilities		**3 705 681**	**3 235 642**	**2 712 688**	**2 217 055**
Assets minus liabilities		**(2 199 888)**	**(61 058)**	**(1 681 139)**	**142 502**
Equity					
Equity and reserves					
Share capital	22	145 170	145 170	145 170	145 170
Accumulated loss		(2 233 857)	(213 202)	(1 826 309)	(2 668)
Reserves		(118 515)	6 132	-	-
Equity attributable to equity holders of parent		**(2 207 202)**	**(61 900)**	**(1 681 139)**	**142 502**
Non-controlling interest	23	7 314	842	-	-
Total equity		**(2 199 888)**	**(61 058)**	**(1 681 139)**	**142 502**

CONSOLIDATED AND SEPARATE STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME AND LOSS

		GROUP		COMPANY	
		For the 9-month period ended	For the 12-month period ended	For the 9-month period ended	For the 12-month period ended
		31 March	30 June	31 March	30 June
		2020	2019	2020	2019
	Notes	R '000	R '000	R '000	R '000
Revenue	24	45 464	166 941	-	-
Cost of sales		(41 876)	(133 687)	-	-
Gross profit		**3 588**	**33 254**	**-**	**-**
Interest income	25	119 145	182 665	62 223	152 277
Interest expenses		(101 724)	(181 325)	(224 059)	(245 806)
Net interest income/(loss)		**17 421**	**1 340**	**(161 836)**	**(93 529)**
Fair value (loss)/income	26	(1 696 902)	26 229	10 479	(6 890)
Dividend income	40	177	24 937	-	150 082
Share of net loss of associate		(15 598)	(3 581)	(19 142)	-
Impairments	15/16	(5 551)	(119 107)	(65 782)	-
Investment (loss)/income		**(1 717 874)**	**(71 522)**	**(74 445)**	**143 192**
Other income	27	143 338	28 267	9 815	9 886
Credit impairments	28	(356 276)	24 461	(1 570 857)	-
Operating expenses	29	(114 423)	(99 825)	(37 286)	(41 200)
Operating (loss) / profit		**(2 024 226)**	**(84 025)**	**(1 834 609)**	**18 349**
Finance cost	30	(258 694)	(165 708)	(50 488)	-
(Loss) / profit after finance cost		**(2 282 920)**	**(249 733)**	**(1 885 097)**	**18 349**
Taxation	31	262 958	(4 796)	61 637	(8 062)
(Loss)/profit for the period		**(2 019 962)**	**(254 529)**	**(1 823 460)**	**10 287**
Other comprehensive income or (loss)					
Items that may be reclassified to profit and loss:					
Exchange differences on translating foreign operations		(124 647)	9 089	-	-
Total comprehensive (loss)/ income		**(2 144 609)**	**(245 440)**	**(1 823 460)**	**10 287**
(Loss) and profit and other comprehensive income or (loss) attributable to:					
(Loss)/profit attributable to:					
Owners of the parent		(2 020 470)	(255 376)	(1 823 460)	10 287
Non-controlling interest:		508	847	-	-
		(2 019 962)	**(254 529)**	**(1 823 460)**	**10 287**

		GROUP		COMPANY	
		For the 9-month period ended	For the 12-month period ended	For the 9-month period ended	For the 12-month period ended
		31 March	30 June	31 March	30 June
		2020	2019	2020	2019
	Notes	R '000	R '000	R '000	R '000
Total comprehensive (loss)/profit attributable to:					
Owners of the parent		(2 145 117)	(246 287)	(1 823 460)	10 287
Non-controlling interest		508	847	-	-
		(2 144 609)	**(245 440)**	**(1 823 460)**	**10 287**
Loss per share - basic and diluted					
Basic and diluted loss per share (cents) attributable to equity holders of the parent	32	(187.158)	(23.656)		

CONSOLIDATED AND SEPARATE STATEMENT OF CHANGES IN EQUITY

Group	Notes	Share capital	Foreign currency translation reserve ("FCTR")	Retained income / (accumulated loss)	Total attributable to owners of the parent	Non-controlling interest ("NCI")	Total equity
		R'000	R'000	R'000	R'000	R'000	R'000
Balance at 01 July 2018		**145 170**	**(2 957)**	**50 926**	**193 139**	**362**	**193 501**
Loss for the period		-	-	(255 376)	(255 376)	847	(254 529)
Other comprehensive income		-	9 089	-	9 089	-	9 089
IFRS 9 adjustment		-		(8 752)	(8 752)	-	(8 752)
Disposal of subsidiaries		-	-	-	-	1	1
Business combinations		-	-	-	-	(368)	(368)
Balance at 30 June 2019 as previously reported		**145 170**	**6 132**	**(213 202)**	**(61 900)**	**842**	**(61 058)**
IFRS 16 adjustment	2	-	-	(185)	(185)	-	(185)
Restated balance at 30 June 2019		**145 170**	**6 132**	**(213 387)**	**(62 085)**	**842**	**(61 243)**
Loss for the period		-	-	(2 020 470)	(2 020 470)	508	(2 019 962)
Other comprehensive loss		-	(124 647)	-	(124 647)	-	(124 647)
Business combinations		-	-	-	-	7 565	7 565
Disposal of subsidiaries		-	-	-	-	(1 601)	(1 601)
Balance at 31 March 2020		**145 170**	**(118 515)**	**(2 233 857)**	**(2 207 202)**	**7 314**	**(2 199 888)**

CONSOLIDATED AND SEPARATE STATEMENT OF CHANGES IN EQUITY (CONTINUED)

	Share capital	Retained income / (accumulated loss)	Total attributable to owners of the parent
Company	**R'000**	**R'000**	**R'000**
Balance at 01 July 2018	**145 170**	**(12 955)**	**132 215**
Profit for the period	-	10 287	10 287
Balance at 30 June 2019 as previously reported	**145 170**	**(2 668)**	**142 502**
IFRS 16 adjustment	-	(181)	(181)
Restated balance at 30 June 2019	**145 170**	**(2 849)**	**142 321**
Loss for the period	-	(1 823 460)	(1 823 460)
Other comprehensive income	-	-	-
Balance at 31 March 2020	**145 170**	**(1 826 309)**	**(1 681 139)**

CONSOLIDATED AND SEPARATE STATEMENT OF CASH FLOWS

		GROUP		COMPANY	
		For the 9-month period ended 31 March 2020	For the 12-month period ended 30 June 2019	For the 9-month period ended 31 March 2020	For the 12-month period ended 30 June 2019
	Notes	R '000	R '000	R '000	R '000
Cash flow from operating activities					
Cash utilised in operations	33	(33 280)	(244 149)	62 620	(31 478)
Dividends received		-	5 500	-	5 500
Investment revenue		-	-	-	7 087
Finance cost and interest expenses		(208 562)	(264 433)	(180 921)	(164 456)
Taxation paid	34	(13 708)	(13 611)	1 898	(10 156)
Net cash from operating activities		**(255 550)**	**(516 693)**	**(116 404)**	**(193 502)**
Cash flow from investing activities					
Purchase of property, plant and equipment		(1 369)	(3 026)	-	(885)
Proceeds on the disposal of property plant and equipment		2 078	1 437	-	624
Investment in intangible assets		-	(109)	-	-
Loans to group companies - disbursement		-	-	(395 769)	(578 873)
Loans to group companies - repayments		-	-	209 710	230 755
Loans and advances - disbursement		(128 330)	(290 933)	-	
Loans and advances - proceeds		22 593	415 084	-	
Investment in associate		-	-	-	(14)
Other financial assets - advances		(12 313)	(25 536)	-	(2 342)
Other financial assets - proceeds		10 380	12 623	-	-
Cash acquired through business combination		555	113	-	
Cash disposes on sale of subsidiary		(4 337)			
Net cash from investing activities		**(110 743)**	**109 653**	**(186 059)**	**(350 735)**
Cash flow from financing activities					
Preference share issues - proceeds		304 386	465 228	240 051	551 441
Preference shares redeemed		(77 930)	(4 025)	(41 806)	-
Note issues - proceeds		91 483	67 078	91 483	-

		GROUP		COMPANY	
		For the 9-month period ended 31 March 2020	For the 12-month period ended 30 June 2019	For the 9-month period ended 31 March 2020	For the 12-month period ended 30 June 2019
	Notes	R '000	R '000	R '000	R '000
Other financial liabilities - raised		103 931	197 529	2 241	-
Other financial liabilities - repaid		(73 638)	(334 026)	-	-
Lease payments		(2 120)	(835)	(1 553)	(655)
Net cash from financing activities		**346 112**	**390 949**	**290 416**	**550 786**
Total cash movement for the period		**(20 181)**	**(16 091)**	**(12 047)**	**6 549**
Effect of exchange rate movement on cash balances		(7 244)	8 641	-	-
Cash at the beginning of the period		36 855	44 305	12 060	5 511
Total cash at the end of the period		**9 430**	**36 855**	**13**	**12 060**

1. ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these consolidated and separate financial statements are set out below.

1.1. Basis of preparation

The consolidated and separate financial statements have been prepared in accordance with International Financial Reporting Standards ('IFRS') as issued by the International Accounting Standards Board ('IASB') and IFRS Interpretation Committee, the Financial Reporting Guides as issued by the South African Institute of Chartered Accountants' ('SAICA') Accounting Practices Committee, Financial Pronouncements as issued by the Financial Reporting Standards Council, the JSE Listings Requirements and the requirements of the Companies Act of South Africa 2008, as amended ("Companies Act").

The financial statements have been prepared on the historical cost basis, except for the measurement of certain assets at fair value and incorporate the principal accounting policies set out below. The financial statements are presented in South African Rand and rounded to the nearest thousand.

The Group has, in the preparation of these Consolidated and Separate financial statements, consistently applied the accounting policies with those applied in the previous financial period, except for the first time adoption of IFRS 16 (refer to note 2) and IFRS 6 (refer to accounting policy note 1.3).

The results of the Group were prepared under supervision of Mr. T.J. de Kock CA (SA).

1.2. Segmental reporting

Operating segments are reported in a manner consistent with the internal reporting. In line with the Group's reporting practices each country is treated as a separate operating segment. All countries are allocated to an operational segment based on the key operations of the entity.

1.3. New accounting policies adopted

Exploration and evaluation of Mineral Resources

All exploration and evaluation expenditure, prior to obtaining the legal rights to explore a specific area, is recognised in profit or loss.

After the legal rights to explore are obtained, exploration and evaluation expenditure, comprising the costs of acquiring prospecting rights and directly attributable exploration expenditure, is capitalised, pending finalisation of atechnical and bankable feasibility study ("feasibility study"). The feasibility and commercial viability of extracting a mineral resource is generally considered to be determinable through completion of a feasibility study, resulting in a resource and reserve statement being issued. Upon determination of reserves, exploration and evaluation assets attributable to those reserves are reclassified from exploration and evaluation assets to mine development assets.

Subsequently, all costs directly incurred to prepare an identified mineral asset for production are capitalised to mine development assets. Amortisation of these assets commences once these assets are available for use, which is expected to be when the mine is in commercial production. These assets will be measured at cost less accumulated amortisation and impairment losses.

1.4. Change in accounting policies

IAS1: Presentation of Financial Statements

The Board advised its ordinary, preference shareholders and noteholders that the Company's strategic focus has shifted from a Group which focused on both private equity investments and financial services to a financial institution that focusses almost exclusively on private equity investment.

Accordingly, the Group has adopted a change in accounting policy in term of IAS 8: *Accounting Policies, Changes in Accounting Estimates and Errors*, to provide a more relevant and reliable presentation of its Statement of Financial Position and its Statement of Profit or Loss and Other Comprehensive Income or Loss.

Certain of the comparative period's figures have been reclassified to align the financial disclosures to the revised reporting format. It is, however, important to note that none of the comparative figures have been restated and, as noted above, the accounting policies have been consistently applied.

Statement of Financial Position

The Group has adopted the liquidity basis of presentation of the Statement of Financial Position as outlined in *IAS 1 – Presentation of Financial Statement*. As a result, all assets and liabilities are presented in order of liquidity rather than presenting the assets and liabilities as current or non-current. The adoption provides more relevant and reliable information, as the Group activities no longer have material identifiable working capital cycles with assets and liabilities held to investment maturity. The change in strategy, on which the change in presentation is hinged, is supported by the below factors:

- The Company announced, during 2019, the conversion of a material amount of its business-to-business interest-bearing loans into the underlying equity investments, most notably the substantial increase in the equity investment in MyBucks to obtain greater influence over the direction of the MyBucks Group;
- The current equity portfolio holds value which is estimated to require the next three to five years to fully materialise; and
- Going forward, it is Ecsponent Ltd.'s intention that income will be derived mainly from its private equity portfolio and that Ecsponent Ltd will no longer conduct any trading activity that is material to the Group due to the change of the business strategy.

Effect on Statement of Financial Position

The resultant effect on the presentation of the Statement of Financial Position is that the categories of assets and liabilities have been re-presented in order of liquidity and disclosure of non-current versus current assets and liabilities has been removed. There has been no adjustment to account balances or descriptions from those previously presented.

Statement of Profit or Loss and Other Comprehensive Income or Loss

The Group has reorganized the presentation of the Statement of Profit or Loss and Other Comprehensive Income or Loss as outlined in *IAS 1 – Presentation of Financial Statement*, by the inclusion of additional line items and subtotals which provides for a more relevant understanding of the Groups financial performance in line with the change in strategy as noted above. The line items have been disaggregated to separately present the financial performance of lending activities, private equity investment activities and operational activities.

Effect on Statement of Profit or Loss and Other Comprehensive Income or Loss

The following reclassifications of the 30 June 2019 comparative results occurred:

	GROUP					COMPANY
Statement of Profit and (Loss)	**30 June 2019 as previously disclosed**	**Represented**	**30 June 2019 Represented**	**30 June 2019 as previously disclosed**	**Represented**	**30 June 2019 Represented**
	R'000	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**
Revenue	381 909	(214 968)	166 941	-	-	-
Cost of sales	(133 687)	-	(133 687)	-	-	-
Interest income	-	182 665	182 665	-	(152 277)	152 277
Interest expenses	-	(181 325)	(181 325)	-	245 806	(245 806)
Investment revenue	-	-	-	303 208	(303 208)	-
Fair value (loss)/ income	26 229	-	26 229	(6 890)	-	(6 890)
Dividend income	-	24 937	24 937	-	(150 082)	150 082
Share of net (loss)/ profit of associate	-	(3 581)	(3 581)	-	-	-
Impairments	(3 581)	(115 526)	(119 107)	-	-	-
Other income	89 758	(61 491)	28 267	9 037	(849)	9 886
Credit impairments	-	24 461	24 461	-	-	-
Operating expenses	(263 680)	163 855	(99 825)	(41 200)	-	(41 200)
Finance cost	(346 681)	180 973	(165 708)	(245 806)	(245 806)	-
Taxation	(4 796)	-	(4 796)	(8 062)	-	(8 062)
	(254 529)	**-**	**(254 529)**	**10 287**	**-**	**10 287**

1.5. Consolidations

Investment in subsidiaries and consolidation

Company annual financial statements

In the Company's separate annual financial statements, investments in subsidiaries are carried at cost less any accumulated impairment.

Basis of consolidation

The consolidated financial statements incorporate the annual financial statements of the Company and all investees that are controlled by the Company ("Group").

The Group has control of an investee when it has:

- power over the investee;
- it is exposed to or has rights to variable returns from involvement with the investee; and
- it has the ability to use its power over the investee to affect the amount of the investor's returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above. When the Group has less than a majority of the voting rights of an investee, it considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power.

Consolidation procedures

The results of subsidiaries are included in the consolidated financial statements from the effective date of acquisition and/or control to the effective date of disposal. Adjustments are made when necessary to the financial statements of subsidiaries to bring their accounting policies in line with those of the Group. All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Non-controlling interests in the net assets of consolidated subsidiaries are identified and recognised separately from the Group's interest therein and are recognised within equity. Losses of subsidiaries attributable to non-controlling interests are allocated to the non-controlling interest even if this results in a debit balance being recognised for the non-controlling interest.

Transactions that result in changes in ownership levels – control is lost

When a change in the Group's ownership interest in a subsidiary's results in a loss of control over the subsidiary, the assets and liabilities of the subsidiary, including any goodwill, are derecognised. Amounts recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained earnings, if required by a specific standard.

Business combinations

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Bargain purchase

A gain on bargain purchase arises on the acquisition of subsidiaries and represents the excess of the net fair value of the net identifiable assets, liabilities and contingent liabilities of the acquire and the fair value of the non-controlling interest in the acquire over the consideration transferred. A bargain purchase represents a gain on the acquisition of the acquire and this resulting gain is recognised in profit and loss.

Investment in associates

Associates are those entities over which the Group has significant influence.

In the separate Company financial statements, investments in associates are designated as recognised initially at cost or fair value. Subsequently, the investments are measured at cost less any accumulated impairment, if any or at fair value if so designated.

For equity accounted investments, the Group's investments in associates are designated at initial recognition at either the equity method of accounting or at fair value through profit and loss depending on the nature of the investment held.

The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income, after adjustments to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases.

On acquisition of the investment in the associate, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

When a Group entity transacts with an associate of the Group, profits and losses resulting from the transactions with the associate are recognised in the Group's consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

Impairment of investment in associates

The entire carrying amount of the investment in an associate (including goodwill) is tested for impairment in accordance with IAS 36 - Impairment of Assets, as a single asset or as a cash-generating unit by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases. Investments in associates which are recognised at fair value through profit and loss is not tested for impairment.

1.6. Financial instruments

Initial recognition and measurement

Financial instruments are recognised initially when the Group becomes a party to the contractual provisions of the instruments. The Group classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Financial instruments are initially measured at fair value (except for trade receivables which are recognised at their transaction price). Transaction costs for financial instruments that are not classified as at fair value through profit or loss, are included in the initial measurement of the instrument. Transaction costs on financial instruments at fair value through profit or loss are recognised immediately in profit or loss.

When the transaction price of the instrument differs from the fair value at origination and the fair value is based on a valuation technique using only inputs observable in market transactions, the group recognises the difference between the transaction price and fair value in net trading income. In those cases where fair value is based on models for which some of the inputs are not observable, the difference between the transaction price and the fair value is deferred and is only recognised in profit or loss when the inputs become observable, or when the instrument is derecognised.

Subsequent measurement

Financial assets at amortised cost

These are subsequently measured at amortised cost. The amortised cost is the amount recognised on the asset 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.

Financial assets at fair value through profit and loss ("FVTPL")

These are subsequently measured at fair value. Fair value gains or losses recognised on financial assets at fair value through profit or loss are included in operating gains/(losses).

Financial liabilities at amortised cost

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

Classification

Financial instruments held by the Group are classified in accordance with the provisions of IFRS 9. The classification, which have been adopted by the Group, is as follows:

Financial instrument	Classification-IFRS 9
Financial assets:	
Loans and advances	At amortised cost
Other financial assets (Bonds)	At amortised cost
Other financial assets (Equities and derivatives)	FVTPL
Loans to Group companies	At amortised cost
Trade and other receivables	At amortised cost
Cash and cash equivalents	At amortised cost
Financial liabilities:	

Financial instrument	Classification-IFRS 9
Preference shares	At amortised cost
Note programme	At amortised cost
Other financial liabilities	At amortised cost
Trade and other payables	At amortised cost
Bank overdraft	At amortised cost

Expected Credit Loss

The Group recognises a loss allowance for expected credit losses on all financial assets 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 financial asset.

Loans and advances and Bonds

The Group 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 financial asset has not increased significantly since initial recognition, then the loss allowance for that financial asset 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 financial asset. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial asset 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 financial asset being credit impaired at the reporting date or of an actual default occurring.

Trade and other receivables

The Group recognises a loss allowance for expected credit losses on trade and other receivables, excluding VAT and prepayments. The amount of expected credit losses is updated at each reporting date. The Group measures the loss allowance for trade and other receivables at an amount equal to lifetime expected credit losses (lifetime ECL), which represents the expected credit losses that will result from all possible default events over the expected life of the receivable. Measurement and recognition of expected credit losses for trade and other receivables are recognised based on the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Write off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets 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.

Derecognition

Financial assets

The Group 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 Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognises the financial asset and recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable, are recognised in profit or loss.

Financial liabilities

The Group derecognises financial liabilities when, and only when, the Group 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.

1.7. Share capital and equity

Ordinary shares are classified as equity. Mandatorily redeemable preference shares with stated coupons are classified as liabilities.

Any incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

1.8. Tax

Current tax

Taxable income differs from 'profit before tax' as reported in the consolidated income statement due to items of income or expense that are taxable or deductible in different periods and items that are never taxable or deductible.

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 or, where applicable assets for the current and prior periods are measured at the amount expected to be paid to or 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

Deferred tax is recognised for all temporary differences, except to the extent that the deferred tax arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting profit nor taxable income or tax loss and is not part of a business combination. Further to this deferred tax is not recognised on the initial recognition of goodwill and a deferred tax asset is only recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised.

Deferred tax is not recognised on temporary differences associated with investments in subsidiaries and associates, where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

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.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

1.9. Intangible assets

An intangible asset is recognised when:

- It is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and
- The cost of the asset can be measured reliably.

Intangible assets are initially recognised at cost.

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for as a change in accounting estimate.

The useful lives are as follows:

Item	Average useful life
Computer software	3 to 5 years
Goodwill	Indefinite

Impairment of intangible assets

For intangible assets with a finite life, when indicators of impairment have been identified, the Group reviews the carrying amounts of its intangible assets to determine whether there is any indication of impairment. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest Group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

Goodwill

Goodwill arises on the acquisition of subsidiaries and represents the excess of the consideration transferred, amount of any non-controlling interest in the acquired entity, and acquisition-date fair value of any previous equity interest in the acquired entity over the fair value of the net identifiable assets, liabilities and contingent liabilities of the acquiree.

Goodwill is not amortised but is tested at least annually for impairment, therefore carried at cost less accumulated impairment losses. For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that are expected to benefit from the synergies of the combination.

A Cash-Generating Unit (CGU) is defined as the smallest identifiable Group of assets that generates cash inflows that are largely independent of the cash inflows from other assets

or Groups of assets. A CGU to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss on goodwill will not subsequently be reversed. On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Goodwill arising on the acquisition of foreign entities is considered an asset of the foreign entity. In such cases the goodwill is translated to Rand at the end of each reporting period with the adjustment recognised in equity through to other comprehensive income.

1.10. Property, plant and equipment

Property, plant and equipment are initially measured at cost. The cost of an item of property and equipment is recognised as an asset when:

- It is probable that future economic benefits associated with the item will flow to the company; and
- The cost of the item can be measured reliably.

Property, plant and equipment are tangible assets which the Group holds for its own use and which are expected to be used for more than one year. Cost includes all the expenditure which is directly attributable to the acquisition or construction of the asset. Property, plant and equipment is subsequently stated at cost less accumulated depreciation and any accumulated impairment losses, except for land which is stated at cost less any accumulated impairment losses.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the Group. All assets are depreciated over a straight-line basis over the estimated useful life. Leased assets are depreciated in a consistent manner over the shorter of their expected useful lives and the lease term. Depreciation is not charged to an asset if its estimated residual value exceeds or is equal to its carrying amount. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or derecognised.

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate. Each part of an item of property and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

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

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

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

Item	Depreciation method	Average useful life
Plant and machinery	Straight line	3 to 8 years
Furniture and fixtures	Straight line	5 to 7 years
Motor vehicles	Straight line	5 years
Office equipment	Straight line	5 years
IT equipment	Straight line	3 to 5 years
Right-of use assets	Straight line	2 to 5 years
Leasehold improvements	Straight line	1 to 5 years

1.11. Inventories

Inventories are measured at the lower of cost and net realisable value.

The cost of inventories is assigned using the first- in, first-out (FIFO) formula. The same cost formula is used for all inventories with a similar nature and use to the Group. When inventories are sold, the carrying amounts of those inventories are recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write- down of inventories, arising from an increase in net realisable value, are recognised as a reduction in the number of inventories recognised as an expense in the period in which the reversal occurs.

1.12. Assets held for sale

Assets 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 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.

Measurement

Assets held for sale are measured at the lower of the carrying amount and fair value less costs to sell. An asset is not depreciated while it is classified as held for sale.

1.13. Revenue

The Group's revenue consists of:

1. Interest income
2. Investment revenue - Dividends
3. Vendor deals
4. Services rendered for administration, origination and management
5. Sale of debtor's book
6. Stem cell storage fees

Revenue recognition

Interest income

Interest income earned on trading advances is recognised as revenue, on a time apportioned method taking into account the effective yield on assets.

Dividends

Dividends are recognised, in profit or loss, when the Company's right to receive payment has been established.

Vendor deals

Vendor deals relate to procurement funding transactions. Revenue from vendor deals is recognised at the point in time where services and other performance obligations have been delivered or concluded as per the agreement. The services and other performance obligations typically include the sourcing of goods and services, which in turn is supplied to the entity's customer under the vendor deal agreement. The group can source goods and services at prices and terms which benefit its vendor deal customers. The group controls the delivery process of the goods and services to the ultimate customer, which allows the group to control the point at which the goods and services has been transferred to the customer. The performance obligations, as well as the timing of their satisfaction, are identified, and determined, at the inception of the contract. The Group's revenue contracts do not typically include multiple performance obligations.

Services rendered for administration, origination and management

The Group earns income from a diverse range of financial services it provides to its customers. Revenue from providing services is recognised in the accounting period in which the services are rendered. For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided, because the customer receives and uses the benefits simultaneously. The performance obligations, as well as the timing of their satisfaction, are identified, and determined, at the inception of the contract.

The Group's revenue contracts do not typically include multiple performance obligations.

Sale of debtors' book

Revenue from this sale is recognised at the point in time of conclusion of the agreement. The performance obligations, as well as the timing of their satisfaction, are identified, and determined, at the inception of the contract. The group measures the transfer of control of a debtor's book to the purchaser once all the information relating to the debtor's book has been provided to the purchaser. In addition, the group will inform all the debtors of the sale and provide the purchaser's details to the debtors. The Group's revenue contracts do not typically include multiple performance obligations.

Stem cell storage fees

The Group provides facilities that allow for the cryogenic preservation and storage of umbilical cord stem cells. The Group charges a fee for the storage of these cells. Revenue related to these fees is recognised in the accounting period in which the services are rendered.

1.14. Short-term employee benefits

The costs of short-term employee benefits are recognised in the period in which the service is rendered and are not discounted. The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave, sick leave and bonuses), are recognised as an expense in the consolidated statement of comprehensive income, in the period in which the service is rendered and are not discounted.

1.15. Foreign currencies

Functional and presentation currency

The consolidated and separate financial statements are presented in Rand which is the Group's functional and presentation currency. Items included in the financial statements of each entity within the Group are measured using the currency of the primary economic environment in which the entity operates (functional currency).

Foreign currency transactions

A foreign currency transaction is recorded, on initial recognition in the functional currency, by converting it using the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At the end of the reporting period:

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

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous 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 in other comprehensive income and accumulated in equity, any exchange component of that gain or loss is recognised in 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 the functional currency by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the cash flow.

1.16. Investments in foreign subsidiaries

The results and financial position of a foreign operation are translated into Rand using the following procedures:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- income and expenses for each item of profit or loss are translated at exchange rates at the dates of the transactions; and
- all resulting exchange differences are recognised in other comprehensive income and accumulated as a separate component of equity

Exchange differences arising on a monetary item that forms part of a net investment in a foreign operation are initially recognised in other comprehensive income and accumulated in the foreign currency translation reserve. Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition of that foreign operation are treated as assets and liabilities of the foreign operation. The cash flows of a foreign subsidiary are translated at the exchange rates between the functional currency and the foreign currency at the dates of the cash flows.

On the disposal of a foreign operation all the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

1.17. Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred. Borrowing costs consist of interest expenses and finance costs. The Group does not specifically raise debt linked to interest bearing financial assets and therefore the cost of funding related to interest expenses and finance cost are allocated based on the following estimation:

- The cost of funding interest bearing financial assets (interest expenses) is calculated as the average cost of debt over the financial period, reallocated from finance costs. All other borrowing costs are recognised as finance costs.

1.18. Earnings per share

The Group presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held. In addition, the Group presents headline earnings per share (HEPS) data for its ordinary shares. HEPS is calculated by dividing the headline earnings attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

1.19. Critical judgements in applying accounting policies

Critical judgements have been included in the respective accounting policies and related notes to these accounting policies.

2. NEW STANDARDS AND INTERPRETATIONS

Application of IFRS 16 Leases

IFRS 16 Leases is a new standard which replaces IAS 17 Leases and introduces a single lessee accounting model. The company has adopted the standard for the first time in the 2020 financial statements.

First time adoption application

The Group has adopted IFRS 16, retrospectively from 1 July 2019 and elected to use the modified retrospective approach. The standard is applied retrospectively with the cumulative effect of initially applying IFRS 16 recognised in the opening balance of retained earnings at the date of initial application, instead of restating comparative information. This led to an adjustment to opening retained earnings of R185 147.

The Group applied the following practical expedients, in accordance with IFRS 16, to leases previously classified as operating leases when applying IAS 17:

- Applied a single discount rate to a portfolio of leases with reasonably similar characteristics resulting in a weighted average incremental borrowing rate at the date of initial application of 10.55%,
- Leases for which the lease term ends within 12 months of the date of initial application are accounted for in the same way as short-term leases, and
- Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

Impact of first-time adoption

The main changes arising from the issue of IFRS 16 resulted in the recognition of right-of-use assets and lease liabilities.

The lease liability comprised of the following adjustments on the date of initial application:

	1 July 2019 R'000
Operating lease commitment as at 1 July 2019	11 769
Discounted using the weighted average incremental borrowing rate	(2563)
Lease liabilities recognised at 1 July 2019	**9 206**

The recognised right-of-use assets consists solely of premises leased by the Group. The right-of-use assets recognised at 1 July 2019 amounted to R 8.95 million with the related lease liabilities amounting to R 9.2 million.

Standards/Interpretations Issued Not Yet Effective

The Group has considered standard not yet effective and has determined that none of the these will have a material impact on the Group.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

3. FINANCIAL INSTRUMENTS – RISK MANAGEMENT

Financial risk management

The Group has documented financial risk management policies. These policies set out the Group's overall business strategies and its risk management philosophy. The Group's overall financial risk management programme seeks to minimise potential adverse effects of financial risks on the financial performance of the Group. The Board of Directors provides written principles for overall financial risk management and written policies covering specific areas, such as:

- capital risk;
- market risk (including foreign exchange risk, interest rate risk, equity price risk);
- credit risk; and
- liquidity risk.

Such written policies are reviewed annually by the Board of Directors and periodic reviews are undertaken to ensure that the Group's policy guidelines are complied with. The Group has not used derivative financial instruments to manage its exposure to price, interest rate and foreign currency risk.

The directors are of the opinion that the carrying amount of all current financial assets and financial liabilities approximate their fair values, due to the short-term nature of these financial instruments. Where the effects of discounting are immaterial short-term receivables and short-term payables are measured at the original invoiced amount.

There have been no substantive changes to the Group's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note. Information disclosed has not been further disaggregated as the financial instruments used by the Company share the same economic characteristics and market conditions.

Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The capital structure of the Group consists of debt, which includes the borrowings disclosed in other financial liabilities-note 9, preference shares-note 8, note programme-note 20, cash and cash equivalents-note 10 and equity as disclosed in the Statement of financial position.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. There are no externally imposed capital requirements. The Group announced a significant adjustment to its capital structure on 10 February 2020, due to the default on its R5billion JSE listed, preference share programme. The restructure has resulted in a shift subsequent to year end of the capital structure, though the issue of 44 billion new ordinary shares on 8 June 2020 with an additional issue to take place during August 2020. In addition, the Group has announced a transaction to convert debt-to-equity subject to approval of shareholders.

The effect of the equity structure is disclosed below:

	As at 31 March 2020	Effect of EGM held on 27 May 2020	Effect of Debt-to equity transaction	Effect of conversion
	R	R	R	R
Net equity attributable to ordinary shareholders	(2.21billion)	2.32billion	0.256billion	0.367billion
Preference share - Debt	2.34billion	(2.32billion)	-	16million
Other financial liabilities	1.061billion	-	(0.256billion)	0.805billion

The Group does not have a significant concentrations of credit risk in respect of cash balances as the Group uses appropriately rated banks in the territories in which the Group has operations.

Market risk

Market risk is the risk of changes in the market prices, such as interest rates, equity prices and foreign exchange rates which will affect the Group's income, fair value and future cash flows of financial instruments. The Group's market risk arises from investments in listed and unlisted equities, open positions, interest rates and foreign currencies which are exposed to general and specific market movements and changes in the level of volatility. The objective of market risk management is to manage and control market risk exposures within acceptable parameters. Due to the volatility in some of the African countries' currencies, hedging is either not available or prohibitively expensive. In such countries, the focus is to obtain local funding in local currency.

Market risk on equity investments

The Group enters into equity investments in listed and unlisted entities in accordance with delegation of authority limits, provided by the Board and set out in the Groups investment policy. Market risk on these investments is managed in terms of the investment objectives and strategic benefits to the Group, and not only on investment returns and mark-to-market considerations. Periodic reviews and assessments are undertaken on the performance of these investments.

The Group's exposure to market risk on equity investments increased substantially due to a series of additional investments in the listed equities of MyBucks and the effect of hyperinflation on the investment held in GetBucks Zimbabwe, which resulted in significant fair value losses during the nine-month period. Management has implemented various interventions during and subsequent to period end, to monitor the operational performance of the associates, these include quarterly operational performance analysis, to ensure the operational performance is in line with the associate's approved budget. The details of these investments are disclosed in note 7 with further details related to the price risk of investments in associates disclosed in note 4.

Management targets fair value return of the listed equities held as financial instruments to increase by at least 20%. An increase of 20% in the market price as at the reporting date, with reference to the period end exposures, would have increased equity and profit by the annualised amounts shown below. The analysis assumes that all other variables remain constant. Listed equities and the option contract to dispose of listed equities are exposed to equity price market risk:

Effect of a 20% increase in the market price of financial instruments subject to equity price market risk	9-months ended 31 March 2020	12-months ended 30 June 2019
Financial instrument		
Other financial assets – listed shares at fair value through profit and loss	-	9 299
Other financial assets – option agreement	-	194 293
Market risk sensitivity analysis		
Other financial assets – listed shares at fair value through profit and loss	-	1 860
Other financial assets – option agreement	-	(38 859)

Disclosed above is the profit impact if the market price of listed equities accounted for as financial assets were to increase by 20%, if the price was to change in the opposite direction, an equal and opposite effect would be incurred.

Foreign currency risk

Foreign exchange risk arises when the amortised cost, fair value or future commercial transactions, recognised assets or liabilities are denominated in a currency that is not the entity's functional currency. Management has set up a policy to require group companies to manage their foreign exchange risk against their functional currency. Management reviews its foreign currency exposure, including commitments on an on-going basis. The Group strategy is to establish sources of funding within the various regions in which it operates to fund the in-country operations thereby mitigating currency risk. The Group considers the need to hedge against foreign currency fluctuations on a regular basis where the controls and or structures implemented to mitigate the foreign currency risk is deemed insufficient.

The Group did not enter into contracts to hedge its foreign exchange fluctuations during the 2020 and 2019 financial period.

The Group is exposed to, and actively manages, currency risk through:

- its operations in Southern Africa outside of the common monetary area;
- listed equity investments denominated in Euro; and
- various foreign currency denominated borrowings.

The Group has investments in subsidiaries, whose net assets are exposed to foreign currency translation risk. Currency exposure, arising from the net assets of the Group's subsidiaries, is managed primarily through borrowings denominated in the relevant foreign currencies, including intercompany loans made by the holding companies or the central treasury function to these subsidiaries in the relevant foreign currencies. These intercompany loans expose the Group to foreign currency risk and create an open foreign currency position. New local currency funding lines will enable the Group to replace intercompany loans with local funding. The Group is however still exposed to currency risk in terms of its local currency loans and advances to customer assets that cannot be hedged in some of the countries that the subsidiaries operate in.

At the end of the reporting period, the Rand value of monetary assets and monetary liabilities denominated in currencies other than the respective Group's functional currency acts as a net investment hedge against Rand weakness.

Refer to the tables below:

At 31 March 2020	Euro	US Dollar	Botswana Pula	Total
	R'000	R'000	R'000	R'000
Other financial assets	-	-	75 333	75 333
Loans and advances	-	96 749	112 267	209 016
Investment in associates	432 763	184 368	-	617 131
Trade and other receivables	-	11 480	4 415	15 895
Cash and cash equivalents	-	1 250	6 710	7 960
Total financial assets	**432 763**	**293 847**	**198 725**	**925 335**
Preference shares	-	-	(17 447)	(17 447)
Other financial liabilities	(254 643)	(561 415)	(94 620)	(910 678)
Trade and other payables	-	(8 514)	(305)	(8 820)
Total financial liabilities	**(254 643)**	**(569 929)**	**(112 372)**	**(936 944)**
Net financial assets/(liabilities)	**178 120**	**(276 082)**	**86 353**	**(11 610)**

At 30 June 2019	Euro	US Dollar	Zambian Kwacha	Botswana Pula	Total
	R'000	R'000	R'000	R'000	R'000
Other financial assets	194 293	-	-	65 887	260 180
Loans and advances	-	204 110	10 216	2 271	216 597
Investment in associates	1 524 117	-	-	-	1 524 117
Cash and cash equivalents	-	1 411	-	3 291	4 702
Total financial assets	**1 718 410**	**205 521**	**10 216**	**71 449**	**2 005 596**
Preference shares	-	-	-	(18 079)	(18 079)
Other financial liabilities	(281 968)	(298 903)	-	-	(580 871)
Trade and other payables	-	(599)	-	(182)	(781)
Total financial liabilities	**(281 968)**	**(299 502)**	**-**	**(18 261)**	**(599 731)**
Net financial assets /(liabilities)	**1 436 422**	**(93 981)**	**10 216**	**53 188**	**1 405 865**

The expectation for exchange rates over the 12 months to end March 2021 is that the Rand will continue to experience significant short-term fluctuations as a result of the subdued local economy, South Africa's ever increasing Debt/GDP ratio, the widening budget deficit versus GDP of the country, its recent downgrade, the effect of the Covid-19 pandemic on the local and foreign economies and international factors impacting emerging markets. The fluctuation in the Rand against major currencies will further be fueled by policy uncertainty and political events in South Africa and the region. Management's expectation is that the Rand will on average devalue against developed economy currencies over the period.

A 25% weakening of the Rand against the currencies below at the period end date, with reference to the period end exposures, would have (decreased)/increased equity by the amounts shown on the following page (10% weakening forecasted for 2019). The analysis assumes that all other variables remain constant.

	9-months ended 31 March 2020	12 months ended 30 June 2019
	R'000	R'000
Euro	44 530	143 644
US Dollar	(116 825)	(9 398)
Pula	21 588	53 199
Total net position	**(50 706)**	**187 445**

Exchange rates used for conversion of foreign items at the reporting date		
Euro	19.6095	15.96595
US Dollar	17.8984	14.04717
Pula	1.5083	1.3021

Interest rate risk

Interest rate risk consists of cash flow interest rate risk and fair value interest rate risk.

- Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates.
- Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates.

The Group is exposed to both cash flow and fair value interest rate risk. The Group's exposure to cash flow interest rate risk is limited to the Class C preference shares, Issues 4 and 6 of the note programme, certain other financial liabilities, Group cash balances and bank borrowings. These financial assets and liabilities are linked to variable interest rates. The Group limits its cash flow interest rate risk through pricing in anticipated future interest rate movements into fixed contract rates within its credit operations.

The Group's credit assets are therefore subject to fair value interest rate risk only.

Management's expectation for the 2021 financial period is that interest rates will decrease by 250 basis points (2019 outlook represented a 100-basis point decrease). A decrease of 250 basis points in interest rates at the reporting date, with reference to the period end exposures, would have increased/ (decreased) equity and profit or loss by the annualised amounts shown below. The analysis assumes that all other variables remain constant.

The interest rate sensitivity analysis below reflects the effects of the decrease of a 250-basis point reduction in interest rates. Should the rate increase by 250 basis points the illustrated movement would be equal and opposite to the amounts disclosed below.

At 31 March 2020

Carrying amounts of financial assets/liabilities	Cash flow interest rate risk	Fair value interest rate risk	No interest rate risk	Total
	R'000	R'000	R'000	R'000
Other financial assets	-	222 135	21 489	243 624
Loans and advances	-	240 665	-	240 665
Cash and cash equivalents	9 511	-	-	9 511
Preference shares	(717 218)	(1 624 330)	-	(2 341 549)
Note programme	(37 550)	(89 720)	(33 829)	(161 099)
Other financial liabilities	(371 347)	(367 692)	(329 061)	(1 068 100)
Bank overdraft	(81)	-	-	(81)
	(1 116 685)	**(1 618 942)**	**(341 401)**	**(3 077 029)**

At 30 June 2019

Carrying amounts of financial assets/liabilities	Cash flow interest rate risk	Fair value interest rate risk	No interest rate risk	Total
	R'000	R'000	R'000	R'000
Other financial assets	-	65 887	350 574	416 461
Loans and advances	-	973 044	-	973 044
Cash and cash equivalents	37 658	-	-	37 658
Preference shares	(723 425)	(1 561 933)	-	(2 285 358)
Note programme	(12 009)	(43 939)	(9 446)	(65 395)
Other financial liabilities	-	(677 380)	-	(677 380)
Bank overdraft	(803)	-	-	(803)
	(698 579)	**(1 244 321)**	**341 128**	**(1 601 773)**

At 31 March 2020

Interest rate sensitivity analysis	Cash flow interest rate risk	Fair value interest rate risk	Total
	R'000	R'000	R'000
Other financial assets	-	(5 553)	(5 553)
Loans and advances	-	(6 017)	(6 017)
Cash and cash equivalents	(238)	-	(238)
Preference shares	17 930	21 254	39 185
Note programme	939	2243	3 182
Other financial liabilities	9 284	9 192	18 476
Bank overdraft	2	-	2
	27 917	**21 120**	**49 037**

At 30 June 2019

Interest rate sensitivity analysis	Cash flow interest rate risk	Fair value interest rate risk	Total
	R'000	R'000	R'000
Other financial assets	-	(659)	(659)
Loans and advances	-	(9 730)	(9 730)
Cash and cash equivalents	(369)	-	(369)
Preference shares	7 234	15 619	22 853
Note programme	120	439	559
Other financial liabilities	-	6 774	6 774
	6 985	**12 443**	**19 428**

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its current and future obligations, both expected and unexpected, without materially affecting its daily operations or overall financial position. This risk arises as a result of the inability to convert a security or hard asset to cash without a loss of capital and/or income in the process. It is inherent to most financial services operations and can be impacted by a range of specific institutional or general market factors.

The Group's treasury function manages liquidity risk through an on-going review of the liquidity profile of financial assets and financial liabilities and consideration of the projected cash flows of the Group operations. Treasury further monitors future commitments and credit facilities. Cash flow forecasts are prepared, and adequate utilised borrowing facilities are monitored. The liquidity position of the Group is monitored and reported daily, including cash flow projections containing business unit cash requirements.

The liquidity requirements of business units and subsidiaries are serviced through Group treasury advances. The Group's approach to the management of liquidity is to consolidate all sources and uses of liquidity to maintain a balance between liquidity, profitability, and asset growth.

The Group's credit operations declined as a result of increased client defaults requiring the conversion of credit assets to the underlying security. The most significant being the conclusion of the conversion of R450million of the Group's debt held in MyBucks, to equity, which was approved by Ecsponent shareholders on 20 November 2019. The conversion necessitated a change in strategy to manage the liquidity position and requirements of the Group, which including amongst others:

- The announcement on 10 February 2020 of the intended restructure of the preference share programme with the intention of matching the liquidity profile of the Group's equity investments to fund any future voluntary redemptions of the preference share investments. The restructure which was approved resulted in Ecsponent reclassifying total debt of R2.32 billion into equity, improving the liquidity position of the Group;
- Rationalisation of the business operations to reduce operational costs;
- Disposal of the Ecsponent Eswatini operations at net asset value;
- Development of exit strategies for private equity investments to align liquidity requirements and redemption dates of funding lines;
- The announcement on 20 March 2020 of the intended issue of 8 808 624 705 Ecsponent ordinary shares to settle debt of R215,8 million; and
- Disposal of non-core investment.

The table below analyses the Group's financial liabilities at 31 March 2020 into relevant maturity groupings based on the remaining period at the Statement of Financial Position date to the contractual maturity date. The table below represent the position before the above interventions. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying amounts as the impact of discounting is not significant.

At 31 March 2020 - Group	Less than one year	Between one and two years	Between two and six
	R'000	R'000	R'000
Trade and other payables	61 558	-	-
Preference shares	2 341 548	-	-
Note programme	13 858	88 392	97 455
Other financial liabilities	497 689	401 299	353 057
Bank overdraft	81	-	-

At 30 June 2019 - Group	Less than one year	Between one and two years	Between two and five years
	R'000	R'000	R'000
Trade and other payables	15 849	-	-
Preference shares	566 319	549 476	2 322 370
Note programme	736	-	64 659
Other financial liabilities	471 812	802 417	1 107 986
Bank overdraft	803	-	-

The carrying value of the financial liabilities is in line with the fair value at the Statement of financial position date, due to the market related interest rate applied. The preference shares are classified as payable in less than one year due to the conversion of the preference shares to equity see note 37.

Credit risk

Credit risk is the risk of financial loss to the Group if a client or counterparty to a financial instrument fails to pay interest, repay capital or otherwise fulfil their contractual obligations under loan agreements or other credit facilities. This risk arises principally from the Group's loans and advances, trade and other receivables and bank balances. For risk management reporting purposes, the Group considers and consolidates all elements of credit risk exposure (such as individual obligor default risk, employer default risk and country risk).

The Group has an established Credit Committee which maintains an effective and current Credit Policy which embraces all aspects of the Group's on-lending activities. The creditworthiness of clients as well as their ability to afford loan repayments is evaluated in accordance with regulation where appropriate and the Group's approved credit policy. The Group's credit operations, as a principle, ensures that all credit positions are backed by adequate security with the credit policy guiding the level of security commensurate with the credit risk. The credit committee evaluates the credit risk in each region on an on-going basis and considers the need to adjust the credit policy accordingly.

Expected Credit Loss ("ECL") allowances are recognised for all debt instruments, excluding those measured at fair value through profit or loss.

In order to calculate ECL allowances, management determines whether the loss allowances should be calculated on a 12 month or on a lifetime expected credit loss basis. This determination depends on whether there has been a significant increase in the credit risk since initial recognition. If there has been a significant increase in credit risk, then the loss allowance is calculated based on lifetime expected credit losses. If not, then the loss allowance is based on 12 month expected credit losses. This determination is made at the end of each financial period. Thus, the basis of the loss allowance for a specific financial asset could change year-on-year. For trade receivables which do not contain a significant financing component, the loss allowance is determined as the lifetime expected credit losses of the instruments.

Management have chosen as an accounting policy, to make use of the simplified approach for trade receivables and therefore applies the lifetime expected credit losses. Appropriate credit risk premiums are priced into the financial products to ensure that acceptable returns are generated considering the credit risk profile of the client.

The Group limits its exposure to credit risk relating to cash deposits and cash equivalents by depositing cash only with major banks with high quality credit standing.

The most significant period-end assumptions used for the ECL estimate as at 31 March 2020 are set out below.

General assumptions

General	The loans were originated at a market rate of interest. This was determined due to the fact that part of the business model of the Ecsponent Group includes credit operations and thus to remain competitive in the market, market related rates on loans and advances is charged.
General	The Ecsponent Group considers all loans over 360 days to be credit-impaired based on historical experience with recovering the associated debt.

Probability of default assumptions

General	If no defaults have been historically observed, a probability of default of 2% is used.
General	A default has occurred when a loan instalment is more than 30 days past due.

Stage	Definition	Measurement basis
Stage 1	30 days or less in default	12 month expected credit losses
Stage 2	31 days to 360 days in default	Lifetime expected credit losses (not credit impaired)
Stage 3	More than 360 days in default	Lifetime expected credit losses (credit impaired)

General	The probability of default will be assumed/calculated for the specific stages as defined. The probability of default as well as the specific stages were determined based on the specific contracts with the customers as well as historical experience.

Loss given default assumptions

General	If the security on the loan exceeds the carrying amount of the loan, the percentage loss will be assumed 0%. Due to the fact that when the security is called the entire balance of the loan will be recovered, there will not be any expected loss to the Ecsponent Group. The security amount is fixed, and no losses are expected to be incurred on the fair values of the securities.
General	In any other case the percentage loss will be the difference between the present value of the expected payments and the carrying amount as a percentage of carrying amount. As mentioned above, the security amount will settle the outstanding balance and as such no loss is expected to be incurred on the balance of the security.

Present value of expected receipt assumptions

Weight 1	The financial position of the borrower, weighted at 70% probability of the recovery of the total contractual future value.
Weight 2	The changes in interest rates will be weighted at 20% of the total contractual future value, based on the trends observed within the specific regions:
Weight 3	The changes in GDP will be weighted at 10% of the total contractual future value, based on the trends observed within the following regions:

Region	Weighting	Recoverability	Basis for determining recoverability
South Africa	20%	90%	Per market trends observed by tradingeconomics.com, it is expected that the interest rate will decrease significantly in the next 12 months, however due to the impact of Covid19 the expected recoverability rate of the future cash flows has decreased to 90% (2019: 100%).
Botswana	20%	80%	Per market trends observed by tradingeconomics.com, it is expected that the interest rate will decrease slightly in the next 12 months, however due to the impact of Covid19 the expected recoverability rate of the future cash flows has decreased to 80% (2019: 90%).
Mauritius	20%	90%	Per market trends observed by tradingeconomics.com, it is expected that the interest rate will decrease significantly in the next 12 months, however due to the impact of Covid19 the expected recoverability rate of the future cash flows has maintained at 90% (2019: 90%).

Region	Weighting	Recoverability	Basis for determining recoverability
South Africa	10%	40%	GDP Annual Growth Rate in South Africa is expected to be -4.50 percent by the end of this quarter, according to Trading Economics global macro models and analysts' expectations. Looking forward, they estimate GDP Annual Growth Rate in South Africa to stand at -2.80 in 12 months' time, therefore decreasing the recoverability of the future cash flows to 40% (2019: 80%).
Botswana	10%	70%	GDP Annual Growth Rate in Botswana is expected to be -6.30 percent by the end of this quarter, according to Trading Economics global macro models and analysts' expectations. Looking forward, they estimate GDP Annual Growth Rate in Botswana to stand at 5.00 in 12 months' time, therefore decreasing the recoverability of the future cash flows to70 (2019: 100%).

Region	Weighting	Recoverability	Basis for determining recoverability
Mauritius	10%	70%	GDP Annual Growth Rate in Mauritius is expected to be -4.00 percent by the end of this quarter, according to Trading Economics global macro models and analysts' expectations. Looking forward, they estimate GDP Annual Growth Rate in Mauritius to stand at 3.50 in 12 months' time, therefore decreasing the recoverability of the future cash flows to 70% (2019: 80%).

General	The discount rate when calculating the present values will be the adjusted risk-free rate that is indicative of the period of the loan. This rate will depend on the underlying loans and will reflect the specific risk per loan for the Group.

Business credit

The Credit Committee has developed tailored policies within the Group's Business Credit operations to address the specific credit risks within this dynamic market. The policies incorporate guidelines on the nature of financial products provided, credit risk scoring and other measures to ensure sound loan decisions. The policy further contains guidelines ensuring that adequate and sound security is obtained.

Supply chain funding

Supply chain funding is extended to individuals, start-up entities and existing businesses mainly operating in the SMME sector. The Credit Committee's prescribed policies incorporate practices for risk profiling of customers and credit assessments based on the Group developed scoring methodologies. The credit policies further contain guidelines ensuring that adequate and sound security is obtained, which in the Enterprise Development and Supply chain funding markets depends on the nature of the transaction which is funded and may vary between cash, fixed assets and/or movable assets.

Management evaluates credit risk relating to customers on an on-going basis. If customers are independently rated, these ratings are used, otherwise, if there is no independent rating, management assesses the credit quality of the customer, considering its financial position, past experience and other factors.

Concentration risk

Concentration risk is the risk of loss arising from an excessive concentration of exposure to a single counterparty, industry, product, or geographic region. The Group's approach relies on reporting of concentration risk along key dimensions and portfolio limits. Concentration risk limits are used within the Group to ensure that funding diversification is maintained across products, geographic regions and counterparties. The Group mainly advances loans and funding to subsidiaries, investments, associates, private equity businesses and small medium enterprises. The Group's credit risk portfolio has been over-concentrated to the MyBucks Group of companies which resulted in the conversion of R450million of debt into MyBucks equity during November 2019.

The Group has implemented procedures to avoid excessive concentration going forward. These include, amongst others, the following:

- Maintaining a wider customer base;
- Continually looking for opportunities to expand the client base and product offerings;
- Subjecting all customers to a credit verification procedure before agreements are entered into; and
- Reviewing the loan book regularly with the intention of minimising the exposure to bad debts.

The carrying values of the other financial assets comprise the Group's maximum exposure to credit risk and at the financial period ended 31 March 2020 were as follows:

At 31 March 2020

	Gross carrying amount	Credit loss allowance	Amortised cost/Fair value
	R'000	R'000	R'000
Other financial assets	243 624	-	243 624
Loans and advances	571 334	(330 669)	240 665
Trade and other receivables	42 101	(14 130)	27 972
Cash and cash equivalents	9 511	-	9 511
	866 570	**(344 798)**	**521 772**

At 30 June 2019

	Gross carrying amount	Credit loss allowance	Amortised cost/Fair value
	R'000	R'000	R'000
Other financial assets	416 461	-	416 461
Loans and advances	1 029 929	(56 885)	973 044
Trade and other receivables	43 682	(2 628)	41 054
Cash and cash equivalents	37 658	-	37 658
	1 527 730	**(59 513)**	**1 468 217**

As a global financial services group, the Group is active in multiple jurisdictions. Significant changes in the economy or in the health of a specific industry segment, which represents a concentration in the Group's portfolio, could result in losses that are different from those provided for at the reporting date. Country (or Sovereign) risk is part of the overall credit risk and is managed as part of the credit risk management function as it has a major impact on individual counter-parties ability to perform.

4. FAIR VALUE RISK

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date.

Determination of fair value

In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as summarised below:

Level 1 financial instruments

Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Group has access to at the measurement date. The Group considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.

Level 2 financial instruments

Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities, and credit spreads. In addition, adjustments may be required for the condition or location of the asset or the extent to which it relates to items that are comparable to the valued instrument. However, if such adjustments are based on unobservable inputs which are significant to the entire measurement, the group will classify the instruments as Level 3.

Level 3 financial instruments

Those that include one or more unobservable input that is significant to the measurement as whole. The Group uses widely recognised valuation models for determining the fair value of financial instruments. The Group evaluates the hierarchy at each reporting period on an instrument-by-instrument basis and reclassifies instruments when necessary, based on the facts at the end of the reporting period.

Accounting classification and fair values

The following table sets out the Group's classification of each class of asset carried at fair value and financial assets and financial liability, including their carrying values amounts.

				Carrying amounts
31-March-20		**FVTPL**	**At amortised cost**	**Total**
Group	**Notes**	**R '000**	**R '000**	**R '000**
Financial assets measured at fair value				
Other financial assets	6	168 291	-	168 291
Non-financial assets measured at fair value				
Investment in associate	7	624 737	-	624 737
Financial assets that are not measured at fair value				
Other financial assets	6	-	75 333	75 333
Loans and advances	5	-	240 665	240 665
Trade and other receivables	12	-	27 972	27 972
Cash and cash equivalents	10	-	9 511	9 511
		793 028	**353 481**	**1 146 509**
Financial liabilities that are not measured at fair value				
Cash and cash equivalents	10	-	(81)	(81)
Preference shares	8	-	(2 341 548)	(2 341 548)
Note programme	20	-	(161 099)	(161 099)
Other financial liabilities	9	-	(1 068 100)	(1 068 100)
Trade and other payables	19	-	(61 558)	(61 558)
		-	**(3 632 386)**	**(3 632 386)**

				Carrying amounts
30-June-19		**FVTPL**	**At amortised cost**	**Total**
Group	**Notes**	**R '000**	**R '000**	**R '000**
Financial assets measured at fair value				
Other financial assets	6	350 574	-	350 574
Non-financial assets measured at fair value				
Investment in associate	7	1 494 895	-	1 494 895
Financial assets that are not measured at fair value			-	
Other financial assets	6	-	65 887	65 887
Loans and advances	5	-	973 045	973 045
Trade and other receivables	12	-	41 055	41 055
Cash and cash equivalents	10	-	37 658	37 658
		1 845 469	**1 117 645**	**2 963 114**
Financial liabilities that are not measured at fair value				
Cash and cash equivalents	10	-	(803)	(803)
Preference shares	8	-	(2 285 358)	(2 285 358)
Note programme	20	-	(65 394)	(65 394)
Other financial liabilities	9	-	(677 379)	(677 379)
Trade and other payables	19	-	(15 850)	(15 850)
		-	**(3 044 784)**	**(3 044 784)**

31-March-20				Carrying amounts
Company	Notes	FVTPL R '000	At amortised cost R '000	Total R '000
Assets measured at fair value				
Other financial assets	6	146 802	-	146 802
Financial assets that are not measured at fair value				
Loans to group companies	13	-	750 666	750 666
Other financial assets	6	-	-	-
Loans and advances	5	-	17 469	17 469
Trade and other receivables	12	-	877	877
Cash and cash equivalents	10	-	59	59
		146 802	**760 071**	**915 873**
Financial liabilities that are not measured at fair value				
Cash and cash equivalents	10	-	-	-
Preference shares	8	-	(2 324 911)	(2 324 911)
Note programme	20	-	(161 099)	(161 099)
Other financial liabilities	9	-	(148 802)	(148 802)
Trade and other payables	19	-	(28 222)	(28 222)
		-	**(2 663 034)**	**(2 663 034)**

30-June-19				Carrying amounts
Company	Notes	FVTPL R '000	At amortised cost R '000	Total R '000
Assets measured at fair value				
Other financial assets	6	136 338	-	136 338
Investment in associate	7	9 371	-	9 371
Financial assets that are not measured at fair value				
Loans to group companies	13	-	1 133 731	1 133 731
Other financial assets	6	-	840 140	840 140
Loans and advances	5	-	124 847	124 847
Trade and other receivables	12	-	1 055	1 055
Cash and cash equivalents	10	-	12 060	12 060
		145 709	**2 111 833**	**2 257 542**
Financial liabilities that are not measured at fair value				
Cash and cash equivalents	10	-	-	-
Preference shares	8	-	(2 000 395)	(2 000 395)
Note programme	20	-	(65 395)	(65 395)
Other financial liabilities	9	-	(93 605)	(93 605)
Trade and other payables	19	-	(3 123)	(3 123)
		-	**(2 162 518)**	**(2 162 518)**

Fair value hierarchy

The following table contains the fair values of assets and liabilities, including their levels in the fair value hierarchy. It does not include fair value information for assets and liabilities not measured at fair value.

			Fair value
Group	Level 1 R '000	Level 3 R '000	Total R '000
Fair value through Profit / Loss			
Investment in associate	-	624 737	624 737
Other financial assets	-	168 291	168 291
	-	**793 028**	**793 028**

30-Jun-19			Fair value
Group	Level 1 R '000	Level 3 R '000	Total R '000
Fair value through Profit / Loss			
Other financial assets	9 299	341 275	350 574
Investment in associate	-	1 494 895	1 494 895
	9 299	**1 836 170**	**1 845 469**

31-Mar-20			Fair value
Company	Level 1 R '000	Level 3 R '000	Total R '000
Fair value through Profit / Loss			
Other financial assets	-	146 802	146 802
	-	**146 802**	**146 802**

30-Jun-19			Fair value
Company	Level 1 R '000	Level 3 R '000	Total R '000
Fair value through Profit / Loss			
Investment in associate	-	9 371	9 371
Other financial assets	-	136 338	136 338
	-	**145 709**	**145 709**

The following table reflects the valuation techniques used in measuring Level 3 fair values, as well as the significant unobservable inputs.

Fair value of other financial assets and liabilities

The fair value of all other financial assets and liabilities are considered to be equal to their carrying values. The Directors consider the carrying value of financial instruments of a short-term nature, that mature in 12 months or less, to approximate the fair value of such assets or liability classes.

The Group's approach to determining the fair value for:

- Listed investments which are suitably liquid investments, the available market prices (calculated at spot on reporting date) is the basis for the measurement of the IFRS Portfolio Value for identical instruments;
- For listed investments where an active market does not exist and unlisted investments, the primary valuation methodologies applied are the income approach (IA) and discounted cash flow (DCF), compared against a market approach (MA), where appropriate.

Type	Valuation technique	Significant unobservable inputs	Sensitivity analysis
Investment in associate: MyBucks*	For the valuation of the MyBucks Group an IA and MA approach was used. The IA approach made use of a DDM and the MA based on market price and recent transactions	• A final cost of equity rate of 18.49% was used; • A five-year consolidated forecast and in perpetuity calculation was used in the valuation, with the forecast dividend pay-outs used as the basis for cash flows. • Dividend pay-out ratio of 20% from 2023 onwards; • Applied a fundamental price to book value ("PBV") of 2.9x; • Market price at 31 March 2020 of Euro 0.52; • Recent significant transactions at Euro 1.00 per share; and • 31 March 2020 the spot Euro rate to convert to reporting currency.	• Despite a weakening in the exchange rate a downward revision in management forecasts due to unanticipated delays in its final restructuring initiatives, coupled with the negative impact of Covid-19 on operational performance. • A 2% adjustment to the discount rate would have resulted in an adjustment of Euro0.03 per share. • A PBV of 1.9x would have resulted in in an adjustment of Eur0.10 per share.
Investment in associate: GetBucks Microfinance Bank Limited ("GetBucks Zimbabwe")	For the valuation of the GetBucks Zimbabwe an IA and MA approach was used. The IA approach made use of a DDM and the MA based on market value and a peer comparison.	• A discount rate of 27.44% was used in the DCF valuation; • A five-year forecast and in perpetuity calculation were used, with the forecast dividend pay-outs used as the basis for cash flows. • The five-year forecast cashflows with the forecast dividend pay-outs used as the basis cash flow; • Dividend pay-out ratio of 20% from 2020 onwards; • Applied a fundamental price to book value ("PBV") of 0.6x; • Market price at 31 March 2020 of USD0.15 converted to local currency; • The PBV vs ROE scatter plot for the banking sample used yields the following regression equation; PBV = {8.4723* ROE+ 0.0268}; and • The local currency was adjusted to USD applying future cash flow factor taking into consideration the effect of hyperinflation.	• A 5% change in the discount factor would have resulted in an 8% upward effect on the valuation. • A USD0.10 adjustment to the market price would have resulted in a 45% adjustment to the valuation. • A PBV of 1.6x would have resulted in a 5% adjustment to the valuation.
Investment in associate: Invest Solar Zimbabwe	For the valuation the Invest Solar Zimbabwe an IA and MA approach was used. The IA approach made use of a DCF and the MA based on market value and a peer comparison.	• The market value and peer comparison approach estimate the value of the solar asset at different stages of the project life cycle per MW of production capacity. • A discount rate of 9.6% was used in the DCF valuation; • A five-year cash flow forecast and in perpetuity calculation was used in the valuation. • Dividend pay-out ratio of 20% from 2020 onwards;	• A 2% change in the discount factor would have resulted in an 17% downward effect on the valuation. • A Eur200 adjustment in the price per megawatt would result in a 47% upward adjustment in the valuation.
Other Financial Assets: Ngwedi Capital Holdings	Subsequent to the current financial year end, the Group has decided to sell this associate and the value of the associate is based on the contracted sales value.	• The Group contracted to sell its 34,30% effective stake in Ngwedi Capital Holdings for R18 000 000 through the sale of its 70% shareholding in MHMK Capital (Pty) Ltd, which values the business at R52 478 814.	• N/A as the selling price is considered at arm's length no variables applicable.
Other Financial Assets: Capitis Equities - S12J portfolio	Each individual asset class within the portfolio's fair value was determined.	• Loans carried at amortised cost; • 0% dividend yield.	• N/A – The final valuation was based on loans carried at amortised cost due to the exit process as detailed in the subsequent events note - note 37.

Measurements of fair value

Reconciliation of Level 1 fair values

Below is a reconciliation of the movement in level 1 fair values during the period:

	GROUP		COMPANY	
	At 31 March 2020 R '000	At 30 June 2019 R '000	At 31 March 2020 R '000	At 30 June 2019 R '000
Assets at fair value through profit and loss				
Carrying amount of loans and receivables as at FVTPL	-	9 929	-	3 461
Assets at fair value through profit & loss				
Opening balance at the start of the period - MyBucks shares	-	236 960	-	3 461
Opening balance at the start of the period - Go Life shares	-	43 740	-	-
Opening balance at the start of the period	**9 299**	**280 700**	**-**	**3 461**
Purchases - listed shares	-	357 500	-	-
Fair value recognised in profit and loss	-	104 279	-	5 905
Transfer to level 3 fair values	(9 299)	(727 153)	-	(9 647)
Disposals	-	(16 720)	-	-
Foreign currency loss recognised in profit and loss	-	10 693	-	281
Balance at the end of the period	**-**	**9 299**	**-**	**-**

Reconciliation of Level 3 fair values

Below is a reconciliation of the movement in level 3 fair values during the period:

	GROUP		COMPANY	
	At 31 March 2020 R '000	At 30 June 2019 R '000	At 31 March 2020 R '000	At 30 June 2019 R '000
Assets as at fair value through profit & loss				
Financial assets as at fair value through profit & loss	793 027	1 836 170	146 802	145 709
Assets at fair value through profit & loss				
Opening balance at the start of the period	**1 836 170**	**485 761**	**145 709**	**246 856**
Reclassification from loans and advances	450 000	-	-	-
Transfer from level 1 fair values	9 299	727 153	-	9 647
Purchases	136 647	762 005	1 158 244	2 356
Disposals	-	(100 000)	(1 161 566)	(100 000)
Foreign currency profit/(loss) recognised in profit and loss	95 476	(1 865)	(6 049)	(356)
Fair value loss recognised in profit and loss	(1 734 565)	(36 884)	10 464	(12 794)
Balance at the end of the period	**793 027**	**1 836 170**	**146 802**	**145 709**

5. LOANS AND ADVANCES

	GROUP		COMPANY	
	At 31 March 2020 R '000	At 30 June 2019 R '000	At 31 March 2020 R '000	At 30 June 2019 R '000
Business credit	549 576	989 708	52 958	124 847
The Business funding advances are secured, via a cession of the underlying equity and/or assets. The advances bear interest at fixed interest rates based on the entity risk profile, ranging between 8% - 28% and repayment terms are facility specific with loans in the portfolio with terms up to 4 years.				
Supply chain funding	21 758	40 221	-	-
Enterprise development and supply chain advances are of a short-term nature with an average transaction cycle of 30 to 45 days. The Ecsponent Group secures the funding via the terms of the transactions and where appropriate additional covering security is obtained.				
Total loans and advances	**571 334**	**1 029 929**	**52 958**	**124 847**
Expected credit losses per stage of default	**(330 669)**	**(56 885)**	**(35 489)**	**-**
Stage 1: 30 days or less in default	(2 135)	(6 234)	-	-
Stage 2: 31 days to 360 days in default	(51 902)	(13 129)	(35 489)	-
Stage 3: more than 360 days in default	(276 632)	(37 522)	-	-
	240 665	**973 044**	**17 469**	**124 847**
NON-CURRENT ASSETS				
At amortised cost	184 009	139 762	-	-
CURRENT ASSETS				
At amortised cost	56 656	833 282	17 469	124 847
Total loans and advances	**240 665**	**973 044**	**17 469**	**124 847**

*Expected credit losses increased significantly due to a major credit asset moving from a stage 1 to a stage 3 credit impaired asset resulting in a 100% impairment.

	GROUP		COMPANY	
	At 31 March 2020 R '000	At 30 June 2019 R '000	At 31 March 2020 R '000	At 30 June 2019 R '000
EXPECTED CREDIT LOSS RECONCILIATION				
Opening balance	56 885	79 879	-	-
Expected credit losses raised	355 728	37 814	35 489	-
Expected credit losses reversed	(11 220)	(60 808)	-	-
Disposal of subsidiary	(70 724)	-	-	-
	330 669	**56 885**	**35 489**	**-**

Expected credit loss allowance for loans and advances at amortised cost

The Group assesses its loans and advances at amortised cost for impairment at the end of each reporting period as per the expected credit loss accounting policy. This requires the application of judgement. Details of the main assumptions applied in these judgments have been disclosed in the credit risk note 3.

Analysis of the transfer of loans and advances and expected credit losses between stages

31 March 2020

Gross loans and advances	Stage 1	Stage 2	Stage 3	Total
Balance at 01 July 2019	719 317	193 909	116 704	1 029 929
Financial assets raised	156 106	46 481	111 814	314 401
Financial assets derecognised	(446 663)	(171 480)	(30 818)	(648 961)
Transfers from stage 1 to 3	(95 212)	-	95 212	-
Transfers from stage 2 to 3	-	(7 867)	7 867	-
Transfers from stage 1 to 2	(107 652)	107 652	-	-
Disposal of subsidiaries	(30 480)	(69 409)	(24 147)	(124 036)
	195 416	**99 287**	**276 632**	**571 334**

31 March 2020

Expected credit loss allowance	Stage 1	Stage 2	Stage 3	Total
Balance at 01 July 2019	6 234	13 129	37 522	56 885
Expected credit loss allowance raised	287 486	33 173	35 070	355 728
Expected credit loss allowance reversed	(7 790)	(3 430)	-	(11 220)
Transfers from stage 1 to 2	(9 030)	9 030	-	-
Transfers from stage 1 to 3	(204 040)	-	204 040	-
Disposal of a subsidiary	(70 724)	-	-	(70 724)
	2 135	**51 902**	**276 632**	**330 669**

30 June 2019

Gross loans and advances	Stage 1	Stage 2	Stage 3	Total
Balance at 01 July 2018	1 060 897	255 334	2 000	1 318 231
Financial assets raised	649 289	-	-	649 289
Financial assets derecognised	(937 591)	-	-	(937 591)
Transfers from stage 1 to 2	61 426	(61 426)	-	-
Transfers from stage 2 to 3	-	(93 556)	93 556	-
Transfers from stage 1 to 3	(21 148)	-	21 148	-
	719 317	**193 909**	**116 704**	**1 029 929**

30 June 2019

Expected credit loss allowance	Stage 1	Stage 2	Stage 3	Total
IAS 39 balance as at 01 July 2018	61 465	6 007	12 408	79 879
IFRS 9 adoption	5 030	3 692	29	8 752
Expected credit loss raised	29 062	-	-	29 062
Expected credit loss reversed	(60 808)	-	-	(60 808)
Transfers from stage 1 to 2	(3 430)	3 430	-	-
Transfers from stage 1 to 3	(25 086)	-	25 086	-
	6 234	**13 129**	**37 522**	**56 885**

Collateral provided for loans and advances

Business credit

This finance is typically medium to long term funding. The security provided by the borrowers varies based on the credit risk and the term of funding.

The value of the security is re-assessed at the end of each financial reporting period and the expected credit loss for each loan and advance is adjusted if the value of the security has deteriorated.

Collateral for a major loan became ineffective resulting in a move from a stage 1 to a stage 3 credit asset and an expected credit loss for the full capital amount has been raised.

The other business credit loans are secured by way of personal guarantees, debtor's book which was funded by the business credit loan and equity in companies based on credit risk ratings.

The company providing the funding determines the value of the personal assets provided as security before the transaction is concluded.

Supply chain funding

This funding is recurring short term trade finance. Customers provide personal surety form the supply chain funding. The company providing the funding determines the value of the personal assets provided as security before the transaction is concluded.

6. OTHER FINANCIAL ASSETS

	GROUP		COMPANY	
	At 31 March 2020 R '000	At 30 June 2019 R '000	At 31 March 2020 R '000	At 30 June 2019 R '000
AT FAIR VALUE THROUGH PROFIT OR LOSS				
Option agreement	-	194 293	-	1 582
In June 2018, the Group entered into a put option agreement with MHMK Group Ltd and Sunblaze Holdings Incorporated, the Option Issuers. In term of the agreement the Group holds an unconditional and non-exclusive option to require the Option Issuers to purchase, jointly or severally, all or any portion of the Option Shares, being the total number of MyBucks SA ordinary shares held by the Ecsponent Group as at 31 December 2021, at an Option Strike price of €18. The option can be exercised directly after the Option Period's expiration date being 31 December 2021, during the 30-day Option Exercise Period which follows.				
The option agreement has been fully provided for in light of the current uncertainty and significant reduction in the valuation of MyBucks and the MyBucks recapitalisation issue at Euro 1 per share during November 2019 which resulted in a significant increase is in issued shares and resultant inability of option issuer to honor the agreement.				
Capitis Equities	146 802	134 756	146 802	134 756
The company invested in a section 12J company. Capitis Equities (Pty) Ltd, by acquiring a 19% stake in the ordinary shares of the entity. The company further committed to invest in the qualifying 12J investment portfolio of Capitis. The Board assesses the portfolio's fair value on a regular basis and at a minimum at each reporting period. The Group disinvested in Capitis after year end. Refer to the subsequent events note 37 for further details.				
Ngwedi Capital Holdings	21 489	12 226	-	-
The Group acquired an effective 34.3% stake in Ngwedi Capital Holdings (Pty) Ltd via MHMK Capital (Pty) Ltd in which the group has a 70% stake. This stake was obtained through the issue of an interest free loan as well as staggered dividend preference shares redeemable in ten years. The redemption amount is equal to the issue price of the preferences share. Please refer to the investment in associates for the investment held in Ngwedi. The Group disposed of its effective stake after year end through the disposal of its MHMK Capital (Pty) Ltd holding. Refer to the subsequent events note 37 for further details.				
Listed shares - Go life	-	9 299	-	-
24,2 million ordinary shares in Go Life International, a healthcare company registered in the Republic of Mauritius. The Company's primary listing is on the Mauritian stock exchange with a secondary listing on the JSE AltX. The investment has been fully provided for due to the illiquidity of the shares on the open market and the inability of the Group to dispose of its shares.				
	168 291	**350 574**	**146 802**	**136 338**
Other financial assets carried at amortised cost				
Listed bond	75 333	65 887	-	-
Bond issued by GetBucks Botswana, listed on the Botswana stock exchange. The bond has a fixed coupon rate of 18% per annum and matures on 31 December 2021.				
Ecsponent Treasury Services (Pty) Ltd	-	-	-	840 140
17 000 000 Class F 10% perpetual preference shares of R49,42/share.				
	75 333	**65 887**	**-**	**840 140**
TOTAL OTHER FINANCIAL ASSETS	**243 624**	**416 462**	**146 802**	**976 478**
NON-CURRENT ASSETS				
At fair value through profit or loss	168 291	350 574	-	1 582
At amortised cost	75 258	65 095	-	840 140
	243 549	**415 669**	**-**	**841 722**
CURRENT ASSETS				
At fair value through profit or loss	-	-	146 802	134 756
At amortised cost	75	792	-	-
	75	**792**	**146 802**	**134 756**

Expected credit loss allowance for other financial assets at amortised cost

The Group assesses its other financial assets at amortised cost for impairment at the end of each reporting period as per the expected credit loss accounting policy. This requires the application of judgement. Details of the main assumptions applied in these judgments have been disclosed in the credit risk note 3. This resulted in a stage 3 expected credit loss being raised against the Ecsponent Treasury Services (Pty) Ltd preference share of R840 140 000 against a gross loan of R840 140 000.

7. INVESTMENTS IN ASSOCIATES

Details of the Group's associate investments at 31 March 2020

	Principle activity	Place of incorporation	Proportion of ownership interest (%)		Proportion of voting power (%)	
			Mar-20	Jun-19	Mar-20	Jun-19
MyBucks S.A.	Financial services	Luxembourg	42,97%	39,70%	42,97%	39,70%
MyBucks Zambia	Financial services	Zambia	25,00%	25,00%	25,00%	25,00%
GetBucks Zimbabwe	Financial services	Zimbabwe	32,80%	34,90%	32,80%	34,90%
Ngwedi	Financial services	South Africa	34,30%	34,30%	34,30%	34,30%
Invest Solar Zimbabwe	Renewable Energy	Zimbabwe	40,70%	0,00%	40,70%	0,00%

31 March 2020 - Group	MyBucks S.A	MyBucks Zambia	GetBucks Zimbabwe	Ngwedi	Invest Solar Zimbabwe
Equity accounted	-	23 403	-	-	-
At fair value	432 763	-	30 610	31 009	130 355

30 June 2019 - Group	MyBucks S.A	MyBucks Zambia	GetBucks Zimbabwe	Ngwedi	Invest Solar Zimbabwe
Equity accounted	-	39 001	-	-	-
At fair value	1 150 563	-	334 553	9 779	-

Reconciliation of movement

	GROUP		COMPANY	
	For the 9-month period ended	For the 12-month period ended	For the 9-month period ended	For the 12-month period ended
	31 March	30 June	31 March	30 June
	2020	2019	2020	2019
	R '000	R '000	R '000	R '000
Reconciliation of movement in Investments in associates				
Opening balance	1 533 896	21 500	52 237	22 118
Cost of investment in associates	136 647	759 663	1 158 244	14
Reclassification from loans and advances	450 000	727 153	-	9 647
Fair value adjustments passed	(1 552 281)	11 325	-	15
Impairment	(19 142)		(19 142)	
Foreign exchange differences	95 476	(3 246)	(6 049)	(304)
Increase due to recapitalisation	-	20 747	-	20 747
Equity accounted post acquisition earnings	3 543	(3 246)	-	-
Disposal	-	-	(1 161 566)	-
	648 139	**1 533 896**	**23 724**	**52 237**

Assessment of significant influence versus control

Control for IFRS purposes is assessed in terms of IFRS10, which consider numerous factors when assessing "control". In the case with Ecsponent, there are several factors which lead to the assessment of control and ultimately also involves judgement by management. This assessment included Ecsponent making operational and financial decision for the MyBucks group and certainly triggering "control" as defined in terms of Section 2.2(d) of the Companies Act, 71 of 20018, as far as it related to related and inter-related companies (although the Company would not be seen as a "subsidiary" as defined in Section 3 of the Companies Act). However, based on, inter alia, the lack of a contractual right to entrench control, control in terms of IFRS 10 is not established over MyBucks and accordingly MyBucks is not consolidated by the Group.

Valuation and measurement of investments in associates

The Ecsponent Group elected to report on investments in associates at fair value based on the Equity Segment of the Ecsponent Group being classified as a venture capital segment in terms of IFRS. The classification of the Equity segment as a venture capital segment is based on the following parameters:

- the Group has various listed and unlisted equity investments, which is classified under the Equity segment;
- the Group has various investors including, ordinary shareholders, preference shareholders, listed bonds and debt funders; and
- the Group holds shares in the investments it classified as Equity, however it may have provided funding to some of these investments in the ordinary course of the business, as the Company also operates a Credit Business.

The associate investment in MyBucks Zambia was reported and designated at initial recognition on the equity accounted method.

Use of level 3 fair value hierarchy

Management deems the use of level 3 appropriate for the fair valuation of MyBucks and GetBucks Zimbabwe due to the inactive market, with thin trading volumes of the number of shares in issue during the nine-months period.

Fair value loss

The Ecsponent Group reported a fair value loss of R1.50 billion of which the investment in MyBucks accounts for R1.18 billion. The fair value assessment at the reporting date is impacted by MyBucks Group revised forecasts and budgets to take account of the current uncertain economic environment, the impact of the Covid-19 pandemic on the markets in which MyBucks trades and the lack of liquidity in capital markets to expand their lending operations. In addition, the impact of the hyperinflationary environment[1] in which GetBucks Zimbabwe operations operate has resulted in the significant reduction in the fair value assessment of the company, and as a subsidiary impacted the MyBucks valuation. The impact has resulted in a R330 million fair value loss for the period in terms of the Ecsponent Group's direct investment in GetBucks Zimbabwe.

Debt recapitalisation of MyBucks and investment by the Ecsponent Group

MyBucks completed the first phase of its debt recapitalisation in November 2019 through the issuance of a total of 63.9 million shares in the Company. This Debt Recapitalisation led to an improvement in the reported equity from a negative equity of over EUR40m for the financial year ended 30 June 2019 to positive equity as at 31 December 2019. As part of this debt recapitalisation, the Ecsponent Group converted the loans it has advanced to MyBucks, unpaid interest on these loans, together with predetermined assets to the value of R450 million or EUR27,829,312 (at exchange rate of EUR16.17) into MyBucks shares at a subscription price of EUR1.00 per MyBucks share, resulting in the Ecsponent Group's shareholding in MyBucks of 42.97%.

The subscription transaction was approved at a general meeting of shareholders of Ecsponent Limited held on 20 November 2019 and increased Ecsponent equity investment to 42.97%.

Investment in Invest Solar Zimbabwe

The Ecsponent Group acquired 70% of Invest Solar Africa Limited ("ISA"), a company registered in Botswana, refer to business combinations note 35. ISA invested in Invest Solar Zimbabwe which is classified as an associate in terms of the interest in the company's shareholding and voting powers held by ISA.

Summarised financial information for the nine-months ended 31 March 2020

Summarised financial information in respect of the Group's associates is set out below. The summarised financial information represents amounts shown in the associate's management accounts prepared in accordance with IFRS. MyBucks Zambia's yearend 31 December which is in line with the MyBucks Group's yearend.

1 *On 11 October 2019 the Public Accountants and Auditors Board of Zimbabwe pronounced that entities, for financial periods on or after 1 July 2019, who prepare and present financial statements in Zimbabwe apply IAS 29 'Financial Reporting in Hyperinflationary Economies'.*

	MyBucks S.A.	MyBucks Zambia	GetBucks Zimbabwe	Ngwedi	Invest Solar Zimbabwe
	R '000	R '000	R '000	R '000	R '000
Post-tax income / (loss) from continuing operations	8	(2)	4 558	(8 591)	(17 379)
Total comprehensive (loss)/income	(54 709)	(2)	4 558	(8 591)	(49 626)
Total assets	5 057 109	185 571	97 739	16 832	230 083
Total liabilities	(5 027 298)	(115 104)	(58 585)	(37 139)	(259 221)

8. PREFERENCE SHARE LIABILITY

The Company registered a R5 billion preference share programme ("the Programme"). The Programme was approved by the JSE on 8 September 2014 and again on 15 December 2015. At 31 March 2020 Ecsponent Limited had received subscription investments of R2,3 billion.

On 10 February 2020 the Board advised its ordinary and preference shareholders and noteholders that the Company's strategic focus has shifted from a Group which focused on both private equity investments and financial services to that of almost exclusively a private equity investment business and as a result would not be in a position to continue to the redemption of the preference shares specifically those due in March 2020 and ongoing dividend payments to its various classes of preference shares. As a result, a circular was published to convert the Programme into a hybrid preference share or convert into ordinary shares. The meeting was held on 27 May 2020. The outcome of the meeting resulted in R1.8billion preference share from Class A, B, C and E converting into ordinary shares and R521million presence shares from Class E and G converting into a new hybrid preference share subsequent to year end. For further details refer to the subsequent events note, note 37.

In addition, subsidiary companies in Ecsponent Eswatini Limited (disposed on 31 March 2020) and ECS Private Equity Limited (Botswana) raised a combined R336million via registered programmes in these markets.

Holders of the preference shares receive a cumulative dividend subject to the terms of the preference share class issued. The preference shares do not have the right to participate in any additional dividends declared to ordinary shareholders. These shares do not have voting rights at general meetings of the Company.

		GROUP		COMPANY
	31 March 2020	30 June 2019	31 March 2020	30 June 2019
Authorised Preference Shares				
Ecsponent Limited (incorporated in South Africa)				
Class A preference shares of no-par value	1 000 000 000	1 000 000 000	1 000 000	1 000 000
Class B preference shares of no-par value	1 000 000 000	1 000 000 000	1 000 000	1 000 000
Class C preference shares of no-par value	1 000 000 000	1 000 000 000	1 000 000	1 000 000
Class D preference shares of no-par value	1 000 000 000	1 000 000 000	1 000 000	1 000 000
Class E preference shares of no-par value	1 000 000 000	1 000 000 000	1 000 000	1 000 000
Class G preference shares of no-par value	1 000 000 000	1 000 000 000	1 000 000	1 000 000
Ecsponent Limited (incorporated in Swaziland)				
Class A preference shares of E1.00	100 000 000	100 000 000	-	-
Class B preference shares of E1.00	100 000 000	100 000 000	-	-
Class C preference shares of E1.00	100 000 000	100 000 000	-	-
Class D preference shares of E1.00	100 000 000	100 000 000	-	-
Class E preference shares of E1.00	100 000 000	100 000 000	-	-
Class F preference shares of E1.00	100 000 000	100 000 000	-	-
Class G preference shares of E1.00	100 000 000	100 000 000	-	-
Class H preference shares of E1.00	100 000 000	100 000 000	-	-
Ecsponent Limited (incorporated in Botswana)				
Class A preference shares of no-par value	100 000 000	100 000 000	-	-
Class B preference shares of no-par value	100 000 000	100 000 000	-	-
	7 000 000 000	**7 000 000 000**	**6 000 000**	**6 000 000**

Shareholders approved the following resolutions relating to the Ecsponent Limited (South Africa) preference shares at the Annual General Meeting held on 25 July 2014:

Adoption of amendments to the Memorandum of Incorporation ("MOI") in order to comply with the Companies Act and the JSE listing requirements. Through the adoption of the amendments to the MOI the following preference shares were created:

- *1 000 000 000 (one billion) class D, cumulative non-participating, variable rate, perpetual Preference Shares of no-par value, at an initial issue price of R100.00 per Preference Share in the share capital of the Company;*
- *1 000 000 000 (one billion) class E, cumulative non-participating, perpetual Preference Shares of no-par value, at an initial issue price of R100.00 per Preference Share in the share capital of the Company; and*
- *1 000 000 000 (one billion) class F, cumulative non-participating, fixed rate, perpetual Preference Shares of no-par value, at an initial issue price of R100.00 per Preference Share in the share capital of the Company.*

Reconciliation of the number of preference shares in issue:

				Ecsponent Limited (South Africa)		
	Class A	Class B	Class C	Class D	Class E	Class G
Reported at the beginning of the period	783 069	5 511 039	7 344 514	3 472 216	2 000 430	53 262
Redemptions	(61 332)	(68 680)	(247 100)	-	-	-
Issue of preference shares during the year	-	481 807	-	1 633 000	370 660	7 013
	721 737	**5 924 166**	**7 097 414**	**5 105 216**	**2 371 090**	**60 275**
Weighted average issue price per share (Rands)	**97,52**	**100,00**	**100,00**	**100,00**	**100,00**	**100,00**

			Ecsponent Limited (Eswatini)	
	Class A	Class B	Class E	Class F
Reported at the beginning of the period	145 590	-	91 459	-
Redemption of preference shares during the period	(10 630)	-	(9 724)	-
Issue of linked loans during the period	-	33 516	-	32 916
Disposed on 31 March 2020	(134 960)	(33 516)	(81 735)	(32 916)
	-	-	-	-
Weighted average issue price per share (Emalangeni)	**1,00**	**1,00**	**1,00**	**1,00**
Weighted average issue price per share (converted to Rand)	**1,00**	**1,00**	**1,00**	**1,00**

	Ecsponent Limited (Botswana)	
	Class A	Class B
Reported at the beginning of the period	10 350	1 904
Redemption of preference shares during the period	(2 300)	(365)
	8 050	**1 539**
Weighted average issue price per share (Pula)	**1,00**	**1,00**

The preference shares are issued on an on-going basis to investors under a general authority provided to the directors to issue shares for cash.

Classification of redeemable preference shares

The preference share capital is classified as debt and the preference share dividends are classified as finance costs and interest expenses and disclosed as such in the Statement of Profit and Loss and Other Comprehensive Income or Loss for the nine-month period ended 31 March 2020.

Preference share liability

The preference share liability at the end of the period comprises of the following:

	GROUP AND COMPANY	
	At 31 March 2020 R '000	At 30 June 2019 R '000
Held at amortised cost		
Preference shares issued by Ecsponent Limited (South Africa):		
• Preference share - class A	73 025	76 786
Initial issue price redeemable after 5 years. Monthly dividend paid at a rate of 10% per annum.		
• Preference share - class B	774 163	658 806
Preference share redeems at 170% of the initial issue after 5 years. No monthly dividends are paid.		
• Preference share - class C	717 218	723 425
Initial issue price redeemable after 5 years. Monthly dividend paid at a rate of prime plus 4% per annum.		
• Preference share - class D	515 321	340 785
Initial issue price redeemable after 5 years. Monthly dividend paid at a rate of 12.5% per annum.		
• Preference share - class E	239 111	195 382
Initial issue price redeemable after 5 years. Monthly dividend paid at a rate of 11.25% per annum.		
• Preference share - class G	6 073	5 212
Initial issue price redeemable after 5 years. Monthly dividend paid at a rate of 10% per annum.		
	2 324 911	**2 000 396**
Preference shares issued by Ecsponent Limited (Swaziland):		
• Preference share - class A	-	139 262
5-year income provider with a variable rate redeemable, convertible unit of E1 000 comprising E1 preference share and E999 claim. 15% rate at present paid monthly.		
• Preference share - class E	-	127 621
5-year capital growth provider with a zero-rate redeemable, convertible units of E1 000 comprising E1 preference share and E999 claim. Redeemed at end of 5 years at E2 000.		
Preference shares issued by Ecsponent Limited (Botswana):		
• Preference share - class A	12 195	13 658
5-year income provider with a variable rate redeemable, convertible unit of P1 000 comprising P1 preference share and P999 claim. 15% rate at present paid monthly.		
• Preference share - class B	4 442	4 421
5-year capital growth provider with a zero-rate redeemable, convertible units of P1 000 comprising P1 preference share and P999 claim. Redeemed at end of 5 years at P2 000.		
Total preference shares	**2 341 549**	**2 285 358**
Non-current liabilities		
At amortised cost	-	1 954 611
Current liabilities		
At amortised cost	2 341 549	330 747

**The current portion of the preference shares in the prior as listed above relates to the accrued dividends as at the reporting date for Class A, Class C, Class D, Class E and Class G preference shares. For the current year, all preference shares have been classified as current due to default event during February 2020 and the resultant conversion to equity which was approved on 27 May 2020.*

Preference shareholders analysis

Below an analysis of the Group's classes of preference shares listed on the JSE securities exchange.

Class A Preference Shareholders	Nr of Holders	% of Total Share Holders	Nr of Shares	% of Total Issued Share Capital
Analysis of Shareholdings				
1 - 1 000	76	31,4%	34 266	4,7%
1 001 - 10 000	152	62,8%	470 627	65,2%
10 001 - 100 000	14	5,8%	216 844	30,0%
100 001 - 1 000 000	-	0,0%	-	0,0%
1 000 001 and over	-	0,0%	-	0,0%
Totals	242	100%	721 737	100%
Major Shareholders				
(3% and more of the Shares in Issue)				
MMA Snyman			25 000	3,46%
Totals			25 000	3,46%
Shareholder Spread				
Non-Public:	-	0,0%	-	0,0%
10% of Issued Capital or more	-	0,0%	-	0,0%
Public	242	100%	721 737	100%
Totals	242	100%	721 737	100%
Distribution of Shareholders				
Close Corporations	3	1,2%	41 500	5,8%
Individuals	233	96,3%	623 693	86,4%
Nominees and Trusts	6	2,5%	56 544	7,8%
Totals	242	100%	721 737	100%

Class B Preference Shareholders	Nr of Holders	% of Total Share Holders	Nr of Shares	% of Total Issued Share Capital
Analysis of Shareholdings				
1 - 1 000	1 211	53,7%	586 252	9,9%
1 001 - 10 000	967	42,9%	3 656 546	61,7%
10 001 - 100 000	75	3,3%	1 561 368	26,3%
100 001 - 1 000 000	1	0,0%	120 000	2,0%
1 000 001 and over	-	0,0%	-	0,0%
Totals	2 254	100%	5 924 166	100%
Major Shareholders				
		(3% and more of the Shares in Issue)		
None				
Shareholder Spread				
Non-Public:	-	0,0%	-	0,0%
10% of Issued Capital or more	-	0,0%	-	0,0%
Public	2 254	100,0%	5 924 166	100,0%
Totals	2 254	100%	5 924 166	100%
Distribution of Shareholders				
Individuals	2 212	98,1%	5 520 838	93,2%
Nominees and Trusts	22	1,0%	203 496	3,4%
Close Corporations	7	0,3%	36 757	0,6%
Private Companies	13	0,6%	163 075	2,8%
Totals	2 254	100%	5 924 166	100%

Class C Preference Shareholders	Nr of Holders	% of Total Share Holders	Nr of Shares	% of Total Issued Share Capital
Analysis of Shareholdings				
1 - 1 000	279	22,7%	214 709	3,0%
1 001 - 10 000	800	65,0%	3 598 078	50,7%
10 001 - 100 000	152	12,3%	3 284 627	46,3%
100 001 - 1 000 000		0,0%		0,0%
1 000 001 and over		0,0%		0,0%
Totals	1 231	100%	7 097 414	100%
Major Shareholders				
		(3% and more of the Shares in Issue)		
None				
Shareholder Spread				
Non-Public:	-	0,0%	-	0,0%
10% of Issued Capital or more	-	0,0%	-	0,0%
Public	1 231	100,0%	7 097 414	100,0%
Totals	1 231	100%	7 097 414	100%
Distribution of Shareholders				
Close Corporations	8	0,6%	30 690	0,4%
Individuals	1 178	95,7%	6 595 915	92,9%
Nominees and Trusts	32	2,6%	319 050	4,5%
Private Companies	13	1,1%	151 759	2,1%
Totals	1 231	100%	7 097 414	100%

Class D Preference Shareholders	Nr of Holders	% of Total Share Holders	Nr of Shares	% of Total Issued Share Capital
Analysis of Shareholdings				
1 - 1 000	4	1,7%	3 900	0,1%
1 001 - 10 000	118	48,8%	1 115 000	21,8%
10 001 - 100 000	118	48,8%	2 926 316	57,3%
100 001 - 1 000 000	2	0,8%	1 060 000	20,8%
1 000 001 and over		0,0%		0,0%
Totals	242	100%	5 105 216	100%

Major Shareholders				
		(3% and more of the Shares in Issue)		
Warplas Share Trust			160 000	3,1%
Andre Potgieter			179 200	3,5%
Trizaplex (Pty) Ltd			900 000	17,6%
Total			1 239 200	24,2%

Shareholder Spread				
Non-Public:	-	0,0%	-	0,0%
10% of Issued Capital or more	-	0,0%	-	0,0%
Public	242	100%	5 105 216	100%
Totals	242	100%	5 105 216	100%

Distribution of Shareholders				
Close Corporations	7	2,9%	89 000	1,7%
Individuals	210	86,8%	3 388 391	66,4%
Nominees and Trusts	18	7,4%	477 825	9,4%
Private Companies	7	2,9%	1 150 000	22,5%
Totals	242	100%	5 105 216	100%

Class E Preference Shareholders	Nr of Holders	% of Total Share Holders	Nr of Shares	% of Total Issued Share Capital
Analysis of Shareholdings				
1 - 1 000	8	2,0%	6 100	0,3%
1 001 - 10 000	344	87,1%	1 496 696	63,1%
10 001 - 100 000	43	10,9%	868 286	36,6%
100 001 - 1 000 000		0,0%		0,0%
1 000 001 and over		0,0%		0,0%
Totals	395	100%	2 371 082	100%

Major Shareholders				
		(3% and more of the Shares in Issue)		
None				

Shareholder Spread				
Non-Public:	-	0,0%	-	0,0%
10% of Issued Capital or more	-	0,0%	-	0,0%
Public	395	100,0%	2 371 082	100,0%
Totals	395	100,0%	2 371 082	100,0%

Distribution of Shareholders				
Close Corporations	5	1,3%	50 600	2,1%
Individuals	376	95,2%	2 200 292	92,8%
Nominees and Trusts	10	2,5%	64 190	2,7%
Private Companies	4	1,0%	56 000	2,4%
Totals	395	100%	2 371 082	100%

Class G Preference Shareholders	Nr of Holders	% of Total Share Holders	Nr of Shares	% of Total Issued Share Capital
Analysis of Shareholdings				
1 - 1 000	32	56,1%	24 300	40,3%
1 001 - 10 000	25	43,9%	35 975	59,7%
10 001 - 100 000		0,0%		0,0%
100 001 - 1 000 000		0,0%		0,0%
1 000 001 and over		0,0%		0,0%
Totals	57	100%	60 275	100%

Major Shareholders				
		(3% and more of the Shares in Issue)		
The Chimdlu Property Trust			4 500	7,5%
Anna Catharina Sophia Janse van Rensburg			3 000	5,0%
Sonja Schafer			2 500	4,1%
Harro Verster			2 063	3,4%
SB Van Niekerk			1 852	3,1%
Total			13 915	23,1%

Shareholder Spread				
Non-Public:	-	0,0%	-	0,0%
10% of Issued Capital or more	-	0,0%	-	0,0%
Public	57	100,0%	60 275	100,0%
Totals	57	100,0%	60 275	100,0%

Distribution of Shareholders				
Individuals	49	86,0%	54 675	90,7%
Nominees and Trusts	8	14,0%	5 600	9,3%
Totals	57	100%	60 275	100%

9. OTHER FINANCIAL LIABILITIES

	GROUP At 31 March 2020 R '000	GROUP At 30 June 2019 R '000	COMPANY At 31 March 2020 R '000	COMPANY At 30 June 2019 R '000
HELD AT AMORTISED COST				
Scipion Active Trading Fund	180 846	140 472	-	-
USD 10 million term loan facility that bears interest at 10% plus 12-month LIBOR screen rate amortised and payable monthly. 50% of the capital is payable by May 2021 and the remaining 50% is payable in August 2021. This loan is secured over MyBucks S.A. shares to the value of 125% of the loan balance. In addition to the shares as security, a further requirement is that an amount of R20m in financial assets of the Group is to be maintained and Ecsponent Ltd signed as Original Guarantor. Due to the significant decline in the value of the MyBucks shares during 2020 the value of the security fell below the facility requirement and a security penalty was levied until the security value is restored. Refer to note 18 Trade and other payables.				
Ever Prosperous Worldwide Limited - ISA	144 077	-	-	-
This is a two-year facility bearing interest at 12% per annum. The loan is to be fully repaid by December 2021, with monthly payments from 31 July 2020. The facility is secured by shares in Invest Solar (Private) Limited ("ISA"), a personal guarantee by Mr G Manyere as well as the equipment purchased using the facility by Harava Solar Park.				
Ever Prosperous Worldwide Limited	14 649	77 666	-	-
USD 14.8 million loan is secured by a pledge of 381,506,336 shares in GetBucks Microfinance Bank Limited, bears interest at 10% per annum, payable monthly. At 31 March 2020 a total of US$ 725 051 was in arrears comprising capital and interest. Management have renegotiated terms for final settlement of the facility from the process of monetising certain longer-term assets as referred to in the going concern note 38.				
Ever Prosperous Worldwide Limited	12 392	-	-	-
ZAR 26 million unsecured term loan facility at an interest rate of 12% per annum. The capital and accrued interest is payable on demand, with 60 days' notice from the lender. The lender has issued the notice with repayment due on 13 February 2020. At the reporting date management renegotiated terms for final settlement of the facility from the process of monetising certain longer-term assets referred to in the going concern note 38.				
Ever Prosperous Worldwide Limited	26 129	-	-	-
ZAR 33,4 million unsecured term loan facility at an interest rate of 12% per annum. At 31 March 2020 arrear interest amounted to R1 332 609. The loan capital is repayable monthly from April 2020 with the last payment on 30 November 2020. At the reporting date management renegotiated terms for final settlement of the facility from the process of monetising certain longer-term assets as referred to in the going concern note 38.				

	GROUP At 31 March 2020 R '000	GROUP At 30 June 2019 R '000	COMPANY At 31 March 2020 R '000	COMPANY At 30 June 2019 R '000
Capitis Equities (Pty) Ltd	146 802	93 605	146 802	93 605
The loan is unsecured, bears interest at 8% per annum and is repayable on demand. The loan was settled after year end, through the disinvestment in the Capitis vehicle. Refer to the subsequent events note 37 for further details.				
Tailored Investments	-	207 836	-	-
The loan was secured by 1 953 874 shares of MyBucks S.A. Limited, is interest free and is repayable in monthly instalments until June 2022. The company announced on 20 March 2020 that it reached agreement with its major shareholder who acquired the loan from Tailored Investments.				
MHMK Group Ltd (Mauritius)	256 270	-	-	-
The loan is secured by 1 953 874 shares of MyBucks S.A., is interest free and is repayable in monthly instalments until June 2022. The company announced on 20 March 2020 that it reached agreement with its major shareholder to acquire the loan from Tailored Investments and plans to issue Ecsponent ordinary shares to settle the liability. The issue of Ecsponent ordinary shares is subject to shareholder approval, refer to note 37 dealing with the events after the reporting date. Repayments have been deferred pending the shareholder vote.				
Ecsponent Eswatini Collective Investment Scheme	1 038	2 903	-	-
The loan is secured by a payment guarantee by Ecsponent, repayable 12 months from date of advance and bears interest at 15% per annum.				
GetBucks Ltd (Mauritius)	-	74 132	-	-
USD 3.6 million loan facility is unsecured, bears interest at 10.5% per annum and both interest and capital are repayable on demand. This loan was settled as part of the debt conversion transaction.				
Norsad Finance (Botswana) Limited	91 733	68 404	-	-
USD 5 million loan is secured by a pledge of 444,000 MyBucks shares that bears interest at the three-month LIBOR plus 11% per annum, payable quarterly. The loan is repayable on 11 July 2022.				
Norsad Finance (Botswana) Limited - ISA	98 768	-	-	-
This is a seven-year facility issued, being charged at 9% plus six months Libor which is to be utilised in the construction of the Harava Solar Project in Zimbabwe. The loan is payable in March 2026 and capital is payable from October 2020. The facility is secured by shares in Invest Solar Africa as well as the equipment purchased for the Harava Solar Park using the facility.				
Chrome Valley Mine Development	23 719	-	-	-
The liability relates to the company's obligation to pay $1,5 million for the development of the Chrome mineral assets held by Chrome Valley Mine Development to secure the Group's 51% interest. The funding comprises the initial capital contribution of the company and no fixed payment terms are determined.				
Ecsponent Holdings Ltd (Eswatini)	32 847	-	-	-
The loan is secured over financial assets of Ngwedi Capital Holdings (Pty) Ltd, bears no interest and is repayable on demand				

	GROUP		COMPANY	
	At 31 March	At 30 June	At 31 March	At 30 June
	2020	2019	2020	2019
	R '000	R '000	R '000	R '000
Stodaflow (Pty) Ltd	2 000	-	2 000	-
This R30million facility is unsecured, interest free and repayable 6 months after drawdown.				
Promissory notes - Colyn	17 117	12 362	-	-
Promissory note bearing interest at 8% per annum, interest is payable monthly, unsecured and the capital is repayable by 25 July 2024.				
Promissory notes - Beetge	4 041	-	-	-
Promissory note bearing interest at 12% per annum, interest payable monthly, unsecured and matures on 30 June 2020.				
Promissory notes - Seilher	1 447	-	-	-
Promissory note bearing interest at 12% per annum, interest payable monthly, unsecured and matures on 2 December 2022.				
Other	14 225	-	-	-
Credit facilities in issue and are unsecured and bears no interest. The notes have repayment terms of 24 months commencing from the 1 December 2020.				
TOTAL OTHER FINANCIAL LIABILITIES	**1 068 100**	**677 380**	**148 802**	**93 605**
NON-CURRENT LIABILITIES				
At amortised cost	589 855	368 107	-	93 605
CURRENT LIABILITIES				
At amortised cost	478 244	309 272	148 802	-

10. CASH AND CASH EQUIVALENTS

	GROUP		COMPANY	
	At 31 March	At 30 June	At 31 March	At 30 June
	2020	2019	2020	2019
	R '000	R '000	R '000	R '000
Cash and cash equivalents from continuing operations				
Bank balance	9 511	37 658	59	12 081
Bank overdraft	(81)	(803)	(45)	(21)
Total cash and cash equivalents	**9 430**	**36 855**	**14**	**12 060**
Current Assets	9 511	37 658	59	12 081
Current liabilities	(81)	(803)	(45)	(21)
	9 430	**36 855**	**14**	**12 060**

Secured bank overdraft facilities

One company has a secured overdraft facilities amount to R1 million at 31 March 2020 (2019: R1 000 000). The facility is secured via a cession of the debtor's book Ecsponent Procurement Services (Pty) Ltd and surety in the name of Ecsponent Limited. The overdraft facility bears interest at a rate of 15%.

11. ASSETS HELD FOR SALE

During the financial year the Group has decided to dispose of two fixed properties and thus these properties are classified as assets held for sale. An active process to sell these properties are underway and the expectation is that the properties will be sold within the next 6 to 9 months. The properties consist of unit 111 Blue Stream villas and erf 1001 Equestria ext. 142.

	GROUP		COMPANY	
	At 31 March	At 30 June	At 31 March	At 30 June
	2020	2019	2020	2019
	R '000	R '000	R '000	R '000
Properties held for sale	3 248	-	-	-
	3 248	**-**	**-**	**-**

12. TRADE AND OTHER RECEIVABLES

	GROUP		COMPANY	
	At 31 March	At 30 June	At 31 March	At 30 June
	2020	2019	2020	2019
	R '000	R '000	R '000	R '000
Non-financial assets				
Prepayments	1 937	11 727	481	5 072
VAT	478	4 146	-	2 545
Financial assets				
Trade receivables	23 414	35 759	877	1 055
Other receivables	4 340	4 982	-	-
Deposits	218	314	-	-
	30 387	**56 928**	**1 358**	**8 672**
Non-current	17 746	17 804	-	-
Current	12 641	39 124	1 358	8 672
	30 387	**56 928**	**1 358**	**8 672**

Non-Current trade receivables

The Group holds receivables which business allows trade credit terms of up to 72 months for payment plan debtors. The extended terms resulted in the disclosure of non-current trade receivables of R17.7 million (R17.8 million at 30 June 2019).

Expected credit losses

Expected credit losses on Trade and other receivables is calculated and accounted for in line with the expected credit loss model as disclosed in the accounting policies and note 1. The Group assesses the recoverability of individual trade receivable balances on a continuous basis to identify any possible write-offs based on the underlying circumstances. It is the policy of the Group to allow varying trade credit terms appropriate to the nature of the respective Group operating entity's business.

Where applicable, the expected credit loss in respect of trade receivables is calculated after taking into account the collateral/security provided by the debtor. The expected credit loss is based on days the amount is in arrears. Below see the percentages applied to the arrear amounts.

		2020		2019
Group	**Trade receivable**	**Expected credit losses**	**Trade receivable**	**Expected credit losses**
Current	1 108	-	4 313	(40)
30 days	718	(13)	4 373	(79)
60 days	262	(3)	2 854	(128)
90 days	259	(5)	3 717	(173)
Over 90 days	35 197	(14 109)	23 129	(2 207)
	37 544	**(14 130)**	**38 386**	**(2 627)**

		2020		2019
Company	**Trade receivable**	**Expected credit losses**	**Trade receivable**	**Expected credit losses**
Current	877	-	1 054	-
30 days	-	-	1	-
	877	**-**	**1 055**	**-**

	At 31 March	At 30 June	At 31 March	At 30 June
	2020	**2019**	**2020**	**2019**
	R '000	**R '000**	**R '000**	**R '000**
Opening balance	2 627	375	-	-
Reversal of ECL	(2 605)	(8 050)	-	-
Additional ECL raised	13 908	10 302	-	-
ECL written off	200	-	-	-
	14 130	**2 627**	**-**	**-**

Type of debtor	1-30 days in arrears	31-60 days in arrears	61-90 days in arrears	91 days in arrears
Collateralised	5%	10%	50%	100%
Uncollateralised	10%	20%	50%	100%

13. LOANS TO GROUP COMPANIES

	GROUP		COMPANY	
	At 31 March	**At 30 June**	**At 31 March**	**At 30 June**
	2020	**2019**	**2020**	**2019**
	R '000	**R '000**	**R '000**	**R '000**
Ecsponent Treasury Services (Pty) Ltd	-	-	269 245	1 120 710
The loan is unsecured, bears interest at 14% per annum and is repayable on demand.				
Ecsponent Limited (Botswana)	-	-	15 083	13 021
The loan is unsecured, interest free and is repayable on demand.				
ECS Financial Holding (Pty) Ltd	-	-	466 338	-
The loan is unsecured, interest free and is repayable on demand.				
	-	**-**	**750 666**	**1 133 731**
Current assets	-	-	750 666	1 133 731
Non-current assets	-	-	-	-
	-	**-**	**750 666**	**1 133 731**

The Company does not hold any collateral as security. A stage 2 expected credit loss of R695 228 has been raised against the loan to ECS Financial Holding (Pty) Ltd against a gross loan of R1 161 566.

14. MINERAL AND EXPLORATION ASSETS

Chrome Valley Mining (Private) Ltd

During the period under review ECS Private Equity Limited, a company registered in Botswana, acquired a 51% interest in Chrome Valley Mining (Pvt) Ltd a company incorporated in Zimbabwe. Chrome Valley Mining (Pvt) Ltd holds a total of 2,400ha mineral claims located 40 kilometres Northeast of Guruve town centre in the extreme northern part of the Great Dyke of Zimbabwe.

	GROUP		COMPANY	
	At 31 March	**At 30 June**	**At 31 March**	**At 30 June**
	2020	**2019**	**2020**	**2019**
	R '000	**R '000**	**R '000**	**R '000**
Acquisition and exploration costs capitalised during the period	23 719	-	-	-

Further exploration work and a technical feasibility study is ongoing to determine proven reserves. The fair value of the project at 31 March 2020 is R324.23 million.

15. INVESTMENT IN SUBSIDIARIES

The following table lists the entities which are controlled directly by the company no significant non-controlling interests exists in any of the subsidiaries. The carrying amounts of the investments in the company's separate financial statements is as disclosed below.

		GROUP		COMPANY
	At 31 March 2020	At 30 June 2019	At 31 March 2020	At 30 June 2019
Subsidiary	R '000	R '000	R '000	R '000
Ecsponent Credit Services (Pty) Ltd	-	-	-	-
Ecsponent Financial Services (Pty) Ltd	-	-	15 000	15 000
Lazaron Biotechnologies (Pty) Ltd	-	-	2	2
ECS Automotive (Pty) Ltd	-	-	-	-
Sanceda Collection Services (Pty) Ltd	-	-	1	1
Ecsponent Management Services Ltd	-	-	805	805
Ecsponent Treasury Services (Pty) Ltd	-	-	1	1
Ecsponent Development Fund (Pty) Ltd	-	-	1	1
Ecsponent Procurement Services (Pty) Ltd	-	-	5 100	5 100
Ecsponent South Africa (Pty) Ltd	-	-	2	2
Return on Innovation (Pty) Ltd	-	-	1 500	1 500
Ecsponent Wealth (Pty) Ltd	-	-	-	-
Ecsponent Evolution Fund (Pty) Ltd	-	-	-	-
ECS Financial Holdings (Pty) Ltd	-	-	-	-
ECS Private Equity Ltd (formerly Ecsponent Botswana Limited)	-	-	5 000	5 000
Ecsponent Holdings (Pty) Ltd	-	-	-	-
	-	**-**	**27 412**	**27 412**
Impairment				
Ecsponent Financial Services (Pty) Ltd	-	-	(15 000)	-
Ecsponent South Africa (Pty) Ltd	-	-	(1)	(1)
Return on Innovation (Pty) Ltd	-	-	(1 500)	(1 500)
Ecsponent Management Services Ltd	-	-	(26)	(26)
	-	**-**	**(16 527)**	**(1 527)**
	-	**-**	**10 885**	**25 885**

Subsidiaries pledged as security

At 31 March 2020 and up to the date of the report none of the subsidiaries have been pledged as security.

There are no significant restrictions to the Group in respect of the ability to access assets and liabilities of the subsidiaries.

16. INTANGIBLE ASSETS AND GOODWILL

	Cost	Accumulated amortisation	Carrying value
31-Mar-20	**R'000**	**R'000**	**R'000**
Computer software	153	(153)	-
Goodwill	-	-	-
	153	**(153)**	**-**

	Cost	Accumulated amortisation	Carrying value
30-Jun-19	**R'000**	**R'000**	**R'000**
Computer software	189	(36)	153
Goodwill	5 551	-	5 551
	5 740	**(36)**	**5 704**

	Opening balance	Additions	Business combinations	Amortisation and impairment	Total
31-Mar-20	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**
Computer software	**153**	**-**	**-**	**(153)**	**-**
Goodwill	**5 551**	**-**	**-**	**(5 551)**	**-**
	5 704	**-**	**-**	**(5 704)**	**-**

	Opening balance	Additions	Business combinations	Amortisation and impairment	Total
30-Jun-19	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**
Computer software	74	109	-	(31)	153
Goodwill	3 992	-	120 668	(119 108)	5 551
	4 066	**109**	**120 668**	**(119 139)**	**5 704**

Goodwill

Goodwill acquired in a business combination is allocated, at acquisition, to the cash generating units (CGUs) that are expected to benefit from that business combination. The goodwill is not amortised as it is deemed to have an indefinite useful life and consisted during the period of:

Ecsponent Procurement

Ecsponent Ltd acquired a 100% interest in Ecsponent Procurement Services (Pty) Ltd ("EPS"), a supplier of engineering goods and services, effective 1 March 2015. The transaction was a strategic purchase to unlock opportunities for secured funding to select financial service companies and credit to small, medium and micro enterprises and providing specific goods and services required by relevant vendors. The transaction yielded a goodwill element of R4 million.

MHMK

Ecsponent Ltd acquired a 70% interest in MHMK Capital (Pty) Ltd, a financial services company, effective 31 March 2019. The transaction was a strategic purchase to unlock opportunities for exposure to select financial service companies, namely Ngwedi Capital Holdings and services required to manage investment entities. The transaction yielded a goodwill element of R1.6 million.

Assessment of impairment

Goodwill was tested for impairment by fair value less cost to sell for the Ecsponent Procurement Services (Pty) Ltd and MHMK Capital (Pty) Ltd CGU.

The EPS CGU was assessed against future cash flows. As Ecsponent made a strategic decision to no longer investment in the specific EPS vendor deal origination, the full EPS CGU was considered as impaired in the current period due to no further future cash flows being generated within this CGU.

17. DEFERRED TAX

	GROUP		COMPANY	
Net deferred tax asset	**At 31 March 2020 R '000**	**At 30 June 2019 R '000**	**At 31 March 2020 R '000**	**At 30 June 2019 R '000**
Fair value adjustments	158 039	(94 098)	5 360	(1 695)
Capital loss	7 471	4 111	3 360	-
Tax losses available for set off against future taxable income	59 724	70 532	27 251	-
Capital growth accruals	18 706	28 616	18 265	17 420
Allowance for credit loss	15 738	5 783	9 937	-
Capital gain - 12J	(37 993)	(34 944)	(37 993)	(34 944)
Other deferred tax (liabilities)/assets	1 042	(1 909)	358	(1 395)
Deferred transaction cost	(1 853)	(19 541)	(1 703)	(16 255)
Foreign currency translation reserve	-	(4 991)	-	-
	220 874	**(46 441)**	**24 835**	**(36 869)**

The deferred tax asset disclosed in the Group statement of financial position as non-current asset comprises:

Fair value adjustments	168 106	15 874	5 360	-
Capital loss	7 471	4 111	3 360	-
Tax losses available for set off against future taxable income	59 724	70 699	27 251	-
Capital growth accruals	18 706	28 637	18 265	17 420
Allowance for credit loss	27 034	16 919	9 937	-
Other deferred tax (liabilities)/assets	3 486	2 346	2 326	25
	284 527	**138 586**	**66 499**	**17 445**

The deferred tax liability disclosed in the Group statement of financial position as non-current liabilities comprises:

Fair value adjustments	(10 067)	(109 972)	-	(1 695)
Allowance for credit loss	(11 296)	(11 136)	-	-
Capital gain - 12J	(37 993)	(34 944)	(37 993)	(34 944)
Other deferred tax (liabilities)/assets	(2 576)	(4 443)	(1 968)	(1 420)
Deferred transaction cost	(1 721)	(19 541)	(1 703)	(16 255)
Foreign currency translation reserve	-	(4 991)	-	-
	(63 653)	**(185 027)**	**(41 664)**	**(54 314)**

Reconciliation of the deferred tax asset/(liability):

Deferred tax (liability) asset at the beginning of the period	(46 441)	(44 196)	(36 869)	(33 138)
Fair value adjustments	252 137	(58 291)	7 055	(2 099)
Capital loss	3 360	4 111	3 360	
Tax losses available for set off against future taxable income	(10 808)	56 067	27 251	
Capital growth accruals	(9 910)	9 441	845	5 306
Allowance for credit loss	9 955	(18 508)	9 937	
Adjustment to opening balance due to IFRS 9 adoption	-	3 364	-	
Other deferred tax (liabilities)/assets	2 951	2 228	1 753	(5 511)
Deferred transaction cost	17 688	622	14 552	(1 427)
Originating temporary on section 12J investments	(3 049)	-	(3 049)	-
Foreign currency translation reserve	4 991	(1 279)	-	-
	220 874	**(46 441)**	**24 835**	**(36 869)**

Tax losses available for set off against future taxable income

The Group recognises the net tax benefit relating to deferred income tax assets arising from future deductible temporary differences and past income tax losses. The deferred income tax asset is recognised to the extent it is probable that taxable income will be available from forecast profits to realise the future tax saving. (Refer to note 31 - Taxation, for additional information regarding the estimated tax losses). The expectation of future taxable profits is based on the continued improvement in the Group's operating results arising from the restructure initiatives already implemented and the continuation of the Group's restructure and recapitalisation project and the exit of the section 12J vehicle which is expected to realise R156million of taxable income. The main objective of the initiative is to ensure the Group's profitability and sustainability.

The deferred tax asset arising on Group tax losses and fair value adjustments have not been recognised in full as at 31 March 2020, the amount of unrecognized deferred tax assets amounts to is R266million.

18. PROPERTY, PLANT AND EQUIPMENT

Group	2020 Cost R'000	2020 Accumulated depreciation R'000	2020 Carrying value R'000	2019 Cost R'000	2019 Accumulated depreciation R'000	2019 Carrying value R'000
Land and buildings*	-	-	-	1 380	-	1 380
Plant and machinery	159	(80)	79	159	(70)	89
Leasehold improvements	1 715	(261)	1 454	925	(57)	868
IT equipment	1 537	(748)	789	1 023	(581)	442
Furniture and fixtures	6 478	(1 888)	4 590	2 033	(209)	1 824
Motor vehicles	529	(233)	295	445	(392)	53
Motor vehicles - held under finance lease	-	-	-	264	(70)	194
Office equipment	202	(52)	150	112	(9)	103
Right of use of asset	10 373	(1 890)	8 484	-	-	-
Total	**20 993**	**(5 152)**	**15 841**	**6 341**	**(1 388)**	**4 953**

Company	2020 Cost R'000	2020 Accumulated depreciation R'000	2020 Carrying value R'000	2019 Cost R'000	2019 Accumulated depreciation R'000	2019 Carrying value R'000
Motor vehicles - held under finance lease			-	264	(70)	194
Right of use of asset	8 638	(1 456)	7 182	-	-	-
Leasehold improvements	885	(188)	697	885	(55)	830
Total	**9 523**	**(1 644)**	**7 879**	**1 149**	**(125)**	**1 024**

Reconciliation of property, plant and equipment – Group

31-Mar-20	Opening balance R'000	Business combination - additions R'000	Additions R'000	Disposals R'000	Depreciation R'000	Total R'000
Land and buildings	1 380	-	-	(1 380)	-	-
Plant and machinery	90	-	-	-	(11)	79
Leasehold improvements	868	-	690	-	(104)	1 454
IT equipment	442	174	277	-	(104)	789
Furniture and fixtures	1 824	2 825	46	-	(105)	4 590
Motor vehicles	53	-	265	(23)	-	295
Office equipment	102	-	91	-	(43)	150
Right of use of asset	10 303	-	-	-	(1 820)	8 484
Total	**15 062**	**2 999**	**1 369**	**(1 403)**	**(2 186)**	**15 841**

30-Jun-19	Opening balance R'000	Additions R'000	Disposals R'000	Depreciation R'000	Total R'000
Land and buildings	1 380	-	-	-	1 380
Plant and machinery	104	-	-	(15)	89
Leasehold improvements	42	925	(29)	(70)	868
IT equipment	201	404	(29)	(134)	442
Furniture and fixtures	1 113	1 585	(663)	(211)	1 824
Motor vehicles	167	-	(78)	(36)	53
Motor vehicles - held under finance lease	986	-	(630)	(162)	194
Office equipment	12	112	(9)	(12)	103
Total	**4 005**	**3 026**	**(1 438)**	**(640)**	**4 953**

**The current residual value of the land and buildings exceeded the cost and hence no depreciation charge was recognised for the current or previous financial period.*

The following asset were subject to lease agreements at the end of the respective reporting period:

- Vehicles with a carrying amount of R154 000.
- Buildings with a carrying value of R8.3 million.

Refer to note 21 for more detail.

Reconciliation of property, plant and equipment – Company

31-Mar-20	Opening balance R'000	Additions R'000	Disposals R'000	Depreciation R'000	Total R'000
Leasehold improvements	830	-	-	(133)	697
Right of use of asset	8 568	-	-	(1 386)	7 182
Total	**9 398**	**-**	**-**	**(1 519)**	**7 879**

30-Jun-19	Opening balance R'000	Additions R'000	Disposals R'000	Depreciation R'000	Total R'000
Motor vehicles - held under finance lease	986	-	(630)	(162)	194
Leasehold improvements	-	885	-	(55)	830
Total	**986**	**885**	**(630)**	**(217)**	**1 024**

The following asset were subject to lease agreements at the end of the respective reporting period:

- Vehicles with a carrying amount of R154 000.
- Buildings with a carrying value of R7.4million.

Refer to note 21 for more detail.

A register containing the information required by Regulation 25(3) of the Companies Regulations, 2011 is available for inspection at the registered office of the Company.

The Group had no outstanding contractual commitments to acquire additional items of property, plant and equipment at the end of the respective reporting periods.

19. TRADE AND OTHER PAYABLES

	GROUP		COMPANY	
	At 31 March	At 30 June	At 31 March	At 30 June
	2020	2019	2020	2019
	R '000	R '000	R '000	R '000
Non-financial liabilities				
VAT	203	2 198	-	-
Other payables	77	1 065	-	-
Financial liabilities				
Trade payables	9 587	9 209	7 792	2 808
Unlisted preference shares^	19 921	586	19 921	-
Payroll liabilities #	16 137	1 383	-	13
Accrued leave pay	4 048	2 035	-	-
Accrued audit fees	887	1 297	122	133
Accrued interest*	7 489	549	-	-
Other accrued expenses	3 081	441	-	90
Other payables	408	349	387	79
	61 838	**19 112**	**28 222**	**3 123**
Non-current portion	-	-	-	-
Current portion	61 838	19 112	28 222	3 123
	61 838	**19 112**	**28 222**	**3 123**

^Unlisted preference share liabilities in 2020 relate to funds received prior to the default of the preference share programme and therefore resulted in these funds being unlisted and excluded from the preference share restructuring programme.

**Accrued interest relates to penalty interest charged due to late payment of interest to Scipion Active Trading Fund. Refer to Other Financial Liabilities note 9.*

#Payroll liabilities includes the outstanding fees on the Mutual Separation agreement with the previous CEO, refer to Directors remuneration, note 40, and accruals for retrenchment cost.

20. NOTE PROGRAMME

During Q4 of 2018 Ecsponent Limited introduced its ZAR10 000 000 000 Domestic Medium-Term Note Programme ("Note Programme"). Ecsponent Limited may from time to time issue notes of any kind denominated in South African Rand, on the terms and conditions contained in the Note Programme. The Note Programme was approved by the JSE on 21 August 2018. Notes may be at a Fixed Rate, a Floating Rate or a Zero-Coupon, or such combination of any of the foregoing or such other type of note as may be determined by Ecsponent Limited and specified in the Applicable Pricing Supplement from time to time. Save as set out in the Note Programme, the notes will not be subject to any minimum or maximum maturity and the maximum aggregate principal amount of all notes from time to time outstanding will not exceed ZAR10 000 000 000.

Notes currently on offer:

- Zero-Coupon notes with a return of 10.66% per annum, payable after three years together with capital;
- Floating Rate notes with a return of prime + 1.5% per annum, payable monthly and capital after three years; and
- Fixed Rate notes with a return ranging between 9% to 12.5% per annum, payable monthly and capital after three years.

	GROUP		COMPANY	
	At 31 March	At 30 June	At 31 March	At 30 June
	2020	2019	2020	2019
Authorised Bond Note				
Ecsponent Limited (incorporated in South Africa)				
Note 1 bond of no-par value	1 000 000 000	1 000 000 000	1 000 000 000	1 000 000 000
Note 2 bond of no-par value	1 000 000 000	1 000 000 000	1 000 000 000	1 000 000 000
Note 3 bond of no-par value	1 000 000 000	1 000 000 000	1 000 000 000	1 000 000 000
Note 4 bond of no-par value	1 000 000 000	1 000 000 000	1 000 000 000	1 000 000 000
Note 5 bond of no-par value	1 000 000 000	1 000 000 000	1 000 000 000	1 000 000 000
	5 000 000 000	**5 000 000 000**	**5 000 000 000**	**5 000 000 000**

Reconciliation of the number of notes in issue:

GROUP AND COMPANY

31 March 2020	**Ecsponent Limited (South Africa)**				
	Fixed rate Note 1	**Fixed rate Note 2**	**Fixed rate Note 3**	**Floating rate Note**	**Zero - Coupon Note**
Reported at the beginning of the period	45	4 582	1 068	3 337	4 302
Issue of notes during the period	1 535	25 232	60 796	27 225	34 649
	1 580	**29 814**	**61 864**	**30 562**	**38 951**
Weighted average issue price per share (Rands)	**100,00**	**100,00**	**100,00**	**100,00**	**100,00**

	GROUP			COMPANY
	At 31 March 2020 R '000	At 30 June 2019 R '000	At 31 March 2020 R '000	At 30 June 2019 R '000
Held at amortised cost				
Note 1 – Fixed Rate	1 540	1 330	1 540	1 330
Initial issue price redeemable after three years. Monthly interest is paid at a rate of 9% per annum.				
Note 2 – Fixed Rate	28 785	12 947	28 785	12 947
Initial issue price redeemable after three years. Monthly interest is paid at a rate of 10% per annum				
Note 3 – Fixed Rate	59 396	29 662	59 396	29 662
Initial issue price redeemable after three years. Monthly interest is paid at a rate of 12% per annum				
Note 4 – Zero Coupon	33 829	9 446	33 829	9 446
Note redeems at 137.49% of the initial issue price after three years. No monthly interest is paid.				
Note 5 – Floating Rate	37 550	12 009	37 550	12 009
Initial issue price redeemable after three years. Monthly interest is paid at a rate of prime plus 1.5% per annum.				
Total notes in issue	161 099	65 394	161 099	65 394
Non-current liabilities				
At amortised cost	160 327	64 659	160 327	64 659
Current liabilities				
At amortised cost	772	736	772	736
Total notes in issue	**161 099**	**65 394**	**161 099**	**65 394**

21. LEASE LIABILITIES

	GROUP			COMPANY
	At 31 March 2020 R '000	At 30 June 2019 R '000	At 31 March 2020 R '000	At 30 June 2019 R '000
Current leases payable	2 042	35	1 444	35
Non-current leases payable	7 297	166	6 501	166
Total	**9 339**	**201**	**7 945**	**202**

Lease liabilities are payable as follows:

	GROUP			COMPANY		
31-Mar-20	Future minimum lease payments	Interest	Present value of minimum lease payment	Future minimum lease payments	Interest	Present value of minimum lease payment
Less than one year	2 881	(839)	2 042	2 221	(777)	1 444
Between one and five years	8 407	(1 110)	7 297	7 550	(1 048)	6 501
More than five years	-	-	-	-	-	-
Total	**11 288**	**(1 949)**	**9 339**	**9 771**	**(1 825)**	**7 945**

	GROUP			COMPANY		
30-Jun-19	Future minimum lease payments	Interest	Present value of minimum lease payment	Future minimum lease payments	Interest	Present value of minimum lease payment
Less than one year	57	(21)	35	57	(21)	35
Between one and five years	204	(37)	166	204	(37)	166
More than five years	-	-	-	-	-	-
Total	**260**	**(59)**	**202**	**260**	**(59)**	**202**

The Group entered into various lease agreements for motor vehicles and buildings. Due to the application of IFRS 16, the lease related to the buildings has been capitalised as right-of use assets in the current year. The interest rate charged is 10.5% and the lease period is 36 months.

22. SHARE CAPITAL

Ordinary shares

	GROUP		COMPANY	
	At 31 March 2020	At 30 June 2019	At 31 March 2020	At 30 June 2019
Authorised ordinary shares				
Number of authorised ordinary shares of no-par value	1 000 000 000 000	1 000 000 000 000	1 000 000 000 000	1 000 000 000 000
Issued ordinary shares				
Number of issued ordinary shares of no-par value	1 079 550 364	1 079 555 364	1 079 550 364	1 079 555 364

Holders of these shares are entitled to dividends as declared from time to time and are entitled to one vote per share at the general meetings of the Company.

	GROUP		COMPANY	
	At 31 March 2020	At 30 June 2019	At 31 March 2020	At 30 June 2019
Reconciliation of the number of ordinary shares issued:				
Reported at the beginning of the period	1 079 555 364	1 079 555 364	1 079 555 364	1 079 555 364
Issue of ordinary shares	-	-	-	-
	1 079 555 364	1 079 555 364	1 079 555 364	1 079 555 364

No share issues took place during the 2020 and 2019 financial periods.

The unissued ordinary shares are under the control of the directors in terms of a resolution of members passed at the last annual general meeting.

	GROUP		COMPANY	
	At 31 March 2020 R '000	At 30 June 2019 R '000	At 31 March 2020 R '000	At 30 June 2019 R '000
Reconciliation of the ordinary share capital:				
Reported at the beginning of the period	145 170	145 170	145 170	145 170
	145 170	**145 170**	**145 170**	**145 170**

Ordinary shareholders' analysis

Listed below is an analysis of holdings extracted from the register of ordinary shareholders at 31 March 2020:

	Nr of Holders	% of Total Share Holders	Nr of Shares	% of Total Issued Share Capital
Analysis of Shareholdings				
1 - 1 000	384	12,5%	200 709	0,0%
1 001 - 10 000	1 769	57,8%	7 386 763	0,7%
10 001 - 100 000	690	22,5%	20 578 281	1,9%
100 001 - 1 000 000	168	5,5%	54 430 503	5,0%
1 000 001 and over	49	1,6%	996 959 108	92,3%
Totals	3 060	100%	1 079 555 364	100%
			-	
Major Shareholders				
(3% and more of the Shares in Issue)				
- MHMK Group (Pty) Ltd			610 558 527	56,56%
- Pledged Securities Account			52 282 709	4,84%
- Mr Terence Patrick Gregory			38 634 423	3,58%
- Settled Investments Three (Pty) Ltd			34 023 480	3,15%
Totals			735 499 139	68%
Shareholder Spread				
Non-Public:	6	0,2%	3 819 395	0,4%
Directors	3	0,1%	633 907 893	58,7%
Public	3 149	99,7%	441 828 076	40,9%
Totals	3 158	100%	1 079 555 364	100%
Distribution of Shareholders				
Bank or Nominee	1	0,05%	13 300	0,00%
Female	118	6,22%	1 433 823	0,13%
Male	469	24,74%	46 550 728	4,31%
Individual	1 248	65,82%	16 365 052	1,52%
Other Company	22	1,16%	1 010 612 115	93,61%
Other Corporation	12	0,63%	69 971	0,01%
Trusts	26	1,37%	4 510 375	0,42%
	1 896	**100%**	**1 079 555 364**	**100%**

Director's interest in issued share capital of the Company

At 31 March 2020, the directors' beneficial interests in the Company held directly and indirectly amounted to 2.1%, and 56.6% including the non-beneficial interest held. Total directors' interests were as follows:

Director	Total shares held	Holding	Direct	Indirect
S Sisulu (directorship ended 10 Feb 2020)	-	-	-	-
RJ Connellan (directorship ended 28 Feb 2020)	-	-	-	-
TP Gregory (directorship ended 31 Dec 2019)	-	-	-	-
DP van der Merwe (directorship ended 31 Mar 2020)	20 000 000	-	20 000 000	-
Craig Lyons (directorship ended 05 Jun 2020)	-	-	-	-
P Matute (directorship ended 05 Jun 2020)	-	-	-	-
G Manyere	610 558 527	-	-	610 558 527
G Nyengedza	-	-	-	-
KA Rayner	3 349 366	-	3 349 366	-
TJ de Kock	-	-	-	-
RMH Pitt	-	-	-	-
C Beetge	-	-	-	-

23. NON-CONTROLLING INTEREST

	GROUP		COMPANY	
	31 March 2020	30 June 2020	31 March 2020	30 June 2020
	R'000	R'000	R'000	R'000
Balance at the beginning of the period	842	362	-	-
Non-controlling interest in current period	508	847	-	-
Business combinations	7 565	1	-	-
Disposal of investments	(1 601)	(368)		
	7 314	**842**	-	-

The table below summarises the information relating to each of the Group's subsidiaries for the financial period ended 31 March 2020 that has material non-controlling interest, before any intragroup eliminations.

	MHMK Capital (Pty) Ltd	Invest Solar Africa Limited
Non-controlling interest in current period	30%	30%
Principle place of business	South Africa	Botswana

The following summarises the changes in the Company's ownership interest as a result of the acquisitions and disposal during the period:

31 March 2020	Ecsponent Eswatini Limited	MHMK Capital (Pty) Ltd	Invest Solar Africa Limited	Total
-	R'000	R'000	R'000	R'000
Non-controlling ownership interest at 30 June 2019	416	426	-	842
Share of comprehensive profit/(loss) for the period	1 185	4 053	(4 730)	508
Purchase of minority interest	-	-	7 565	7 565
Disposal of investment in subsidiary	(1 601)	-	-	(1 601)
Non-controlling ownership interest at 31 March 2020	-	**4 479**	**2 835**	**7 314**

30 June 2019	Ecsponent Eswatini Limited	MHMK Capital (Pty) Ltd	Vitasave (Pty) Ltd	Total
	R'000	R'000	R'000	R'000
Non-controlling ownership interest at 30 June 2019	363	-	(1)	362
Share of comprehensive profit/(loss) for the period	53	794	-	847
Purchase of minority interest	-	(368)	-	(368)
Disposal of investment in subsidiary	-	-	1	1
Non-controlling ownership interest at 31 March 2020	**416**	**426**	-	**842**

Carrying amounts of subsidiary with non-controlling interest	MHMK Capital (Pty) Ltd	Invest Solar Africa Limited	Total
	R'000	R'000	R'000
Non-current assets	(4 168)	(4 251)	(8 419)
Current assets	(428)	7	(421)
Non-current liabilities	3 497	6 645	10 142
Current liabilities	611	2 697	3 308
Net assets	**(488)**	**5 098**	**4 610**

› No dividends were declared or paid from subsidiaries with non-controlling interest.

24. REVENUE

	GROUP		COMPANY	
Revenue at a point in time	9-months ended 31 March 2020	12-months ended 30 June 2020	9-months ended 31 March 2020	12-months ended 30 June 2020
	R'000	R'000	R'000	R'000
Sale of debtor's book	-	88 863	-	-
Stem cell processing and storage	503	654	-	-
Vendor deals	44 961	77 424	-	-
	45 464	**166 941**	-	-

25. INTEREST INCOME

	GROUP			COMPANY
Over a period of time	**9-months ended 31 March 2020**	**12-months ended 30 June 2020**	**9-months ended 31 March 2020**	**12-months ended 30 June 2020**
	R'000	**R'000**	**R'000**	**R'000**
Business credit	119 145	182 665	11 441	-
Inter group	-	-	50 782	152 277
	119 145	**182 665**	**62 223**	**152 277**

26. FAIR VALUE ADJUSTMENTS

	GROUP			COMPANY
	9-months ended 31 March 2020	**12-months ended 30 June 2020**	**9-months ended 31 March 2020**	**12-months ended 30 June 2020**
	R'000	**R'000**	**R'000**	**R'000**
Fair value gains (losses) - Listed equities^	(1 522 288)	58 787	-	5 918
Fair value gains (losses) - Unlisted equities#	23 448	(10 800)	12 061	(14 442)
Fair value gains (losses) - Other financial assets*	(198 062)	(21 758)	(1 582)	1 634
	(1 696 902)	**26 230**	**10 479**	**(6 890)**

**Option agreement*

In June 2018, the Group entered into a put option agreement whereby it holds an unconditional and non-exclusive option to require the Option Issuers to purchase, jointly or severally, all or any portion of the Option Shares, being the total number of MyBucks SA ordinary shares held by the Ecsponent Group as at 31 December 2021, at an Option Strike price of €18. The option can be exercised directly after the Option Period's expiration date being 31 December 2021, during the 30-day Option Exercise Period which follows. Refer to note 6 and 7 for further details.

^Listed equities

The Group holds strategic investments in a portfolio of listed equities. The majority of this portfolio is carried as an associate at fair value, namely MyBucks and GetBucks Microfinance Bank. The estimation assumptions related to these downward adjustments have been detailed in note 4.

#Unlisted investments

The Group has invested in an unlisted preference share, Capitis, a company registered in terms of Section 12J of the income tax act and Ngwedi Capital Holdings (Pty) Ltd. Details of these investment and its related valuation assumptions are included in note 4 and 6.

27. OTHER INCOME

	GROUP			COMPANY
	9-months ended 31 March 2020	**12-months ended 30 June 2020**	**9-months ended 31 March 2020**	**12-months ended 30 June 2020**
	R'000	**R'000**	**R'000**	**R'000**
Bargain purchase*	17 653	-	-	-
Profit on foreign exchange	108 947	-	-	-
Other miscellaneous	16 737	28 267	9 815	9 886
Total revenue	**143 338**	**28 267**	**9 815**	**9 886**

**The bargain purchase relates to the acquisition of Invest Solar Africa Ltd. Refer to note 35.*

28. CREDIT IMPAIRMENT

	GROUP			COMPANY
	9-months ended 31 March 2020	**12-months ended 30 June 2020**	**9-months ended 31 March 2020**	**12-months ended 30 June 2020**
Expected credit losses	**R'000**	**R'000**	**R'000**	**R'000**
Loans and advances	(344 812)	22 994	(35 489)	-
Loans to group companies	-	-	(695 228)	-
Trade receivables	(11 464)	1 467	-	-
Other financial assets	-	-	(840 140)	-
	(356 276)	**24 461**	**(1 570 857)**	**-**

Refer to note 5, 6, 12 and 13 for further details of movements.

29. OPERATING EXPENSES

Operating profit for the period is stated after accounting for the following:

	GROUP			COMPANY
	9-months ended 31 March 2020	**12-months ended 30 June 2020**	**9-months ended 31 March 2020**	**12-months ended 30 June 2020**
	R'000	**R'000**	**R'000**	**R'000**
Operating lease charges				
- Premises	-	4 055	-	968
- Equipment	1 914	2 549	1 914	2 549
Loss on foreign currency exchange differences	294	33 874	1 816	1 816
Employee costs including executive directors	43 068	33 253	3 246	3 246

Employee benefits

All employee benefits including the director's remuneration are of a short-term nature.

No post-employment benefits, other long-term benefits or termination benefits payments are paid or accrue to any employee or director of the Group.

30. FINANCE COSTS

	GROUP		COMPANY	
	9-months ended 31 March 2020	12-months ended 30 June 2019	9-months ended 31 March 2020	12-months ended 30 June 2019
	R'000	R'000	R'000	R'000
Note programme	8 814	1 016	2 273	-
Other financial liabilities	39 413	27 940	1 244	-
Other miscellaneous	363	780	66	-
Preference shares	210 104	135 972	46 905	-
	258 694	**165 708**	**50 488**	**-**

31. TAXATION

	GROUP		COMPANY	
	At 31 March 2020	At 30 June 2019	At 31 March 2020	At 30 June 2019
	R '000	R '000	R '000	R '000
Major components of tax (income) / expense				
Current				
Income tax – current period	22 760	11 151	-	4 331
Deferred				
Originating and reversing temporary differences	(282 718)	(6 355)	(61 637)	3 731
Arising from previously unrecognised tax losses	-	-	-	-
	(282 718)	**(6 355)**	**(61 637)**	**3 731**
Tax expense/(income) for the period	**(262 958)**	**4 796**	**(61 637)**	**8 062**
Reconciliation of the tax expense				
Reconciliation between applicable tax rate and average effective tax rate				
	%	%	%	%
Applicable tax rate*	28,00	(28,00)	28,00	28,00
Different tax rates applied in foreign subsidiaries	(3,72)	(0,18)	-	-

	GROUP		COMPANY	
	At 31 March 2020	At 30 June 2019	At 31 March 2020	At 30 June 2019
	R '000	R '000	R '000	R '000
Disallowable charges - preference share dividends	(1,58)	17,68	(10,33)	245,06
Disallowable charges - impairment	(0,24)	13,32	(14,35)	-
Disallowable charges - penalties & miscellaneous	(0,01)	1,20	(0,03)	-
Exempt income - dividends received	-	(2,47)	-	(229,12)
Tax effect of equity accounted earnings	0,68	0,40	-	-
Effect of unused tax losses and tax offsets not recognised as deferred tax asset	(11,08)	-	-	-
Capital gains tax	(0,53)	(0,01)	(0,02)	-
	11,52	**1,94**	**3.27**	**43,94**

* A negative tax rate of 28% was used in the prior year due to the fact that the Company was in a tax payable position, even though an accounting loss was made.

The Group's estimated tax loss available for set off against future taxable income, is R607million (2019: R241million).

The Group estimated tax loss available for set off against future taxable income comprises of the following:

Group company	R'000	R'000
Ecsponent Management Services Ltd	37	-
Ecsponent Treasury Services (Pty) Ltd	53 658	59 803
ECS Automotive (Pty) Ltd	-	106
Return on Innovation (Pty) Ltd	162	2 794
Ecsponent Limited (South Africa)	97 327	103
Ecsponent Credit Services (Pty) Ltd	6 909	37
Ecsponent Financial Services (Pty) Ltd	11 294	-
Ecsponent South Africa (Pty) Ltd	54	-
Sanceda Collection Services (Pty) Ltd (Swaziland)*	-	3 628
Sanceda Collection Services (Pty) Ltd	4 881	5 186
ECS Private Equity Ltd (Botswana)	128 755	29 313
Ecsponent Holdings (Pty) Ltd (Swaziland)*	-	365
Ecsponent Wealth (Pty) Ltd	6	114
MHMK (Pty) Ltd	12	476
Ecsponent Business Credit (Pty) Ltd*	-	10 755
ECS Mauritius Private Equity Ltd	298 392	129 230
Sanceda Collection Services (Pty) Ltd (Botswana)	-	-
ECS Mauritius Treasury Ltd	1 693	50
Ecsponent Procurement Services (Pty) Ltd	1 359	-
Ecsponent Development Fund (Pty) Ltd	2 574	-
	607 113	**241 960**

*These related to companies disposed in the current financial period.

32. EARNINGS AND FULLY DILUTED EARNINGS PER SHARE

	GROUP	
	At 31 March	At 30 June
	2020	2019
Loss	R '000	R '000
- Total loss for the period (excluding other comprehensive income)	(2 019 962)	(254 529)
- Profit attributable to non-controlling interest	(508)	(847)
Basic loss	**(2 020 470)**	**(255 376)**

No share issues took place during the 2020 financial period.

Number of shares in issue at start of period	1 079 555 364	1 079 555 364
Weighted average of shares issued during the period	-	-
Total weighted number of shares in issue at end of period	**1 079 555 364**	**1 079 555 364**

Earnings and diluted earnings per share		
Loss and diluted loss per share have been calculated using the following:		
Net loss for the period attributable to ordinary shareholders	(2 020 470)	(255 376)
Weighted average number of shares in issue for the period	1 079 555	1 079 555
Basic profit and fully diluted loss per share (cents)	(187,158)	(23,656)

Headline loss and diluted headline loss per share have been calculated as follows:		
Headline loss		
- Basic loss	(2 020 470)	(255 376)
- Loss of control on disposal of subsidiary	5 423	-
- Profit on disposal of property, plant and equipment	(9)	(155)
- Bargain purchase	(17 653)	-
- Impairments - IAS 36	13 782	-
- Impairment of goodwill	5 551	119 108
Total headline loss attributable to shareholders	**2 013 376**	**(136 423)**

Weighted average number of shares in issue for the period	1 079 555	1 079 555
Headline loss per share (cents)	(186.501)	(12,637)

The Group has announced the restructure of the preference share programme as described under the "Events after the Reporting Period" note below. As mentioned, the preference share terms include the right to convert to equity under certain circumstances. At 31 March 2020 the impact of a possible conversion due to the events after the reporting date is considered to be antidilutive as the loss per share will be reduced should the preference shares convert to ordinary shares.

33. CASH GENERATED FROM/ (USED IN) OPERATIONS

	GROUP		COMPANY	
	At 31 March	At 30 June	At 31 March	At 30 June
	2020	2019	2020	2019
	R '000	R '000	R '000	R '000
(Loss)/profit before taxation	(2 282 920)	(249 733)	(1 885 097)	18 350
Adjusted for:				
Dividends received	-	(24 937)		(150 082)
Interest income	(119 144)	(183 744)	(50 782)	(153 126)
Finance costs and interest expenses	291 910	327 545	245 772	229 495
Adjusted for non-cash flow movements:				**-**
Depreciation and amortisation	2 339	671	1 519	218
Bargain purchase	(17 652)	-		-
Profit on sale of property, plant and equipment	(631)	-	-	-
Loss on sale of tangible assets	-	(215)		-
Other financial assets - Impairment loss	-	12 325		-
Fair value adjustments	1 792 377	(26 230)	(10 479)	6 890
Realisation of deferred transaction cost	68 853	19 136	66 323	16 310
(Profit) / loss on sale of other financial assets	-	(5 280)		6
Expected credit losses	288 101	19 901	1 570 857	-
Interest revenue distributed	-	(170 721)		-
Bad debt recovery	-	(60 808)		-
Loss on sale of investment in subsidiary	7 533	-		-
Recognition of RoU asset (IFRS 16)	257	-	241	-
Impairments	5 551	119 107	65 782	-
Loss from equity accounted investments	15 598	3 581	19 142	-
Unrealised forex (gain)/loss	(95 715)	35 165	3 708	(281)
Changes in working capital:				
Inventories	223	431		-
Trade and other receivables	(25 071)	(57 122)	6 831	4 808
Trade and other payables	35 112	(3 220)	28 802	(4 066)
	(33 280)	**(244 148)**	**62 620**	**(31 478)**

34. DIVIDENDS

Ordinary dividends

No ordinary dividends have been declared or proposed for the year.

Preference share dividends

Preference Share dividends of R208 million accrued and paid to investors for the 9 months ended 31 March 2020.

An amount of R82 million was unpaid for the 9-months ended 31 March 2020.

The dividends are classified as either finance costs or interest expenses included in the Consolidated Statement of Profit and Loss and Comprehensive Income.

The Company has six classes of preference shares in issue with the following summarised dividend terms:

- Class A – 10% fixed rate monthly dividend;
- Class B – 0% monthly dividend, but redeeming at a rate equal to 170% of the Initial Issue Price;
- Class C – prime plus 4% floating rate monthly dividend;
- Class D – 12.5% fixed rate monthly dividend;
- Class E – 11.25% fixed rate monthly dividend; and
- Class G – 10% fixed rate monthly dividend.

On 11 February 2020 the Board advised shareholders that, having assessed Ecsponent Limited's immediate and future obligations and the funding currently available, it expects that the company will not be in a position to settle its obligations as they become due, in particular in relation to the dividend payment obligations on its various classes.

35. BUSINESS COMBINATIONS

Acquisition of 70% of Invest Solar Africa Limited

ECS Private Equity Limited a company incorporated in Botswana and subsidiary of Ecsponent Limited acquired 70% of the ordinary share capital of Invest Solar Africa Limited, a company also incorporated in Botswana, with effect 31 December 2019 for BWP1 from MHMK Group Botswana.

The rationale for the investment is to realise positive returns from the development of solar parks within the Southern Africa region through the development and disposal/partial disposal of solar assets and/or long-term recurring revenue from the generation capacity.

The company reported a R 15.9 million loss before tax for the three-months ended 31 March 2020.

Fair value of the assets acquired, and liabilities assumed

	31 March 2020
	R'000
Property, plant and equipment	2 999
Other financial assets	72 283
Investment in associate*	136 647
Cash and cash equivalents	555
Trade and other receivables^	12
Other financial liabilities	(178 016)
Trade and other payables	(9 262)
Total identifiable net assets	**25 218**
Non-controlling interest#	7 566
Bargain purchase	17 652

#Non-controlling interest is measured as the non-controlling stake holder's interest in the proportionate share of the acquiree's identifiable net assets.

^The recoverability of the trade and other receivables were also assessed to be accurate and no concentration risk was evident relating to these trade receivables.

**The investment in associate is accounted for at fair value in accordance with the Group's accounting policies.*

36. DISPOSAL OF A SUBSIDIARY

Disposal of 100% of Ecsponent Business Credit (Pty) Ltd ("EBC")

Ecsponent Limited entered into an agreement to dispose of its 100% shareholding in EBC, its subsidiary in South Africa providing retail credit loans to individuals and SMME's. The investment was disposed on 23 August 2019 for a total consideration of R14 million.

Disposal of 100% of Eswatini domiciled companies ("Eswatini")

Ecsponent Limited entered into an agreement with its major shareholder, G, Manyere, to dispose of its 100% shareholding in Ecsponent Holdings Ltd (Eswatini), which held interests in Ecsponent Ltd (Eswatini) and Ecsponent Enterprise Development (Pty) Ltd (Eswatini). The investment was disposed on 31 March 2020 for a total consideration of R1.

Fair value of the assets and liabilities disposed of are as follows

	Disposal of EBC	Disposal of Eswatini	Total disposal
	R'000	R'000	R'000
Deferred tax asset	1 742	31 775	33 517
Trade and other receivables	(103)	48 161	48 356
Cash and cash equivalents	30	4 307	4 337
Loans and advances	22 766	262 508	285 274
Property, plant and equipment	-	772	772
Other financial liabilities	(270)	(1 038)	(1 308)
Trade and other payables	(86)	(954)	(1 040)
Preference share	-	(319 863)	(319 863)
Lease liabilities	-	(531)	(531)
Deferred tax liability	-	(3 192)	(3 192)
Current tax payable	(2 546)	(21 943)	(24 489)
Net assets derecognised	**21 533**	**1**	**21 533**
Loss on disposal	(7 533)	-	(7 533)
Consideration receivable	**14 000**	**1**	**14 001**
Net cash flow on disposal			
Purchase consideration*	-	1	1
Net cash balance disposed of	30	4 307	4 337
	30	**4 308**	**4 338**

** The purchase consideration for the disposal of EBC was settled through other financial assets and therefore no cash flow movement occurred.*

37. EVENTS AFTER THE REPORTING DATE

Preference share and capital restructure

On 10 February 2020 the Board advised its ordinary and preference shareholders and noteholders that the Company's strategic focus has shifted from a group which focused on both private equity investments and financial services to that of almost exclusively a private equity investment business.

The company announced the conversion of a material amount of its business-to-business interest-bearing loans into the underlying equity investments, most notably the increase in the equity investment in MyBucks to obtain greater influence over the direction of the MyBucks Group. The Company's resultant asset base is aimed towards long-term capital growth and is not capable of conversion into cash, in a short space of time, without significant loss of value for stakeholders.

The Board further advised shareholders that, having assessed its immediate and future obligations and the funding currently available to the Company, it expects that the Company will not be in a position to continue to the redeem the preference shares on the dates required and is not in a position to paid the ongoing dividend payments to its various classes of preference shares.

The Preference Share Programme Memorandum provides for a default conversion of the preference shares into ordinary shares if the Company fails to redeem preference shares within three-months of the redemption date and/or fails to declare and pay three consecutive monthly dividends.

The Company did not redeem Series 2, Class A, B and C preference shares, which were due for redemption on 6 March 2020 and indicated that it would no longer pay monthly dividend on the Class A, C, D E and G preference shares. In terms of the current Preference Share Programme and the Memorandum of Incorporation preference shareholders will convert to ordinary shares by 6 June 2020.

The Board however proposed an amendment to the company's Memorandum of Incorporation, subject to shareholders and preference shareholders approval, to allow preference shareholders to retain their preference share investment and consequently their preference rights. The proposed change to the Memorandum of Incorporation was subject to approval on a series of General Meetings held on 27 May 2020.

Below is summary of the outcomes of the general meetings:

- the ordinary shareholders approved the special and ordinary resolutions tabled at the General Meetings.
- the ordinary shareholders of Class A, B, C and E preference shareholders did not approve the special resolutions tabled at the General Meetings. As a result of this Class A, B, C and E preference shares will be converted to ordinary shares.
- the ordinary shareholders and Class D and G preference shareholders approved the special and ordinary resolutions tabled at the General Meetings. Accordingly, the terms applicable to the Current Preference Shares will be amended such that the Amended Preference Shares will no longer classify as Debt Instruments but will classify as Hybrid Instruments in terms of the JSE Listings Requirements.

Recapitalisation of the Company

On 20 March 2020 the Board announced that the Ecsponent Group entered into a binding term sheet with MHMK in terms of which MHMK will subscribe for, and the Company will issue, 8,808,624,705 ordinary shares to MHMK at a subscription price of ZAR0.0245 per ordinary share, resulting in a total subscription consideration of ZAR215 811 305 ("Subscription Consideration").

The Subscription Consideration will not be paid in cash but will be offset against ECS Mauritius Private Equity Limited's liability amounting to ZAR215 811 305 towards Tailored Investments Limited ("Tailored Investments"), a third party, unrelated creditor ("Tailored Claim"), following the acquisition by MHMK of the Tailored Claim from Tailored Investments.

Following this share issue, MHMK will hold, directly and indirectly, 9,419,183,232 of the ordinary shares in Ecsponent Limited's share capital. The circular has been issued to shareholders on 12 August 2020 and the meeting will take place on 10 September 2020.

Restructure and cost optimisation of the Group

The Board evaluated the structure of the Group and decided to implement a section 189 process across the Group to ensure a cost effective and results driven business. The Board also evaluated the cost structure of the head office and a new human resources structure was developed and approved, resulting in the retrenchment of most of the head office staff. The process was effectively completed by 30 June 2020.

Strategic Operational management of the MyBucks Group

Post the conversion of R450 million business-to-business debt owed by MyBucks to the Ecsponent Group into equity in MyBucks, it comprises a material part of the Ecsponent Group's investment portfolio. The Ecsponent Limited Board therefore reassigned two of its non-executive directors to the Board of MyBucks:

- Mr. Craig Lyons resigned as Non-Executive Chairman and as a director of Ecsponent and has been reassigned to assist and support MyBucks, as a member of its Board; and
- Mr. Patrick Matute resigned as a Non-Executive Director of Ecsponent and has been reassigned to MyBucks and will serve as an executive member of the MyBucks Board.

Volatility of the Rand and Zimbabwe dollar and the impact of Covid 19

The South African Rand and Zimbabwe dollar has been two of the most volatile emerging market currencies in recent years. The Rand has depreciated significantly post year end, weighed down by global risks in the form of the Covid-19 pandemic outbreak and concerns over SA's debt projections resulting in a Moody's downgrade on 27 March 2020.

Zimbabwe's central bank has reintroduced the use of foreign currency for the purchase of local goods and services as a stabilising measure as the coronavirus pandemic strikes, exactly eight months after it instituted the exclusive use of the Zimbabwe dollar for local transactions. It added that the exchange rate for those local transactions would be fixed at Z$25 for every US$1. On 08 June 2020 the Reserve bank of Zimbabwe introduced a Foreign Exchange Auction Trading System. This system is aimed at stabilising the Z$ versus the USD, the implications of this is not yet identifiable in the market.

The local and global impact of the COVID-19 pandemic subsequent to the reporting period is expected to have an impact on our associate businesses. The Group is highly susceptible to fluctuations in the Rand, Euro and Zimbabwe Dollar due to its investment in the MyBucks Group. The devaluation of the Rand linked to the spread of Covid 19 and the reintroduction of the use of foreign currency in Zimbabwe is expected to have a positive effect, post year end, on the valuation of its investment in MyBucks.

Financial Services Conduct Authority ("FSCA") investigation

An ongoing non-routine investigation by the FSCA involving Ecsponent Financial Services (Pty) Ltd ("EFS"), a subsidiary of Ecsponent was finalised post year end. As a result of the investigation the FSCA withdrew the license of EFS and impose an administrative penalty of R3 million on EFS. The FSCA's investigation focused solely on the advice and intermediary activities of EFS and not those of Ecsponent. Ecsponent advised security holders that, with effect from 11 February 2020, EFS did not provide financial advice on any new business. The Board of Ecsponent decided to unwind EFS. In addition, the FSCA decided to debar the two key individuals of EFS for a period of two years with no penalties being imposed.

Unwinding of stake in Capitis Equities (Pty) Ltd

At the end of the financial period end, Ecsponent Limited held a 19% investment in a Section 12J Fund, Capitis Equities (Pty) Ltd, this investment is valued at R146million - see note 6. In addition, the Group has borrowed R146million from Capitis Equities (Pty) Ltd – see note 9. The Board has decided to exit its position in Capitis Equities Pty (Ltd) and has agreed to a set-off of the investment against the liability. The exit was effectively concluded on 9 June 2020.

Disposal of interest in MHMK

The Group concluded a transaction on 22 June 2020 in terms of which its wholly owned subsidiary, Ecsponent South Africa Proprietary Limited ("Ecs SA") disposed of its 70% interest in MHMK to a BEE consortium led by the black founding members of Ngwedi. The total cash consideration for the disposal by Ecs SA of its shares and claims in MHMK will take effect from 24 June 2020, with the purchase consideration of R18million payable on or before 31 December 2020. The Disposal will constitute the Company's first trigger event as described in the terms of the Class D and G preference shares, and distributions to preference shareholders as a result of the trigger event shall be considered by the Board and announced at the appropriate time, taking into consideration the provisions of the Companies Act of South Africa, terms of the Company's Memorandum of Incorporation, consideration received and operational and cashflow requirements of the Company.

Forensic investigation into the use of distributed funds from the Scipion facility and related actions to be taken by Ecsponent

The Company instituted a forensic investigation into the use and distributions of funds received from its US$10million Scipion facility.

Based on recommendations from the forensic investigators and legal representation obtained from the Company's external legal counsel, the Board has instructed its attorneys to institute legal action against certain parties potentially liable to the company as referenced in the forensic report.

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Having regard to the above forensic investigation, the ability of the Company to service the ongoing monthly interest and repay the US$10million principal amount on the Scipion facility, 50% which is due in May 2021 and the remaining 50% in September 2021 has been impacted. At the date of this report, interest, and penalties on the facility amounting to R10 581 129.35 (USD621,910.87) are overdue. Accordingly, the Board has formally written to Scipion to renegotiate the terms of the Scipion facility. Although Scipion is entitled to call up the entire debt owed, they have not accelerated debt payments and have held off on taking action in order to facilitate a commercial solution.

38. GOING CONCERN

The financial statements have been prepared on the going concern basis which contemplates the continuity of normal business activities and the realisation of assets and the settlement of liabilities in the normal course of business.

In performing the going concern assessment, the Board considered historical data relating to resources and reserves, available information about the future, the possible outcomes of planned events, changes in future conditions, the current global economic situation due to the Covid-19 pandemic and the responses to such events and conditions that would be available to the Board.

The Board has, inter alia, considered the following specific factors in determining whether the Group is a going concern:

- The total comprehensive loss for the nine-month financial period of R2.1 billion resulting in the total liabilities exceeding its total assets by R2.2 billion;
- Current liabilities exceeding current assets by approximately R2.8 billion as at 31 March 2020, mainly due to the default on the repayment of the preference share liabilities as announced in February 2020;
- Cash utilised in operations during the 2020 financial period in the amount of R255 million;
- Assessment of the solvency and liquidity position in terms of the Companies Act of South Africa;
- Whether the Group has sufficient cash resources to pay its creditors and maturing liabilities as and when they fall due and meet its operating costs for the ensuing twelve months;
- Whether there is any significant pending litigation that will threaten the going concern status of the Group;
- Whether the Group has available cash resources to deploy in developing and growing existing operations or invest in new opportunities; and
- Significant value accretive decisions taken and events after the reporting date.

The Board believes that the current economic outlook presents some challenges in the near term, predominantly evidenced by the fair value reduction in the Group's investments and the current macro-economic conditions. These conditions, together with those mentioned above are considered to indicate that a material uncertainty exists which may cast significant doubt on the Groups ability to continue as a going concern. This is largely attributable to its short-term liquidity position.

The Board implemented a number of interventions after the 31 March 2020 reporting date as referred to in the events after the reporting date to further improve both solvency and liquidity. These include amongst others:

Solvency

The directors have evaluated the Group's solvency position in terms of the Companies Act, 2008 in terms of which preference shares are classified as equity and have concluded that the Group's total assets fairly value exceeded its total liabilities fairly value by R124million and therefore remains in a solvent position. The Board's medium-term outlook of its solvency position remains positive with the expectation that the fair value of the investments, specifically those related to MyBucks and GetBucks, will improve in the foreseeable future and that some or all these investments are expected to ultimately realise value for all stakeholders. The solvency position is expected to improve following on from the successful conclusion of the various cost restructuring incentives, debt conversions and alleviation of the liquidity requirements of the underlying investments.

Effect of the post year-end conversion of preference share and debt-to-equity transactions:

	As at 31 March 2020	Effect of EGM held on 27 May 2020	Effect of Debt-to equity transaction	Effect of conversion
	R	R	R	R
Net equity attributable to ordinary shareholders	(2.21billion)	2.32billion	0.256billion	0.367billion
Preference share - Debt	2.34billion	(2.32billion)	-	16million
Other financial liabilities	1.061billion	-	(0.256billion)	0.805billion

Liquidity

The directors have evaluated the Groups liquidity requirements to confirm whether the Group has adequate cash resources to continue as a going concern for the foreseeable future, taking into account the net current liability position, and consequently prepared a cash flow forecast covering a period of 12 months from the date of these financial statements, concluding that the Group would be able to continue its operations as a as a going concern.

In response to the net current liability position, to address future cash flow requirements, detailed liquidity improvement initiatives have been developed and are being pursued, with their implementation regularly monitored. These include the following:

- Continuation of the successful decrease in operational expenses with specific focus on reducing head office costs and monthly operating overheads which is expected to reduce operational cost in excess of 50%;
- Appointment of representative of Ecsponent to the Boards of underlying investments, ensuring the focus on reducing head office costs and monthly operating overheads is adequately implemented and overseen in order to alleviate liquidity concerns of these investments for the foreseeable future;
- Successful conclusion of the disposal of MyBucks Zambia and MHMK which provides liquidity of R44 million in order to reduce debt and support working capital requirements;
- Successful implementation of various collection strategies relating to the recovery of long outstanding loans and advances owed to the Group relating to various business credit and supply chain funding arrangements;
- Monetising of the listed bond issued by GetBucks Botswana in the amount of approximately R70 million in order to support liquidity and working capital requirements, while exploring various capital raise initiatives aimed at funding future growth of the current and new investments;
- The renegotiations of the interest and capital repayment terms of the US$10million facility with Scipion, which the Group has already commenced.

As such, the Board continues to adopt the going concern basis of accounting in preparing the consolidated financial statements.

39. COMMITMENT AND CONTINGENCIES

Commitments

	GROUP		COMPANY	
	9-months ended 31 March 2020	12-months ended 30 June 2020	9-months ended 31 March 2020	12-months ended 30 June 2020
	R'000	R'000	R'000	R'000
Within one year	1 332	2 350	1 332	2 350
In second to fifth year	-	10 314		10 314
	1 332	**12 664**	**1 332**	**12 664**

Operating lease payments represent rentals payable by the Group for equipment. All leases will be concluded within the next financial year.

Contingencies

The directors are not aware of any matter or circumstances of material significance that requires disclosure as a contingent liability except for the following:

Letters of demand relating to preference share conversion

The Group received various letters of demand ("LOD") from previous preference shareholders in the R5 billion preference share programme, pursuant to the conversion of preference shares to ordinary shares and the General Meeting of 27 May 2020. The Board is actively defending these matters as the merits for the LOD is in contradiction with the original terms of the preference share programme.

Litigation costs

The Group is expecting a significant increase in legal expenses regarding various litigation in respect of defending LODs and actions as well as pursuing of claims.

40. RELATED PARTIES

Nature of relationship

Associates *Refer to note 7 for details of investments in associate balances.*	MyBucks S.A. Ltd GetBucks MicroFinance Bank (Pty) Ltd (Zimbabwe) Ngwedi Capital Holdings (Pty) Ltd MyBucks Financial Services (Pty) Ltd (Zambia) Invest Solar Africa Ltd (Botswana) Harava Solar Park**
Subsidiaries	Refer to note 15 and note 43 for details of subsidiaries
Directors' interest	
G. Manyere	Invest Solar Africa Ltd (Botswana) Chrome Valley Mining Ltd MHMK Group Ltd (Mauritius) MHMK Group Ltd (Botswana) Stodaflow (Pty) Ltd Ecsponent Holdings Ltd (Eswatini)*** Ecsponent Enterprise Development (Pty) Ltd (Eswatini) *** Ecsponent Ltd (Eswatini) *** Sure Choice (Pty) Ltd
Entities related to MyBucks S.A. – MyBucks Group companies	GetBucks Ltd (Mauritius) GetBucks Ltd (South Africa) * GetBucks Ltd (Botswana) VSS Financial Services (Pty) Ltd

** The company was disposed by MyBucks S.A. Ltd in the current year and therefore is not considered a related for the 2020 financial period.*

*** Harava Solar Park is a subsidiary of Invest Solar Africa (Pty) Ltd (Zimbabwe). Invest Solar Africa (Pty) Ltd (Zimbabwe) is an associate of Invest Solar Africa Ltd (Botswana) which is a subsidiary company of the Group.*

**** These companies were acquired by G. Manyere at 31 March 2020. Prior to this date, these companies were subsidiaries of the Ecsponent Group. As a result, there are no comparative balances or transactions disclosed. Refer to note 38 for further details.*

The Group entered into related party transactions during the financial period. Below is a summary of the relevant balances and transactions in this regard:

	GROUP		COMPANY	
	31 March 2020 R'000	30 June 2019 R'000	31 March 2020 R'000	30 June 2019 R'000
Related party balances				
Other financial liabilities				
Associate companies	(6 924)	-	-	-
- Invest Solar Africa Ltd (Zimbabwe)	(6 924)	-	-	-
Entities related to directors	(291 499)	-	-	-
- Ecsponent Holdings Ltd (Swaziland)	(32 847)	-	-	-
- MHMK Group Ltd (Mauritius)	(256 270)	-	-	-
- MHMK Group Ltd (Botswana)	(2 383)	-	-	-
Entities related to associates	(28 638)	-	-	-
- Harava Solar Park	(4 919)	-	-	-
- Chrome Valley Mining Ltd	(23 719)	-	-	-
Exploration and evaluation assets				
Associate companies	23 719	-	-	-
- Chrome Valley Mining Ltd	23 719	-	-	-
Other financial assets				
Entities related to directors	-	194 293	-	1582
- MHMK Group Ltd	-	194 293	-	1582
Associate companies	21 489	12 226	-	-
- Ngwedi Capital Holdings (Pty) Ltd	21 489	12 226	-	-
Entities related to associates	75 333	65 887	-	-
- Getbucks Ltd (Botswana)	75 333	65 887	-	-
Loans and advances				
Entities related to directors	119 700	-	21 908	-
- SureChoice (Pty) Ltd	119 700	-	21 908	-
Associate companies	-	124 847	-	124 847
- MyBucks S.A. Ltd	-	124 847	-	124 847

	GROUP		COMPANY	
	31 March 2020 R'000	30 June 2019 R'000	31 March 2020 R'000	30 June 2019 R'000
Entities related to associates	103 675	368 814	-	-
- Getbucks Ltd (Mauritius)	8 861	-	-	-
- Harava Solar Park	94 814	-	-	-
- Getbucks (Pty) Ltd (Eswatini)	-	171 480	-	-
- GetSure (Pty) Ltd	-	3 900	-	-
- Getbucks (Pty) Ltd (South Africa)	-	193 434	-	-
Trade receivables /(payables)				
Entities related to directors	(383)	-	1 599	-
- MHMK Capital (Pty) Ltd	-	-	1 982	-
- G Manyere	(383)	-	(383)	-
Associate companies	3 847	3 921	-	-
- Getbucks Microfinance Bank Ltd (Zimbabwe)	3 847	2 894	-	-
- MyBucks S.A Ltd	-	1 032	-	-
- MyBucks S.A Ltd	-	- 5	-	-
Entities related to associates	-	5	-	-
- VSS Financial Services (Pty) Ltd	-	5	-	-
Entities related to holding company	-	-	- 7 142	-
- Ecsponent Financial Services (Pty) Ltd	-	-	- 7 142	-
Related party transactions				
Net lending income/(expenses)				
Entities related to directors	(2 632)	-	-	-
- SureChoice (Pty) Ltd	31 796	-	-	-
- Ecsponent Holdings Ltd (Swaziland)	-	-	-	-
- Ecsponent Ltd (Swaziland)	(34 428)	-	-	-
Associate companies	12 165	8 347	11 441	8 347
- MyBucks S.A Ltd	12 165	8 347	11 441	8 347
Entities related to associates	44 073	98 806	-	-

	GROUP		COMPANY	
	31 March 2020 R'000	30 June 2019 R'000	31 March 2020 R'000	30 June 2019 R'000
- Getbucks Ltd (Botswana)	9 244	10 594	-	-
- Getbucks Ltd (Mauritius)	(2 869)	(4 261)	-	-
- Getbucks (Pty) Ltd (South Africa)	18 540	49 091	-	-
- Getbucks (Pty) Ltd (Eswatini)	15 492	43 382	-	-
- Harava Solar Park	3 666	-	-	-
Investment income/(loss)				
Dividends				
Associate companies	177	2 937	-	-
- Getbucks Microfinance Bank Ltd (Zimbabwe)	177	2 937	-	-
Entities related to associates	-	22 000		
- VSS Financial Services (Pty) Ltd	-	22 000	-	22 000
Entities related to holding company	-	-	-	128 082
- Ecsponent Treasury Services (Pty) Ltd	-	-	-	128 082
Fair value gains/(losses)				
Entities related to directors	(198 062)	21 758	-	-
- MHMK Group Ltd (Botswana)	(198 062)	21 758	-	-
Associate companies	(1 501 602)	76 132	-	-
- MyBucks S.A Ltd	(1 182 903)	110 130	-	-
- Ngwedi Capital Holdings (Pty) Ltd	17 679	6 683	-	-
- Getbucks Microfinance Bank Ltd (Zimbabwe)	(330 086)	(40 681)	-	-
- Invest Solar Africa Ltd (Zimbabwe)	(6 292)	-	-	-
Impairments				
Entities related to holding company	-	-	(50 782)	-
- Ecsponent Treasury Services (Pty) Ltd	-	-	(50 782)	-
Other income				
Bargain purchase				
Associate companies	17 653	-	-	-

	GROUP		COMPANY	
	31 March 2020 R'000	30 June 2019 R'000	31 March 2020 R'000	30 June 2019 R'000
- Invest Solar Africa Ltd (Botswana)	17 653	-	-	-
Management fees and recoveries				
Entities related to holding company	-	-	3 240	3 497
- Ecsponent Management Services (Pty) Ltd	-	-	-	3 497
- ECS Private Equity (Pty) Ltd (Botswana)	-	-	540	-
- Ecsponent Ltd (Eswatini)	-	-	2 700	-
Operating expenses				
Administration fees				
Entities related to holding company	-	-	(19 956)	(45 815)
- Ecsponent Financial Services (Pty) Ltd	-	-	(11 226)	(33 815)
- Ecsponent Management Services (Pty) Ltd	-	-	(5 850)	(12 000)
- MHMK Capital (Pty) Ltd	-	-	(2 880)	-

Directors emoluments

9 months ended 31 March 2020	Emoluments R'000	Expense allowances R'000	Pension fund R'000	Separation package R'000	Total R'000
Executive					
TP Gregory #	1 447	180	68	10 000	11 695
G Manyere ˆ	575	-	-	-	575
DP van der Merwe *	1 795	242	98	421	2 556
	3 817	**422**	**166**	**10 421**	**14 826**

12 months ended 30 June 2019	Emoluments R'000	Expense allowances R'000	Total R'000
Executive			
TP Gregory	1 972	257	2 229
G Manyere	958	-	958
DP van der Merwe	1 852	240	2 092
	4 782	**497**	**5 279**

 # TP Gregory resigned by mutual separation with effect from 31 December 2019

** DP van der Merwe, resigned with effect from 31 March 2020*

ˆ G. Manyere was appointed as executive vice chairperson from 1 July 2019 to 31 December 2019 and acting CEO with effect from 31 December 2019 to 31 March 2020.

No other remuneration was paid to directors by way of management fees, consulting, technical or other fees, directly or indirectly or in terms of bonuses, other material benefits, contributions under pension scheme, commission, gain or profit sharing or share options.

9 months ended 31 March 2020	Fees R'000
Non-executive	
RJ Connellan #	254
KA Rayner ##	299
P Matute ˆ	275
G Manyere	1 150
RMH Pitt ˆˆ	23
C Beetge ~	-
G. Nyengedza ~~	117
C. Lyons *	-
W Oberholzer**	21
S. Sisulu ***	59
	2 198

12 months ended 30 June 2019	Fees R'000
Non-executive	
RJ Connellan (chairman)	418
BR Topham+	269
KA Rayner	394
P Matute	386
G Manyere	268
W Oberholzer**	394
	2 129

 # Mr. RJ Connellan resigned as non-executive director and Chairperson on 28 February 2020

Mr. KA Rayner was appointed as Chairperson with effect from 5 June 2020

ˆ Mr. P Matute resigned as non-executive directors from 5 June 2020

ˆˆ Mr. RMH Pitt was appointed as non-executive director from 9 March 2020

~ Mr. C Beetge was appointed as non-executive director on 5 June 2020

~~ Mr. G Nyengedza was appointed as non-executive member on 1 January 2020

** Mr C Lyons was appointed as non-executive director and Chairperson on 1 April 2020 and resigned as non-executive director on 5 June 2020*

*** Mr W Oberholzer resigned as non-executive director on 31 July 2019*

**** Mr S Sisulu was appointed as non-executive director on 1 January 2020 and resigned on 10 February 2020*

+ Mr B Topham resigned as director on 31 January 2019

No directors of subsidiary companies nor any other employees are considered as key management during the nine-month period ended 31 March 2020.

41. CONSOLIDATED SEGMENTAL INFORMATION

The segments identified are based on the operational and financial information reviewed by management for performance assessment and resource allocation.

The Group rationalisation as concluded in prior periods also resulted in a change to the basis of operational segmentation and the basis of measurement of segment profit or loss from the 2018 annual financial statements. The Financial Services segment was split into Investment Services and Credit and the Collections segment was dissolved.

Credit	The Credit operations provide secured credit funding to commercial clients via two specific products. Business credit in the form of medium-term loans subject to appropriate security cover and Supply Chain and/or Enterprise Development solutions with the aim to integrate vendors into the supply chain.
Investment Services	The operations provide financial investment products to the retail market.
Equity holdings	Strategic investments in well managed, profit focused companies.
Corporate	This segment represents the Group's corporate head office which provides shared services across the operational segments.

31-Mar-20							Reportable segments
	Investment Services	Equity Holdings	Credit	Corporate	Eliminations	Total Continued	Total
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
External revenues	-	39 409	6 055	-	-	45 464	45 464
Inter-segment revenue	-	-	-	-	-	-	-
Segment revenue	-	39 409	6 055	-	-	45 464	45 464
Depreciation and amortisation	(2 542)	(1 128)	(56)	(341)	268	(3 799)	(3 799)
Fair value adjustments	10 479	(1 154 316)	(541 827)	-	(11 237)	(1 696 902)	(1 696 902)
Interest in Profit / Loss from associate	(19 142)	-	-	-	3 544	(15 598)	(15 598)
Foreign currency gain (loss)	4 012	(13 418)	(85 888)	(7)	416	95 718	95 718
Net interest income	-	-	170 421	-	(153 000)	17 421	17 421

31-Mar-20							Reportable segments
	Investment Services	Equity Holdings	Credit	Corporate	Eliminations	Total Continued	Total
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Segment operating profit / (loss)	(44 760)	(1 146 106)	(756 078)	(244)	(77 039)	(2 024 227)	(2 024 227)
Finance costs	(309 030)	(20 561)	(86 469)	(1)	157 366	(258 694)	(258 694)
Taxation	58 595	160 038	44 271	54	-	262 958	262 958
Segment profit / (loss) after tax	**(295 195)**	**(1 006 629)**	**(798 276)**	**(191)**	**80 327**	**(2 019 962)**	**(2 019 962)**
Segment assets	1 105 695	936 536	648 088	3 883	(1 188 410)	1 505 792	1 505 792
Segment liabilities	(3 071 841)	(631 116)	(312 101)	(1 925)	311 302	(3 705 681)	(3 705 681)
Capital expenditure	-	-	-	-	-	-	-
Revenues from major clients:							
- Major client 1	11 441	-	-	-	-	-	-
- Major client 2	-	-	28 227	-	-	-	-
- Major client 3	-	-	35 445	-	-	-	-
- Major client 4	-	-	9 838	-	-	-	-

31-Mar-20 | **Geographic segments**

	South Africa	Botswana	Eswatini	Mauritius	Zambia	Eliminations	Total Continued	Total Reported
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
External revenues	45 464	-	-	-	-	-	45 464	45 464
Inter-segment revenue	-	-	-	-	-	-	-	-
Segment revenue	45 464	-	-	-	-	-	45 464	45 464
Depreciation and amortisation	(3 412)	(475)	(179)	-	-	268	(3 799)	(3 799)
Fair value adjustments	(781 520)	(495 356)	-	(408 7880	-	(11 237)	(1 696 902)	(1 696 902)
Interest in Profit / Loss from associate	(19 142)	-	-	-	-	3 544	(15 598)	(15 598)
Foreign currency gain (loss)	(62 023)	9 196	(29 078)	(13 396)	-	(416)	(95 7180	(95 718)
Net interest income	48 886	12 862	78 101	29 676	896	(153 000)	17 421	17 421
Segment operating profit / (loss)	(1 160 221)	(587 292)	146 215	(346 548)	657	(77 039)	(2 024 227)	(2 024 227)
Finance costs	(275 625)	(26 537)	(86 422)	(26 980)	(497)	157 366	(258 694)	(258 694)
Taxation	197 405	50 763	(2 165)	16 969	(14)	-	262 959	262 959
Segment profit / (loss) after tax	**(1 238 441)**	**(563 066)**	**57 629**	**(356 558)**	**146**	**80 327**	**(2 019 962)**	**(2 019 962)**
Segment assets	1 819 596	525 316	314 673	34 235	383	(1 188 410)	1 505 792	1 505 792
Segment liabilities	(2 793 716)	(393 042)	(314 673)	(515 082)	(470)	311 302	(3 705 681)	(3 705 681)
Revenues from major clients:								
- Major client 1	18 540	-	9 244	9 687	-	-	-	-
- Major client 2	-	26 201	-	-	-	-	-	-
- Major client 3	9 838	-	-	-	-	-	-	-
- Major client 4	11 441	-	-	-	-	-	-	-

30-Jun-19 | **Reportable segments**

	Investment Services	Equity Holdings	Credit	Corporate	Eliminations	Total Continued	Total
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
External revenues	-	126 430	40 511	-	-	166 941	166 941
Inter-segment revenue	-	-	-	-	-	-	-
Segment revenue	-	126 430	40 511	-	-	166 941	166 941
Depreciation and amortisation	(286)	(36)	(39)	(310)	-	(671)	(671)
Fair value adjustments	(9 166)	(6 203)	31 163	-	10 436	26 229	26 299
Interest in Profit / Loss from associate	(3 581)	-	-	-	-	(3 581)	(3 581)
Foreign currency gain (loss)	(1 816)	15 968	(32 577)	-	(16 739)	(35 164)	(35 164)
Segment operating profit / (loss)	283 376	45 967	78 885	5 667	(497 919)	(84 024)	(84 024)
Finance costs	(290 481)	(10 120)	(229 911)	(138)	364 942	(165 708)	(165 708)
Taxation	(7 234)	181	3 829	(1 573)	-	(4 797)	(4 797)
Segment profit / (loss) after tax	**(14 339)**	**36 028**	**(147 197)**	**3 956**	**(132 977)**	**(254 529)**	**(254 529)**
Segment assets	2 490 438	1 590 800	2 724 348	7 141	(3 638 143)	3 174 584	3 174 584
Segment liabilities	(2 535 419)	(771 577)	(3 344 193)	(1 668)	3 417 215	(3 235 642)	(3 235 642)
Revenues from major clients:							
- Major client 1	-	2 937	104 275	-	-	107 212	107 212
- Major client 2	-	-	34 597	-	-	34 597	34 597

30-Jun-19 — **Geographic segments**

	South Africa	Botswana	Eswatini	Mauritius	Zambia	Eliminations	Total Continued	Total Reported
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
External revenues	166 941	-	-	-	-	-	166 941	166 941
Inter-segment revenue	-	-	-	-	-	-	-	-
Segment revenue	166 941	-	-	-	-	-	166 941	166 941
Depreciation and amortisation	(634)	-	(37)	-	-	-	(671)	(671)
Fair value adjustments	27 915	(48 685)	-	36 564	-	10 436	26 229	26 230
Interest in Profit / Loss from associate	(3 581)	-	-	-	-	-	(3 581)	(3 581)
Foreign currency gain (loss)	(18 550)	(17 014)	-	16 742	397	(16 739)	(35 164)	(35 164)
Segment operating profit / (loss)	280 036	(28 542)	84 669	76 743	767	(497 919)	(84 025)	(84 025)
Finance costs	(402 240)	(13 520)	(86 742)	(27 371)	(777)	364 942	(165 708)	(165 708)
Taxation	(6 592)	9 231	(321)	(7 117)	3	-	(4 796)	(4 796)
Segment profit / (loss) after tax	**(128 796)**	**(32 831)**	**(2 394)**	**42 476**	**(7)**	**(132 977)**	**(254 529)**	**(254 529)**
Segment assets	4 414 265	796 855	542 916	1 048 490	10 201	(3 638 143)	3 174 584	3 174 584
Segment liabilities	(4 429 307)	(749 932)	(548 592)	(915 870)	(9 156)	3 417 215	(3 235 642)	(3 235 642)
Capital expenditure	2 714	-	312	-	-	-	3 026	3 026
Revenues from major clients:								
- Major client 1								
- Major client 2								

42. RESTRICTIVE FUNDING ARRANGEMENTS

Ecsponent Holdings Ltd (Mauritius), a wholly owned subsidiary of Ecsponent Limited, entered into a term loan facility agreement ("the facility") with Scipion Active Trading Fund ("SATF") during December 2017 to provide funding to Ecsponent Botswana Ltd and Ecsponent Holdings Limited (Zambia), secured by a payment guarantee of Ecsponent Limited, security over debt books and a registered pledge of shares. All concerned Ecsponent Group entities are referred to as "Obligors". The facility is considered a restrictive funding arrangement under 8.63(p) of the JSE listing requirements, due to the following:

- The Obligors must obtain the prior consent from SATF before entering into any of the following transactions:
- an amalgamation, demerger, merger or corporate reconstruction;
- acquire a company or any shares or securities or a business or undertaking; ê incorporate a new company;
- enter into a transaction or transactions to sell, lease, transfer or otherwise dispose of any asset provided as security in terms of this agreement;
- declare, make or pay any dividend, charge, fee or other distribution on or in respect of its share capital, except for Ecsponent Limited, in respect of its listed preference shares in accordance with their terms; or pay any management, advisory or other fee to, or to the order of, any of the Obligors' shareholders.
- The facility does not provide for early settlement at the option of the Obligors/Borrower. This provision is currently under negotiation with SATF to explicitly allow for prepayment at the election of the Borrower.

At the date of this report this report executive management have entered into negotiation with SATF to explicitly allow for prepayment at the election of the Borrower.

42. 1 Reconciliation of movement in liabilities to the statement of cash flows

	Other financial liabilities	Preference shares	Note programme	Total
Carrying value at 1 July 2018	680 430	1 701 975	-	2 382 405
Cash flows - borrowings received	197 529	465 228	67 078	729 835
Cash flows - borrowings repaid	(334 026)	(4 025)	-	(338 051)
Net Interest raised	68 886	82 248	-	151 133
Foreign exchange movements	2 122	(22)	-	2 100
Other non-cash movements	62 439	40 044	(1 683)	100 800
Carrying value at 30 June 2020	677 380	2 285 448	65 395	3 028 223
Cash flows - borrowings received	103 931	304 386	91 483	499 800
Cash flows - borrowings repaid	(73 638)	(77 930)	-	(151 568)
Interest raised	-	63 418	3 225	66 643
Loan converted to shares	(79 949)	-	-	(79 949)
Foreign exchange movements	189 360	2 846	-	192 206
Disposal of subsidiary	(1 308)	(319 863)	-	(321 171)
Acquisition of subsidiary	178 016	-	-	178 016
Other non-cash movements	74 308	(6 668)	996	68 636
Carrying value at 31 March 2020	1 068 100	2 251 637	161 099	3 480 836
Cash flows relating to financing activities 31 March 2020	30 293	226 456	91 483	348 232
Cash flows relating to financing activities 30 June 2019	(136 497)	461 203	67 078	391 784

43. INTEREST IN SUBSIDIARIES

The table below summarises the information relating to each of the Group's subsidiaries for the financial period ended 31 March 2020 that has material non-controlling interest, before any intragroup eliminations.

Subsidiary	Held by	Nature of business	Country of incorporation	31-Mar-20	30-Jun-19 % holding	9-months ended 31 March 2020 Profit / (loss) for the period (#)	12-months ended 30 June 2019 Profit / (loss) for the period (#)
Ecsponent Credit Services (Pty) Ltd	Ecsponent Ltd (SA)	Financial services	South Africa	100,00%	100,00%	-R 11 728 525	-R 8 605
Ecsponent Financial Services (Pty) Ltd	Ecsponent Ltd (SA)	Financial services	South Africa	100,00%	100,00%	-R 14 960 238	R 280 898
Lazaron Biotechnologies (Pty) Ltd	Ecsponent Ltd (SA)	Biotechnologies	South Africa	100,00%	100,00%	R 8 843	R 76 544
ECS Automotive (Pty) Ltd (*)	Ecsponent Ltd (SA)	Dormant	South Africa	100,00%	100,00%	R -	R 397 656
Sanceda Collection Services (Pty) Ltd	Ecsponent Ltd (SA)	Debt collection	South Africa	100,00%	100,00%	R 211 050	-R 5 557 514
Ecsponent Management Services Ltd	Ecsponent Ltd (SA)	Management services	South Africa	100,00%	100,00%	R 189 415	R 3 956 505
Ecsponent Treasury Services (Pty) Ltd	Ecsponent Ltd (SA)	Treasury services	South Africa	100,00%	100,00%	-R 54 356 942	-R 127 935 645
Ecsponent Development Fund (Pty) Ltd	Ecsponent Ltd (SA)	Financial services	South Africa	100,00%	100,00%	-R 2 556 087	R 1 334 932
Ecsponent Procurement Services (Pty) Ltd	Ecsponent Ltd (SA)	Engineering goods & service	South Africa	100,00%	100,00%	-R 9 297 271	R 543 861
Ecsponent South Africa (Pty) Ltd	Ecsponent Ltd (SA)	Investment holding	South Africa	100,00%	100,00%	-R 737	-R 38 372
Return on Innovation (Pty) Ltd	Ecsponent Ltd (SA)	Property investment	South Africa	100,00%	100,00%	-R 828 321	R 3 263 013
Ecsponent Wealth (Pty) Ltd (*)	Ecsponent Ltd (SA)	Financial services	South Africa	100,00%	100,00%	R 93 138	R 18 228
Ecsponent Evolution Fund (Pty) Ltd (*)	Ecsponent Ltd (SA)	Financial services	South Africa	100,00%	100,00%	R -	R -
ECS Financial Holdings (Pty) Ltd	Ecsponent Ltd (SA)	Financial services	South Africa	100,00%	100,00%	-R626 628 383	R -
ECS Private Equity Ltd (formerly Ecsponent Botswana Limited)	Ecsponent Ltd (SA)	Financial services	Botswana	100,00%	100,00%	-BWP 419 006 893	-BWP 7 498 045
Ecsponent Holdings (Pty) Ltd (^)	Ecsponent Ltd (SA)	Financial services	Swaziland	0,00%	100,00%	SZL 7 765 608	-SZL 2 683 491

Subsidiary	Held by	Nature of business	Country of incorporation	31-Mar-20	30-Jun-19 % holding	9-months ended 31 March 2020 Profit / (loss) for the period (#)	12-months ended 30 June 2019 Profit / (loss) for the period (#)
MHMK Capital (Pty) Ltd	Ecsponent South Africa (Pty) Ltd	Financial services	South Africa	70,00%	70,00%	R 12 953 795	R 2 999 785
Sanceda Collections Botswana (Pty) Ltd	ECS Private Equity Ltd (Botswana)	Debt collection	Botswana	100,00%	100,00%	-BWP 27 303	BWP 31 134
ECS Mauritius Treasury Ltd (formerly Ecsponent Holdings Ltd)	ECS Private Equity Ltd (Botswana)	Financial services	Mauritius	100,00%	100,00%	-$ 59 675	-$ 67 388
Chrome Valley Mining (Private) Ltd (Zimbabwe) (&)	ECS Private Equity Ltd (Botswana)	Chrome mining	Zimbabwe	51,00%	51,00%	R -	BWP -
Invest Solar Africa Ltd (&)	ECS Private Equity Ltd (Botswana)	Renewable energy	Botswana	70,00%	70,00%	-R 40 193 988	BWP -
ECS Zambia Private Equity (formerly Ecsponent Holdings Ltd)	ECS Mauritius Treasury Ltd	Financial services	Zambia	100,00%	100,00%	$ 21 409	-$ 452
Ecsponent Eswatini Limited (^)	Ecsponent Holdings (Pty) Ltd	Financial services	Swaziland	0,00%	84,70%	SZL 4 842 843	SZL 349 490
Ecsponent Enterprise Development (Pty) Ltd (^)	Ecsponent Holdings (Pty) Ltd	Debt collection	Swaziland	0,00%	100,00%	-SZL 6 919 301	SZL 160 747
ECS Mauritius Private Equity Ltd (formerly Ecsponent Mauritius Ltd and formerly Pink Orchid Ltd)	Ecsponent Treasury Services (Pty) Ltd	Financial services	Mauritius	100,00%	100,00%	-$26 957 315	$ 5 881 745
Ecsponent Business Credit (Pty) Ltd (^)	Ecsponent Treasury Services (Pty) Ltd	Financial services	South Africa	0,00%	100,00%	R 12 230 852	-R 4 998 989

(#) - The individual subsidiary profit / (loss) as disclosed above is before the adjustment for group eliminations.

(&) - New company incorporated / acquired during the current financial period

(*) - The company was de-registered or applied for de-registration in the current period.

(^) - The company was disposed in the current period.

The carrying amounts of subsidiaries are shown net of impairment losses.

The company subsidiaries are incorporated in South Africa, Botswana, Swaziland, Mauritius and Zambia, with the South African principal place of business being the Gauteng based registered office of the holding company.

The Swaziland principle place of business is Mbabane and for Botswana, Gaborone.

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