



AFRICAN DAWN  
CAPITAL LIMITED



# Unaudited Consolidated Statements for the six months ended 31 August 2023

AFRICAN DAWN CAPITAL LIMITED  
(Incorporated in the Republic of South Africa)  
(Registration number 1998/020520/06)  
JSE code: ADW  
ISIN: ZAE000223194  
"the Company" or "the Group" or "Afdawn"



# Consolidated Statements of Financial Position as at 31 August 2023

	Note	31 August 2023 R'000 (Unaudited)	31 August 2022 R'000 (Unaudited)	28 February 2023 R'000 (Audited)
<b>Assets</b>				
<b>Non-Current Assets</b>				
Property, plant and equipment		1,406	1,661	1,351
Intangible assets		283	343	317
Goodwill	12	500	500	500
		<b>2,189</b>	<b>2,504</b>	<b>2,168</b>
<b>Current Assets</b>				
Trade and other receivables	7	10,087	10,873	9,610
Other receivables	11	1,250	2,083	1,666
Cash and cash equivalents		2,084	385	1,106
		<b>13,421</b>	<b>13,341</b>	<b>12,382</b>
<b>Total Assets</b>		<b>15,610</b>	<b>15,845</b>	<b>14,550</b>
<b>Equity and Liabilities</b>				
<b>Equity</b>				
Share capital and share premium	10	329,234	325,925	327,834
Accumulated loss		(377,003)	(360,076)	(368,842)
		<b>(47,769)</b>	<b>(34,151)</b>	<b>(41,008)</b>
<b>Liabilities</b>				
<b>Non-Current Liabilities</b>				
Lease obligations		654	850	584
Borrowings	9	25,063	23,638	18,465
		<b>25,717</b>	<b>24,488</b>	<b>19,049</b>
<b>Current Liabilities</b>				
Borrowings	9	31,443	19,499	30,874
Loans from directors		519	1,221	699
Lease obligations		617	673	612
SARS income tax payable		367	-	390
Trade and other payables		4,716	4,115	3,934
		<b>37,662</b>	<b>25,508</b>	<b>36,509</b>
<b>Total Liabilities</b>		<b>63,379</b>	<b>49,998</b>	<b>55,558</b>
<b>Total Equity and Liabilities</b>		<b>15,610</b>	<b>15,845</b>	<b>14,550</b>

## Consolidated Statement of Profit or Loss and other Comprehensive Income for the six months ended 31 August 2023

	Note	31 August 2023 R'000 (Unaudited)	31 August 2022 R'000 (Unaudited)	28 February 2023 R'000 (Audited)
Interest income		5,616	5,760	10,940
Commission, Administration, and other revenue		2,262	1,569	3,824
Other income		337	24	75
Profit on sale of subsidiary		280	-	-
Credit losses		(8,111)	(156)	(1,047)
Impairment trade and other receivables	7	6,527	(1,423)	(3,430)
Employee cost including non-executive directors' fees		(4,170)	(4,650)	(8,429)
Depreciation on property, plant and equipment		(435)	(330)	(714)
Amortisation		(35)	(25)	(51)
Finance costs		(4,781)	(3,579)	(7,862)
Other operating expenses		(5,651)	(4,576)	(9,105)
<b>Loss before taxation</b>		<b>(8,161)</b>	<b>(7,386)</b>	<b>(15,799)</b>
Taxation		-	-	353
<b>Total comprehensive loss</b>		<b>(8,161)</b>	<b>(7,386)</b>	<b>(16,152)</b>
<b>Loss attributable to:</b>				
Owners of the parent:		<b>(8,161)</b>	<b>(7,386)</b>	<b>(16,152)</b>
Continuing operations		<b>(8,161)</b>	<b>(7,386)</b>	<b>(16,152)</b>
Basic loss per share (c) - note 15		(11.6)	(11.6)	(24.5)

## Consolidated Statements of Changes in Equity for the six months ended 31 August 2023

	Share Capital R'000	Share Premium R'000	Total Share Capital R'000	Accumulated loss R'000	Total Equity R'000
<b>Balance at 28 February 2022</b>	<b>25,492</b>	<b>300,433</b>	<b>325,925</b>	<b>(352,690)</b>	<b>(26,765)</b>
Total comprehensive loss to 31 August 2022	-	-	-	(7,386)	(7,386)
<b>Balance at 31 August 2022</b>	<b>25,492</b>	<b>300,433</b>	<b>325,925</b>	<b>(360,076)</b>	<b>(34,151)</b>
Share issue	2,546	(637)	1,909	-	1,909
Total comprehensive loss to February 2023	-	-	-	(8,766)	(8,766)
<b>Balance at 28 February 2023</b>	<b>28,038</b>	<b>299,796</b>	<b>327,834</b>	<b>(368,842)</b>	<b>(41,008)</b>
Share issue	1,400	-	1,400	-	1,400
Total comprehensive loss to 31 August 2023	-	-	-	(8,161)	(8,161)
<b>Balance at 31 August 2023</b>	<b>29,438</b>	<b>299,796</b>	<b>329,234</b>	<b>(377,003)</b>	<b>(47,769)</b>
Note	10	10			

## Consolidated Statement of Cash Flows Income for the six months ended 31 August 2023

	Note	Six months 31 August 2023 R'000 (Unaudited)	Six months 31 August 2022 R'000 (unaudited )	Year ended 28 February 2023 R'000 (Audited)
<b>Cash flows from operating activities</b>				
Cash used in operations	13	(2,726)	(816)	(3,247)
Finance costs		(4,781)	(3,579)	(7,862)
Tax paid		(41)	-	(51)
<b>Net cash from operating activities</b>		<b>(7,548)</b>	<b>(4,395)</b>	<b>(11,160)</b>
<b>Cash flows from investing activities</b>				
Purchase of property, plant and equipment		(3)	(43)	(116)
Proceeds from sale of property, plant and equipment		-	-	6
Proceeds from sale of subsidiary		280	-	-
Proceeds from other receivables		417	417	834
Business combinations	12	-	(1,700)	(1,700)
<b>Net cash from/(used in) investing activities</b>		<b>694</b>	<b>(1,326)</b>	<b>(976)</b>
<b>Cash flows from financing activities</b>				
Borrowings repaid		(3,447)	(2,906)	(7,692)
Borrowings raised		10,506	8,030	19,040
Share issue		1,400	-	1,909
Payment of lease liabilities		(412)	(276)	(603)
Directors' loans repaid		(270)	(180)	(831)
Directors' loans raised		55	63	44
<b>Net cash from financing activities</b>		<b>7,832</b>	<b>4,731</b>	<b>11,867</b>
<b>Total cash movement for the year</b>		<b>978</b>	<b>(990)</b>	<b>(269)</b>
Cash at the beginning of the year		1,106	1,375	1,375
<b>Total cash at end of the year</b>		<b>2,084</b>	<b>385</b>	<b>1,106</b>

# Notes to the Consolidated Interim Financial Statements

---

## 1. Reporting entity

African Dawn Capital Limited is domiciled in the Republic of South Africa. The unaudited consolidated interim financial statements for the six months ended 31 August 2023 comprise the results of the Company and its subsidiaries ("the Group").

## 2. Basis of preparation

The consolidated interim financial statements have been prepared using the historical cost convention, as modified for certain items measured at fair value.

The consolidated interim financial statements have been prepared in accordance with:

- International Financial Reporting Standards (IFRS);
- IAS 34 - Interim Financial Reporting;
- The requirements of the South African Companies Act (Act No 71 of 2008), as amended,
- The JSE Listings Requirements;
- The Financial Pronouncements as issued by Financial Reporting Standards Council; and

These consolidated interim financial statements have not been audited or reviewed by the Company's auditors.

These consolidated interim financial statements should be read in conjunction with the annual financial statements for the year ended 28 February 2023.

## 3. Approval

The consolidated interim financial statements were prepared by Dylan Kohler Professional Accountant (SA) and supervised by the chief financial officer, G Hope CA (SA). They were approved by the Board on 28 November 2023.

## 4. Significant accounting policies

The accounting policies adopted in the preparation of the consolidated interim financial information are consistent with those applied in the consolidated annual financial statements for the year ended 28 February 2023. For a full list of standards and interpretations, which have and have not been adopted, refer to the 28 February 2023 consolidated annual financial statements.

## 5. Significant judgements and accounting estimates

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

Except as described below, in preparing these consolidated financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied in the consolidated financial statements for the year ended 28 February 2023 (refer to note 1.15 of the consolidated annual financial statements for the year ended 28 February 2023).

## 6. Events after the reporting period

The group has adopted a zero cost option plan which is a share incentive scheme to assist with the retention of senior management, this was approved at the AGM held on 29 September 2023. (Refer note 10)

Other than the above the directors are not aware of any other material event which occurred.

Notes to the Consolidated Interim Financial Statements *continued***7. Trade receivables****Impairment of trade and other receivables**

The carrying amount of trade and other receivables was assessed for impairment at the interim dates and resulted in the following changes:

<b>Impairment</b>	<b>31 August 2023 R'000</b>	<b>31 August 2022 R'000</b>	<b>28 February 2023 R'000</b>
Movement in impairment provision trade and other receivables	(6,527)	1,423	3,430

**8. Segment report**

Refer to the annual financial statement for description of the segments. All the segments operate only in South Africa, largely in Gauteng therefore no geographical information is provided. Similarly, all non-current assets are in South Africa.

<b>31 August 2023</b>	<b>Investment advisory and investment management R'000</b>	<b>Micro finance R'000</b>	<b>Head office R'000</b>	<b>Total R'000</b>
Interest income	-	5,616	-	5,616
Commission, administration and other revenue	-	2,262	-	2,262
Other income	-	337	-	337
Profit on sale of subsidiary	-	-	280	280
Credit losses	-	(8,111)	-	(8,111)
Impairment trade and other receivables reversed	-	6,527	-	6,527
Employee costs including non-executive directors fees	-	(3,675)	(495)	(4,170)
Depreciation and amortisation	-	(435)	-	(435)
Amortisation	-	(35)	-	(35)
Finance costs	-	(3,868)	(913)	(4,781)
Other operating expenses	-	(3,632)	(2,019)	(5,651)
Loss before taxation	-	(5,014)	(3,147)	(8,161)
Income tax expense	-	-	-	-
Total comprehensive loss for the year	-	(5,014)	(3,147)	(8,161)
Total assets	-	14,200	1,410	15,610
Total liabilities	-	(51,260)	(12,119)	(63,379)
Intergroup revenue	-	(1,741)	1,741	-

Notes to the Consolidated Interim Financial Statements *continued*

31 August 2022	Investment advisory and investment management	Micro finance	Head office	Total
	R'000	R'000	R'000	R'000
Interest income	-	5,760	-	5,760
Commission, administration and other revenue	2	1,567	-	1,569
Other income	-	24	-	24
Investment income	-	-	-	-
Credit losses	-	(156)	-	(156)
Impairment trade and other receivables	-	(1,423)	-	(1,423)
Employee costs including non-executive directors fees	-	(4,434)	(216)	(4,650)
Depreciation	-	(330)	-	(330)
Amortisation	-	(25)	-	(25)
Finance costs	-	(3,146)	(433)	(3,579)
Other Operating expenses	(24)	(3,850)	(702)	(4,576)
Loss Profit before taxation	(22)	(6,013)	(1,351)	(7,386)
Income tax expense	-	-	-	-
Total comprehensive loss for the year	(22)	(6,013)	(1,351)	(7,386)
Total assets	-	13,702	2,143	15,845
Total liabilities	(7)	(36,521)	(13,468)	(49,996)
Property, plant and equipment acquired	-	(43)	-	(43)
Intangible assets acquired	-	-	-	-
Intergroup revenue	-	(1,671)	1,671	-

Notes to the Consolidated Interim Financial Statements *continued***9. Borrowings**

	31 August 2023	31 August 2022	28 February 2023
	R'000	R'000	R'000
<b><i>Caleo private equity Proprietary Limited</i></b>	8,242	8,484	8,237
Caleo advanced R10million in 2021, the transaction included a loan raising fee paid via the issue of shares with a value of R1.7million including costs. This arrangement is accounted for as an equity settled share-based payment in accordance with IFRS 2, which requires the fees to be capitalised at original recognition and amortised over the period of the loan. The loan terms are: interest is charged at 15.6% and a 2.4% consulting fees per annum which is an integral part of the effective interest rate, based on the cumulative balance, the loan is unsecured and is repayable after 20 years at the Company's discretion. Interest is paid monthly and if the company chooses to repay the loan within the 20 years, an "early termination penalty" amounting to the interest payable up to the full term of the loan, discounted at 4.5% will apply.			
Loan raising fee amortisation recognised through profit and loss	12	9	10
<b><i>Net value of Caleo</i></b>	8,254	8,493	8,247
<b><i>Related Parties – Secured</i></b>	1,770	1,500	1,770
The loans bear interest of 18% per annum. The loans are secured on trade receivables with a value of the initial capital and are repayable in 12 months.			
<b><i>Related Parties – Unsecured</i></b>	3,350	3,144	4,600
These loans bear Interest of between 10.5% and 18% per annum. The loans are unsecured and are repayable on demand.			
<b><i>3rd Party loans</i></b>			
<b><i>Unrelated Parties Caleo loan programme</i></b>	15,130	10,480	13,280
The loan bears interest at 15% per annum, is secured by ceded trade receivables of 1.2 times the loan value and are repayable within 6 months.			
<b><i>Unrelated Parties – Unsecured long term</i></b>	2,699	18,145	-
These loans bear Interest of between 10.5% and 18% per annum. The loans are unsecured and are repayable between 0 - 36 months.			
<b><i>Unrelated Parties – Unsecured short term</i></b>	24,203	-	20,442
The loan bears Interest between 10.5% and 18% per annum. The loans are unsecured and are repayable between within 12 months.			
<b><i>Unrelated Parties – Secured single cover short term</i></b>	1,100	1,375	1,000
These loans bear Interest of 17% per annum. The loans are secured on trade receivables with a value of the initial capital and are repayable within 12 months.			
Total	56,506	43,137	49,339

Notes to the Consolidated Interim Financial Statements *continued***Non-current liabilities**

At amortised cost	25,063	23,638	18,465
	<b>25,063</b>	<b>23,638</b>	<b>18,465</b>

**Current liabilities**

At amortised cost	31,443	19,499	30,874
	<b>31,443</b>	<b>19,499</b>	<b>30,874</b>
	<b>56,506</b>	<b>43,137</b>	<b>49,339</b>

**10. Share Capital****Authorised**

	Shares 31 August 2023	Shares 31 August 2022	Shares 28 February 2023
125,000,000 Ordinary shares of 40c each	50,000,000	50,000,000	50,000,000

The total shares in issue as at 31 Aug 2023 amounted to 73,511,608 (2022: 63 646 916).

**Reconciliation of number of shares in issue**

Reported as at 01 March	70,012	63,647	63,647
Share issue 30 August 2023#	2,000	-	-
Share issue 17 May 2023#	1,500	-	-
Share issue 20 October 2022	-	-	6,365
Closing balance	<b>73,512</b>	<b>63,647</b>	<b>70,012</b>

**Reconciliation of share values R'000**

Reported as at 01 March	327,834	325,925	325,925
Share issue 30 August 2023#	800	-	-
Share issue 17 May 2023#	600	-	-
Share issue 20 October 2022#	-	-	1,909
Reported at the end of the period	<b>329,234</b>	<b>325,925</b>	<b>327,834</b>

Total share premium	299,796	300,433	299,796
Ordinary shares of 40c	29,438	25,492	28,038
	<b>329,234</b>	<b>325,925</b>	<b>327,834</b>

# The Group issued 3,500,000 new ordinary shares at 40c per share in a private placements.

The group has adopted a zero cost option plan which is a share incentive scheme to assist with the retention of senior management, this was approved at the AGM held on 29 September 2023. The scheme authorised the issue of 9,000,000 zero cost shares that at the Boards discretion will be issued to senior staff based on existing remuneration and strategic importance to the group, limited to a maximum of 4,000,000 shares per staff member. No shares have been issued as at the reporting date and no obligation has been recognised so no adjustments have been to the earnings per share calculation.

## Notes to the Consolidated Interim Financial Statements *continued*

### 11. Other receivables

During the 2022 financial period the Group issued additional shares in the subsidiary Property Transfer Finance formerly -African Dawn Property Transfer Finance 2 Proprietary Limited ("PTF2") which made the company an associate company. There was a loan to PTF2 of R2.9 million. Repayments have been received on the loan as indicated below, in terms of the repayment plan which will result in the 20% shareholding reverting back to the majority shareholder on settlement.

	31 August 2023 R'000	31 August 2022 R'000	28 February 2023 R'000
PTF2 loan receivable *	1,250	2,083	1,666
* At recognition of PTF2 as an associate the group and company tested the loan for impairment as indicated below:			
Reconciliation of movement:			
Gross	2,900	2,900	2,900
Repayment	(1,650)	(817)	(1,234)
Impairment	-	-	-
Net recoverable	1,250	2,083	1,666

### 12. Goodwill

The group acquired a branch in Port Shepstone from Alibirops 1023 CC t/a L&I Financial Services as of 1 May 2022. The acquisition was structured as a purchase of assets rather than the purchase of shares. As at the effective date the group has taken over the operation of the Port Shepstone Branch as a credit provider. The acquisition had been accounted for as a business in terms of IFRS3. The branch was purchased for R1.7million and assets at fair value of R1.2million including the debtors book, other small assets and staff were taken over as at the date of acquisition. The month to month property lease was taken over by the group. The acquisition resulted in goodwill due to growth prospects through an expanded product range realised by merging the operations with the Elite Group systems, being broken down below:

Gross carrying amount:			
Cash paid for purchase	1,700	1,700	1,700
Assets acquired	(1,200)	(1,200)	(1,200)
Acquired through business combination – Elite Port Shepstone Goodwill	500	500	500
Accumulated Impairment			
Impairment raised	-	-	-

#### Impairment testing

For the purpose of annual impairment testing, goodwill is allocated to the operating segments expected to benefit from the synergies of the business combinations in which the goodwill arises as set out below, and is compared to its recoverable value:

Investment advisory and investment management	-	-	-
Micro finance	500	500	500
Head office	-	-	-
	500	500	500

The recoverable amount of the goodwill has been determined based on value-in-use calculations. These calculations use pre-tax cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth rates stated below. This growth rate does not exceed the long-term average growth rate in which the businesses operates in. The value-in use ratios used key assumptions are:

Key Assumptions used for value in use calculations			
Compounded annual revenue increase %	8.6%	8.6%	8.6%
Long term growth rate %	6.0%	6.0%	6.0%
Compounded annual total operating costs increase %	5.5%	5.5%	5.5%
Pre-taxation discount rate (WACC Rate)	31.8%	31.8%	31.8%

Notes to the Consolidated Interim Financial Statements *continued***13. Cash used in operations and financing activities movement**

	31 August 2023 R'000	31 August 2022 R'000	28 February 2023 R'000
Loss before taxation	(8,161)	(7,386)	(15,799)
<b>Adjustments for:</b>			
Depreciation	435	330	714
Business acquisitions	-	-	1,200
Finance costs	4,781	3,579	7,862
Profit on disposal of property, plant and equipment	-	-	(6)
Profit on disposal of subsidiaries	(280)	-	-
Non-cash amortisation intangible assets	35	25	51
Impairment loss on trade receivables	1,584	1,423	3,430
<b>Non-cash movement:</b>			
Interest on SARS assessment	18	-	89
Directors loan movement	36	95	244
Borrowings movement	105	459	436
<b>Changes in working capital:</b>			
Movement in deferred income	-	-	38
Trade and other receivables	(2,061)	(270)	(2,254)
Trade and other payables	782	929	748
	<b>(2,726)</b>	<b>(816)</b>	<b>(3,247)</b>

**14. Related parties**

Related party relationships – other than as disclosed below, there have been no significant changes from the disclosures in the consolidated annual financial statements for the year ended 28 February 2023.

Executive and non-executive directors	As per directors' report in the consolidated annual financial statements for the year ended 28 February 2023.
Other key management	DD Breedt
Company controlled by a directors providing services to the group	Slabcap Proprietary Limited Gowin Capital Proprietary Limited Dancap Investments DJD Group Caleo Private Equity Caleo Property Investments Caleo Hospitality Investments Caleo Finance Investments Caleo USA Finance Caleo Construction Caleo Consumer Products Caleo SA Finance Caleo Special Situations Caleo Living Caleo Experience CPE Opportunities CPE Investment Portfolio Caleo Renewables Caleo 4PL Pocketworld Piercore Capital Piercore Capital Investments Renovar Renewables Group Renovar Energy Generation

Notes to the Consolidated Interim Financial Statements *continued*

Directors close relative	SM Danker, R Blieden
Key management close relative	JC Breedt , SM Danker
Significant shareholder with borrowings	Caleo Afdawn Limited Liability Partnership

	31 August 2023 R'000	31 August 2022 R'000	28 February 2023 R'000
<b>Related party transactions</b>			
<b>Interest paid to related parties</b>			
SM Danker	14	23	44
G Hope	36	95	170
DS Danker	18	15	42
D Breedt	11	-	26
JC Breedt	37	42	88
M Slabbert	159	-	250
R Blieden	36	36	72
S Blieden	163	4	108
Arvesco 153 Proprietary Limited	19	16	33
Slabcap Proprietary Limited	80	81	154
Caleo Afdawn Limited Liability Partnership	1,026	952	1,678
<b>Administration fee paid to related parties</b>			
JC Breedt	44	54	76
D Breedt	8	-	6
<b>Employee cost paid to key management including directors</b>	812	1,555	2,054
<b>Related party balances</b>			
<b>Balance of directors loans relating to short term cash advances</b>			
G Hope	(519)	(1,221)	(699)
DS Danker	(200)	(300)	(200)
<b>Loan accounts - owing (to) related parties</b>			
R Blieden	(400)	(400)	(400)
S Blieden	(1,800)	(200)	(1,800)
JC Breedt	(700)	(1,013)	(700)
D Breedt	(200)	-	(200)
Arvesco 153 Proprietary Limited	(209)	(223)	(240)
Slabcap Proprietary Limited	(941)	(1,146)	(919)
M Slabbert	(1,770)	-	(1,770)
SM Danker	(150)	(250)	(150)
<b>Related parties included in trade payables</b>			
Caleo interest and cosulting	(411)	(381)	(272)
Non-executive directors fees owing	(721)	(478)	(529)

Notes to the Consolidated Interim Financial Statements *continued***15. Loss per share****Basic and diluted loss per share**

Basic and diluted loss per share are calculated by dividing the loss attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the period.

<b>Basic loss per share</b>	<b>31 August 2023</b>	<b>31 August 2022</b>	<b>28 February 2023</b>
From continuing operations (cents)	<b>(11.6)</b>	<b>(11.6)</b>	<b>(24.5)</b>
<b>Reconciliation of weighted average number of ordinary shares</b>	<b>'000</b>	<b>'000</b>	<b>'000</b>
Number of ordinary shares in issue	70,012	63,647	63,647
Shares issued 30 August 2023	10	-	-
Share issue 17 May 2023	440	-	-
Share issue 20 October 2022	-	-	2,302
<b>Weighted average number of shares used for loss and headline loss per share</b>	<b>70,462</b>	<b>63,647</b>	<b>65,949</b>

<b>Headline loss per share</b>	<b>31 August 2023</b>	<b>31 August 2022</b>	<b>28 February 2023</b>
From continuing operations (cents)	<b>(11.9)</b>	<b>(11.6)</b>	<b>(24.5)</b>

<b>Headline loss reconciliation 31 August 2023</b>	<b>Gross</b>	<b>Tax</b>	<b>Net</b>
Loss for the period for continuing operations	(8,161)	-	(8,161)
Profit on sale of subsidiary	(280)	60	(220)
<b>Headline loss for the period</b>	<b>(8,441)</b>	<b>60</b>	<b>(8,381)</b>

<b>Headline loss reconciliation 31 August 2022</b>	<b>Gross</b>	<b>Tax</b>	<b>Net</b>
Headline loss for the period	(7,386)	(7,386)	(7,386)

<b>Headline loss reconciliation 28 February 2023</b>	<b>Gross</b>	<b>Tax</b>	<b>Net</b>
Loss for the period for continuing operations	(16,152)	-	(16,152)
Profit on sale of property, plant and equipment	(6)	2	(4)
<b>Headline loss for the period</b>	<b>(16,158)</b>	<b>2</b>	<b>(16,156)</b>

## Notes to the Consolidated Interim Financial Statements *continued*

### 16. Comments from The Board

#### REVIEW FOR THE PERIOD

We remain positive on our core business capabilities and we believe that the Group is still positioned for the future. Management will continue to grow revenues and increase value for all stakeholders

#### DIRECTORATE

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

Director	Office	Designation
J Slabbert	Executive Chairman	Executive
GB Hope	Chief Financial Officer (CFO)	Executive
B Stagman	Chair Remuneration and Audit and Risk Committees	Independent Non-Executive
S Blieden		Non-Executive

# Notes to the Consolidated Interim Financial Statements *continued*

---

## GOING CONCERN

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

Certain material uncertainties relating to events or conditions which may cast doubt upon the ability to continue as a going concern were outlined in note 1.15 of the Annual Financial Statements for the year ended 28 February 2023. The following actions were implemented to reduce these uncertainties:

Risk - Afdawn's ability to pay ongoing operational expenses.

Action taken - Afdawn continues to raise additional funding as and when required from external parties and supportive shareholders. Management believes that the group should be generating positive cash flows within the next 12 months.

## DIVIDENDS

No dividends have been declared for this interim period (August 2023: R nil).

### Registered office

3<sup>RD</sup> Floor, The Village at Horizon  
Corner of Sonop and Ontdekkers Roads  
Horizon View, 1724, Gauteng  
Tel: +27 (11) 475 7705

### Company secretary

A Rich (on behalf of Statucor Proprietary Limited)

### Auditors

PKF Octagon Inc

### Designated Advisor

PSG Capital

### Transfer secretaries

Computershare Investor Services Proprietary Limited 70 Marshall Street, Johannesburg, 2001.

Date: 30 November 2023

