THE SMALL ENTERPRISE FOUNDATION
(NON-PROFIT COMPANY)
(Registration number: 1991/003485/08)

AUDITED ANNUAL FINANCIAL STATEMENTS
for the year ended 30 June 2024

PREPARER OF FINANCIAL STATEMENTS

The financial statements have been prepared by:
B Vilankulu (PGDA)
under the supervision of:
C van Vuuren CA (SA)
Financial Manager

THE SMALL ENTERPRISE FOUNDATION
(NON-PROFIT COMPANY)
(Registration number: 1991/003485/08)
ANNUAL FINANCIAL STATEMENTS
for the year ended 30 June 2024

CONTENTS **PAGE**

Directors' responsibility statement and approval of the annual financial statements	1
Auditor's report	2-4
Directors' report	5-6
Statement of financial position	7
Statement of surplus / (deficit) and comprehensive income	8
Statement of changes in equity	9
Statement of cash flows	10
Notes to the statement of cash flows	11
Notes to the annual financial statements	12 - 44

DIRECTORS' RESPONSIBILITY STATEMENT AND APPROVAL OF THE ANNUAL FINANCIAL STATEMENTS

The directors of the company are responsible for the maintenance of adequate accounting records and the preparation and integrity of the annual financial statements and related information. The annual financial statements have been prepared in terms of IFRS Accounting Standard as issued by the International Accounting Standards Board and the Companies Act 71 of 2008 as amended.

The directors are also responsible for the systems of internal control. These are designed to provide reasonable, but not absolute, assurance as to the reliability of the financial statements, and to adequately safeguard, verify and maintain accountability of assets, and to prevent and detect material misstatement and loss. The systems are implemented and monitored by suitably trained personnel with an appropriate segregation of authority and duties. Nothing has come to the attention of the directors to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the year under review.

The annual financial statements are prepared on a going concern basis. Nothing has come to the attention of the directors to indicate that the company will not remain a going concern for the foreseeable future.

The annual financial statements, set out on pages 7 to 44, were approved by the board of directors on 8 November 2024 and are signed on its behalf by:

JR de Wit
Managing Director

M Makgoba
Independent Non-executive Director and Chair of the Audit Committee

Private Bag X6
Gallo Manor 2052
South Africa

Deloitte & Touche
Registered Auditors
Financial Services Team - FIST
Deloitte
5 Magwa Crescent
Waterfall City
Waterfall
Docex 10 Johannesburg

Tel: +27 (0)11 806 5200
www.deloitte.com

INDEPENDENT AUDITOR'S REPORT

To the Members of The Small Enterprise Foundation (Non-Profit Company)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of The Small Enterprise Foundation (Non-Profit Company) set out on pages 7 to 44, which comprise the statement of financial position as at 30 June 2024, and the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and the notes to the financial statements, including a summary of material accounting policy information.

In our opinion, the financial statements present fairly, in all material respects, the financial position of The Small Enterprise Foundation (Non-Profit Company) as at 30 June 2024, and its financial performance and cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act of South Africa, 2008 as amended.

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 Financial Statements* section of our report. We are independent of the Company in accordance with the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' (IESBA) *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA code). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the document titled "The Small Enterprise Foundation (Non-Profit Company) Annual Financial Statements for the year ended 30 June 2024" which includes the Directors' Report as required by the

Companies Act of South Africa, 2008 as amended. The other information does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in

our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

DocuSigned by:
Deloitte & Touche
710B4EEE409D4E7...

Deloitte & Touche
Registered Auditors
Per Mpho Penelope Malavi
Partner

08 November 2024

5 Magwa Crescent
Waterfall
2090

THE SMALL ENTERPRISE FOUNDATION
(Non-Profit Company)
DIRECTORS' REPORT
for the year ended 30 June 2024

The directors have pleasure in presenting their report on the performance of the organisation for the year ended 30 June 2024.

Business review

The principal business of the organisation is to motivate the poor to take up income generating activities and to extend credit to micro entrepreneurs to enable them to realise their potential and thereby generate income and employment. The company is registered with the National Credit Regulator.

The Small Enterprise Foundation has, since inception, granted 5 651 304 (2023: 5 265 303) loans to the value of R 18.1 billion (2023: R 16.5 billion). In the current year the organisation granted 386 001 (2023: 381 760) loans to the value of R 1.58 billion (2023: R 1.6 billion).

The Small Enterprise Foundation is incorporated in the Republic of South Africa as a non–profit company with the aim of providing micro finance to the poor and very poor. No holding company or parent company has any interest in the organisation and all its operations are conducted in the Limpopo, Mpumalanga, North West, Gauteng, Eastern Cape and Kwazulu Natal provinces of South Africa. The head office is situated in Tzaneen in the Limpopo province.

Operating results

Results for the year ended 30 June 2024 are set out on pages 7 to 46 of the annual financial statements. Loans and advances increased by 6% and revenue decreased by 6%. Operating and head office expenses decreased by 4%.

Credit losses and impairment

In cases where borrowers experience death amongst their members, the company will decrease the borrower's repayment and write-off the amount owed by the member. Such write-offs are classified as provisions for write offs incurred not yet reported. An amount of R 3 256 992 (2023: R 3 604 831) was written off during the year under review.
An amount of R 3 327 171 (2023: R 2 975 991) was provided for.

A debt is considered irrecoverable once it is 120 days in arrears. An amount of R 22 517 945 (2023: R 42 923 985) was written off during the year under review. An amount of R 12 891 957 (2023: R 26 496 359) was provided for.

The only instance where the organisation allows the renegotiation of overdue loans is where clients are able to provide medical evidence of long-term illness. Such amounts are not written off, and the respective clients are urged to continue with loan repayments when their condition improves. The aggregate amount renegotiated in this way since inception and still outstanding at year-end was R 1 574 372 (2023: R 1 418 164).

Change in Accounting policy

The company changed its bad debt write off policy for clients in arrears from more than 150 days to more than 120 days from 1 September 2023.

Restatement of prior year

SEF restated cash and cash equivalents in FY2023 and FY2022 from a net basis as current assets for those with a positive balance and current liabilities for those with negative balances in accordance with the IFRS Accounting Standard as issued by the International Accounting Standards Board shown in note 22 to the financial statements.

Credit losses and impairment (continued)

A provision for bad debt is created for all current loans in arrears up to 120 days. The provision is calculated based on historical information of outstanding loans for the previous 12 months and is calculated for the following categories:

Stages	Interval	Group Loan Programme (GLP), consisting of Tšhomišano (working together) Credit Programme (TCP) and Micro Credit Programme (MCP), provision percentage of the loan amount provided	Individual Liability Programme (ILP) and Larger Loan Programme (LLP) provision percentage of the loan amount provided
Stage 1	Current	MCP 1.22% and TCP 0.47%	ILP 1.00% and LLP 2.09%
	8- 30 days in arrears	MCP 29.42% and TCP 24.15%	ILP 15.33% and LLP 38.43%
Stage 2	31 - 60 days in arrears	MCP 61.92% and TCP 56.28%	ILP 43.47% and LLP 57.36%
	61 - 90 days in arrears	MCP 81.23% and TCP 77.79%	ILP 56.40% and LLP 65.57%
Stage 3	91 - 150 days in arrears	MCP 100% and TCP 100%	ILP 100% and LLP 100%
	Rescheduled loans	MCP 100% and TCP 100% The individual loan is written off as bad debt if considered bad and irrecoverable after twelve months of no instalments are being received.	ILP 100.00% and LLP 100.00% The individual loan is written off as bad debt if considered bad and irrecoverable after twelve months of no instalments are being received.
	Up to 31 August 2023 >150 days From 1 September 2023 >120 days	The group loan is written off as bad debt if considered bad and irrecoverable.	The loan is written off as bad debt if considered bad and irrecoverable.

Subsequent events

No events have occurred between the financial year-end and the date of this report that are expected to have a material adverse effect on either the operations of the company or its financial position.

Directors, secretary and auditors

The directors of the company for the year under review were as follows:

Ms Mmaboshadi Chauke (Independent non-executive and Chairperson)
Ms Mamodike Sarah Makgoba (Independent non-executive)
Mr Bezant Mwenya Chongo (Independent non-executive)
Mr Anton Simanowitz (Independent non-executive)
Ms Vuyokazi Nonopa Tenza (Independent non-executive)
Mr John Robert de Wit (Managing Director)
Ms Embi Irene Akiy (Independent non-executive appointed 27 March 2024)
Mr Sibusiso Hope Dantjie (Independent non-executive appointed 27 March 2024)
Ms Varaidzo Audrey Mureriwa (Independent non-executive resigned 31 December 2023)
Ms Neo Ratau (Independent non-executive resigned 03 January 2024)
Mr Simpiwe Hemming Somdyala (Independent non-executive resigned 27 February 2024)
Mr Mutle Constantine Mogase (Independent non-executive resigned 13 March 2024)

Public Officer - John Robert de Wit

Auditors
Deloitte & Touche

Address
5 Magwa Crescent
Waterfall City
2090
South Africa
Tel: (011) 806 5000

Business address and Domicile
No 8, First Avenue, Tzaneen, South Africa,0850

Website
www.sef.co.za

Postal address
PO Box 212, Tzaneen, SouthAfrica,0850

E-mail
info@sef.co.za

Telephone:
+27 15 307 5837

Fax:
+27 15 307 2977

Ownership

The organisation is a Non-Profit Company with no shareholders. The directors are the Ultimate Beneficial Owners.

Going concern

The organisation is considered to be going concern.

THE SMALL ENTERPRISE FOUNDATION
(Non-Profit Company)
STATEMENT OF FINANCIAL POSITION
As at 30 June 2024

	Notes	2024	Restated 2023	Restated 2022
		R	R	R
ASSETS				
Non-current assets				
Property and equipment	2	10 245 569	10 373 619	11 372 189
Intangible assets	3	1 512 982	1 421 566	1 525 679
Total non-current assets		11 758 551	11 795 185	12 897 868
Current assets				
Loans and advances*	4	444 533 697	422 877 081	513 224 441
Other receivables*	5	7 721 492	12 961 903	18 556 844
Cash and short term funds*		20 644 537	44 513 248	158 077 762
Total current assets		472 899 726	480 352 232	689 859 046
TOTAL ASSETS		**484 658 277**	**492 147 418**	**702 756 914**
FUNDS AND LIABILITIES				
Funds				
Reserves	6	47 728 180	47 728 180	47 728 180
Retained earnings		88 827 378	106 016 226	123 622 763
Total funds		136 555 558	153 744 406	171 350 943
Non-current liabilities				
Long term loans	7	47 299 064	111 002 552	261 033 825
Current liabilities				
Short term loans	8	222 525 268	158 531 358	191 747 105
Bank Overdraft*		24 385 035	6 169 739	12 223 890
Trade and other payables*	9	35 203 984	45 665 933	48 897 272
Provisions	10	11 705 926	11 814 004	11 616 317
Accruals	11	4 528 726	3 249 724	3 241 033
Value Added Tax		2 454 716	1 969 702	2 646 529
Total current liabilities		300 803 655	227 400 460	270 372 146
TOTAL FUNDS AND LIABILITIES		**484 658 277**	**492 147 418**	**702 756 914**

*Prior year figures have been restated in accordance with the IFRS Accounting Standard as issued by the International Accounting Standards Board. Refer to note 22 to the financial statements.

THE SMALL ENTERPRISE FOUNDATION
(Non-Profit Company)
STATEMENT OF SURPLUS / (DEFICIT) AND COMPREHENSIVE INCOME
for the year ended 30 June 2024

NET DEFICIT	Notes	2024	2023
Revenue	12	344 894 807	368 156 281
Finance costs	13	(31 409 631)	(39 380 243)
Impairment of advances	14	(60 293 149)	(75 050 674)
Provision for loans and advances	4	13 253 222	19 520 527
Margin on lending activities		**266 445 249**	**273 245 891**
Operating expenses		(199 619 438)	(210 421 944)
Operating income		**66 825 811**	**62 823 947**
Sundry income		1 525 820	6 700 816
Foreign exchange gains		28 103	66 505
Profit on disposal of property and equipment		169 728	174 277
Income before head office expenses		**68 549 462**	**69 765 545**
Head office expenses		(85 753 636)	(88 154 615)
Deficit before grants	15	**(17 204 175)**	**(18 389 070)**
Operational grant Income	16	15 327	782 533
Deficit for the year after grants		**(17 188 848)**	**(17 606 537)**
Other Comprehensive income		-	-
Total comprehensive loss		**(17 188 848)**	**(17 606 537)**

THE SMALL ENTERPRISE FOUNDATION
(Non-Profit Company)
STATEMENT OF CHANGES IN EQUITY
for the year ended 30 June 2024

	Notes	Non-Distributable reserve R	General capital reserve R	Development reserve R	Educational reserve R	Retained earnings R	Total R
Balance as at 30 June 2022		**720 243**	**40 333 290**	**6 654 459**	**20 188**	**123 622 763**	**171 350 943**
Deficit for the year after grants		-	-	-	-	(17 606 537)	(17 606 537)
Balance as at 30 June 2023		**720 243**	**40 333 290**	**6 654 459**	**20 188**	**106 016 226**	**153 744 406**
Deficit for the year after grants		-	-	-	-	(17 188 848)	(17 188 848)
Balance as at 30 June 2024		**720 243**	**40 333 290**	**6 654 459**	**20 188**	**88 827 378**	**136 555 558**

THE SMALL ENTERPRISE FOUNDATION
(Non-Profit Company)
STATEMENT OF CASH FLOWS
for the year ended 30 June 2024

	Notes	2024	Restated 2023
		R	R
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash utilised in operations	A	(12 059 659)	111 045 454
Interest received on cash balances		3 873 445	5 127 020
Finance costs		(31 409 631)	(39 380 244)
Net cash used in operating activities*		(39 595 846)	76 792 230
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to property and equipment		(1 882 535)	(1 237 567)
Additions to intangible assets		(1 109 206)	(841 322)
Proceeds on disposal of property and equipment		169 728	174 277
Net cash outflows from investing activities		(2 822 013)	(1 904 612)
CASH FLOWS FROM FINANCING ACTIVITIES			
(Decrease)/Increase in short terms loans		64 022 013	(33 149 242)
(Decrease)/Increase in long term loans		(63 703 488)	(150 031 272)
(Decrease)/Increase in Bank Overdraft*		18 215 296	(6 054 151)
Grants utilised		15 327	782 533
Net cash inflows/(outflows) from financing activities		18 549 149	(188 452 132)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(23 868 710)	(113 564 513)
Cash and cash equivalents at beginning of the financial year*		44 513 248	158 077 762
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	B	20 644 537	44 513 248

*Prior year figures have been restated in accordance with the IFRS Accounting Standard as issued by the International Accounting Standards Board. Refer to note 22 to the financial statements.

THE SMALL ENTERPRISE FOUNDATION
(Non-Profit Company)
NOTES TO THE STATEMENT OF CASH FLOWS
for the year ended 30 June 2024

	2024 R	Restated 2023 R
A. CASH UTILISED IN OPERATIONS		
(Deficit)/Surplus before grants	(17 204 175)	(18 389 070)
Adjusted for:		
Finance costs	31 409 631	39 380 244
Foreign exchange gain	(28 103)	(66 505)
Interest received on cash balances	(3 873 445)	(5 127 020)
Depreciation	2 000 871	2 165 047
Amortisation of intangible assets	1 017 790	945 435
(Profit) on disposal of property and equipment	(169 728)	(174 277)
Bad debt and death write offs	25 774 938	46 528 816
(Decrease)/Increase in provisions	(108 078)	197 687
(Decrease)/Increase in loan loss provision	(13 253 222)	(19 520 527)
Scrapping of fixed assets	9 714	71 087
Operating surplus before working capital changes	25 576 194	46 010 917
Adjusted for changes in working capital:		
(Increase)/Decrease in other receivables*	5 240 411	5 594 940
Increase/(Decrease) in trade and other payables*	(10 461 948)	(3 231 339)
Increase/(Decrease) in accruals	1 279 002	8 691
Increase/(Decrease) in Value Added Tax	485 014	(676 827)
Decrease/(Increase) in loans and advances excluding provisions*	(34 178 332)	63 339 071
Cash utilised in operations	(12 059 659)	111 045 454

B. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of:

	2024 R	Restated 2023 R
Banks	5 757 521	10 544 866
Investments**	14 887 016	33 968 382
	20 644 537	44 513 248

*Prior year figures have been restated in accordance with the IFRS Accounting Standard as issued by the International Accounting Standards Board. Refer to note 22 to the financial statements.

**Investments include money market, call deposit and fixed deposit accounts.

1 Accounting policies

The annual financial statements have been prepared in accordance with the IFRS Accounting Standard as issued by the International Accounting Standards Board and the Companies Act 71 of 2008 as amended. The annual financial statements are prepared on the historical cost basis, except for certain financial instruments which are fair valued. The following principal accounting policies have been incorporated, and are consistent with prior years in all material respects.

1.1 Functional and presentation currency

The financial statements are presented in South African Rand (ZAR), which is the Company's functional currency.

1.2 Interest earned on advances

Interest earned on advances is recognised using the effective interest rate method over the term of the loans. No interest rate risk exists on advances as interest is not linked to market changes but remains constant even when repo rate changes are made.

1.3 Other interest received

Other interest received is accrued on a daily basis using the effective interest rate method.

1.4 Initiation and service fees

Initiation fees are capitalised to the loan balance and recognised at amortised cost. The initiation fees are then released to the statement of comprehensive income as revenue over the period of the loan. Service fees are recognised as income on a monthly basis as they are received.

1.5 Grants received

Operational grants received

These are grants which are specifically designated to be utilised for operational expenses, where the expenses to which they relate have actually been incurred and charged to income in the same period, and where all the contractual conditions for payment of the grant amount have been met.

Grants for loan capital

Grants designated for loan capital or not specifically designated as operational grants are recognised in the statement of comprehensive income when utilized. These grants are then transferred to the General Capital reserve.

1.6 Property and equipment

Property is initially recognised at cost and revalued once every three years – buildings are carried at their revalued amount less accumulated depreciation. Equipment is stated at historical cost and is depreciated to their residual value using the straight-line method over the estimated useful lives of assets. The following rates of depreciation have been used:

Furniture and fittings	5 years
Office equipment	5 years
Computer equipment	3 years
Motor vehicles	4 years
Buildings	40 years

Land is not depreciated.

The carrying amounts of property and equipment are written down to their estimated recoverable amounts, where the estimated recoverable amount is lower than the carrying value.
A property is transferred to, or from, investment property when there is evidence of a change in use. A change of use occurs if property meets, or ceases to meet, the definition of investment property.

1 Accounting policies (continued)

1.7 Intangible assets

Computer software

Computer software that is acquired by the company is stated at cost less accumulated amortisation and accumulated impairment losses.

Management information systems

Management information systems is a software developed for storage, processing and retrieving of loans administration data. Expenditure on development activities for new or substantially improved products and processes, is capitalised if the product or process is technically and commercially feasible, cost can be measured reliably, future economic benefits are probable and the company has the ability to complete the development. The expenditure capitalised includes all directly attributable costs necessary to create, produce and prepare the asset to be capable of operating in the manner intended by management. Other development expenditure is recognised in profit or loss as an expense as incurred. Capitalised development expenditure is stated at cost less accumulated amortisation and accumulated impairment losses.

Subsequent expenditure

Subsequent expenditure on software assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

Expenditure on research activities undertaken with the prospect of gaining new technical knowledge and understanding, is recognised in profit or loss as an expense as incurred.

Amortisation

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets unless such lives are indefinite. Intangible assets with an indefinite useful life are annually tested for impairment at each reporting date or whenever there is an indication that they are impaired. Other intangible assets are amortised from the date they are available for use. The estimated useful lives of the current and prior years are as follows:

Computer software	3 years
Management information systems	3 years

1.8 Financial instruments (also see note 1.13)

Financial assets and financial liabilities are recognised on the statement of financial position when the company becomes a party to the contractual provisions of the instrument.

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

At reporting date, the company’s principal financial assets included cash, short term funds, loans and advances and other receivables. Loans and advances are measured at amortised cost using the effective interest rate method. Cash, short term funds and other receivables are stated at their transaction prices which approximate fair values. All financial assets are reduced by appropriate allowances for estimated irrecoverable amounts where applicable.

Financial liabilities are measured at amortised cost or at FVTPL when they are held for trading which approximates fair value.

At reporting date, the company’s principal financial liabilities included trade and other payables, short and long term loans. Short and long term loans are measured at amortised cost. Trade and other payables are stated at their nominal value which approximates fair value.

1 Accounting policies (continued)

1.9 Retirement benefits

Contributions to retirement benefit funds are charged to the statement of comprehensive income when they are incurred as part of employment costs.

1.10 Provisions

Provisions for staff related expenses such as outstanding leave days not taken at year end and 13^{th} cheques are made at total cost to the organisation as at reporting date.

Provision for audit fees and workmen's compensation are based on estimates as at reporting date.

1.11 Loans and advances with credit balances

Loans and advances with credit balances older than three years are recognised in the statement of comprehensive income as revenue.
Claims for amounts which have been recognised in the statement of comprehensive income are refunded to clients.

1.12 Operational grant income

The company currently discloses operational grants on the statement of comprehensive income as other income separately after surplus or loss for the year.
The related expenses are deducted from operational grant income and disclosed as a net amount in the statement of comprehensive income.

1.13 Financial Instruments

In the current year, the company has applied IFRS 9 Financial Instruments (as revised in July 2014) and the related consequential amendments to other IFRS Accounting Standard as issued by the International Accounting Standards Board that are effective for an annual period that begins on or after 1 January 2018.

IFRS 9 introduced new requirements for:
1. Classification and measurement of financial assets and liabilities
2. Impairment of financial assets

<u>1. Classification and measurement of financial assets and liabilities</u>

The date of initial application (i.e. the date on which the company has assessed its existing financial assets and financial liabilities in terms of the requirements of IFRS 9) is 1 July 2018. Accordingly, the company has applied the requirements of IFRS 9 to instruments that continue to be recognised since 1 July 2018 and has not applied the requirements to instruments that have already been derecognised as at 1 July 2018.

All recognised financial assets that are within the scope of IFRS 9 are required to be measured subsequently at amortised cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

1 Accounting policies (continued)

1.13 Financial Instruments (continued)

Specifically:
1. Debt instruments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured subsequently at amortised cost;
2. Debt instruments that are held within a business model whose objective is both to collect the contractual cash flows and to sell the debt instruments, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured subsequently at fair value through other comprehensive income (FVTOCI);
3. All other debt investments and equity investments are measured subsequently at fair value through profit or loss (FVTPL).

Despite the aforegoing, the company may make the following irrevocable election/designation at initial recognition of a financial asset:
1. The company may irrevocably elect to present subsequent changes in fair value of an equity investment that is neither held for trading nor contingent consideration recognised by an acquirer in a business combination in other comprehensive income; and
2. The company may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

In the current year, the company has not designated any debt investments that meet the amortised cost or FVTOCI criteria as measured at FVTPL.

When a debt investment measured at FVTOCI is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment. When an equity investment designated as measured at FVTOCI is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is subsequently transferred to retained earnings.

Debt instruments that are measured subsequently at amortised cost or at FVTOCI are subject to impairment.

The directors of the company reviewed and assessed the company's existing financial assets since 1 July 2018 based on the facts and circumstances that existed at that date and concluded that the initial application of IFRS 9 has had the following impact on the company's financial assets as regards their classification and measurement:
Financial assets classified as held to maturity and loans and receivables under IAS 39 that were measured at amortised cost continue to be measured at amortised cost under IFRS 9 as they are held within a business model to collect contractual cash flows and these cash flows consist solely of payments of principal and interest on the principal amount outstanding.

None of the reclassifications of financial assets have had any impact on the company's financial position, profit or loss, other comprehensive income or total comprehensive income in either year.

<u>2. Impairment of financial assets</u>

IFRS 9 requires an expected credit loss model as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires the company to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial assets. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

Specifically, IFRS 9 requires the company to recognise a loss allowance for expected credit losses on:
1. Debt investments measured subsequently at amortised cost or at FVTOCI;
2. Lease receivables;
3. Trade receivables and contract assets; and
4. Financial guarantee contracts to which the impairment requirements of IFRS 9 apply.

1 Accounting policies (continued)

1.13 Financial Instruments (continued)

In particular, IFRS 9 requires the company to measure the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses (ECL) if the credit risk on that financial instrument has increased significantly since initial recognition, or if the financial instrument is a purchased or originated credit impaired financial asset.

However, if the credit risk on a financial instrument has not increased significantly since initial recognition (except for a purchased or originated credit impaired financial asset), the company is required to measure the loss allowance for that financial instrument at an amount equal to 12 months ECL. IFRS 9 also requires a simplified approach for measuring the loss allowance at an amount equal to lifetime ECL for trade receivables, contract assets and lease receivables in certain circumstances.

A credit loss is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive discounted at the original effective interest rate. ECL (expected credit losses) is the weighted average credit losses with the respective risks of a default occurring. This is estimated credit losses over the life of a financial asset or commitment to extend credit, considering past events, current conditions, and forecasts of future economic conditions. This forward-looking approach aims to recognise credit losses earlier than the previous "incurred loss" model.

The table below tabulates the change in classification of the company's financial assets upon application of IFRS 9:

Items at 30 June 2024 subject to IFRS 9	**Credit risk attributes**	**Impact analysis**	**Management considerations**
Loans and advances	The company applies the simplified approach for these assets.	High	ECL model applies
Other receivables	The directors have concluded that it would require undue cost and effort to determine the credit risk of receivable on their respective dates of initial recognition.	Low	No further consideration
Cash and short term funds	All bank balances are assessed to have low credit risk as these are held with banking institutions.	Low	No further consideration

1.14 Measurement and recognition of leases as a lessee

The company recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received). Right of use assets are disclosed as part of property, plant and equipment.

The company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The company also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the prevailing prime borrowing rate. Lease liabilities are disclosed as part of borrowings.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

2. Property and equipment

	Land & buildings R	Furniture & fittings R	Office equipment R	Computer equipment R	Motor vehicles R	Leased assets R	Total R
2024							
Cost							
At beginning of year	9 855 073	3 860 439	6 704 090	18 071 713	1 568 873	1 532 739	41 592 927
Additions	-	7 839	1 122 440	752 256	-	-	1 882 535
Scrappings	-	-	(114 975)	(60 999)	-	-	(175 974)
At end of year	**9 855 073**	**3 868 278**	**7 711 555**	**18 762 970**	**1 568 873**	**1 532 739**	**43 299 488**
Accumulated amortisation							
At beginning of year	(2 103 824)	(3 735 363)	(5 798 398)	(16 572 166)	(1 501 273)	(1 508 280)	(31 219 305)
Depreciation	(198 750)	(75 759)	(599 393)	(1 080 948)	(21 562)	(24 459)	(2 000 871)
Scrapping Depreciation	-	-	114 975	51 285	-	-	166 260
At end of year	**(2 302 574)**	**(3 811 122)**	**(6 282 816)**	**(17 601 829)**	**(1 522 835)**	**(1 532 739)**	**(33 053 916)**
Carrying value	**7 552 499**	**57 156**	**1 428 739**	**1 161 141**	**46 038**	(0)	**10 245 569**

The company adopted a policy of revaluing their land and buildings once every 3 years. This revaluation was performed in 2022. If the impact of all revaluations are ignored, the carrying value of land and buildings as at 30 June 2024 would be R6 832 256 (2023: R7 031 006).

2. Property and equipment

	Land & buildings R	Furniture & fittings R	Office equipment R	Computer equipment R	Motor vehicles R	Leased assets R	Total R
2023							
Cost							
At beginning of year	9 855 073	3 858 259	6 405 988	17 331 698	1 482 624	1 644 982	40 578 624
Additions	-	2 180	298 102	851 036	86 249	-	1 237 567
Scrappings	-	-	-	(111 021)	-	(112 243)	(223 264)
At end of year	**9 855 073**	**3 860 439**	**6 704 090**	**18 071 713**	**1 568 873**	**1 532 739**	**41 592 927**
Accumulated amortisation							
At beginning of year	(1 905 073)	(3 608 732)	(5 238 535)	(15 550 340)	(1 449 285)	(1 454 469)	(29 206 435)
Depreciation	(198 751)	(126 631)	(559 863)	(1 132 847)	(51 988)	(94 967)	(2 165 047)
Scrapping Depreciation	-	-	-	111 021	-	41 156	152 177
At end of year	**(2 103 824)**	**(3 735 363)**	**(5 798 398)**	**(16 572 166)**	**(1 501 273)**	**(1 508 280)**	**(31 219 305)**
Carrying value	**7 751 249**	**125 076**	**905 692**	**1 499 547**	**67 600**	**24 459**	**10 373 619**

The company adopted a policy of revaluing their land and buildings once every 3 years. This revaluation was performed in 2022. If the impact of all revaluations are ignored, the carrying value of land and buildings as at 30 June 2023 would be R7 031 006 (2022: R7 229 757).

3. Intangible assets

	2024 Computer software R	2024 Management information system R	2024 Total R	2023 Computer software R	2023 Management information system R	2023 Total R
Cost						
At beginning of year	2 513 746	9 464 153	11 977 899	2 445 335	8 691 242	11 136 577
Additions	92 344	1 016 862	1 109 206	68 411	772 911	841 322
At end of year	**2 606 090**	**10 481 015**	**13 087 105**	**2 513 746**	**9 464 153**	**11 977 899**
Accumulated amortisation						
At beginning of year	(2 419 914)	(8 136 419)	(10 556 333)	(2 335 383)	(7 275 515)	(9 610 898)
Amortisation	(54 828)	(962 962)	(1 017 790)	(84 531)	(860 904)	(945 435)
At end of year	**(2 474 742)**	**(9 099 381)**	**(11 574 123)**	**(2 419 914)**	**(8 136 419)**	**(10 556 333)**
Carrying value	**131 348**	**1 381 634**	**1 512 982**	**93 832**	**1 327 734**	**1 421 566**

	2024	2023	2022
	R	**R**	**R**
4 Loans and advances			
Gross advances*	451 537 203	443 452 111	551 107 874
Accrued interest on advances	9 215 622	8 897 320	11 109 444
Provision for bad debt	(12 891 957)	(26 496 359)	(43 737 258)
Incurred but not reported provision (death write-offs)	(3 327 171)	(2 975 991)	(5 255 619)
	444 533 697	**422 877 081**	**513 224 441**
Movement in impairment provision:			
Balance at beginning of the year	29 472 350	48 992 877	42 904 630
Current year movement in provision	(13 253 222)	(19 520 527)	6 088 247
	16 219 128	**29 472 350**	**48 992 877**

Advances are funded out of loans and capital grants received.

The company's Head Office is in Tzaneen and is operational in the surrounding areas of the Limpopo, Mpumalanga, North West, Gauteng, Eastern Cape and Kwazulu Natal Provinces of South Africa. Individual loans in group lending are limited to R 30 000. Individual loans not within group lending are limited to R 250 000.

Effective interest rates, based on a declining balance, are charged at a fixed rate and initiation and service fees are also charged. Rates do not fluctuate with changes to repo rate changes and no provision is calculated for rate changes.

Due to the fact that the interest rate on advances does not fluctuate with changes in the repo rate and due to the fact that the advances have a short time to maturity, the carrying amounts approximate fair value. The loan periods are between four and twenty four months.

A portion of loans and advances were ceded as security for long term debt obligations as per note 25 of the annual financial statements.

*Prior year figures have been restated in accordance with the IFRS Accounting Standard as issued by the International Accounting Standards Board. Refer to note 22 to the financial statements.

	2024	2023	Restated 2022
	R	R	R

4 Loans and advances (continued)

A total amount of R 13 214 729 (2023: R 29 247 475) of advances was in arrears at the financial year end. An analysis of the arrears for the current year is presented below.

	2024	2023
Rescheduled loans	1 574 372	1 418 164
1 - 30 days	5 734 657	9 242 621
31 - 60 days	1 735 134	3 827 475
61 - 90 days	1 972 961	4 605 393
91 - 120 days	2 197 605	3 642 757
121 - 150 days	-	6 511 065
	13 214 729	**29 247 475**

A rescheduled loan is a loan for which the company has agreed to delay the repayment dates or amounts due to a member's 'long-term illness'. The member must sign an acknowledgement of debt promising to repay the company once the member has recovered from his/her illness. If no loan repayment is received for 12 consecutive months, then the rescheduled loan is written off.
All loans older than 150 days up to 31 August 2023 and older than 120 days from 1 September 2023 respectively are written off as bad debts if considered bad and irrecoverable.

5 Other receivables

Other receivables include small loans generally available for salary advances and study loans given to staff. The loans are interest free. There were no arrears in respect of staff loans (2023: R nil) at the financial year end.

	2024	2023	Restated 2022
Other staff loans	23 526	22 020	40 405
Rental deposits	341 536	370 618	267 606
Accrued debtors*	3 784 420	8 622 170	14 256 220
Prepayments**	3 572 010	3 947 095	3 992 613

Due to the fact that the other receivables have a short time to maturity, the carrying amount approximates fair value.

	7 721 492	**12 961 903**	**18 556 844**

Other receivables are neither past due nor impaired.

*Prior year figures have been restated in accordance with the IFRS Accounting Standard as issued by the International Accounting Standards Board. Refer to note 22 to the financial statements.

**Prepayments mainly include prepaid administration fees on borrowings, office rentals, annual licences and Inventory consumables.

	2024	2023
	R	R
6 Reserves		
Non-distributable reserve	720 243	720 243
General capital reserve	40 333 290	40 333 290
Development reserve	6 654 459	6 654 459
Educational reserve	20 188	20 188
	47 728 180	47 728 180

The non-distributable reserve represents the revaluation of properties. Revaluations are done every three years. The properties at 8 First Avenue and 5 Second Avenue, Medipark, Tzaneen were revalued upwards by R 38 095 in 2022.

The general capital reserve consists of grants received from donors other than USAID (United States Agency for International Development - see note 8). Such grants are, for the most part, non-recurring grants from a variety of organisations wanting to express their interest in, and support of, the work performed by the company. The main contributors during past years were Old Mutual Masisizane Fund, SIDA, SEFA, Genesis Steel, Whole Planet Foundation, Hivos Triodos Bank, DM Edwards, The Wealth Chef, BNP Paribas and various other donors. All grants have been designated by the donors concerned as loan capital to be utilised for future disbursements of loans to clients.

The development reserve comprises mainly of grants received from USAID (United States Agency for International Development). These grants are utilised for lending.

The educational reserve consists of small individual grants. The donors have requested the funds be used to disburse educational loans to existing members of the organisation under an educational loan programme introduced in 1998. As from July 2007 these loans were discontinued.

7 Long term loans

BlueOrchard Microfinance Fund

In October 2021 the Company entered into a loan agreement with BlueOrchard Microfinance Fund for R 50 million. This loan carries interest at a fixed interest rate of 10.00% and is payable bi-annually in arrears commencing on 23 May 2022. The capital amount is repayable in 3 annual instalments from 22 November 2022. The facility is unsecured.

	2024	2023
Balance	53 432 448	105 293 353
Short term portion transferred to current liabilities	(53 432 448)	(51 305 100)
Long term portion	**-**	**53 988 253**

	2024	2023
	R	R

7 Long term loans (continued)

Nederlandse Financierings-Maatschappij Voor Ontwikkelingslanden N.V (FMO)

In November 2021 the Company entered into a R 50 million loan agreement with Nederlandse Financierings-Maatschappij Voor Ontwikkelingslanden N.V. The term of the loan is 4 years. The interest rate is calculated for each disbursement and each interest period based on the equivalent in local currency of 3 months Jibar plus 4.50% pa and an added margin of 0.43% pa; the current rate is 13.288%. The loan capital is payable in 12 quarterly instalments starting from 20 January 2023. Interest is payable quarterly, starting from 20 January 2022. This facility is unsecured.

	2024 R	2023 R
Balance	25 646 197	42 718 598
Short term portion transferred to current liabilities	(16 666 667)	(16 666 667)
Long term portion	**8 979 530**	**26 051 931**

Microfinance Enhancement Facility SA, SICAV-SIF (Incofin)

In March 2023 the Company entered into a loan agreement with Microfinance Enhancement Facility SA, SICAV-SIF for R 9.5 million. This loan carried interest at a fixed interest rate of 11.75% and is payable bi-annually in arrears commencing on 01 April 2024. The capital amount is repayable in two instalments from 31 March 2025 however the company entered into an early settlement in December 2023. The facility was unsecured.

	2024 R	2023 R
Balance	-	9 500 000
Short term portion transferred to current liabilities	-	-
Long term portion	**-**	**9 500 000**

Inyosi Enterprise NPC

In March 2018 the Company entered into a loan agreement with Cadiz Life Limited for R 20 million. This loan carries interest at the Prime rate plus a 1% margin and is payable monthly. The capital amount was repayable in full by March 2021. The loan term was extended by another thirty six months from October 2020 with capital payable on maturity per addendum 1. In February 2022 Cadiz Life Ltd ceded its rights as lender in terms of its agreements with the Company to Inyosi Enterprise NPC. The facility is secured through a cession of book debts up to R20 million and was settled in August 2023.

	2024 R	2023 R
Balance	-	(1 836)
Short term portion transferred to current liabilities	-	1 836
Long term portion	**-**	**-**

	2024	2023
	R	**R**

7 Long term loans (continued)

Whole Planet Foundation

In August 2013 the company entered into a second loan agreement with Whole Planet Foundation for R 1 068 098. This loan is interest free. Capital is repayable in 12 equal quarterly instalments starting on 31 October 2020. The facility was unsecured and settled in June 2023.

In December 2014 the company entered into a third loan agreement with Whole Planet Foundation for R 1 710 075. This loan is interest free. Capital is repayable in 12 equal quarterly instalments starting on 31 October 2020. The facility was unsecured and settled in June 2023.

In September 2015 the company entered into a fourth loan agreement with Whole Planet Foundation for R 4 735 255. This loan is interest free. Capital is repayable in 12 equal quarterly instalments starting on 31 October 2020. The facility was unsecured and settled in June 2023.

In August 2016 the company entered into a fifth loan agreement with Whole Planet Foundation for R 5 602 150. This loan is interest free. Capital is repayable in 12 equal quarterly instalments starting on 31 October 2020. The facility was unsecured and settled in June 2023.

In October 2019 the company entered into a sixth loan agreement with Whole Planet Foundation for R 4 477 050. This loan is interest free. Capital is repayable in 3 equal quarterly instalments starting on 31 October 2022. This facility is unsecured.

In November 2020 the company entered into a seventh loan agreement with Whole Planet Foundation for R 4 551 930. This loan is interest free. Capital is repayable in 3 equal quarterly instalments starting on 31 January 2024. This facility is unsecured.

	2024	2023
Balance	4 221 490	6 816 241
Short term portion transferred to current liabilities	(3 009 660)	(3 009 660)
Long term portion	**1 211 830**	**3 806 581**

	2024	2023
	R	R

7 Long term loans (continued)

Symbiotics

In November 2020 the Company entered into a loan agreement with Symbiotics Sicav (Lux) acting with respect to its Global Financial Inclusion Fund (Noteholder) and Symbiotics S.A. (Fund Manager of the Noteholder) for R 8.25 million. The term of the loan is 3 years. This loan carries interest at a fixed rate of 9.5% and is payable bi-annually commencing on 18 May 2021. Capital is repayable in 3 equal annual instalments from 18 November 2021. The facility was settled in November 2023.

In November 2020 the Company entered into a loan agreement with Netri Foundatiòn Privada and Symbiotics S.A. (Investment Partner of the Noteholder) for R 7.76 million. The term of the loan is 3 years. This loan carries interest at a fixed rate of 9.5% and is payable bi-annually commencing on 04 December 2020. Capital is repayable in 3 equal annual instalments from 04 December 2020. The facility was settled in November 2023.

In November 2020 the Company entered into a loan agreement with Symbiotics Sicav (Lux) with respect to its SEB Microfinance Fund VIII (Noteholder) and Symbiotics S.A. (Fund Manager of the Noteholder) for R 33 million. The term of the loan is 3 years. This loan carries interest at a fixed rate of 9.5% and is payable bi-annually commencing on 13 May 2021. Capital is repayable in 3 equal annual instalments from 13 November 2021. The facility was settled in November 2023.

In November 2020 the Company entered into a loan agreement with Symbiotics Sicav (Lux) acting with respect to its Abendorf Microfinance Local Currency Fund (Noteholder) and Symbiotics S.A. (Fund Manager of the Noteholder) for R 14.5 million. The term of the loan is 3 years. This loan carries interest at a fixed rate of 9.5% and is payable bi-annually commencing on 13 May 2021. Capital is repayable in 3 equal annual instalments from 13 November 2021. The facility was settled in November 2023.

In November 2020 the Company entered into a loan agreement with Symbiotics Sicav (Lux) acting with respect to its Global Microfinance Fund (Noteholder and Symbiotics S.A. (Fund Manager of the Noteholder) for R 14.5 million. The term of the loan is 3 years. This loan carries interest at a fixed rate of 9.5% and is payable bi-annually commencing on 13 May 2021. Capital is repayable in 3 equal annual instalments from 13 November 2021. The facility was settled in November 2023.

	2024 R	2023 R

7 Long term loans (continued)

Symbiotics

In November 2020 the Company entered into a loan agreement with Regional MSME Investment Fund for the Sub-Saharan Africa S.A., SICAV-SIF (Noteholder) and Symbiotics S.A (Investment Manager of the Noteholder) for R 40.3 million. The term of the loan is 3 years. This loan carries interest at a fixed rate of 9.5% and is payable bi-annually commencing on 13 May 2021. Capital is repayable in 3 equal annual instalments from 13 November 2021. The facility was settled in November 2023.

In November 2020 the Company entered into a loan agreement with Symbiotics Sicav (Lux) acting with respect to its SEB Microfinance Fund VII (Noteholder) and Symbiotics S.A. (Fund Manager of the Noteholder) for R 8.25 million. The term of the loan is 3 years. This loan carries interest at a fixed rate of 9.5% and is payable bi-annually commencing on 18 May 2021. Capital is repayable in 3 equal annual instalments from 18 November 2021. The facility was settled in November 2023.

In November 2023 the Company entered into a loan agreement with Regional MSME Investment Fund for the Sub-Saharan Africa S.A., SICAV-SIF (Noteholder) and Symbiotics Asset Management SA (Investment Manager of the Noteholder) for R 72 million. The term of the loan is 3 years. This loan carries interest equivalent to 3 months JIBAR plus 4.2%, payable quarterly commencing on 15 Feb 2024. The current rate is 12.56%. Capital is repayable bi-annually commencing on 15 Feb 2024. The facility is unsecured and will be settled in August 2026.

These loans are unsecured.

	2024 R	2023 R
Balance	61 125 545	40 458 167
Short term portion transferred to current liabilities	(24 017 841)	(40 458 167)
Long term portion	**37 107 704**	-

The Small Enterprise Agency Soc Limited (SEFA)

In May 2022 the Company entered into a revolving credit facility with SEFA for R 30 million. The term of the facility is 5 years. Capital is repayable no later than 60 months from the date of the first advance / disbursement. Interest is capitalized and payable monthly. The loan carries interest at prime minus 1%. The facility is secured through a cession of book debts funded by SEFA of R30 million.

In September 2022 the Company entered into a revolving credit facility with SEFA for R 90 million. The term of the facility is 5 years. Capital is repayable no later than 60 months from the date of the first advance / disbursement. Interest is capitalized and payable monthly. The loan carries interest at prime minus 1.5%. The facility is secured through a cession of book debts funded by SEFA of R25 million.

	2024 R	2023 R
Balance	108 864 973	-
Short term portion transferred to current liabilities	(108 864 973)	-
Long term portion	-	-

	2024 R	Restated 2023 R	Restated 2022 R
7 Long term loans (continued)			

Legal Owner Triodos Funds B.V. and Triodos SICAV II

In August 2021 the Company rolled over and consolidated its three existing loan entered into in September 2018 with Stichting Hivos-Triodos Fonds of R13.75 million, Triodos Custody B.V. of R26.5 million and Triodos SICAV II - Triodos Microfinance Fund of R 22.5 million into a loan agreement with Legal Owner Triodos Funds B.V. for R31.375 million and Triodos SICAV II for R31.375 million. These loans carry interest at a fixed rate of 11.70% and is payable bi-annually commencing on 15 March 2022. Capital is repayable quarterly in 4 equal instalments from 30 November 2023. These loans are unsecured.

	2024 R	Restated 2023 R
Balance	16 533 679	64 718 287
Short term portion transferred to current liabilities	(16 533 679)	(47 062 500)
Long term portion	**-**	**17 655 787**

Lease liability

Leases with a tenure of longer than 12 months are capitalised in line with IFRS 16. The company leases buildings for its operation offices. The company is not exposed to any future cash outflows relating to extension and termination options not included in the lease liability. The company's leases include future price increases through fixed percentage increases on a periodic rent review. During the current year, there were no expenses relating to variable lease payments not included in the lease liability. The company has no liabilities under residual value guarantees and no restrictions or covenants were imposed by leases in the current year.
The total cash outflow during the year in relation to leases was R32 031 (2023: R103 043).

	2024 R	Restated 2023 R
Balance	-	31 099
Short term portion transferred to current liabilities	-	(31 099)
Long term portion	-	-
Total long term loans	**47 299 064**	**111 002 552**

The Company is up to date with all scheduled repayments on loans.

8 Short term loans

Other short term loans

	2024 R	Restated 2023 R
Current portion of BlueOrchard Microfinance Fund loan	53 432 448	51 305 100
Current portion of FMO loan	16 666 667	16 666 667
Current portion of Inyosi Enterprise NPC	-	(1 836)
Current portion of Symbiotics loan	24 017 841	40 458 167
Current portion of Whole Planet Foundation loan	3 009 660	3 009 660
Current portion of The Small Enterprise Agency Soc Limited (SEFA)	108 864 973	-
Current portion Triodos SICAV II loans	16 533 679	47 062 500
Current portion of lease liability	-	31 099
Total short term loans	**222 525 268**	**158 531 357**

9 Trade and other payables

	2024 R	Restated 2023 R	Restated 2022 R
Trade and other payables*	31 805 847	41 618 979	38 558 841
Loans and advances with credit balances	3 398 137	4 046 953	10 338 431
Total trade and other payables	**35 203 984**	**45 665 933**	**48 897 272**

*Prior year figures have been restated in accordance with the IFRS Accounting Standard as issued by the International Accounting Standards Board. Refer to note 22 to the financial statements.

10 Provisions

	2024 R	2023 R
Provision for accumulated leave	4 660 553	4 643 333
Provision for 13th cheque	4 903 610	5 109 245
Provision for auditor’s remuneration	2 141 762	2 061 426
	11 705 926	**11 814 004**
Movement in accumulated leave provision:		
Balance at beginning of the year	4 643 333	4 317 136
Current year movement in provision	14 282 993	15 291 631
Amounts used this year	(14 265 773)	(14 965 434)
	4 660 553	**4 643 333**
Movement in 13th cheque provision:		
Balance at beginning of the year	5 109 245	5 200 492
Current year movement in provision	10 224 135	10 565 408
Amounts used this year	(10 429 769)	(10 656 655)
	4 903 610	**5 109 245**
Movement in auditor's remuneration provision:		
Balance at beginning of the year	2 061 426	2 098 689
Current year movement in provision	2 086 021	2 126 307
Amounts used this year	(2 005 685)	(2 163 570)
	2 141 762	**2 061 426**

Provision for accumulated leave
Annual leave is not expected to be settled wholly within 12 months after the end of the reporting period. The annual leave liability is recognised and measured at the present value of amounts expected to be paid when the liabilities are settled using the remuneration rate expected to apply at the time of settlement. When assessing expected future payments consideration is given to expected future salary levels including non-salary components and periods of service. It is uncertain if all employees at the end of the reporting period will be employed at the expected date of settlement.

Provision for 13th cheque
Employees are entitled to a 13th bonus cheque as per their letter of employment. This bonus is expected to be settled wholly within 6 months after the end of the reporting period. The 13th cheque liability is recognised and measured at the present value of amounts expected to be paid when the liabilities are settled using the remuneration rate expected to apply at the time of settlement. When assessing expected future payments consideration is given to expected future basic salary levels and periods of service. It is uncertain if all employees at the reporting date will be employed at the expected date of settlement.

Provision for auditor’s remuneration
Auditor's fees are provided for the period under the review. It is expected that this liability will be paid within 6 months after the end of the reporting period.

	2024 R	2023 R
11 Accruals		
Workmen's Compensation	121 277	141 718
Expenses incurred in current year but paid after year end*	4 375 817	3 074 330
Unknown deposits	31 632	33 676
	4 528 726	**3 249 724**

*These expenses mainly include commissions, water and electricity, travel claims, incentive rewards and other incurred in the current year but paid after year end.

	2024 R	2023 R
12 Revenue		
Interest received on advances	298 270 205	319 191 883
Interest received on cash balances	3 873 445	5 127 020
Service fees	1 858 000	7 465 891
Interest earned on arrears / prepayments	40 893 158	36 371 487
	344 894 807	**368 156 281**

Interest received on advances includes initiation fees of R 152 595 866 (2023: R 174 213 155)

	2024 R	2023 R
13 Finance costs		
Finance costs in respect of loans	29 152 335	36 099 967
Administration cost on borrowings	1 160 426	1 423 424
Facility and maintenance fees	183 313	1 007 830
Finance costs in respect of overdraft facility	111 075	218 058
Finance costs in respect of employee savings	113 834	80 249
Finance costs in respect of client advance deposits	681 461	536 982
Finance costs in respect of late payments on loans	6 256	4 219
Finance costs in respect of lease liability	932	9 515
	31 409 631	**39 380 244**

	2024 R	2023 R
14 Impairment of advances		
Bad debts written off	22 517 945	42 923 985
Bad debts recovered	(6 374 947)	(7 849 629)
Death write-offs	3 256 992	3 604 831
Impairment: Interest on arrears / prepayments*	40 893 158	36 371 487
	60 293 149	**75 050 674**

* SEF charges a fixed amount of interest over the tenure of the loan irrespective of the timing of the repayments. IFRS9 requires interest to be raised on arrears and reduced on prepayments. This adjustment therefore impairs the net interest earned as it is not collectible from clients in terms of their contracts.

	2024	2023
	R	R

15 Deficit before grants

	2024 R	2023 R
The deficit before grants is derived after taking the following into account:	(17 204 175)	(18 389 070)
Staff costs	192 914 150	196 694 430
External auditor's remuneration		
- Statutory audit : current year	2 141 762	2 061 426
: prior year under provision	-	64 882
	2 141 762	2 126 308
Amortisation of intangible assets	1 017 790	945 435
Depreciation of property and equipment	2 000 871	2 165 047
Operating Leases		
- Buildings	4 740 291	4 516 196
Legal fees	243 274	166 442
Foreign exchange gain	28 103	66 505
Profit on disposal of property, plant and equipment	169 728	174 277

16 Grants received

	2024 R	2023 R
Operational grants received – gross amount		
- Cadiz	-	214 215
- IMAGE	-	564 064
- Other	15 327	4 254
Total operational grants received	**15 327**	**782 533**
Grants not utilised	(15 327)	(782 533)
Total operational grants received	**(15 327)**	**(782 533)**

17 Operating leases

The company has various operating leases entered with landlords for the rental of buildings. The minimum lease payments are detailed below:

	2024 R	2023 R
Amounts payable within 1 year	945 382	1 031 484
Amounts payable within 2 – 5 year	-	-
	945 382	**1 031 484**

Operating lease payments shorter than one year are recognised as an expense on a straight line basis over the lease term.

The company leases premises for its branches and offices in four provinces on a an annual basis; rent is payable in advance.

	2024	2023
	R	R

18 Taxation

No provision has been made for taxation as the organisation was approved as a Public Benefit Organisation in terms of section 30 of the Income Tax Act and is therefore exempt from taxes.

19 Retirement benefits

All permanent employees of the company are members of the Old Mutual Orion Provident Fund. The Provident Fund is defined as a defined contribution plan, where the retirement benefits are determined with reference to the employer and employees' contributions to the Provident Fund. In 2024 the company contributed R 27 455 730 (2023: R 27 897 399) towards the Provident Fund and group life premiums. Current contributions to the Provident Fund are charged against income as incurred.

20 Encumbered assets and contingent liabilities

The following securities have been ceded by the company:

Three Standard Bank facilities (overdraft, credit card and fleet management services) are secured through:
- A first and second covering continuing mortgage bond over the property at second Avenue, Tzaneen of R 3.3 million and a cession of material damage insurance policy and Sasria cover over erf 199, Tzaneen.

- A first and second covering continuing mortgage bond over the property at first Avenue, Tzaneen of R 7.5 million and a cession of material damage insurance policy and Sasria cover over erf 199, Tzaneen.
- A cession over a portion of the loan book.

Certain assets were ceded as security for long term debt obligations as per note 7 of the annual financial statements.

21 Related party balances and transactions

The company did not have any related balance and transactions.

22 Prior year restatement

SEF established in 2024 that the bank overdraft was erroneously netted against cash and cash equivalents in the Statement of Financial Position. In addition, the bank overdraft did not meet the criteria to be included as part of cash equivalents in the Statement of Cash Flows, and should have been treated as a financing activity. SEF also established that certain control accounts were incorrectly included within cash and cash equivalents and should have been treated as working capital balances in the Statement of Financial Position and the Statement of Cash Flows. SEF also established that certain customers with credit balances were incorrectly included within loans and advances. This presentation was corrected in 2024 and the comparative figures for 2023 and 2022 were restated in accordance with the IFRS Accounting Standard as issued by the International Accounting Standards Board presented below. The impact is a restatement of cash and cash equivalents by R 19 912 761 (2022: (R 12 249 219), Loans and advances by R8 767 776 (2022: R15 859 136), Other Receivables by R8 486 766 (2022: R 14 246 656), Bank Overdraft by R6 169 739 (2022: R 12 223 890) and Other payables by R 30 997 563 (2022: R 30 131 118).

	As presented 2023 R	Restatement 2023 R	Restated 2023 R
Statement of Financial Position (extract) as at 30 June 2023			
Loans and advances	414 109 305	8 767 776	422 877 081
Other receivables	4 475 137	8 486 766	12 961 903
Cash and cash equivalents	24 600 487	19 912 761	44 513 248
Total current assets	443 184 929	37 167 303	480 352 232
Total assets	454 980 114	37 167 303	492 147 418
Bank Overdraft	-	6 169 739	6 169 739
Trade and Other payables	14 668 368	30 997 563	45 665 933
Total current liabilities	190 233 156	37 167 302	227 400 460
Total Funds and liabilities	454 980 114	37 167 302	492 147 418
Cashflow Statement (extract) for the year ended 30 June 2023			
(Increase)/Decrease in other receivables	(164 949)	5 759 889	5 594 940
Increase/(Decrease) in trade and other payables	(4 097 786)	866 447	(3 231 339)
Decrease/(Increase) in loans and advances excluding provisions	56 247 711	7 091 360	63 339 071
Cash Utilised in Operations	97 327 757	13 717 697	111 045 454
Net cash used in operating activities	63 074 533	13 717 697	76 792 230
Increase/(Decrease) in Bank Overdraft	-	(6 054 151)	(6 054 151)
Net cash inflows from financing activities	(182 397 980)	(6 054 151)	(188 452 132)
Net decrease in cash and cash equivalents	(121 228 059)	7 663 547	(113 564 513)
Cash and cash equivalents at the beginning of the financial year	145 828 546	12 249 219	158 077 762
Cash and cash equivalents at the end of the financial year	24 600 487	19 912 761	44 513 248
Notes to the Annual Financial Statements (extract) for the year ended 30 June 2023			
Note 4: Loans and advances			
Gross advances	434 684 335	8 767 776	443 452 111
Note 5: Other receivables			
Accrued debtors	135 404	8 486 766	8 622 170
Note 9: Trade and other payables			
Trade and other payables	10 621 415	30 997 564	41 618 979

	As presented 2022 R	Restatement 2022 R	Restated 2022 R
Statement of Financial Position (extract) as at 30 June 2022			
Loans and advances	497 365 305	15 859 136	513 224 441
Other receivables	4 310 188	14 246 656	18 556 844
Cash and cash equivalents	145 828 546	12 249 219	158 077 762
Total current assets	647 504 039	42 355 010	689 859 046
Total assets	660 401 906	42 355 010	702 756 914
Bank Overdraft	-	12 223 890	12 223 890
Trade and Other payables	18 766 154	30 131 118	48 897 272
Total current liabilities	228 017 138	42 355 009	270 372 146
Total Funds and liabilities	660 401 906	42 355 009	702 756 914
Notes to the Annual Financial Statements (extract) for the year ended 30 June 2022			
Note 4: Loans and advances			
Gross advances	535 248 738	15 859 136	551 107 874
Note 5: Other receivables			
Accrued debtors	9 564	14 246 656	14 256 220
Note 9: Trade and other payables			
Trade and other payables	8 427 723	30 131 118	38 558 841

23 Risk management

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation, and cause the other party to incur a financial loss. The Company mitigates this risk by employing a comprehensive framework of policies, procedures and limits to ensure a process of risk assessment, quantification and monitoring.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations from its financial liabilities. Management, through regular review of the company's position, ensures that the Company's operations can meet the minimum levels of funds required.

The table in 26.1 analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position date to the contractual maturity date. The amounts disclosed in the table are the undiscounted cash flows except if stated otherwise. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Cash flow risk

Cash flow risk is the risk that future cash flows associated with a monetary financial instrument will fluctuate in amount. The Company mitigates this risk by setting fixed repayment terms for all loans and advances.

Interest rate risk

Interest rate risk is the risk that interest rates will fluctuate in future. The Company adopts a policy of ensuring that its borrowings are at market related rates to address its interest rate risk.

Capital risk

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising its social returns through the optimisation of the debt and equity.

The capital structure of the company consists of debt, which includes borrowings, cash and cash equivalents, reserves and retained earnings respectively.

Market risk

Market risk is the risk that the fair value or cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk reflects interest rate risk, currency risk and other price risks. The interest rate risk has been addressed above and there are no significant exposures to currency risk.

24.1 Statement of financial position - categories of financial instruments - 2024

	Total	Loans and receivables	Financial liabilities at amortised cost and Bank Overdraft	Other and Non-financial assets and liabilities
Assets	**R**	**R**	**R**	**R**
Property and equipment	10 245 569	-	-	10 245 569
Intangible assets	1 512 982	-	-	1 512 982
Loans and advances	444 533 697	444 533 697	-	-
Other receivables	7 721 492	7 721 492	-	-
Cash and short term funds	20 644 537	20 644 537	-	-
Total assets	**484 658 277**	**472 899 726**	**-**	**11 758 551**
Funds and liabilities				
Reserves	47 728 180	-	-	47 728 180
Retained earnings	88 827 378	-	-	88 827 378
Long term loans	47 299 064	-	47 299 064	-
Short term loans	222 525 268	-	222 525 268	-
Bank Overdraft	24 385 035	-	24 385 035	-
Trade and other payables	35 203 984	-	35 203 984	-
Accruals	4 528 726	-	4 528 726	-
Provisions	11 705 926	-	-	11 705 926
Value Added Tax	2 454 716	-	-	2 454 716
Total funds and liabilities	**484 658 277**	**-**	**333 942 078**	**150 716 200**

The assets and liabilities included in the above table are carried at amortised cost; their carrying values are a reasonable approximation of fair value.

24.2 Statement of financial position - categories of financial instruments - 2023

	Total	Loans and receivables	Financial liabilities at amortised cost and Bank Overdraft	Other and Non-financial assets and liabilities
Assets	**R**	**R**	**R**	**R**
Property and equipment	10 373 619	-	-	10 373 619
Intangible assets	1 421 566	-	-	1 421 566
Loans and advances*	422 877 081	422 877 081	-	-
Other receivables*	12 961 903	12 961 903	-	-
Cash and short term funds*	44 513 248	44 513 248	-	-
Total assets	**492 147 418**	**480 352 232**	**-**	**11 795 185**
Funds and liabilities				
Reserves	47 728 180	-	-	47 728 180
Retained earnings	106 016 226	-	-	106 016 226
Long term loans	111 002 552	-	111 002 552	-
Short term loans	158 531 358	-	158 531 358	-
Bank overdraft*	6 169 739	-	6 169 739	-
Trade and other payables*	45 665 933	-	45 665 933	-
Accruals	3 249 724	-	3 249 724	-
Provisions**	11 814 004	-	-	11 814 004
Value Added Tax**	1 969 702	-	-	1 969 702
Total funds and liabilities	**492 147 418**	**-**	**324 619 306**	**167 528 112**

The assets and liabilities included in the above table are carried at amortised cost; their carrying values are a reasonable approximation of fair value.

*Prior year figures have been restated in accordance with the IFRS Accounting Standard as issued by the International Accounting Standards Board. Refer to note 22 to the financial statements.

**SEF established in 2024 that Provisions and Value Added Tax were erroneously classified as financial liabilities at amortised cost and should have been treated as non-financial liabilities. This presentation was corrected in 2024 and the comparative figures for 2023 were reclassified in accordance with the IFRS Accounting Standard as issued by the International Accounting Standards Board presented above.

25.1 Income and expenses per category of financial assets and financial liabilities – 2024

	Total	Loans and receivables	Financial liabilities at amortised cost	Non-financial assets and liabilities
	R	R	R	R
Interest income	343 036 807	343 036 807	-	-
Finance cost	(31 409 631)	-	(31 409 631)	-
Service fees	1 858 000	1 858 000	-	-
Other income	1 723 650	-	-	1 723 650
Provision for loans and advances	13 253 222	13 253 222	-	-
Impairment on loans and advances	(60 293 149)	(60 293 149)	-	-
Other operating expenses	(285 373 074)	-	-	(285 373 074)
Deficit for the year	**(17 204 175)**	**297 854 880**	**(31 409 631)**	**(283 649 424)**

25.2 Income and expenses per category of financial assets and financial liabilities – 2023

	Total	Loans and receivables	Financial liabilities at amortised cost	Non-financial assets and liabilities
	R	R	R	R
Interest income	360 690 390	360 690 390	-	-
Finance cost	(39 380 244)	-	(39 380 244)	-
Service fees	7 465 891	7 465 891	-	-
Other income	6 941 598	-	-	6 941 598
Provision for loans and advances	19 520 527	19 520 527	-	-
Impairment on loans and advances	(75 050 674)	(75 050 674)	-	-
Other operating expenses	(298 576 559)	-	-	(298 576 559)
Deficit for the year	**(18 389 071)**	**312 626 134**	**(39 380 244)**	**(291 634 961)**

THE SMALL ENTERPRISE FOUNDATION
(Non-Profit Company)
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
for the year ended 30 June 2024

26.1 Liquidity risk management - 2024

	Total	<1 year	>1 year <5 year	> 5 year	Non - determined
	R	R	R	R	R
Funds					
Total funds	136 555 558	-	-	-	136 555 558
Undiscounted liabilities					
Long term loans	47 299 064	-	47 299 064	-	-
Short term loans	222 525 268	222 525 268	-	-	-
Bank Overdraft	24 385 035	24 385 035	-	-	-
Trade and other payables	35 203 984	35 203 984	-	-	-
Accruals and Provisions	16 234 652	16 234 652	-	-	-
Value Added Tax	2 454 716		-	-	2 454 716
Total funds and liabilities	**484 658 277**	**298 348 939**	**47 299 064**	**-**	**139 010 274**

26.2 Liquidity risk management - 2023

	Total	<1 year	>1 year <5 year	> 5 year	Non - determined
	R	R	R	R	R
Funds					
Total funds	153 744 406	-	-	-	153 744 406
Undiscounted liabilities					
Long term loans	111 002 552	-	111 002 552	-	-
Short term loans	158 531 358	158 531 358	-	-	-
Bank Overdraft*	6 169 739	6 169 739	-	-	-
Trade and other payables*	45 665 933	45 665 933	-	-	-
Accruals and Provisions	15 063 728	15 063 728	-	-	-
Value Added Tax	1 969 702	-	-	-	1 969 702
Total funds and liabilities	**492 147 418**	**225 430 758**	**111 002 552**	**-**	**155 714 108**

*Prior year figures have been restated in accordance with the IFRS Accounting Standard as issued by the International Accounting Standards Board. Refer to note 22 to the financial statements.

27 Credit risk management

Financial assets whose terms have been renegotiated

These loans are termed rescheduled loans, as the terms have been renegotiated, due to the client's inability to pay. These loans are fully impaired.

	2024 R	2023 R
Rescheduled loans - carrying amount	1 574 372	1 418 164
Loans and advances past due and impaired	11 640 357	27 829 311
1 - 30 days	5 734 657	9 242 621
31 - 60 days	1 735 134	3 827 475
61 - 90 days	1 972 961	4 605 393
91 - 120 days	2 197 605	3 642 757
121 - 150 days	-	6 511 065
Loan advances neither past due and nor impaired*	447 538 096	423 101 956
Gross loans and advances*	460 752 825	452 349 431
Provision for impairments	(16 219 128)	(29 472 350)
Net loans and advances	444 533 697	422 877 081

*Prior year figures have been restated in accordance with the IFRS Accounting Standard as issued by the International Accounting Standards Board. Refer to note 22 to the financial statements.

28.1 Interest rate risk – 2024

	Total	<1 year	>1 year <5 year	>5 year	Non-interest bearing / Fixed rate
Assets	R	R	R	R	R
Property and equipment	10 245 569	-	-	-	10 245 569
Intangible Assets	1 512 982	-	-	-	1 512 982
Loans and advances (fixed rate)	444 533 697	-	-	-	444 533 697
Other receivables	7 721 492	-	-	-	7 721 492
Cash and short term funds	20 644 537	20 644 537	-	-	-
Total assets	**484 658 277**	**20 644 537**	**-**	**-**	**464 013 741**
Funds					
Total funds	136 555 558	-	-	-	136 555 558
Undiscounted liabilities					
Long term loans	47 299 064	-	46 087 234	-	1 211 830
Short term loans	222 525 268	149 549 481	-	-	72 975 787
Bank Overdraft	24 385 035	24 385 035	-	-	-
Trade and other payables	35 203 984	8 629 436	-	-	26 574 548
Accruals and Provisions	16 234 652	-	-	-	16 234 652
Value Added Tax	2 454 716	-	-	-	2 454 716
Total funds and liabilities	**484 658 277**	**182 563 953**	**46 087 234**	**-**	**256 007 091**
Interest rate gap		**(161 919 416)**	**(46 087 234)**		**208 006 650**

The interest rate gap describes the excess of assets over liabilities which are subject to interest rate change over time.

28.2 Interest rate risk – 2023

	Total	**<1 year**	**>1 year <5 year**	**>5 year**	**Non-interest bearing / Fixed rate**
Assets	**R**	**R**	**R**	**R**	**R**
Property and equipment	10 373 619	-	-	-	10 373 619
Intangible Assets	1 421 566	-	-	-	1 421 566
Loans and advances (fixed rate)*	422 877 081	-	-	-	422 877 081
Other receivables*	12 961 903	-	-	-	12 961 903
Cash and short term funds*	44 513 248	44 513 248	-	-	-
Total assets	**492 147 418**	**44 513 248**	**-**	**-**	**447 634 170**
Funds					
Total funds	153 744 406	-	-	-	153 744 406
Undiscounted liabilities					
Long term loans	111 002 552	-	26 051 931	-	84 950 621
Short term loans	158 531 358	57 154 098	-	-	101 377 260
Bank overdraft*	6 169 739	6 169 739	-	-	-
Trade and other payables*	45 665 933	5 256 256	-	-	40 409 677
Accruals and Provisions	15 063 728	-	-	-	15 063 728
Value Added Tax	1 969 702	-	-	-	1 969 702
Total funds and liabilities	**492 147 418**	**68 580 093**	**26 051 931**	**-**	**397 515 394**
Interest rate gap		**(24 066 845)**	**(26 051 931)**		**50 118 776**

The interest rate gap describes the excess of assets over liabilities which are subject to interest rate change over time.

*Prior year figures have been restated in accordance with the IFRS Accounting Standard as issued by the International Accounting Standards Board. Refer to note 22 to the financial statements.

	2024	2023
	R	R

29 Interest rate sensitivity analysis

As at 30 June 2024, if interest rates on floating rate assets and liabilities held at amortised cost have decreased/increased by 100 basis points with all other variables held constant, the impact on profit and loss would have been as set out below:

	2024 R	2023 R
Decrease	2 698 243	2 695 339
Increase	(2 698 243)	(2 695 339)

30 Directors' and prescribed officer's emoluments

Included in staff expenditure and other operating expenditure are the following payments made to directors and prescribed officers for service rendered during the year:

	2024 R	2023 R
Director's emoluments		
JR de Wit		
Services to the company	3 745 512	3 534 437
	3 745 512	**3 534 437**

No emoluments were paid to any of the other directors during the year.

	2024 R	2023 R
Prescribed officer's emoluments		
C van Vuuren		
Services to the company	1 395 284	1 327 924
Retirement and Medical Aid contributions	355 184	312 558
	1 750 468	**1 640 482**
L Motshoane		
Services to the company	1 806 455	1 726 522
Retirement and Medical Aid contributions	426 259	398 798
	2 232 714	**2 125 320**
N Vilakazi		
Services to the company	2 045 843	1 774 546
Retirement and Medical Aid contributions	430 869	373 549
	2 476 712	**2 148 095**

31 Standards

Standards not early adopted

The company has chosen not to early adopt any of the following new and revised Standards, amendments thereto and interpretations thereof in these financial statements.

Standards (New)	**Effective for year ends on or after**
Standards (Interpretations)	**Effective for year ends on or after**
Standards (Amendments)	**Effective for year ends on or after**
IFRS 19 Subsidiaries without Public Accountability: Disclosures	01 January 2027
IFRS 18 Presentation and Disclosure in Financial Statements	01 January 2026
IFRS 9 and IFRS 7 Amendments to the Classification and Measurement of Financial Instruments	01 January 2026
IAS 21 Lack of Exchangeability	01 January 2025