ANNUAL FINANCIAL STATEMENTS

FOR THE PERIOD ENDED
28 FEBRUARY 2023

altvest
credit opportunities fund

GENERAL INFORMATION

Country of incorporation:	Republic of South Africa
Nature of business and principal activities:	Provider of SME loans
Directors:	AS Karan JCH Geyer TL Wheatley E Harcourt-Wood SKI Masakale GM Sephuma
Registered office and business address:	Block B 66 Rivonia Road Chislehurston Sandton 2146
Postal address:	Block B 66 Rivonia Road Chislehurston Sandton 2146
Holding company:	Altvest Capital Limited
Company registration number:	2022/737301/06
Auditors:	Deloitte & Touche Registered Auditors
Level of assurance:	These financial statements have been audited in compliance with the applicable requirements of the Companies Act 71 of 2008.
Independently compiled by:	T Botha CA (SA)
Published:	29 May 2023

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The following reports and statements are presented in compliance with the Companies Act of South Africa:

DIRECTOR'S RESPONSIBILITIES AND APPROVAL

The directors are required in terms of the Companies Act of South Africa to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the consolidated and separate annual financial statements.

The annual financial statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board of directors sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the company's cash flow forecast for the foreseeable future and, in light of this review and the current financial position, they are satisfied that the company has or had access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the company's financial statements. The financial statements have been examined by the company's external auditors and their report is presented on pages 11 to 13.

The financial statements set out on pages 15 to 35 ,which have been prepared on the going concern basis, have been approved for issue by the Board of Directors on 29th May 2023 and are signed on their behalf by:

JCH Geyer	AS Karan

DIRECTORS' REPORT

The directors have the pleasure in submitting their report together with the annual financial statements for the period ended 28 February 2023.

Nature of business

Altvest Credit Opportunities Fund Pty Ltd ("ACOF") was incorporated in South Africa. The principal activities of the company is providing SME loans. Altvest Credit Opportunities Fund Pty Ltd ("ACOF") is a direct lender focusing primarily but not restricted to women-owned and/or managed and/or staffed businesses in South Africa.

ACOF will obtain capital for deployment from several categories of investors and funders in the form of debt and equity. The primary use of capital raised will be allocated for ACOF to originate structured loans to borrowers through an online platform. ACOF also supports its portfolio of borrowers by offering technical, compliance and finance related services.

Through its social media presence and nationwide reach, Altvest Capital Limited (registration number 2021/540736/06) as Fund Manager of ACOF, assists ACOF with access to investors and borrowers, and will directly and indirectly offer borrowers access to marketing and branding opportunities.

ACOF's mission is aligned with that of the Altvest brand, namely, to provide access to finance and investments. ACOF is driven to provide clients that meet its lending criteria with access to suitable debt funding and to thereby play an active role in stimulating economic growth reducing unemployment and reducing gender inequality.

Review of financial results and activities

The financial statements have been prepared in accordance with International Financial Reporting Standards and the requirements of the Companies Act 71 of 2008.

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

	2023 R
Financial results	
The company traded at a loss of:	(43,809)

Property, plant and equipment

The company did not acquire or dispose of any assets during the current period of review.

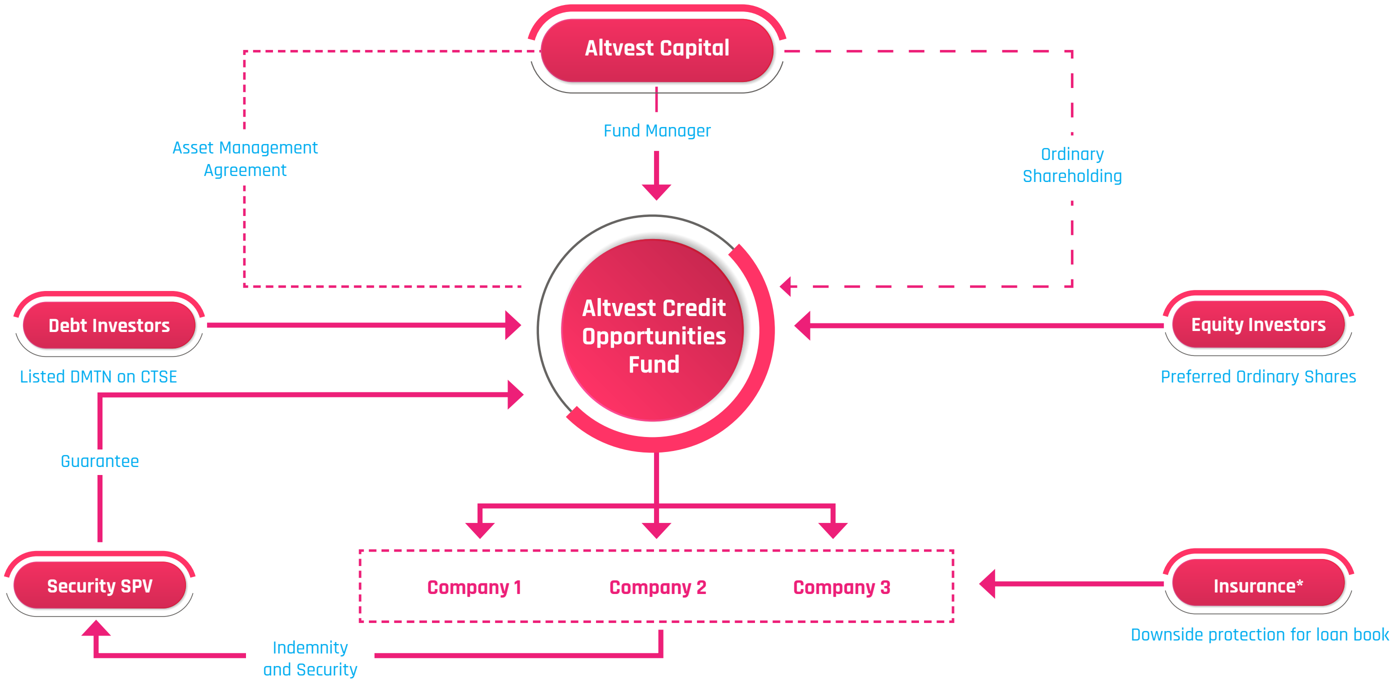
Dividends

No dividends were declared or proposed during the period under review.

Events after the reporting period

ACOF'S business objectives will comprise of (1) the raising of capital through the issue of Medium-Term Domestic Notes and the issuance of Class C Preferred Ordinary Shares and (2) the lending of funds obtained through the capital raise.

The business model of ACOF involves raising capital through listed equity and debt, for the purposes of on-lending to qualifying SMEs.



Listed Equity:
Altvest Capital will apply for the listing of Class C Preferred Ordinary Shares in ACOF with the CTSE. The preferred ordinary shares will be available to trade on both the CTSE and A2X markets.

Listed Debt:
ACOF registered a domestic medium term note program on the Cape Town Stock Exchange, where investors will be able to subscribe for notes at attractive yields where the notes are traded on in a secondary market.

DMTN Note program:

- ACOF's ZAR5,000,000,000 Domestic Medium Term Note Program was approved by the CTSE Issuer Regulation Committee on the 8th of December 2022.
- ACOF plans to raise capital primarily through the issuance of listed debt notes via the CTSE DMTN Program and deploy these funds into three product tranches – asset backed finance, working capital and energy solutions, with working capital serving as the largest proportion.

ACOF's mission is aligned with that of its holding company (Altvest) brand, namely, ultimately to democratise access to finance and investments. ACOF is driven to provide clients that meet its lending criteria with access to suitable debt funding and to thereby play an active role in stimulating economic growth reducing unemployment and reducing gender inequality.

- *For Investors:*
  - An innovative Private Credit product offering;
  - Exposure to secured debt with robust downside protection.
- *For Debt Providers:*
  - A R 5bn Domestic Medium Term Note Program which is listed on the CTSE.
- *For SME's:*
  - An opportunity to obtain fast and flexible funding;
  - Flexible repayment terms, fast turnaround times, security;
  - Robust risk assessment and governance structures.

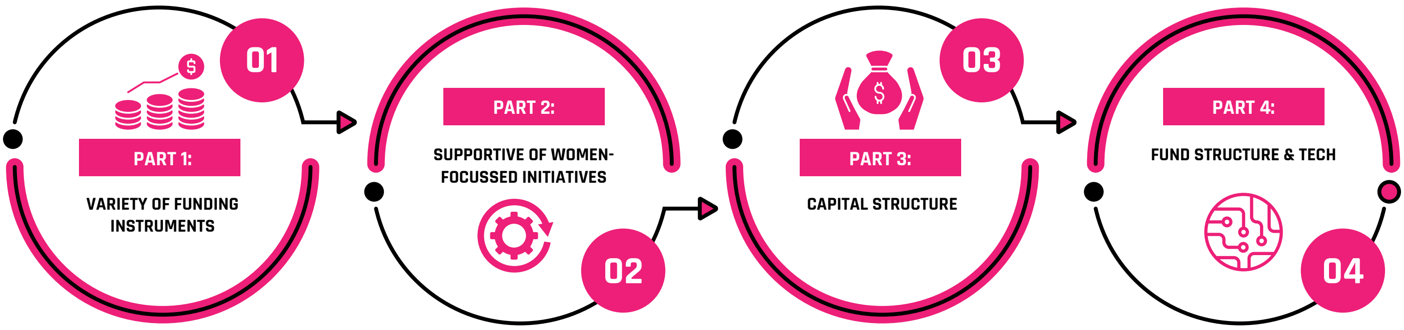
Lending platform

ACOF's product offering has been designed to be diverse and flexible enough to accommodate the differing financial circumstances of prospective borrowers. At the same time ACOF will refrain from offering a uniquely tailored funding solution to each borrower as this will result in slower turnaround time and higher borrowing costs.

ACOF will provide the following lending products on its platform:

1. Working Capital.
2. Asset Backed Finance.
3. Energy Solutions.

ACOF will launch a streamlined and user-friendly application platform with a robust financial model to facilitate the lending application. ACOF will require all facilities to be secured in order to protect investors interests.



ACOF's debt funding offering is based on the following building blocks:

1. Variety of funding instruments.
2. Supportive of Women - focussed initiatives.
3. Capital structure.
4. Fund structure and tech.

Valuation of Altvest Credit Opportunities Fund

Altvest Credit Opportunities Fund has performed a discounted cash flow analysis to determine a fair value of its business, based on management's forecast of capital raised and deployed, and management's expectations of the cost of capital raised and profitability of capital deployed respectively. This discounted cash flow value was determined to be R296 million, based on management assumptions.

Given the risk associated with this investment and the relative infancy of Altvest Credit Opportunities Fund, management has agreed to pursue a listing with Altvest Capital at a discount to management's valuation of R 220 million.

Acquisition of the business of Kisby Capital Partners ("KCP") by ACOF

ACOF was incorporated and incubated by Altvest Capital with the intention of operating as an independent SME lending platform. Altvest Capital owns 100% of the ordinary share capital of ACOF.

Pursuant to the process of commencing operations in ACOF, its management entered into an agreement with KCP to purchase the Sale Business, comprising primarily of all KCP's intellectual property. The intellectual property primarily constitutes business models, legal templates, policies, regulatory applications, process maps, financial models and other confidential information.

Altvest Capital considered KCP a strategic partner which will offer debt solutions to its equity investment companies and other local SMEs. For this reason, ACOF executed the Proposed Transaction which was valued based on the direct cost incurred by the Seller in the generation of the intellectual property forming the main part of the Proposed Transaction.

The intellectual property acquired by ACOF includes the following:

- all inventions (whether patentable or unpatentable and whether or not reduced to practice), all improvements thereto together with all revisions, extensions, and re-examinations thereof;
- any registered, pending and/or unregistered trademarks including all goodwill associated therewith, and all applications, registrations, and renewals in connection therewith;
- all works capable of copyright, all copyright, and all applications, registrations, and renewals in connection therewith;
- all trade secrets and business information (including ideas, research and development, know-how, formulas, compositions, technical data, designs, drawings, specifications, client lists, pricing and cost information, and business and marketing plans and proposals);
- all computer software (including data and related documentation);
- all patterns and/or designs and design applications and registrations;
- all other proprietary rights; and
- all copies and tangible embodiments thereof, in each instance in whatever form or medium.

The Policies, which would also comprise most of the copyright are the:

- Complaints Policy;
- Code of Conduct;
- Conflict of Interest Policy;
- Corporate Governance Policy;
- ESG Policy;
- FICA Policy;
- Insider Trading;
- Operations Policy;
- Personal Accounts Policy;
- Procurement Policy;
- Risk Management Plan; and
- Treating Clients Fairly Policy.

Refer note 16 for details of the purchase consideration of proposed transaction, the financial effects of the Proposed Transaction, and the conditions precedent and effective date.

Governance

ACOF Board of Directors

ACOF has a corporate governance framework led by the Board. The ACOF Board members have been selected because they offer a range of complementary skills.

The Board determines the Company's strategic direction and exercises prudent control over the Company and it's affairs.

Share capital

During the period the authorised and issued share capital was 100,000,000 ordinary shares at no par value.

Directors

The directors of the company during the accounting period and up to the date of this report were as follows:

Name	Nationality	Date appointed	Date resigned	Designation
WG Wheatley	South-African	22-09-2022	25-04-2023	Executive Director
AS Karan	South-African	01-10-2022		Executive Director
C Van der Colff	South-African	01-10-2022	25-04-2023	Executive Director
JCH Geyer	South-African	17-02-2023		Executive Director
TL Wheatley	South-African	14-03-2023		Executive Director
E Harcourt-Wood	South-African	29-03-2023		Non-Executive Independent
SKI Masakale	South-African	22-03-2023		Non-Executive Independent
GM Sephuma	South-African	26-02-2023		Non-Executive Independent

DIRECTORS' REPORT

Liquidity and solvency

The directors have performed the required liquidity and solvency tests required by the Companies Act of South Africa and are satisfied with the financial performance and position of the company.

Going concern

The directors believe that the company has adequate financial resources and financial support to continue in operation for the foreseeable future and accordingly the financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The Shareholders have also committed to provide financial support to the company. The directors are not aware of any new material changes that may adversely impact the company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

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INDEPENDENT AUDITOR'S REPORT
To the Shareholders of Altvest Credit Opportunities Fund Proprietary Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Altvest Credit Opportunities Fund Proprietary Limited (the Company) set out on pages 15 to 35 which comprise the statement of financial position as at 28 February 2023, 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 period then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Altvest Credit Opportunities Fund Proprietary Limited as at 28 February 2023, and its financial performance and cash flows for the period then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the 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 Directors' Report as required by the Companies Act of South Africa and the Directors responsibilities and approval statement, which we obtained prior to the date of this report, and the Annual Report, which is expected to be made available to us after that date. 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 and will 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 on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and the requirements of the 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.

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

DocuSigned by:
Deloitte & Touche
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Deloitte & Touche
Registered Auditor
Per: James Welch
Partner
29 May 2023

5 Magwa Crescent
Waterfall City
Waterfall

ALTVEST CREDIT OPPORTUNITIES FUND PTY LTD
(Registration No. 2022/737301/06)
Annual financial statements for the period ended 28 February 2023

INDEPENDENT COMPILER'S REPORT TO THE SHAREHOLDERS OF ALTVEST CREDIT OPPORTUNITIES FUND PTY LTD

Report on the financial statements

We have compiled the annual financial statements of Altvest Credit Opportunities Fund Pty Ltd based on information provided by management. These financial statements are presented in accordance with the International Financial Reporting Standards, and the requirements of the Companies Act of South Africa. They comprise the statement of financial position, the statement of comprehensive income, the statement of changes in equity and cash flow statement for the period ended 28 February 2023, a summary of significant accounting policies and other explanatory notes.

Management's responsibility

Management is responsible for these financial statements including adoption of the applicable financial reporting framework, and for the accuracy and completeness of the information used to compile the financial statements.

Compiler's responsibility

We performed this compilation engagement in accordance with International Standard on Related Services 4410 (Revised), Compilation Engagements. This Standard requires that we comply with quality control standards and relevant ethical requirements, including ethical principles of integrity, objectivity, professional competence and due care.

A compilation engagement involves applying expertise in accounting and financial reporting to assist management in preparing and presenting financial information. A compilation engagement does not include gathering evidence for the purpose of expressing an audit opinion or a review conclusion. Accordingly, we do not express an audit opinion or a review conclusion on these financial statements.

T Botha CA(SA)
Partner
29 May 2023

Zeelie Auditors
381 Ontdekkers Road
Florida Park
Roodepoort

ALTVEST CREDIT OPPORTUNITIES FUND PTY LTD
(Registration No. 2022/737301/06)
Annual financial statements for the year ended 28 February 2023

STATEMENT OF FINANCIAL POSITION

	Notes	2023 R
ASSETS		
Current assets		73,983
Trade and other receivables	3	6,482
Cash and cash equivalents	11.2	67,501
TOTAL ASSETS		73,983
EQUITY AND LIABILITIES		
Equity		(43,809)
Share capital	4	-
Accumulated loss		(43,809)
Non-current liabilities		30,725
Shareholders' loans	5	30,725
Current liabilities		87,067
Trade and other payables	7	87,067
TOTAL EQUITY AND LIABILITIES		73,983

ALTVEST CREDIT OPPORTUNITIES FUND PTY LTD
(Registration No. 2022/737301/06)
Annual financial statements for the year ended 28 February 2023
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	2023 (5 months) R
Revenue	8	60,000
Other income	9	15
Other administrative expenses	9	103,824
Loss before finance charges		(43,809)
Finance charges	9	-
Loss before taxation		(43,809)
Taxation	10	-
Net loss after taxation		(43,809)
Other comprehensive income		-
Total comprehensive loss for the period		(43,809)

STATEMENT OF CHANGES IN EQUITY

	Share capital R	Accumulated loss R	Total R
Balance at incorporation	-	-	-
Total comprehensive loss for the period	-	(43,809)	(43,809)
Balance at 28 February 2023	-	(43,809)	(43,809)
Note	4		

STATEMENT OF CASH FLOWS

	Notes	2023 R
Net cash retained in operating activities		-
Cash receipts from customers		53,518
Cash paid to suppliers		(53,518)
Cash generated from operating activities	11.1	-
Taxation paid		-
Cash flows from financing activities		30,725
Advances of shareholders' loans		30,725
Net increase in cash and cash equivalents		30,725
Cash and cash equivalents at beginning of period		36,776
Cash and cash equivalents at end of period	11.2	67,501

1. General information

Altvest Credit Opportunities Fund Pty Ltd is a company, incorporated in South Africa. Its principal business activity is providing SME loans.

2. Accounting policies

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

2.1 Basis of preparation

The financial statements have been prepared on the going concern basis in accordance with, and in compliance with, International Financial Reporting Standards and International Financial Reporting Interpretations Committee interpretations issued and effective at the time of preparing these financial statements and the Companies Act 71 of 2008 of South Africa, as amended.

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

2.2 Standards and interpretations effective and adopted in the current period

In the current period the company adopted all the amendments to IFRS's that are relevant to its operations and effective for annual periods beginning on or after 1 January 2022.

IFRS	Title and details	Effective date
IFRS 1	First-time adoption of International Financial Reporting Standards	01 January 2022
IFRS 3	Business combinations	01 January 2022
IFRS 9	Financial instruments	01 January 2022
IAS 16	Property Plant and equipment	01 January 2022
IAS 37	Provisions, contingent liabilities and contingent assets	01 January 2022

Their adoption has not had a significant impact on the presentation of the financial statements.

2.3 Standards and interpretations to existing standards that are not yet effective and have not been adopted early by the company

The company has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the company's accounting periods beginning after 01 January 2023 or later periods. The company will adopt the new and amended IFRS's when they become effective. The company has assessed, where practicable, the potential impact of all of these new and amended IFRS's that will be effective in future periods.

IFRS	Effective date	Effective date
IFRS17	Insurance contracts	01 January 2023
IAS 1	Presentation of Financial statements	01 January 2023
IAS 8	Accounting policies, Changes in accounting estimates and errors	01 January 2023
IAS12	Income taxes	01 January 2023
IAS 28	Investments in associates and Joint Ventures	01 January 2023

The company does not expect these new or revised accounting standards to have a material impact on the results or financial position.

2.4 Significant judgements and sources of estimation uncertainty

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

Critical judgements in applying accounting policies

Management did not make critical judgements in the application of accounting policies, apart from those involving estimations, which would significantly affect the financial statements.

2.5 Financial instruments

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

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

Financial assets which are equity instruments:

- Mandatorily at fair value through profit or loss.
- Designated as at fair value through other comprehensive income. (This designation is not available to equity instruments which are held for trading or which are contingent consideration in a business combination). Currently there are no investments that have been designated on this basis at period end.

Financial assets which are debt instruments:

- Amortised cost. (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is met by holding the instrument to collect contractual cash flows).
- Fair value through other comprehensive income. Currently there are no investments that have been designated on this basis at period end;
- Mandatorily at fair value through profit or loss. (This classification automatically applies to all debt instruments which do not qualify as at amortised cost or at fair value through other comprehensive income); or
- Designated at fair value through profit or loss. (This classification option can only be applied when it eliminates or significantly reduces an accounting mismatch).

Financial liabilities:

- Amortised cost.
- Mandatorily at fair value through profit or loss. (This applies to contingent consideration in a business combination or to liabilities which are held for trading); or
- Designated at fair value through profit or loss. (This classification option can be applied when it eliminates or significantly reduces an accounting mismatch; the liability forms part of a group of financial instruments managed on a fair value basis; or it forms part of a contract containing an embedded derivative and the entire contract is designated as at fair value through profit or loss).

Financial instruments and risk management presents the financial instruments held by the company based on their specific classifications.

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

The specific accounting policies for the classification, recognition and measurement of each type of financial instrument held by the company are presented below:

Derecognition of financial assets and liabilities

The company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the company retains substantially all the risks and rewards of ownership of a transferred financial asset, the company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received. On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Derecognition of financial liabilities The company derecognises financial liabilities when, and only when, the company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Loans receivable at amortised cost

Loans to group companies, loans to shareholders, loans to directors, managers and employees, and loans receivable are classified as financial assets subsequently measured at amortised cost.

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

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

They are subsequently measured at amortised cost.

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

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

Cash and cash equivalents

Cash and cash equivalents are stated at carrying amount which is deemed to be fair value. For the purposes of the statement of cash flows, cash includes cash on hand, deposits held on call with banks, investments in money market instruments, and bank overdrafts.

Bank overdrafts are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Trade and other receivables

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

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

The company recognises a loss allowance for expected credit losses on trade and other receivables, excluding VAT and prepayments. The amount of expected credit losses is updated at each reporting date.

The company measures the loss allowance for trade and other receivables at an amount equal to lifetime expected credit losses (lifetime ECL), which represents the expected credit losses that will result from all possible default events over the expected life of the receivable.

Trade and other payables

Trade and other payables, excluding VAT and amounts received in advance, are classified as financial liabilities subsequently measured at amortised cost.

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

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

Borrowings and loans from related parties

Loans from group companies, loans from shareholders and borrowings are classified as financial liabilities subsequently measured at amortised cost.

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

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

2.6 Taxation

Current tax assets and liabilities

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

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

Tax expenses

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

- a transaction or event which is recognised, in the same or different period, directly in equity, or
- a business combination.

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

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

2.7 Share capital and equity

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

Ordinary shares are classified as equity.

Ordinary shares are recognised at no par value and classified as share capital in equity. Dividends are recognised as a liability in the Company in which they are declared.

2.8 Revenue

Revenue currently consists of consulting fees. Revenue from the rendering of services is recognised on an accrual basis in accordance with the substance of the agreement. Interest received is disclosed separately and is recognised on a time proportion basis, taking into account of the principal outstanding and the effective rate over the period to maturity, when it is determined that such income will accrue to the company.

2.9 Impairments

At the end of each reporting period, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risk specific to the asset for which the estimates of future cash flows have not been adjusted. If the recoverable amount of an asset (or cash generating unit) is estimated to be less than it's carrying amount, the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

2.10 Deferred taxation

Deferred taxation is provided for on the comprehensive basis as per the balance sheet method in respect of all material timing differences arising between the tax bases of the assets and liabilities and their carrying values for financial reporting purposes. Deferred tax liabilities are recognised for all temporary differences. Deferred tax assets are recognised for all deductible temporary differences to the extent that is probable that the taxable profit will be available against which the deductible temporary differences can be utilised.

		2023 R
3.	**Trade and other receivables**	
	VAT receivable	6,482
4.	**Share capital**	
	Authorised	
	100,000,000 Ordinary shares at no par value	-
	Issued	
	100,000,000 Ordinary shares at no par value	-
5.	**Shareholders' loans**	
	Altvest Capital Ltd	30,725

The above loan is unsecured, bears no interest and has no fixed terms of repayment. No repayments for the next 12 months are expected. This loan was subordinated in favour of creditors. Please see note 10.

6. Deferred tax asset

At the balance sheet date, the company has unused tax losses of R43,559 available for offset against future profits. No deferred tax asset has been recognised in respect of the unused tax loss balance due to the unpredictability of the of future profit streams.

7.	**Trade and other payables**	
	Trade creditors	87,067
	Trade and other payables are reflected at fair value.	
8.	**Revenue**	
	Consulting fees	60,000
	Revenue is recognised upon rendering of the service.	
9.	**Loss before taxation**	
9.1	**Loss before taxation is arrived at after taking into account the following:**	
	Income	
	Revenue from:	
	Rendering of services	60,000
	Interest	15
	Expenses	
	Accounting fees	25,425
	Listing / regulatory fees	25,000
	Secretarial fees	20,000

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

		2023 R
10.	**Taxation**	
10.1	**SA Normal taxation**	
	Current taxation	-
	Deferred taxation	-
	Tax expense per statement of comprehensive income	-
	No current taxation is provided for as the company has a calculated taxable loss.	
10.2	**Reconciliation between the accounting profit / (loss) and tax expense**	
	The income tax rate used is 27%	
	Loss before taxation	(43,809)
	Tax charge calculated at 27%	(11,828)
	Deferred tax assets not raised in respect of tax losses	11,828
		-
11.	**Notes to statement of cash flows**	
11.1	**Reconciliation of net loss before taxation to cash flows (utilised by) / generated from operations**	
	Net loss before taxation	(43,809)
	Operating loss before working capital changes	(43,809)
	Working capital changes	80,585
	Decrease / (increase) in trade and other receivables	(6,482)
	Increase in trade and other payables	87,067
	Cash generated from operating activities	36,776

11.2 Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and balances with banks and investments in money market instruments. Cash and cash equivalents included in the statement of cash flows comprise the following statement of financial position amounts:

Bank and cash balances	67,501

12. Related party disclosures

The following parties are related to the company:

Relationship	Name
Shareholder/Parent Company:	Altvest Capital Pty Ltd
Directors:	**Executive directors:**
	WG Wheatley
	AS Karan
	C Van der Colff
	JCH Geyer
	TL Wheatley
	Independent Non-Executive directors:
	E Harcourt-Wood
	SKI Masakale
	GM Sephuma
Holding company:	Altvest Capital Limited

12.1 The following transactions were carried out with related parties:

Services rendered

Altvest Capital Limited	60,000

12.2 Loans to / from shareholders

Loans to / from shareholders are disclosed in note 5.

13. Functional and presentation currency

Functional and presentation currencies are both stated in South African Rand unless otherwise indicated. Functional currency is the currency of the primary economic environment in which the company operates. Presentation currency represents the currency in which the financial statements are presented.

14. Going concern

The company incurred a net loss for the period ended:	(43,809)
Total liabilities exceeded total assets by:	(43,809)

The shareholder's loan shown in note 5 is subordinated in favour of other creditors. The shareholder offers continuous financial support to the company by funding future operations, and to ensure that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business. Accordingly, the financial statements are prepared on the basis of accounting policies applicable to a going concern.

15. Comparative figures

No comparative figures are presented as the company commenced with trading during the period under review. Present period represents a period of 5 months.

16. Events after balance sheet date

Acquisition of the business of Kisby Capital Partners ("KCP") by ACOF

ACOF was incorporated and incubated by Altvest Capital with the intention of operating as an independent SME lending platform. Altvest Capital owns 100% of the ordinary share capital of ACOF.

Pursuant to the process of commencing operations in ACOF, its management entered into an agreement with KCP to purchase the Sale Business, comprising primarily of all KCP's intellectual property. The intellectual property primarily constitutes business models, legal templates, policies, regulatory applications, process maps, financial models and other confidential information.

Altvest Capital considered KCP a strategic partner which will offer debt solutions to its equity investment companies and other local SMEs. For this reason, ACOF executed the Proposed Transaction which was valued based on the direct cost incurred by the Seller in the generation of the intellectual property forming the main part of the Proposed Transaction.

This intellectual property primarily constitutes legal templates, regulatory applications, process maps and financial models, with value based on the direct cost incurred by Kisby in the generation of this Intellectual Property, with a discount applied. Purchase consideration is expected to be payable in the form of the transfer of selected liabilities from Kisby to Altvest Credit Opportunities Fund, and Altvest Credit Opportunities Fund intends to settle these liabilities from the proceeds of equity raised.

The intellectual property acquired by ACOF includes the following:

- all inventions (whether patentable or unpatentable and whether or not reduced to practice), all improvements thereto together with all revisions, extensions, and re-examinations thereof;
- any registered, pending and/or unregistered trademarks including all goodwill associated therewith, and all applications, registrations, and renewals in connection therewith;
- all works capable of copyright, all copyright, and all applications, registrations, and renewals in connection therewith;
- all trade secrets and business information (including ideas, research and development, know-how, formulas, compositions, technical data, designs, drawings, specifications, client lists, pricing and cost information, and business and marketing plans and proposals);
- all computer software (including data and related documentation);
- all patterns and/or designs and design applications and registrations;
- all other proprietary rights; and
- all copies and tangible embodiments thereof, in each instance in whatever form or medium;

The Policies, which would also comprise most of the copyright are the:

- Complaints Policy;
- Code of Conduct;
- Conflict of Interest Policy;
- Corporate Governance Policy;
- ESG Policy;
- FICA Policy;
- Insider Trading;
- Operations Policy;
- Personal Accounts Policy;

16. Events after balance sheet date (continued)

- Procurement Policy;
- Risk Management Plan; and
- Treating Clients Fairly Policy.

The acquisition of the IP enabled ACOF to reduce its development time and ultimate launch by at least 2 years. In addition, all the fees would have had to be incurred in the event of the development of ACOF business. The acquisition of the IP and institutional memory allowed for a seamless transition into the SME lending business.

Purchase consideration of proposed transaction

The purchase consideration is an amount equal to R9 812 736.00. This amount was determined with reference to the specifically identifiable costs incurred by KCP for corporate advisors, legal advisors and other service providers in the generation of key models, processes, templates and tools required for the operation of the lending business contemplated. A discount of ~10% was negotiated between the respective management teams to the sum of the invoices incurred by KCP to reflect the specialized nature, and therefore possible illiquidity, of the intangible assets purchased by ACOF.

The proposed transaction is not envisioned to have any directly identifiable impact on the Profit Before Tax or Profit After Tax of Altvest Capital beyond ensuring that ACOF has the essential intangible assets required to commence operations and would not need to incur upfront incorporation costs directly in the generation of these assets. Altvest Capital, through ACOF, will receive benefits that include immediate access to fit-for-purpose SME lending infrastructure. Altvest Capital management expects that access to these intangible assets will result in ACOF being able to commence operations forthwith, and to thereby secure funding and possible capital commitments from external funding providers quicker and easier than if it had to generate these intangible assets itself.

The purchase consideration is payable in the form of the transfer of selected liabilities from KCP to ACOF.

16. Events after balance sheet date (continued)

Financial Effects of The Proposed Transaction

Below is an unaudited pro-forma table of the expected incremental financial effects of the transaction on the Statement of Financial Position of Altvest Capital:

	As at conclusion of the sale transaction[1]	Shortly after the conclusion of listing of Preferred Ordinary Shares Class C[2]	As at 28 February 2024 (next financial year end)[3]
Assets			
Non-current assets			
Purchased Intellectual Property	R9,812,736	R9,812,736	R9,812,736
Total Assets	**R9,812,736**	**R9,812,736**	**R9,812,736**
Liabilities			
Current Liabilities			
Invoices assumed from Kisby Capital Partners	R9,812,736	R9 812 736 (R9 812 736)	-
Equity			
Share Capital		R9,812,736	R9,812,736
Total Equity and Liabilities	**R9,812,736**	**R9,812,736**	**R9,812,736**

[1]Expected Closing Date for this transaction is on or around Friday, 23 June 2023
[2]Upon the issuance of Preferred Ordinary Shares Class C, Altvest Credit Opportunities Fund shall utilize part of the capital received from it to settle the liabilities assumed in respect of the abovementioned purchase of Kisby Capital Partners intellectual property.

ACOF will have to raise sufficient capital to cover the liabilities or to make the appropriate provisions as the case may be. The invoices have been settled by KCP and ACOF will assume the liability thereof to KCP.

[3]As the listing of the Preferred Ordinary Shares Class C is expected to occur within the financial year, management does not anticipate that the current liabilities assumed in respect of selected amounts owing by Kisby Capital Partners will still be due at financial year end. Altvest Capital will undertake a capital raise of up to R144 million over a 5 year period, part of which would be applied towards the existing liabilities.

These pro forma financial effects have been prepared by management and have not been reviewed by the auditor or a reporting accountant.

Altvest Capital management does not envision any impact on its Statement of Comprehensive Income in respect of this transaction, as it entails the purchase of an asset (intellectual property), and the settlement of an assumed liability in respect of that purchase with the proceeds of equity. As such, management does not envision any directly attributable income or expenses from this transaction.

16. Events after balance sheet date (continued)

Conditions Precedent and Effective Date

The Sale Agreement is subject to the customary conditions precedent in transactions of this nature including board approvals and any applicable regulatory consents/exemptions as well as the requisite shareholder approval, excluding all related parties.

The Proposed Transaction will be effective once all conditions precedent have been met and the requisite shareholder approval has been obtained, excluding all related parties and associates. This is expected to be on or about 30 May 2023 but by no later than the closing date of the shareholder vote being Friday, 23 June 2023.

2023 R	2022 R

17. Financial instruments

Financial risk management

The company's activities expose it to a variety of financial risks: market risk (including fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the company's financial performance. Risk management is carried out under the policies approved by management.

Categories of financial instruments

Categories of financial assets

2023	Fair value through profit or loss	Amortised cost	Total	Fair value
Trade and other receivables	-	6,482	6,482	6,482
Cash and cash equivalents	-	67,501	67,501	67,501
	-	73,983	73,983	73,983

Categories of financial liabilities

2023	Fair value through profit or loss	Amortised cost	Total	Fair value
Shareholders' loans	-	30,725	30,725	30,725
Trade and other payables	-	87,067	87,067	87,067
	-	117,792	117,792	117,792

17. Financial instruments

- **Market risk**

  Cash flow and fair value interest rate: As the company has no significant interest bearing assets, the company's income and operating cash flows are substantially independent of changes in market interest rates. The company's interest rate risk arises from non-current borrowings. Borrowings issued at variable rates expose the company to cash flow interest rate risk. Borrowings issued at fixed rates expose the company to fair value interest rate risk. All the company's borrowings are denominated in South African Rand. The company has no specific processes in place to manage cash flow risk. Interest rate exposure is not analysed on a specific basis.

- **Liquidity risk**

  Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and continued financial support from the shareholders.

  The table below analyses the company's financial liabilities into relevant maturity groupings based on the remaining period at the financial year end date to the contractual maturity date.

  The amounts in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

Class	Total	Payable within 1 year	Between 1 and 2 years
2023			
Trade and other payables	87,067	87,067	-

- **Credit risk**

  Financial assets which potentially subject the company to concentrations of credit risk, consist principally of cash resources and trade receivables.

  The company's cash resources are placed with major South African financial institutions of high credit standing and approved by the executive committee comprising senior executives. Receivables are reflected net of doubtful debt provisions, which are considered adequate. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

  The company's credit risk in respect of amounts owing by related parties is also limited as the parties from whom the amounts are due, are related to the company.

  The company has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

- **Interest rate management**

  The company's exposure to the risk of changes in market interest rates relates primarily to the company's long-term debt obligations with fixed contractual interest rates. The company’s policy is to manage its interest cost using fixed contractual rate debts. Cash and bank balances are subject to variable rates. This risk is managed by apportioning the cash reserves to the accounts with the most favourable rate.

17. Financial instruments

- **Fair value**
  The directors are of the opinion that the carrying value of financial instruments reflects fair value.

- **Capital risk management**
  The company's objectives when managing capital are to safeguard the company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

  The executive directors are involved in the daily operations of the company and the necessary decisions regarding capital risk management are made as and when necessary

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