

# **nReach Capitis SPV One (Pty) Ltd**

**(Registration Number 2022/506181/07)**

**Financial Statements**

**for the 10 month period ended 28 February 2023**

## **Audited Financial Statements**

in compliance with the Companies Act of South Africa

Prepared by: Chandre Hamman

Professional designation: CA (SA)

# nReach Capitis SPV One (Pty) Ltd

(Registration Number 2022/506181/07)

Financial Statements for the 10 month period ended 28 February 2023

## Index

---

	Page
General Information	2
Directors' Responsibilities and Approval	3
Directors' Report	4 - 5
Independent Auditor's Report	6 - 7
Statement of Financial Position	8
Statement of Profit or Loss and Other Comprehensive Income	9
Statement of Changes in Equity	10
Statement of Cash Flows	11
Accounting Policies	12 - 17
Notes to the Financial Statements	18 - 21

# nReach Capitis SPV One (Pty) Ltd

(Registration Number 2022/506181/07)

Financial Statements for the 10 month period ended 28 February 2023

## General Information

---

<b>Country of Incorporation and Domicile</b>	South Africa
<b>Registration Number</b>	2022/506181/07
<b>Registration Date</b>	Registered on 26 May 2022 and initiated operations in September 2022.
<b>Nature of Business and Principal Activities</b>	The company raises investment capital through the issue of Notes, under the Programme, pursuant to the Programme Memorandum. The proceeds of the issue of a Tranche of Notes are used to invest in various equity-type and debt-type instruments issued by certain unlisted going-concern businesses.
<b>Directors</b>	JHCI Kritzinger B Maher
<b>Shareholder</b>	nReach Capitis (Pty) Ltd
<b>Registered Office</b>	Unit 4 First Floor Sussex Office Park 473 Lynnwood Road Pretoria Gauteng 0081
<b>Postal Address</b>	Unit 4 First Floor Sussex Office Park 473 Lynnwood Road Pretoria Gauteng 0081
<b>Tax Number</b>	9890095186
<b>Independent Auditors</b>	GTP Auditors Incorporated Ground Floor, Building 2, Stanford Office Park 12 Bauhinia Street Highveld Centurion 169
<b>Preparer</b>	Key Account Connections (Pty) Ltd Lyells Lane 4 Centurion Pretoria 0157

# nReach Capitis SPV One (Pty) Ltd

(Registration Number 2022/506181/07)

Financial Statements for the 10 month period ended 28 February 2023

## Directors' Responsibilities and Approval

---

The directors are required by the Companies Act of South Africa to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the financial statements satisfy the financial reporting standards with regards to form and content and present fairly the statement of financial position, results of operations and business of the company, and explain the transactions and financial position of the business of the company at the end of the 10 month period. The financial statements are based upon appropriate accounting policies consistently applied throughout the company 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 directors set 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 office bearers 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 financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss. The going-concern basis has been adopted in preparing the financial statements. Based on forecasts and available cash resources the directors have no reason to believe that the company will not be a going concern in the foreseeable future. The financial statements support the viability of the company.

The financial statements have been audited by the independent auditing firm, Key Account Connections, who have been given unrestricted access to all financial records and related data, including minutes of all meetings of the shareholder, the directors and committees of the directors. The directors believe that all representations made to the independent auditor during the audit were valid and appropriate. The external auditor's unqualified audit report is presented on pages 6 to 7.

The financial statements set out on pages 8 to 21 which have been prepared on the going concern basis, were approved by the directors and were signed on 16 May 2023.



---

JHCI Kritzinger



---

B Maher

# nReach Capitis SPV One (Pty) Ltd

(Registration Number 2022/506181/07)

Financial Statements for the 10 month period ended 28 February 2023

## Directors' Report

---

The directors present their report for the 10 month period ended 28 February 2023.

### 1. Review of activities

#### Main business and operations

The company raises investment capital through the issue of Notes, under the Programme, pursuant to the Programme Memorandum. The proceeds of the issue of a Tranche of Notes are used to invest in various equity-type and debt-type instruments issued by certain unlisted going-concern businesses.

The operating results and statement of financial position of the company are fully set out in the attached management statements and do not in our opinion require any further comment.

### 2. Going concern

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

### 3. Events after reporting date

The directors are not aware of any matter or circumstance arising since the end of the financial period to the date of this report that could have a material effect on the financial position of the company.

### 4. Directors' interest in contracts

All interest in contracts have been minuted and the transactions and balances have been disclosed in the related party note.

### 5. Authorised and issued share capital

During the period under review, the company issued 100 ordinary shares at R 1 per share.

### 6. Borrowing limitations

The Board may authorise the Company to issue secured or unsecured Programme Debt Securities and Programme Order Notes under the Programme, pursuant to the Programme Memorandum, as set out in section 43(2) of the Act. No special privileges associated with any such Debt Securities as contemplated in section 43(3) of the Act may be granted, and the authority of the Board in such regard is accordingly limited by the MOI. Except as is contemplated above, the Company will not have any capacity to borrow money and/or issue Debt Securities, nor will the Directors have any power or authority or capacity to enter into any borrowing transaction and/or any transaction providing for the issue of Debt Securities.

### 7. Dividend

No dividend was declared or paid to the shareholder during the period.

(Registration Number 2022/506181/07)  
Financial Statements for the 10 month period ended 28 February 2023

## Directors

JHCI Kritzinger	Appointed 26 May 2022
B Maher	Appointed 15 June 2022

## 9. Shareholder

	Holding
nReach Capitis (Pty) Ltd	100.00%

## 10. Liquidity and solvency

The directors have evaluated the solvency and liquidity of the entity and are of the opinion that the aggregate assets of the company, as fairly valued, are equal to or exceed the liabilities of the company and it appears that the company will be able to meet its short-term obligations as it becomes due in the ordinary course of business.

## 11. Public interest score

The directors calculated the public interest score to be 6.

## 12. Independent Auditors

GTP Auditors were appointed as independent auditors of nReach Capitis SPV One (Pty) Ltd.

## Independent Auditor's Report

### To the Shareholder of nReach Capitis SPV One (Pty) Ltd

#### Opinion

We have audited the financial statements of nReach Capitis SPV One (Pty) Ltd set out on pages 7 to 18, 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 10 month 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 nReach Capitis SPV One (Pty) Ltd as at 28 February 2023, and its financial performance and cash flows for the 10 month 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' International Code of Ethics for Professional Accountants (including International Independence Standards). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Other Information

The director is responsible for the other information. The other information comprises the information included in the document titled "nReach Capitis SPV One (Pty) Ltd Financial Statements for the 10 month period ended 28 February 2023, which includes the Director's Report as required by the Companies Act of South Africa, which we obtained prior to the date of this report. 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 Director for the Financial Statements

The director is 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 director determines 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 director is 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 director either intends to liquidate the company or to cease operations, or has 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 director.
- Conclude on the appropriateness of the director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 director 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.



2023/05/23

---

**GTP Auditors Incorporated**

---

**Date**

**Director: HA Greeff**

**Registered Auditors**

**Centurion**



# nReach Capitis SPV One (Pty) Ltd

(Registration Number 2022/506181/07)

Financial Statements for the 10 month period ended 28 February 2023

## Statement of Financial Position

Figures in R	Notes	28 February 2023
<b>Assets</b>		
<b>Non-current assets</b>		
Unlisted investment	6	7,072,008
<b>Total assets</b>		<b>7,072,008</b>
<b>Equity and liabilities</b>		
<b>Equity</b>		
Issued capital	8	100
Accumulated loss		(222,814)
Other non-distributable reserves		2,072,008
<b>Total equity</b>		<b>1,849,294</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Fixed Rate Notes	11	4,000,000
<b>Current liabilities</b>		
Trade and other payables	9	575
Fixed Rate Notes	11	219,283
Loan from shareholder	12	1,001,875
Bank overdraft	7	981
<b>Total current liabilities</b>		<b>1,222,714</b>
<b>Total liabilities</b>		<b>5,222,714</b>
<b>Total equity and liabilities</b>		<b>7,072,008</b>

# nReach Capitis SPV One (Pty) Ltd

(Registration Number 2022/506181/07)

Financial Statements for the 10 month period ended 28 February 2023

## Statement of Profit or Loss and Other Comprehensive Income

Figures in R	Notes	10 month period ended 28 February 2023
Administrative expenses	13	(6,380)
<b>Loss from operating activities</b>		<b>(6,380)</b>
Finance income	14	2,862
Finance costs	15	(219,296)
<b>Loss for the period</b>		<b>(222,814)</b>
<b>Other comprehensive income net of tax</b>		
<b>Components of other comprehensive income that will not be reclassified to profit or loss</b>		
Gains on revaluation on investment		2,072,008
<b>Total other comprehensive income that will not be reclassified to profit or loss</b>		<b>2,072,008</b>
<b>Total other comprehensive income net of tax</b>	16	<b>2,072,008</b>
<b>Total comprehensive income</b>		<b>1,849,194</b>

# nReach Capitis SPV One (Pty) Ltd

(Registration Number 2022/506181/07)

Financial Statements for the 10 month period ended 28 February 2023

## Statement of Changes in Equity

Figures in R	Issued capital	Revaluation surplus	Accumulated loss	Total
<b>Changes in equity</b>				
Loss for the period	-	-	(222,814)	(222,814)
Other comprehensive income	-	2,072,008	-	2,072,008
Total comprehensive income for the period	-	2,072,008	(222,814)	1,849,194
Issue of equity	100	-	-	100
<b>Balance at 28 February 2023</b>	<b>100</b>	<b>2,072,008</b>	<b>(222,814)</b>	<b>1,849,294</b>
Notes	8			

# nReach Capitis SPV One (Pty) Ltd

(Registration Number 2022/506181/07)

Financial Statements for the 10 month period ended 28 February 2023

## Statement of Cash Flows

Figures in R	Note	10 month period ended 28 February 2023
<b>Cash flows used in operations</b>		
<b>Loss for the period</b>		<b>(222,814)</b>
<b>Adjustments to reconcile loss</b>		
Adjustments for finance income		(2,862)
Adjustments for finance costs		219,296
Adjustments for increase in trade accounts payable		575
<b>Total adjustments to reconcile loss</b>		<b>217,009</b>
<b>Net cash flows used in operations</b>		<b>(5,805)</b>
Interest paid		(13)
Interest received		2,862
<b>Net cash flows used in operating activities</b>		<b>(2,956)</b>
<b>Cash flows used in investing activities</b>		
Purchase of unlisted investments		(5,000,000)
<b>Cash flows used in investing activities</b>		<b>(5,000,000)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issuing shares		100
Proceeds received on issue of notes		4,000,000
Loans received from shareholders		1,001,875
<b>Cash flows from financing activities</b>		<b>5,001,975</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(981)</b>
<b>Cash and cash equivalents at end of the period</b>	<b>7</b>	<b>(981)</b>

# nReach Capitis SPV One (Pty) Ltd

(Registration Number 2022/506181/07)

Financial Statements for the 10 month period ended 28 February 2023

## Accounting Policies

---

### 1. General information

nReach Capitis SPV One (Pty) Ltd ('the company') raises investment capital through the issue of Notes, under the Programme, pursuant to the Programme Memorandum. The proceeds of the issue of a Tranche of Notes are used to invest in various equity-type and debt-type instruments issued by certain unlisted going-concern businesses.

The Company is incorporated as a Private company and domiciled in South Africa. The address of its registered office is Unit 4 First Floor Sussex Office Park, 473 Lynnwood Road, Pretoria, Gauteng, 0081.

### 2. Basis of preparation and summary of significant accounting policies

The management statements of nReach Capitis SPV One (Pty) Ltd have been prepared in accordance with International Financial Reporting Standards and the Companies Act of South Africa. The management statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, and financial assets and financial liabilities (including derivative instruments) at fair value.

The preparation of management statements in conformity with International Financial Reporting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the management statements are disclosed in note 3.

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

#### 2.1 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

A financial asset is any asset that is:

- cash;
- an equity instrument of another entity;
- a contractual right to receive cash or another financial asset from another entity or to exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity.
- a contract that will or may be settled in the entity's own equity instruments and is a non-derivative for which the entity is or may be obliged to receive a variable number of the entity's own equity instruments; or
- a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments. For this purpose the entity's own equity instruments do not include puttable financial instruments classified as equity instruments in accordance with paragraphs 16A and 16B, instruments that impose on the entity an obligation to deliver to another party a pro rata share of the net assets of the entity only on liquidation and are classified as equity instruments in accordance with paragraphs 16C and 16D, or instruments that are contracts for the future receipt or delivery of the entity's own equity instruments.

# nReach Capitis SPV One (Pty) Ltd

(Registration Number 2022/506181/07)

Financial Statements for the 10 month period ended 28 February 2023

## Accounting Policies

---

### *Basis of preparation and summary of significant accounting policies continued...*

A financial liability is any liability that is:

- a contractual obligation to deliver cash or another financial asset to another entity to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity.
- a contract that will or may be settled in the entity's own equity instruments and is a non-derivative for which the entity is or may be obliged to deliver a variable number of the entity's own equity instruments or a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments. For this purpose, rights, options or warrants to acquire a fixed number of the entity's own equity instruments for a fixed amount of any currency are equity instruments if the entity offers the rights, options or warrants pro rata to all of its existing owners of the same class of its own non-derivative equity instruments. Also, for these purposes the entity's own equity instruments do not include puttable financial instruments that are classified as equity instruments in accordance with paragraphs 16A and 16B, instruments that impose on the entity an obligation to deliver to another party a pro rata share of the net assets of the entity only on liquidation and are classified as equity instruments in accordance with paragraphs 16C and 16D, or instruments that are contracts for the future receipt or delivery of the entity's own equity instruments.

As an exception, an instrument that meets the definition of a financial liability is classified as an equity instrument if it has all the features and meets the conditions in paragraphs 16A and 16B or paragraphs 16C and 16D of ISA32.

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

### **Classification and recognition**

Classification of a financial instrument, or its component parts takes place on initial recognition. Each instrument is classified as a financial liability, a financial asset or an equity instrument in accordance with the substance of the contractual arrangement and the definitions of a financial liability, a financial asset and an equity instrument.

#### *Financial assets classification*

The company classifies financial assets into the following categories:

- Financial assets subsequently measured at fair value through other comprehensive income (OCI)

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses are either recorded in profit or loss or in OCI. For investments in equity instruments that are not held for trading, the company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

#### *Financial liabilities classification*

The company classifies financial liabilities into the following categories:

- Financial liabilities subsequently measured at amortised cost

#### *Recognition*

Financial instruments are recognised initially when the company becomes a party to the contractual provisions of the instruments.

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the company commits to purchase or sell the asset.

# nReach Capitis SPV One (Pty) Ltd

(Registration Number 2022/506181/07)

Financial Statements for the 10 month period ended 28 February 2023

## Accounting Policies

---

### *Basis of preparation and summary of significant accounting policies continued...*

#### **Initial measurement**

##### *Financial assets*

When a financial asset is recognised initially, it is measured at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset.

##### *Financial liabilities*

Financial liabilities are recognised initially at amortised cost and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

#### **Subsequent measurement**

##### *Financial assets*

##### *Equity instruments*

All equity investments are subsequently measured at fair value.

- Fair value through OCI: elected to present fair value gains and losses on equity investments in OCI
  - There is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment.
  - Dividends from such investments continue to be recognised in profit or loss as other income when the group's right to receive payments is established.
  - Impairment losses (and reversal of impairment losses) are not reported separately from other changes in fair value.

##### *Financial liabilities*

- Amortised cost: Loans and borrowings
  - After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method.
  - Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.
  - Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.
  - The effective interest rate amortisation is included as finance costs in the statement of profit or loss.

#### **Derecognition**

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire or when it is transferred and the transfer qualifies for derecognition.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

#### **Loan from shareholder**

The loan from shareholder is classified as a financial liabilities at amortised cost, and is initially measured at fair value including transaction costs and subsequently measured at amortised cost using the effective interest method.

# nReach Capitis SPV One (Pty) Ltd

(Registration Number 2022/506181/07)

Financial Statements for the 10 month period ended 28 February 2023

## Accounting Policies

---

### *Basis of preparation and summary of significant accounting policies continued...*

#### **Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially recorded at fair value and subsequently carried at amortised cost.

#### **Trade and other payables**

Trade payables are initially measured at fair value plus direct transaction costs, and are subsequently measured at amortised cost, using the effective interest rate method.

## **2.2 Tax**

Tax expense (tax income) is the aggregate amount included in the determination of profit or loss for the period in respect of current tax and deferred tax.

Current tax is the amount of income taxes payable (recoverable) in respect of the taxable profit (tax loss) for a period.

Deferred tax liabilities are the amounts of income taxes payable in future periods in respect of taxable temporary differences.

Deferred tax assets are the amounts of income taxes recoverable in future periods in respect of:

- deductible temporary differences;
- the carry forward of unused tax losses; and
- the carry forward of unused tax credits.

#### **Deferred tax assets and liabilities**

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from:

- the initial recognition of goodwill; or
- the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised, unless the deferred tax asset arises from the initial recognition of an asset or liability in a transaction that:

- is not a business combination; and
- at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

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

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

The measurement of deferred tax liabilities and deferred tax assets are made to reflect the tax consequences that would follow from the manner in which it is expected, at the end of the reporting period, recovery or settlement if temporary differences will occur.



# nReach Capitis SPV One (Pty) Ltd

(Registration Number 2022/506181/07)

Financial Statements for the 10 month period ended 28 February 2023

## Accounting Policies

---

### *Basis of preparation and summary of significant accounting policies continued...*

Deferred tax assets and liabilities are offset only where:

- there is a legally enforceable right to set off current tax assets against current tax liabilities; and
- the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same entity within the group or different taxable entities within the group which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

### 2.3 Issued Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

### 2.4 Related parties

A related party is a person or entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control. As a minimum, the following are regarded as related parties of the reporting entity:

- A person or a close member of that person's family is related to a reporting entity if that person:
  - has control or joint control of the reporting entity;
  - has significant influence over the reporting entity; or
  - is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.
- An entity is related to the reporting entity if any of the following conditions apply:
  - The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
  - One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
  - Both entities are joint ventures of the same third party;
  - One entity is a joint venture of a third entity and the other entity is an associate of the third entity;
  - The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity;
  - The entity is controlled or jointly controlled by a person identified as a related party;
  - A person identified as having control or joint control over the reporting entity has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity);
  - The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

A related party transaction is a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.

### 3. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

# nReach Capitis SPV One (Pty) Ltd

(Registration Number 2022/506181/07)

Financial Statements for the 10 month period ended 28 February 2023

## Accounting Policies

---

### *Critical accounting estimates and judgements continued...*

#### **3.1 Critical accounting estimates and assumptions**

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

##### **3.1.1 Fair value of financial instruments**

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The company uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. The company has used the income approach to calculate the fair value of unlisted investments by calculating the present value of future cash flows that the asset is expected to generate over its lifetime, using level 2 inputs. Refer to note 4 for more detail.

# nReach Capitis SPV One (Pty) Ltd

(Registration Number 2022/506181/07)

Financial Statements for the 10 month period ended 28 February 2023

## Notes to the Financial Statements

Figures in R

28 February  
2023

### 4. Financial assets

#### 4.1 Carrying amount of financial assets by category

	At fair value through other comprehensive income	Total
<b>Period ended 28 February 2023</b>		
Unlisted investments (Note 6)	7,072,008	<b>7,072,008</b>

#### 4.2 Fair value hierarchy

	Level 2
<b>Period ended 28 February 2023</b>	
Cost	5,000,000
Fair value adjustment	2,072,008
<b>Total</b>	<b>7,072,008</b>

#### 4.3 Valuation techniques used to derive level 2 fair values

The fair value of the Class A Preferred Ordinary Shares in Unlisted investments (note 6) was measured using the income approach and level 2 inputs. The investment entitles the company to an effective annual return of 15% IRR (or 20% ROI) and the investment is expected to be redeemed at the end of 5 years. As the cashflow dates for the payment of the effective annual returns are not fixed, a conservative approach was taken in assuming all these as well as the redemption payment will only be received at the end of year 5. The present value of these future cash flows that the asset is expected to generate over its lifetime has been discounted using the current inflation rate of 7.6% ([www.tradingeconomics.com](http://www.tradingeconomics.com)) to the present value.

### 5. Deferred tax

The yield to be earned on the GAIA Private Equity Investment above the cost will be received as a dividend, therefore no income tax will be applicable. No deferred tax has therefore been provided on the revaluation amount. Further, no deferred tax asset was recognised for the assessed loss, since the income to be earned in the entity will be earned as dividends, which is not a taxable profit against which the deductible temporary differences of an assessed loss can be utilised.

### 6. Unlisted investment

#### Unlisted investment comprise the following balances

GAIA Private Equity Holdings (Pty) Ltd	7,072,008
The above investment is a conduit to Oasis Water Group. 5,000 Class A Preferred Ordinary Shares acquired for R1,000 per share on 20 September 2022 which entitles the company to an effective annual return of 15% IRR (20% ROI) and no shareholders vote.	

# nReach Capitis SPV One (Pty) Ltd

(Registration Number 2022/506181/07)

Financial Statements for the 10 month period ended 28 February 2023

## Notes to the Financial Statements

Figures in R

28 February  
2023

### 7. Cash and cash equivalents

#### 7.1 Overdrawn cash and cash equivalents included in current liabilities

Bank overdrafts	(981)
-----------------	-------

#### 7.2 Net cash and cash equivalents

Current liabilities	(981)
---------------------	-------

### 8. Issued capital

#### Authorised and issued share capital

##### Authorised

1000 Ordinary shares of no par value

The unissued shares are under the control of the directors until the next annual general meeting.

##### Issued

100 Ordinary shares of R1 each	100
--------------------------------	-----

### 9. Trade and other payables

#### Trade and other payables comprise:

Trade creditors	575
-----------------	-----

### 10. Financial liabilities

#### Carrying amount of financial liabilities by category

	At amortised cost	Total
<b>Period ended 28 February 2023</b>		
Fixed rate notes (Note 11)	4,219,283	<b>4,219,283</b>
Loans from shareholders (Note 12)	1,001,875	<b>1,001,875</b>
Trade and other payables excluding non-financial liabilities (Note 9)	575	<b>575</b>
Bank overdraft (Note 7)	981	<b>981</b>
	<b>5,222,714</b>	<b>5,222,714</b>

# nReach Capitis SPV One (Pty) Ltd

(Registration Number 2022/506181/07)

Financial Statements for the 10 month period ended 28 February 2023

## Notes to the Financial Statements

Figures in R

28 February  
2023

### 11. Fixed Rate Notes

#### Fixed Rate Notes comprise:

Fixed Rate Notes: Bond Code: 4NR001; ISIN: ZAG400000213	4,219,283
The notes earn a fixed coupon rate of 11.84%, compounded annually, with a maturity date of 12 September 2027.	
Non-current portion of fixed rate notes	4,000,000
Current portion of interest on fixed rate notes	219,283
	<b>4,219,283</b>

### 12. Loan from shareholder

#### Loan from shareholder comprises:

nReach Capitis (Pty) Ltd	1,001,875
The loan is unsecured, interest free and is repayable on demand.	

### 13. Administrative expenses

#### Administrative expenses comprise:

Bank charges	6,380
--------------	-------

### 14. Finance income

#### Finance income comprises:

Interest received	2,862
-------------------	-------

### 15. Finance costs

#### Finance costs included in profit or loss:

Fixed rate notes	219,283
Bank overdraft	13
<b>Total finance costs</b>	<b>219,296</b>

# nReach Capitis SPV One (Pty) Ltd

(Registration Number 2022/506181/07)

Financial Statements for the 10 month period ended 28 February 2023

## Notes to the Financial Statements

28 February  
2023

Figures in R

### 16. Other comprehensive income

#### Disclosure of gross, tax and net other comprehensive income

	Gross other comprehensive income	Net other comprehensive income
<b>Period ended 28 February 2023</b>		
<b>Components of other comprehensive income that will not be reclassified to profit or loss</b>		
Gains (losses) on revaluation	(2,072,008)	(2,072,008)
<b>Total other comprehensive income that will not be reclassified to profit or loss</b>	<b>(2,072,008)</b>	<b>(2,072,008)</b>

The yield to be earned on the GAIA Private Equity Investment above the cost will be received as a dividend, therefore no income tax will be applicable. No deferred tax has therefore been provided on the revaluation amount.

### 17. Related parties

#### 17.1 Other related parties

Entity name	Nature of relationship
B Maher	Director
JHCI Kritzinger	Director
nReach Capitis (Pty) Ltd	Common director / Shareholder

#### 17.2 Compensation paid to directors and prescribed officers

No directors emoluments have been awarded to the directors for the period under review.

#### 17.3 Related party transactions and balances

	nReach Capitis (Pty) Ltd	Total
<b>Period ended 28 February 2023</b>		
<b>Outstanding loan accounts</b>		
Amounts payable	1,001,875	<b>1,001,875</b>
The loan is unsecured, interest free and is repayable on demand. Refer to note 12.		

### 18. Comparative information not presented

The Company is not presenting comparative information as this is the first set of IFRS financial statements. The Company was registered on 26 May 2022, therefore the first set of financial statements have been prepared for 10 months.

## Audit Trail

2023-05-23 07:49:47 SAST+0200: Status marked as complete.

2023-05-23 07:49:42 SAST+0200: hendrik@gtptauditors.co.za (HA Greeff) completed signing document 102.165.237.116

2023-05-23 07:48:43 SAST+0200: hendrik@gtptauditors.co.za (HA Greeff) accepted QuicklySign Terms and Conditions 102.165.237.116

2023-05-23 07:48:30 SAST+0200: hendrik@gtptauditors.co.za (HA Greeff) opened document 102.165.237.116

2023-05-23 07:48:30 SAST+0200: hendrik@gtptauditors.co.za (HA Greeff) clicked document link 102.165.237.116

2023-05-23 04:48:50 SAST+0200: Email has been received by hendrik@gtptauditors.co.za mail server 149.72.251.1

2023-05-23 04:48:45 SAST+0200: Signature request sent to: hendrik@gtptauditors.co.za (HA Greeff)

2023-05-23 04:48:39 SAST+0200: brian@insightcapital.co.za (B Maher) completed signing document 2a02:1388:2181:d097:d91d:2e03:ccff:aed

2023-05-23 04:48:23 SAST+0200: brian@insightcapital.co.za (B Maher) accepted QuicklySign Terms and Conditions 2a02:1388:2181:d097:d91d:2e03:ccff:aed

2023-05-23 04:48:04 SAST+0200: brian@insightcapital.co.za +27639133316 (B Maher) opened document via authenticated session 2a02:1388:2181:d097:d91d:2e03:ccff:aed

2023-05-22 13:57:38 SAST+0200: Email has been received by brian@insightcapital.co.za mail server 149.72.251.1

2023-05-22 13:57:31 SAST+0200: Signature request sent to: brian@insightcapital.co.za (B Maher)

2023-05-22 13:57:25 SAST+0200: johann@nreach.co.za (JHCI Kritzingner) completed signing document 41.150.249.38

2023-05-22 13:57:14 SAST+0200: johann@nreach.co.za (JHCI Kritzingner) accepted QuicklySign Terms and Conditions 41.150.249.38

2023-05-22 13:57:00 SAST+0200: johann@nreach.co.za (JHCI Kritzingner) opened document 41.150.249.38

2023-05-22 13:57:00 SAST+0200: johann@nreach.co.za (JHCI Kritzingner) clicked document link 41.150.249.38

2023-05-22 12:05:51 SAST+0200: Email has been received by johann@nreach.co.za mail server 167.89.84.21

2023-05-22 12:05:47 SAST+0200: Signature request sent to: johann@nreach.co.za (JHCI Kritzingner)

2023-05-22 12:05:41 SAST+0200: info@keyaccounts.co.za (Stephane Streuders) changed the status to:awaiting\_signatures 41.193.39.229

2023-05-22 12:04:49 SAST+0200: info@keyaccounts.co.za (Stephane Streuders) changed the status to:setup 41.193.39.229

2023-05-22 12:04:18 SAST+0200: info@keyaccounts.co.za requested a signing link for brian@insightcapital.co.za (B Maher) 41.193.39.229

2023-05-22 11:17:54 SAST+0200: Email has been received by info@keyaccounts.co.za mail server 149.72.251.1

2023-05-22 11:17:47 SAST+0200: Message not delivered to +27639133316 Reason: RECIPIENT\_DOES\_NOT\_EXIST

2023-05-22 11:17:42 SAST+0200: OTP sent to: brian@insightcapital.co.za (B Maher)

2023-05-22 11:16:33 SAST+0200: OTP sent to: +27639133316 (B Maher)

2023-05-22 11:16:26 SAST+0200: brian@insightcapital.co.za (B Maher) clicked document link 2a02:1388:2181:d097:1da6:17e0:b5db:ccb7

2023-05-22 10:13:57 SAST+0200: Email has been received by brian@insightcapital.co.za mail server 149.72.251.1

2023-05-22 10:13:21 SAST+0200: Signature request sent to: brian@insightcapital.co.za (B Maher)

2023-05-19 05:33:50 SAST+0200: Message delivered to +27639133316

2023-05-19 04:43:50 SAST+0200: OTP sent to: +27639133316 (B Maher)

2023-05-19 04:43:48 SAST+0200: brian@insightcapital.co.za (B Maher) clicked document link 2a02:587:4b01:9ac9:a830:acb4:fc7f:1752

2023-05-18 16:22:36 SAST+0200: Email has been received by brian@insightcapital.co.za mail server 149.72.149.168

2023-05-18 16:22:30 SAST+0200: Signature request sent to: brian@insightcapital.co.za (B Maher)

2023-05-16 16:22:26 SAST+0200: Email has been received by brian@insightcapital.co.za mail server 167.89.84.21

2023-05-16 16:22:19 SAST+0200: Signature request sent to: brian@insightcapital.co.za (B Maher)

2023-05-16 16:22:13 SAST+0200: johann@nreach.co.za (JHCI Kritzingner) completed signing document 102.65.182.68

2023-05-16 16:22:03 SAST+0200: johann@nreach.co.za (JHCI Kritzingner) accepted QuicklySign Terms and Conditions 102.65.182.68

2023-05-16 16:21:55 SAST+0200: johann@nreach.co.za +27827760406 (JHCI Kritzingner) opened document via authenticated session (sign view link with sms otp) 102.65.182.68

2023-05-16 16:10:27 SAST+0200: Email has been received by johann@nreach.co.za mail server 149.72.149.195

2023-05-16 16:10:23 SAST+0200: Signature request sent to: johann@nreach.co.za (JHCI Kritzingner)

2023-05-16 16:10:15 SAST+0200: info@keyaccounts.co.za (Stephane Streuders) changed the status to:awaiting\_signatures 41.193.39.229

2023-05-16 16:04:22 SAST+0200: info@keyaccounts.co.za (Stephane Streuders) uploaded document 41.193.39.229

## Supporting documentation

Supporting documents that were uploaded, as part of the signing process, can be found on document page online.

## Online verification

This document can be verified online here

[https://financial.quicklysign.com/verify\\_document/S0BHDdWN44wxMO18824e04d1d\\_NrAvZQx4OBCZdV](https://financial.quicklysign.com/verify_document/S0BHDdWN44wxMO18824e04d1d_NrAvZQx4OBCZdV)