PURPLE GROUP
LIMITED

Seperate Financial Statements

FOR THE YEAR ENDED 31 AUGUST 2021

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FINANCIAL STATEMENTS

These financial statements have been internally prepared under the supervision of Gary van Dyk CA(SA).

These financial statements have been audited in compliance with section 30(2)(a) of the Companies Act of South Africa.

Published 10 November 2021

DIRECTORS' RESPONSIBILITY FOR FINANCIAL REPORTING

The directors are responsible for the preparation and fair presentation of the annual financial statements of Purple Group Limited, comprising the balance sheet at 31 August 2021, and the statements of comprehensive income, changes in equity and cash flows for the year then ended, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa, and the Directors' Report.

The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and for maintaining adequate accounting records and an effective system of risk management.

The directors have made an assessment of the Company's ability to continue as a going concern and have no reason to believe that it will not be a going concern in the year ahead.

The auditor is responsible for reporting on whether the annual financial statements are fairly presented in accordance with the applicable financial reporting framework.

APPROVAL OF ANNUAL FINANCIAL STATEMENTS

The annual financial statements of Purple Group Limited, which appear on pages 5 to 49 were authorised for issue by the Board of directors on 10 November 2021 and are signed on their behalf.

Charles Savage

Chief Executive Officer

Happy Ntshingila

Non-executive Chairman

COMPANY SECRETARY'S REPORT

TO THE SHAREHOLDERS OF PURPLE GROUP LIMITED

We have conducted the duties of the Company Secretary for Purple Group Limited. The secretarial matters are the responsibility of the Company's directors. Our responsibility is providing the directors collectively and individually with guidance as to their duties, responsibilities and powers.

In terms of section 88(2)(e)/33(1) of the Companies Act of South Africa, I certify that to the best of my knowledge and belief the Company has lodged with the Companies and Intellectual Property Commission all such returns as are required of a public company in terms of the Companies Act of South Africa, in respect of the reporting period ended 31 August 2021, and that all such returns are true, correct and up to date.

CTSE Registry Services Proprietary Limited
Company Secretary

Cape Town
10 November 2021

DIRECTORS' REPORT

The directors submit their annual report on the activities of Purple Group Limited ("the Company") for the year ended 31 August 2021.

BUSINESS OPERATIONS

Purple Group Limited, registered and incorporated in the Republic of South Africa, is a financial services company listed on the "Financials – General Financial" sector of the JSE. It has subsidiaries that operate in trading, investing and asset management.

FINANCIAL REVIEW

The Company recognised a net profit after tax of R3.5 million (2020: net loss of R5.1M) for the 2021 reporting period. Shareholders' funds have increased from R285.5 million in 2020 to R336.4million in 2021.

SHARE CAPITAL

The total authorised share capital is 2 000 000 000 ordinary shares of no par value and the total number of ordinary shares in issue is 1,181,004,638 (2020: 982,569,287).

At 31 August the directors' interests in the issued share capital of the Company were as follows:

	2021				2020			
	Beneficial		% Holding		Beneficial		% Holding	
	Direct	Indirect	Direct	Indirect	Direct	Indirect	Direct	Indirect
Mark Barnes	**36,213,892**	**70,138,108**	**3.07**	**5.94**	34,112,718	166,080,851	3.47	16.90
Craig Carter	**1,932,366**	-	**0.16**	**0.00**	1,932,366	0	0.20	-
Charles Savage	**27,412,561**	**954,596**	**2.32**	**0.08**	20,412,561	378,200	2.07	0.04
Gary van Dyk	**19,702,197**	-	**1.67**	**0.00**	15,402,197	-	1.57	-
Bonang Mohale	**-**	**24,478,282**	-	**2.07**	-	-	-	-
	85,261,016	**95,570,986**	**7.23**	**8.10**	71,859,842	166,459,051	7.31	16.94

None of the directors of the Compnay have traded any of the shares held by them beween 31 August 2021 and the date of this report.

During the year the movement in the shares held by the directors were as follows:

- Gary van Dyk acquired 7 000 000 shares by the exercising of some share options and sold 2 700 000 shares,
- Charles Savage acquired 7 000 000 shares by the exercising of some share options; and
- Mark Barnes acquired 6 000 000 shares by the exercising of some share options and sold 3 898 826 shares of his direct holdings. In addition, in order to facilitate investment into the Group by a strategic shareholder and seperate the interests of the the various shareholders in Business Venture Investments no 1847 Proprietary Limited ("BVI"), BVI sold 262 023 595 Purple Group shares (as announced on SENS. This series of transactions reduced Mark Barnes' indirect holdings by 95 942 743 shares.

DIRECTORS' REPORT CONTINUED

EVENTS AFTER THE REPORTING DATE

The directors are not aware of any other matter or circumstance arising since the reporting date to the date of this report, not otherwise dealt with in this report. Refer to note 21 on page 48 of the financial statements.

DIRECTORS

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

Happy Ntshingila (Chairman)*×
Arnold Forman*×
Bonang Mohale*
Charles Savage (CEO)
Mark Barnes*
Gary van Dyk (CFOO)
Craig Carter *×
Paul Rutherford*

* Non-executive × Independent

Paul Rutherford was appointed to the Board, effective 1 October 2021.

SHARE INCENTIVE SCHEME

The Company's Employee Share Option Scheme has 86.1 million (2020: 153.7 million) options in issue to the directors and staff of Purple Group. Details of the options in issue are disclosed in Note14 to the financial statements.

SUBSIDIARIES

The Company owns 70% of the issued share capital of First World Trader Proprietary Limited and 100% of the issued share capital of GT247.com Proprietary Limited and Emperor Asset Management Proprietary Limited. Refer to note 6.

BORROWINGS

In terms of the Memorandum of Incorporation of the Company, the directors may exercise all powers of the Company to borrow money, as they consider appropriate.

SHAREHOLDER SPREAD

Details of the Company's shareholder spread are provided on page 50.

GOING CONCERN

The financial statements have been prepared on a going-concern basis. Despite the Company having accumulated losses and current liabilities in excess of current assets, the Company has net equity of R336.4 million, and the Group as a whole has turned the corner by generating increasing profits for the last two reporting periods, which are expected to only improve, which will allow for the Group companies to fund the operating costs and commitments of the Company should the need arise, and as such the directors are confident that the Company will continue trading as a going concern into the foreseeable future.

The directors have also reviewed any potential impact of the COVID-19 pandemic and have determined that there has been no negative impact on the Group from the pandemic during the current financial year and up to the date of this report. Additional details in this regard have been disclosed in note 22 to the financial statements.

DIRECTORS' REPORT CONTINUED

COMPANY SECRETARY

The Company secretary during the period was CTSE Registry Services Proprietary Limited (previously named 4 Africa Exchange Registry), as represented by Estelle de Jager. Per the JSE Listings Requirements, the Board of Directors has, during the period under review, considered and satisfied itself of the competency, qualifications and experience of the Company Secretary. The Board of Directors confirms that there is an arm's length relationship with the Company Secretary.

Business and postal address of the Company Secretary: 5th Floor, Block B, The Woodstock Exchange Building, 66-68 Albert Road, Woodstock, 7925.

AUDITORS

BDO South Africa Incorporated (Designated audit partner: Vianca Pretorius).

REPORT OF THE AUDIT COMMITTEE

The Audit Committee is appointed by the Shareholders. It assists the Board by advising and making recommendations on financial reporting, risk management and internal controls, external and internal audit functions and statutory and regulatory compliance of the Company, but retains no executive powers or responsibility. Arnold Forman and Happy Ntshingila are members of the Audit Committee and Craig Carter continued as Chairman of the committee.

The Audit Committee met twice during the period. The first meeting was on 24 November 2020 to approve the 2020 annual financial statements and again on 24 August 2021 to deal with the matters below and planning for the 31 August 2021 audit. The Chief Financial and Operating Officer of the Company and representatives from the external auditors attend the committee meetings by invitation.

The external auditors have unrestricted access to the Audit Committee and are able to meet separately with the Chairman of the Audit Committee during the period if considered necessary.

In execution of its duties during the past reporting period, the Audit Committee has:

- nominated for appointment as auditor of the Company a registered auditor who, in the opinion of the Audit Committee, was independent of the Company;
- determined the fees to be paid to the auditor and the auditor's terms of engagement;
- ensured that the appointment of the auditor complies with the Companies Act and any other legislation relating to the appointment of auditors;
- performed an assessment of the competence of the auditor to perform its duties by, amongst others, receiving and reviewing the documentation as detailed in paragraph 22.15(h) of the Listings Requirements of the JSE;
- determined the nature and extent of any non-audit services which the auditor may provide to the Company;
- received and dealt appropriately with any complaints relating to the accounting practices of the Company or to the content or auditing of its financial statements, or to any related matter;
- ensured that the Company has established appropriate financial reporting procedures and that those procedures are operating which includes consideration of all entities included in the consolidated Company financial statements;
- ensured that the committee has access to all the financial information of the Company to allow the Company to effectively prepare and report on the financial statements;
- considered the JSE Proactive Monitoring report of 2020 and has taken appropriate action to apply the findings where applicable; and
- performed other functions as determined by the Board.

The Audit Committee is of the view that the size of the Company does not warrant the formation of an internal audit department. This will be reviewed on an ongoing basis to determine whether one will be required in the future.

Per the Companies Act requirements, the committee has considered the independence of the external auditors and has concluded that the external auditor has been independent of the Company throughout the period taking into account all other non-audit services performed if applicable and circumstances known to the committee.

Per the JSE Listings Requirements, the committee must consider and be satisfied, on an annual basis, with the appropriateness of the expertise and experience of the Financial Director and the Company must confirm this by reporting to the shareholders in its annual report that the Audit Committee has executed this responsibility. In this respect, we believe that Gary van Dyk, the Chief Financial and Operating Officer, possesses the appropriate expertise and experience to meet his responsibilities in that position. In addition, the finance function is adequately staffed and resourced, is able to fulfil its function adequately and has in place appropriate financial reporting procedures that are applied and operational.

The Audit Committee have evaluated the underlying assessment performed by the CEO and financial director to support their declaration required in terms of section 3.84(k) of the JSE Listing Requirements and are satisfied that it supports the declaration made.

FINANCIAL STATEMENTS

Following our review of the annual financial statements for the year ended 31 August 2021, we are of the opinion that, in all material respects, they comply with International Financial Reporting Standards and Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council and in the manner required by the Companies Act of South Africa and the Listings Requirements of the JSE Limited, and that they fairly present the financial position at 31 August 2021 for Purple Group Limited and the results of operations and cash flows for the period then ended.

On behalf of the Audit Committee

Craig Carter

10 November 2021

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF PURPLE GROUP LIMITED

Report on the Audit of the Separate Financial Statements

OPINION

We have audited the separate financial statements of Purple Group Limited set out on pages 15 to 49 which comprise the separate statement of financial position as at 31 August 2021, and the separate statement of profit or loss and other comprehensive income, the separate statement of changes in equity and the separate statement of cash flows for the year then ended, and notes to the separate financial statements, including a summary of significant accounting policies.

In our opinion, the separate financial statements present fairly, in all material respects, the separate financial position of Purple Group Limited as at 31 August 2021, and its separate financial performance and separate cash flows for the year 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 Separate 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.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the separate financial statements of the current period. These matters were addressed in the context of our audit of the separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	*How our audit addressed the key audit matter*
Assessment of investments in subsidiaries for impairment At 31 August 2021 the Company's investments in subsidiaries is carried at R 280 million (note 6). In accordance with IAS 36 – Impairment of assets, the company is required to consider whether there are indicators of impairment with respect to investments in subsidiaries. IAS 36:114 also states that an impairment loss recognised in prior periods for an asset other than goodwill shall be reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If this is the case, the carrying amount of the asset shall be increased to its recoverable amount. That increase is a reversal of an impairment loss.	Our audit procedures included, amongst others: • We assessed the design and implementation of key controls in the impairment and reversal of impairment process as performed by management; • We evaluated the 2022 financial budget against the budget approved by the board of directors and evaluated the validity of the budget preparation process and the reasonability of the 2022 forecasts. Furthermore, we evaluated management's 2023 -2031 outlook in particular to forecasted revenue; • We furthermore challenged management by comparing the assumptions applied to the historical performance of the entity, local economic development and industry outlook, taking into account the sensitivity of the balance to changes in the respective assumptions; • We critically assessed the key inputs and assumptions used in the value in use and impairment model for reasonability, taking into account specifically

Key audit matter	*How our audit addressed the key audit matter*
The impairment test is considered a matter of most significance in our audit of the separate financial statements of the current year due to the significant judgements and assumptions applied by management when calculating the discounted cash flows in order to determine whether the recoverable amounts exceed the carrying value of investments. As disclosed in note 6, a reversal of R 11mn on the Investment in Emperor Asset Management Proprietary Limited was accounted for in profit and loss in the current year.	the operating cash flow projections, discount rates, and long-term growth rates and comparing these to external sources where appropriate, taking into account our knowledge of the industry and business. The key assumptions used for estimating cash flow projections in the company's impairment testing are those relating to growth in revenue, driven by trading activity; • We made use of our internal valuation expertise to assess the valuation models and related key inputs and assumptions for reasonability, by comparing to external sources where appropriate, and to assess whether the methods applied are consistent with IFRS and industry norms; • We tested the integrity and mathematical accuracy of the value in use impairment calculation by re-performing the calculation; and • We considered the adequacy of the company's disclosures in terms of IFRS.
Deferred tax asset recoverability assessment (*Note 10*) In terms of IAS 12:34: Deferred tax, a deferred tax asset shall be recognised for the carry forward of unused tax losses and unused tax credits to the extent that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised. Recoverability of the deferred tax asset assessment by management involves making significant judgements and estimates about the future and underpins the recognition of a deferred tax asset. In addition, the deferred tax asset is recognised in the financial statements to the extent that it is probable that future taxable profits will be available against which the tax losses can be utilised. The assessment of the recognition of the deferred tax asset was therefore considered to be a matter of most significance in our audit of the separate financial statements of the current year.	Our audit procedures included, amongst others: • We discussed with management and assessed their forecasts prepared and considered whether all information that is reasonably available had been taken into account for purposes of assessing the probability of sufficient taxable profits and taxable capital profits that will be available against which the tax losses, and capital losses can be utilised; • We evaluated the reliability of underlying data used to prepare the budgeted forecasts by comparing the significant inputs to historical performance; • We inspected supporting evidence relating to the key assumptions underlying the forecasts for reasonability and where possible compared the assumptions used to external market factors; • We evaluated management's tax planning opportunities and ability of implementing chosen tax planning opportunities as support for the recognition of the deferred tax asset, by challenging assumptions and evaluating implementation of prior tax planning opportunities; and • We evaluated the adequacy of disclosures in terms of IFRS.

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the information included in the document titled "Purple Group Limited Separate Financial Statements for the year ended 31 August 2021" and in the document titled "Purple Group Limited Annual Report 31 August 2021", which includes the Directors' Report, the Audit Committee's Report and the Company Secretary's Certificate as required by the Companies Act of South Africa. The other information does not include the consolidated or the separate financial statements and our auditor's reports thereon.

Our opinion on the separate 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 separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors are responsible for the preparation and fair presentation of the separate 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 separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the separate 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 CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these separate 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 separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

INDEPENDENT AUDITOR'S REPORT CONTINUED

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

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that BDO South Africa Incorporated has been the auditor of Purple Group Limited for 11 years.

BDO South Africa Inc.

BDO South Africa Incorporated
Registered Auditors

V Pretorius
Director
Registered Auditor

10 November 2021

Wanderers Office Park
52 Corlett Drive
Illovo, 2196

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	2021 R'000	2020 R'000
Revenue	1	**1,430**	6,757
Operating expenses	2	**(6,839)**	(6,793)
Net loss		**(5,409)**	(36)
Finance costs	3	**(5,466)**	(6,583)
Depreciation and amortisation		**(15)**	(30)
Earnings before fair value, impairment adjustments and tax		**(10,890)**	(6,649)
Fair value and impairment adjustments	4	**15,565**	-
Profit/(loss) before tax		**4,675**	(6,649)
Income tax	5	**(1,161)**	1,576
Profit/(loss) for the period		**3,514**	(5,073)

STATEMENT OF FINANCIAL POSITION

	Notes	**2021 R'000**	2020 R'000
ASSETS			
Equipment		20	34
Investment in subsidiaries	6	279,522	267,229
Investments	7	18,224	13,781
Receivables	8	1,526	2,187
Loan to group companies	9	10,026	10,026
Deferred tax assets	10	61,357	62,517
Total non-current assets		**370,675**	355,774
Trade and other receivables	11	4,361	702
Cash and cash equivalents	12	275	275
Total current assets		**4,636**	977
Total assets		**375,311**	356,751
EQUITY AND LIABILITIES			
Share capital and premium	13	553,302	494,917
Accumulated loss		(252,789)	(256,303)
Equity component of compound financial instrument		-	3,496
Other reserves	14	35,868	43,376
Total equity		**336,381**	285,486
Borrowings	15	7,872	39,131
Total non-current liabilities		**7,872**	39,131
Bank overdraft	12	3,866	9,847
Trade and other payables	16	21,192	19,287
Borrowings	15	6,000	3,000
Total current liabilities		**31,058**	32,134
Total equity and liabilities		**375,311**	356,751

STATEMENT OF CHANGES IN EQUITY

	Notes	Share Capital R'000	Share Premium R'000	Accumulated loss R'000	Share-based payment reserve R'000	Equity component of derivative financial instrument R'000	Total equity R'000
Balance at 1 September 2019		9,770	483,923	(251,230)	41,575	3,496	287,534
Total comprehensive income for the period							
Profit for the period		-		(5,073)	-	-	(5,073)
Contributions by and distributions to owners							
Shares issued	13	56	1,168	-	-	-	1,224
Share-based payment expense - Company	14	-	-	-	993	-	993
Share-based payment expense - Subsidiaries	14	-		-	808	-	808
Balance at 31 August 2020		**9,826**	**485,091**	**(256,303)**	**43,376**	**3,496**	**285,486**
Conversion from par value to no par value shares	13	485,091	(485,091)	-	-	-	-
Total comprehensive income for the period							
Profit for the period		-	-	**3,514**	-	-	**3,514**
Contributions by and distributions to owners							
Debt converted to equity		30,929	-	-	-	(3,496)	27,433
Shares issued	13	27,456	-	-	(9,188)	-	18,268
Share-based payment expense - Company	14	-	-	-	508	-	508
Share-based payment expense - Subsidiaries	14	-	-	-	1,172	-	1,172
Balance at 31 August 2021		**553,302**	-	**(252,789)**	**35,868**	-	**336,381**

STATEMENT OF CASH FLOWS

	Notes	2021 R'000	2020 R'000
Cash flows generated by operating activities			
Cash generated by operations		**(6,656)**	5,517
Finance costs	3	**(3,392)**	(4,218)
Cash flows generated by operating activities		**(10,048)**	1,299
Cash flows from investing activities			
Acquisition of equipment		**-**	(22)
Deposit paid		**-**	(9)
Cash flows utilised in investing activities		**-**	(31)
Cash flows from financing activities			
Proceeds from the issue of share capital	13	**18,268**	1,224
Repayment of staff loan relating to share purchases	8	**661**	-
Repayments of borrowings	15	**(2,900)**	(4,020)
Cash flows generated by financing activities		**16,029**	(2,796)
Net increase in cash and cash equivalents		**5,981**	(1,528)
Cash and cash equivalents at beginning of period		**(9,572)**	(8,044)
Cash and cash equivalents at the end of the period	**12**	**(3,591)**	(9,572)

NOTES TO THE STATEMENT OF CASH FLOWS

RECONCILIATION OF CASH GENERATED BY OPERATIONS

	Notes	**2021 R'000**	2020 R'000
Profit before tax, finance income and finance costs		**10,141**	(66)
Adjustments for:			
– Depreciation and amortisation	2	**15**	30
– Fair value adjustments	4	**(4,443)**	-
– Impairment adjustments	4	**(11,122)**	-
– Share-based payment expense	2	**508**	993
		(4,901)	**957**
Movement in working capital			
(Increase)/ decrease in trade and other receivables		**(3,658)**	16,169
(Decrease)/ increase in trade and other payables		**1,903**	(11,609)
		(6,656)	5,517

BORROWINGS RECONCILIATION

	2021	2020
Balance at beginning of period	**42,131**	43,786
Capital portion of loans repaid	**(2,900)**	(4,020)
Capital portion of loans repaid with equity	**(27,433)**	-
Interest paid	**(2,373)**	(2,766)
Interest accrued	**4,447**	5,131
Balance at end of period	**13,872**	42,131

ACCOUNTING POLICIES

Reporting entity

Purple Group Limited (the Company) is a company domiciled in South Africa. The address of the Company's registered office is 16th Floor, 25 Owl Street, Braamfontein Werf, Johannesburg, 2092.

Basis of preparation

The separate financial statements have been prepared in conformity with International Financial Reporting Standards (IFRS), and Financial Reporting Pronouncements as issued by the Financial Reporting Standard Council, the requirements of the companies Act of South Africa and the Listing Requirements of the JSE Limited.

The separate financial statements were authorised for issue by the Board of Directors on 10 November 2021.

The consolidated annual financial statements of the Group is available for inspection on http://www.purplegroup.co,za

The accounting policies set out below have been applied consistently to all the periods presented in these financial statements.

The financial statements have been prepared on the historical cost-basis except for the following:
- Share-based payments are measured at fair value at grant date; and
- Financial instruments at fair value through profit or loss.

The methods used to measure fair value are discussed further on 25.

These financial statements are presented in South African Rand, which is the Company's functional currency. All financial information presented in South African Rand has been rounded to the nearest thousand, unless specified otherwise.

Use of judgement and estimation uncertainty

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimation uncertainty

Information on significant areas of estimation uncertainty can be found in the following sections/notes:

Income taxes (note 5)

The Company recognises the future tax benefits related to deferred tax assets to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future. Assessing the recoverability of deferred income tax assets requires the Company to make estimates related to expectations of future taxable income.

Estimates of future taxable income and future taxable capital gains are based on forecast cash flows which also incorporates tax planning opportunities from operations and the application of existing tax laws in South Africa. To the extent that future cash flows, future taxable income and taxable capital gains differ significantly from estimates, the ability of the Company to realise the net deferred tax assets recorded at the reporting date could be impacted.

Share-based payments (note 14)

The Company issues equity-settled share-based payments to executive directors and certain employees. The fair value of these instruments is measured at grant date, using the Black-Scholes valuation model, which requires assumptions regarding the estimated term of the option, share price volatility and expected dividend yield. While the Company's management believes that these assumptions are appropriate, the use of different assumptions could have an impact on the fair value of the option granted and the related recognition of the share-based payments expense in the consolidated statement of profit or loss.

Going Concern (note 22)

The financial statements have been prepared on a going-concern basis. Despite the Company having accumulated losses and current liabilities in excess of current assets, the Company has net equity of R336.4 million, and the Group as a whole has turned the corner by generating increasing profits for the last two reporting periods, which are expected to only improve, which will allow for the Group companies to fund the operating costs and commitments of the Company should the need arise, and as such the directors are confident that the Company will continue trading as a going concern into the foreseeable future.

The directors have also reviewed any potential impact of the COVID-19 pandemic and have determined that there has been no negative impact on the Group from the pandemic during the current financial year and up to the date of this report. Additional details in this regard have been disclosed in note 22 to the financial statements.

Valuation of financial instruments (note 7)

The Company measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: Quoted market price (unadjusted) in an active market for an identical instrument;

Level 2: Valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data; and

Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation.

Fair values of financial assets and liabilities that are traded in active markets are based on quoted market prices or dealer price quotations. For all other financial instruments, the Company determines fair values using valuation techniques (see page 25).

The Company uses widely recognised valuation models for determining the fair value of common and more simple financial instruments. Observable prices and model inputs are usually available in the market for listed debt and equity securities, exchange traded derivatives and over the counter derivatives. Availability of observable market prices and model inputs reduces the need for management judgement and estimation and also reduces the uncertainty associated with determination of fair values.

Availability of observable market prices and inputs varies depending on the products and markets and is prone to changes based on specific events and general conditions in the financial markets.

For more complex instruments such as investments in unlisted equities, the Company uses primarily the Discounted Cash Flow valuation model. Some or all of the significant inputs into these models may not be observable in the market, and are derived from market prices or rates such as comparable beta ratios, or are estimated based on assumptions. Valuation models that employ significant unobservable inputs require a higher degree of management judgement and estimation in the determination of fair value. Management judgement and estimation are usually required for selection of the appropriate valuation model to be used, determination of expected future cash flows on the financial instrument being valued, determination of probability of counterparty default and prepayments and selection of appropriate discount rates, forecasted and terminal growth rates and other model inputs.

The table below analyses financial instruments measured at fair value at the reporting date, by the level in the fair value hierarchy into which the fair value measurement is categorised:

	Notes	Level 1 R'000	Level 2 R'000	Level 3 R'000	Total R'000
31 August 2021 Investments (at fair value through profit or loss)	**7**	**-**	**-**	**18,224**	**18,224**
31 August 2020 Investments (at fair value through profit or loss)	7	-	-	13,781	13,781

Financial instruments

Non-derivative financial instruments

Recognition and initial measurement
Financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument. A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Classification and subsequent measurement

Financial assets
On initial recognition, a financial asset is classified as measured at
- Amortised cost; or
- FVTPL.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:
- It is held within a business model whose objective is to collect contractual cash flows; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortised cost as described above are measured at FVTPL.

Trade receivables are carried at amortised cost less ECLs (expected credit losses) using the Company's business model for managing its financial assets. Please refer to the accounting policy on Impairments for the treatment of expected credit losses on trade receivables.

Financial liabilities – Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost. Financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Impairment

The Company recognises loss allowances for expected credit losses ("ECLs") on financial assets measured at amortised cost. The general model applies to staff loans. In terms of the general model, a loss allowance for lifetime expected credit losses is recognised for a financial instrument if there has been a significant increase in credit risk since initial recognition of the financial asset. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information. The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit impaired. A financial asset is “credit-impaired” when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Derecognition of financial instruments

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

On conversion of a convertible instrument at maturity, the entity derecognises the liability component and recognises it as equity. The original equity component remains as equity (although it may be transferred from one line item within equity to another). There is no gain or loss on conversion at maturity. Refer to note 13 and 15, where a liability was extinguished with equity in the current period.

Share capital

Ordinary shares

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

Repurchase of share capital (treasury shares)

When shares recognised as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs, is recognised as a deduction from equity. Repurchased shares are cancelled until they are re-issued later. When treasury shares are sold or re-issued subsequently, the amount received is recognised as an increase in equity and the resulting surplus or deficit on the transaction is presented within share premium.

Transfer between the share-based payment reserve and share capital

Share options exercised result in a transfer of reserves from the share-based payment reserve to retained income at the initial grant value. This transfer is recognised within the statement of changes in equity and does not affect profit or loss.

Equipment

Recognition and measurement

Equipment is measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Gains and losses on disposal of an item of equipment are determined by comparing the proceeds from disposal with the carrying amount of equipment, and are recognised in profit or loss.

Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other expenditure is recognised in profit or loss as incurred.

ACCOUNTING POLICIES CONTINUED

Depreciation

Depreciation is recognised in profit or loss on a straight-line basis, over the estimated useful life of each asset to its residual value.

The estimated useful lives for the current and comparative periods are as follows:

Computer equipment	3 years (2020: 3 years)

Depreciation methods, useful lives and residual values are reviewed at each reporting date, and adjusted if required.

Impairment

Non-financial assets

The carrying amounts of the Company's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the greater of its value-in-use and its fair value less costs to sell. 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 risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest Company of assets that generate cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the cash-generating unit). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units that are expected to benefit from the synergies of the combination.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in profit or loss.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Employee benefits

Short-term employee benefits

Short-term employee benefits are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Share-based payment transactions

The share option programme (equity-settled share-based payment arrangement) allows selected Group employees to acquire shares of the Company. The grant date fair value of options granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the vesting period that the employees become unconditionally entitled to the options and are not subsequently revalued. The fair value of the options granted is measured using a Black-Scholes model, taking into account the terms and conditions upon which the options were granted.

Revenue

Revenue is recognised net of VAT (where applicable). Management Fees are recognised as and when services are rendered over time.

Finance costs

Finance costs comprise finance costs on borrowings and are recognised in profit or loss using the effective interest method.

Income tax

Income tax expense/benefit comprises current and deferred tax. Current and deferred tax is recognised as income or an expense and included in profit or loss for the period.

Current tax is the expected tax payable/receivable on the estimated taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable/receivable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for tax purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognised for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset tax liabilities and assets and they relate to income taxes levied by the same tax authority on the same taxable entity.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Detailed forecasts are prepared. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Determination of fair values

A number of the Company’s accounting policies and disclosures require the determination of fair value for financial assets . Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

Investment in real people

These investments (note 7) are carried at their estimated fair value as determined by the Board at the reporting date. The resultant increase or decrease in fair value is recognised in profit or loss.

The fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair values should be first calculated with reference to observable inputs where these are available in the market. Only where these are unavailable should fair value techniques be applied which employ less observable inputs. Unobservable inputs may only be used where observable inputs or less observable inputs are unavailable.

Fair Value Measurement does not mandate the use of a particular valuation technique but rather sets out a principle requiring an entity to determine a valuation technique that is appropriate in the circumstances for which sufficient data is available and for which the use of relevant observable inputs can be maximised. Where management is required to place greater reliance on unobservable inputs, the fair values may be more sensitive to assumption changes and different valuation methodologies that may be applied. For this reason, there is a direct correlation between the extent of disclosures required by IFRS and the degree to which data applied in the valuation is unobservable.

The principal methodologies applied in valuing unlisted investments are as follows:
- Discounted cash flow or earnings (of the underlying business); and
- Available market prices and multiples.

Where the discounted cash flow methodology is applied, the directors discount the projected cash flows of the underlying business at an appropriate weighted average cost of capital.

Trade and other receivables and payables

Due to the short-term nature of these receivables and payables the fair value approximates the carrying values.

Share-based payment transactions

The fair value of employee share options is measured using a Black-Scholes model at the grant date and is not remeasured. Measurement inputs include share price on measurement date, exercise price of the instrument, expected volatility (based on weighted average historic volatility adjusted for changes expected due to publicly available information), weighted average expected life of the instruments (based on historical experience and general option holder behaviour), expected dividends, and the risk-free interest rate (based on government bonds). Service and non-market performance conditions attached to the transactions are not taken into account in determining fair value.

Financial risk management

Overview

The Company has exposure to the following risks from its use of financial instruments (see note 17):
- Credit risk;
- Liquidity risk; and
- Market risk.

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework and has delegated this responsibility to the Risk Management Committee. The management of the various Company divisions are responsible for implementing the risk policies.

Different units of the business require different approaches to risk management to be developed.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and cash and cash equivalents, trading counterparties and investments.

Investment in Real People
The Company monitors the credit risk of the investments on an ongoing basis and will liaise with management to resolve any problems that may arise before they cause credit problems.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity and access to facilities to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Market risk

Market risk is the risk that changes in market prices, such as interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Interest rate risk
The Company is exposed to interest rate risk on its bank overdraft. The Company does not hedge these presently but would do so if it felt that it was necessary.

The Company's investments are subject to variable interest rates and are exposed to a risk of change in cash flows due to changes in interest rates. Trade receivables and payables are not exposed to interest rate risks.

Other market price risk
Equity price risk has an impact on the fair value of the Company's investments. Material investments are constantly monitored and buy and sell decisions approved by the Board.

Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

The Board considers its equity as its capital and manages this to ensure the Company is adequately funded to continue its growth and fund its investments. There were no changes in the Company's approach to capital management during the period.

ACCOUNTING POLICIES CONTINUED

Standards and interpretations effective and adopted for the first time in the 2021 financial year

During the financial year, the following new and revised accounting standards, amendments to standards and new interpretations were adopted by the Company:

Standard(s) Interpretation(s) Amendment(s)	Nature of the change	Salient features of the changes	Impact on financial position or performance
IAS 1	Amendment	Presentation of Financial Statements • Definition of Material: The amendments clarify and align the definition of 'material' and provide guidance to help improve consistency In the application of that concept whenever it is used in IFRS Standards.	None
IAS 8	Amendment	Accounting Policies, Changes In Accounting Estimates and Errors • Definition of Material: The amendments clarify and align the definition of 'material' and provide guidance to help Improve consistency in the application of that concept whenever it is used in IFRS Standards.	None
IFRS 3 Business Combinations	Amendment	Definition of Business: The amendments: • confirm that a business must include inputs and a process, and clarify that: ◦ the process must be substantive; and ◦ the inputs and process must together significantly contribute to creating outputs. • narrow the definitions of a business by focusing the definition of outputs on goods and services provided to customers and other income from ordinary activities, rather than on providing dividends or other economic benefits directly to investors or lowering costs; and • add a test that makes it easier to conclude that a company has acquired a group of assets, rather than a business, if the value of the assets acquired is substantially all concentrated in a single asset or group of similar assets.	None
IFRS 7 Financial Instruments: Disclosures & IFRS 9 Financial Instruments	Amendment	• Rate Benchmark Reform: The amendments to IFRS 9, IAS 39 and IFRS 7 amend requirements for hedge accounting to support the provision of useful financial information during the period of uncertainty caused by the phasing out of interest-rate benchmarks such as interbank offered rates (IBORs) on hedge accounting. ◦ The amendments modify some specific hedge accounting requirements to provide relief from potential effects of the uncertainty caused by the IBOR reform. ◦ In addition, the amendments require companies to provide additional information to investors about their hedging relationships which are directly affected by these uncertainties.	None

ACCOUNTING POLICIES CONTINUED

New standards and interpretations issued but not yet effective

At the date of authorisation of the financial statements for the year ended 31 August 2021, the following Standards and Interpretations were in issue but not yet effective that are applicable to the activities of the Company:

Standard/ Interpretation	Salient features of the changes	Annual periods beginning on or after	Estimated impact on financial position or performance
IFRS 3 Business Combinations	Reference to the Conceptual Framework: The amendment updates a reference in IFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations.	1 January 2022	None

FRS 7 Financial Instruments: Disclosures
 	
&
 	
IFRS 9 Financial Instruments
	• Interest Rate Benchmark Reform Phase 2: The amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 amend requirements relating to changes in the basis for determining contractual cash flows of financial assets, financial liabilities and lease liabilities, hedge accounting and disclosures.
	  ○ The amendment to IFRS 7 requires a company to make additional disclosures in its financial statements so that investors can better understand the effects of IBOR reform on that company.
	  ○ The amendments to IFRS 9 enable a company to apply a practical expedient to account for a change in the contractual cash flows that are required by IBOR reform by updating the effective interest rate to reflect any change arising from the reform.
	  o The amendments to IFRS 9 enable (and require) companies to continue hedge accounting in circumstances when changes to hedged items and hedging instruments arise as a result of changes required by the IBOR reform, by requiring companies to amend their hedging relationships to reflect:
	    ■ designating an alternative benchmark rate as the hedged risk; or
	    ■ changing the description of the hedged item, including the designated portion, or of the hedging instrument.
		1 January 2021	None

	• Annual Improvements to IFRS Standards 2018–2020: The amendment clarifies which fees an entity includes when it applies the '10 per cent' test in assessing whether to derecognise a financial liability.	1 January 2022	None

ACCOUNTING POLICIES CONTINUED

Standard/ Interpretation	Salient features of the changes	Annual periods beginning on or after	Estimated impact on financial position or performance
IFRS 10 Consolidated Financial Statements	• Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28): Narrow scope amendment address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28 (2011), in dealing with the sale or contribution of assets between an investor and its associate or joint venture.	The effective date of this amendment has been deferred indefinitely until further notice	None
IAS 16 Property, Plant and Equipment	• Property, Plant and Equipment: Proceeds before Intended Use: The amendments prohibit an entity from deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the cost of producing those items, in profit or loss.	1 January 2022	None
IAS 37 Provisions, Contingent Liabilities and Contingent Assets	• Onerous Contracts—Cost of Fulfilling a Contract: The amendments specify which costs should be included in an entity's assessment whether a contract will be loss-making.	1 January 2022	None

The Company does not intend to early adopt the standards or amendments.

The adoption of the other standards and amendments not specifically disclosed will not have a significant effect, other than additional disclosure.

1. Revenue

	Notes	2021 R'000	2020 R'000
Management fees		**1,430**	6,757

2. Trading and operating expenses

	2021 R'000	2020 R'000
Employee benefit expenses	**3,864**	3,788
- Short-term employee benefits	3,356	2,795
- Share-based payment expense	508	993
IT Costs	**406**	265
Professional services	**1,159**	553
Listing expenses	**413**	140
Office Costs	**45**	125
Depreciation and amortisation	**15**	30
- Computer equipment	15	30

3. Finance costs

	2021 R'000	2020 R'000
Interest on borrowings	4,447	5,131
Interest on bank overdraft	1,019	1,452
Total finance costs	**5,466**	6,583

4. Fair value and impairment adjustments

	Notes	2021 R'000	2020 R'000
Revaluation of investment in Real People Investment Holdings Limited	7	**4,443**	-
Impairment reversal of Emperor Asset Management Proprietary Limited	6	**11,122**	-
		15,565	-

Please refer to notes 6 and 7 for further information regarding the fair value and impairment adjustments of investments.

5. Income tax

	Notes	**2021 R'000**	2020 R'000
Recognised in profit or loss			
Current tax expense		-	-
Deferred tax expense			
Payables and accruals		(85)	160
Fair value		3,916	-
Impairment		2,491	-
Origination and reversal of temporary differences		**6,322**	160
Recognition of tax loss	12	(5,161)	1,416
Total deferred tax		**1,161**	1,576
Total current and deferred tax		**1,161**	1,576
Reconciliation of effective tax rate:			
Income tax recognised in profit or loss		**24.8**	23.7
Prior year under provision of deferred tax		**(11.8)**	-
Capital gains/(losses) not recognised for tax[1]		**18.7**	-
Non-deductible expenses:		**(3.7)**	4.3
Share-based payments expense		(3.0)	4.2
Other[2]		(0.7)	0.1
Domestic tax rate		**28.0**	28.0

1 Deferred tax is only raised on 80% of taxable capital gains or losses (SARS CGT inclusion rate), and therefore the remianing 20% results in a non-taxable difference

2 This includes SARS penalties and donations

6. Investments in subsidiaries

Name of company	2021 % holding	2021 Carrying amount	2020 % holding	2020 Carrying amount
First World Trader Proprietary Limited	**70**	**195,539**	70	194,892
GT247.com Proprietary Limited	**100**	**12,456**	100	11,941
Emperor Asset Management Proprietary Limited	**100**	**71,527**	100	60,396
		279,522		267,229

	2021 R'000	2020 R'000
Cost of investments - beginning of period	**309,764**	308,955
Share based expenses of subsidiaries	**1,171**	809
Cost of investments - end of period	**310,935**	309,764
Accumulated impairment adjustments - beginning of period	**(42,535)**	(42,535)
Impairment reversal	**11,122**	-
Accumulated impairment adjustments - end of period	**(31,413)**	(42,535)
Carrying amount - 31 August	**279,522**	267,229

The company and the subsidiary's business addresses are as noted on page 53.

First World Trader includes the operations of EasyEquities. GT247.com includes the operations of GT247.com and GT Private Broking.

An impairment reversal of R11 million was accounted for in profit and loss to adjust to the recoverable amount of R71 million on the investment in Emperor Asset Management Proprietary Limited. Management has determined the recoverable amount based on value in use which reflected an increase in the estimated service potential of the asset since the date when the impairment loss was recognised.

The following key variables were used:

Key variables	2021	2020
Emperor Asset Management Proprietary Limited		
Discount period	**10 years**	10 years
Terminal growth rate (%)	**5**	5
Pre-tax discount rate	**22.1**	25.9

A discount period of 10 years was used to take into account the longer period that investment will contribute to the carrying amount.

7. Investments

	2021 R'000 Fair Value	2020 R'000 Fair Value
The Group had the following unlisted investments		
Investments – recognised at fair value through profit or loss:		
Real People Investment Holdings Limited	**18,224**	13,781
Total investments	**18,224**	13,781

Fair values of investments are reassessed at the reporting date and adjusted accordingly.

	2021 R'000	2020 R'000
Non-current asset - investments :		
Real People Investment Holdings Limited	**18,224**	13,781
Total investments	**18,224**	20,137

	Notes	**2021 R'000**	2020 R'000
Balance at 1 September		**13,781**	13,781
Fair value adjustments	4	**4,443**	-
Balance 31 August		**18,224**	13,781

Investment in Real People Investment Holdings

The Group holds a direct investment in Real People Investment Holdings Limited ("RPIH") comprising the following instruments:

- 506 793 ordinary shares;
- 968 C2 preference shares; and
- 9 325 B preference shares.

In addition, the Group holds an indirect investment in RPIH through Blockbuster Trading 3 Proprietary Limited ("BBT"). Blockbuster Trading holds 1 128 741 ordinary shares in RPIH.

ASSUMPTIONS APPLIED IN DETERMINING FAIR VALUE

The fair value in respect of the Group's direct and indirect investment in RPIH was calculated by management using a discounted cash flow model in order to arrive at an indicative valuation for the business. The valuation arrived at was then allocated across the various instruments in issue, in accordance with the cash flow waterfall agreed with the RPIH creditors.

The values assigned to the key assumptions in the discounted cash flow model represent management's assessment of future trends and are based on both external sources and internal sources (historical data). The main drivers of the model are the assumptions around income growth and net yields that have been based on past trends and managements view of the future prospects. The fair value measurement technique results in Level 3 fair value in the fair value hierarchy (see page 20).

Key assumptions used – Real People Investment Holdings Limited/Blockbuster Trading 3 Proprietary Limited

	2021	2020
Discount period	**9.5 years**	9.5 years
Risk free rate (%)	**9.10**	9.5
Discount rate (%)	**16.8**	16.6
Terminal growth rate (%)	**3%**	3%

8. Receivables

	2021 R'000	2020 R'000
Deposits - non-current receivable	**131**	131
Loan receivable - non-current receivable	**1,395**	2,056
	1,526	2,187

Loans were provided to staff members, other than directors for the purchase of shares in the Purple Group.

Terms of the loan:
- loans were issued at Prime rate;
- there are no fixed terms of repayment; and
- shares purchased are held as security, together with a cession of the employee's salary to the value of the outstanding loan balance, in the event of default or non-payment of the amount due. IFRS 2 is therefore not applicable to these loans and they have been accounted for as receivables.

The Company has no intention or expectation to call on these loans in the next 12 months.

For more information regarding the Company's exposure to interest rate and credit risk please refer to note 17.

9. Loans to group companies

	2021 R'000	2020 R'000
Emperor Asset Management Proprietary Limited	**10,026**	10,026

This loan is unsecured, interest free, has no set repayment terms and has been subordinated in favour of all other creditors.

The expected credit loss on the loan to group companies was quantified at 0.1% and deemed insignificant based on the expected growth of the group company resulting in improved liquidity which will allow for the repayment of the loan.

For more information regarding the Company's exposure to interest rate and credit risk please refer to note 17.

10. Deferred tax

	2021 R'000	2020 R'000
Recognised deferred tax assets and liabilities		
Balance at the beginning of the period	**62,517**	60,942
Investments at fair value	**(3,916)**	-
Investments at carrying value	**(2,491)**	-
Payables and accruals	**85**	160
Tax loss	**5,162**	1,415
Balance at the end of the period	**61,357**	62,517
Deferred tax comprises the following:		
Prepayments	**(100)**	(100)
Deferred tax liability	**(100)**	(100)
Investments at fair value	**24,309**	28,225
Investments at carrying value	**7,037**	9,528
Payables and accruals	**540**	455
Tax loss	**29,571**	24,409
Deferred tax asset	**61,457**	62,617
Net deferred tax assets	**61,357**	62,517

The directors have assessed that the deferred tax asset will be recovered as the company will continue to:
1. Earn a share of the asset management fees in respect of the IP it owns; and
2. Generate risk advisory revenue from the GT247.com operations;
3. The Company will take advantage of the deferred tax assets as at 31 August 2021 over the next three to seven years. The Companyhas accumulated tax losses of R95.2 million (2020: R85.2 million) and capital losses of R13m.

11. Trade and other receivables

	2021 R'000	2020 R'000
Receivable from Group companies	**2,029**	416
Prepayments	**481**	241
SARS	**729**	-
Accrued trade income	**392**	-
Other receivables	**730**	45
	4,361	702

The Group's exposure to credit and currency risks and credit losses related to trade and other receivables is disclosed in note 17. All of the above items fall under current assets.

12. Cash and cash equivalents

	2021 R'000	2020 R'000
Liquid investments	**275**	275
Bank overdraft	**(3,866)**	(9,847)
Cash and cash equivalents in the statement of cash flows	**(3,591)**	(9,572)

The Group's exposure to interest rate risk, credit risk and a sensitivity analysis for financial assets and liabilities are disclosed in note 17.

The Group has an overdraft facility totalling R14.5 million with Mercantile Bank. The overdraft is secured by an unlimited pledge and cession over the Group's investment in Blockbuster Trading 3 Proprietary Limited, Real People Investment Holdings Limited and First World Trader Proprietary Limited.

13. Capital and reserves

	Number of shares	Number of shares
The number of shares in issue is as follows:		
Ordinary share capital[1]		
Ordinary share capital in issue at 1 September	**982,569,287**	977,013,382
New shares issued (27 August 2021)[2]	**135,239,128**	-
Share options exercised	**63,196,223**	5,555,905
In issue at reporting date	**1,181,004,638**	982,569,287

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

2 Serialong Financial Investments (Pty) Ltd provided the Company with formal notice to convert the Loan Outstandings of R30 929 189, into Purple Group shares at a price per share of 22.87 cents. The number of Purple Group shares issued to Serialong is 135 239 128 shares, representing 11.46% of the issued capital of Purple Group, post the issue of the Conversion Shares. The shares were issued and listed on the JSE on 27 August 2021. The Conversion Shares were issued under the general authority which was granted to the Directors pursuant to an ordinary resolution of the Shareholders passed at the AGM held on 8 December 2017.

Group	Share Capital R'000	Share Premium R'000	Total R'000
Balance at 31 August 2019	9,770	483,923	493,693
Shares issued	56	1,168	1,224
Balance at 31 August 2020	**9,826**	**485,091**	**494,917**
Conversion of par value to no par value ordinary shares[1]	485,091	(485,091)	-
Sieralong debt converted to equity	30,929	-	30,929
Shares issued[2]	27,456	-	27,456
Balance at 31 August 2021	**553,302**	**-**	**553,302**

1 As approved by the requisite majority of shareholders following the issue of a circular to shareholders on 25 September 2020, and as published on SENS on 2 November 2020, the Authorised Ordinary Shares of the Company were converted from a par value of R0.01 (1 cent) to no par value, and the number of Authorised shares were increased from 1.2 billion to 2 billion shares. This increase and change in par value came into effect on 11 November 2020.

2 R17,6m of the increase in share capital is as a result of 63,196,223 options exercised at an average strike price of 28.91 cents, with a related transfer of R9,2m from the share-based payment reserve.

At 31 August 2021 the authorised share capital comprised 2000 000 000 ordinary shares (2020: 1 200 000 000 R0.01c par value shares).

The unissued shares were placed under the control and authority of the directors until the next Annual General Meeting, and they have been empowered to allot, issue or otherwise dispose of the shares as they may in their discretion deem fit, subject to the provisions of the Companies Act of South Africa and the Listings Requirements of the JSE Limited. The Group has also issued share options to key management and staff (see note 14).

OTHER RESERVES

	2021 R'000	2020 R'000
Share-based payment reserve	**35,868**	43,376
Reconciliation of share-based payment reserves		
Balance as at 31 August of prior year	**43,376**	41,575
Share options exercised	**(9,188)**	-
Share-based payment expense	**1,680**	1,801
Balance as at 31 August	**35,868**	43,376

The above relates to share options granted by the Company to its employees under its employee share option scheme. For further information please refer to note 14.

14. Share-based payments

SHARE-BASED PAYMENT EXPENSES

On 1 February 2005, an employee share option scheme was introduced by approval at the general meeting of the Company. The terms and conditions of the options, as well as details of the options granted, are as follows:

Options granted to key management and staff	**Number of options**
Total at 31 August 2016	**124,196,829**
Issued 4 November 2016	22,692,868
Exercised 24 august 2017	(583,818)
Forfeiture 31 August 2016	(1,499,974)
Total at 31 August 2017	**144,805,905**
Expired 9 October 2017	(6,500,000)
Forfeiture 31 August 2018	(4,762,382)
Total at 31 August 2018	**133,543,523**
Expired February 2019	(13,120,000)
Forfeiture 31 August 2019	(6,199,603)
Total at 31 August 2019	**114,223,920**
Issued 6 December 2019	41,000,000
Issued 28 May 2020	2,000,000
Issued 9 July 2020	2,000,000
Exercised 7 July 2020	(5,555,905)
Total at 31 August 2020	**153,668,015**
Exercised 24 November 2020	(28,979,899)
Forfeited 31 December 2020	(1,312,500)
Exercised 25 January 2021	(20,481,321)
Forfeited 31 March 2021	(68,043)
Exercised 26 May 2021	(7,007,652)
Forfeited 30 June 2021	(3,000,000)
Exercised 2 July 2021	(5,744,331)
Exercised 30 August 2021	(983,020)
Total at 31 August 2021	**86,091,249**

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

The options granted to directors are:

	Number of options 2021				
	Closing balance average exercise price (cents)	Opening Balance	Exercised	Closing balance	Number of options 2020
Mark Barnes	65	12,660,000	(6,000,000)	**6,660,000**	12,660,000
Charles Savage	55	26,000,000	(7,000,000)	**19,000,000**	26,000,000
Gary van Dyk	57	24,500,000	(7,000,000)	**17,500,000**	24,500,000
		63,160,000	(20,000,000)	**43,160,000**	63,160,000

	2021		2020	
	Weighted average exercise price (cents)	**Number of options**	Weighted average exercise price (cents)	Number of options
Outstanding at the beginning of the period	**42**	**153,668,015**	44	114,223,920
Forfeited during the period	**36**	**(4,380,543)**	-	-
Granted during the period	**-**	**-**	32	45,000,000
Exercised during the period	**29**	**(63,196,223)**	22	(5,555,905)
Outstanding at the end of the period	**49**	**86,091,249**	42	153,668,015
Exercisable at the end of the period	**59**	**55,341,250**	42	105,611,801

The options outstanding at 31 August 2021 have been issued in a price range from 31 cents to 76 cents and have a weighted average exercise price of 59 cents (2020: 42 cents) and a weighted average contractual life of 2.65 years (2020: 3.28 years).

The vesting conditions of all the options granted to date are:
- Up to 25% on or after the first anniversary date of acceptance of the options;
- Up to 50% on or after the second anniversary of the acceptance date;
- Up to 75% on or after the third anniversary date; and
- Up to 100% on or after the fourth anniversary date.

The contractual life of all options is seven years from date of grant.

The aggregate number of share options granted under the scheme is limited to 164 million shares (2020: 164 million shares).

The aggregate number of share options to any one participant under the scheme shall not exceed 41 million shares.

Options were granted and accepted in the prior year. The estimate of the fair value of the options granted was measured on a Black-Scholes model.

		2020
Key management personnel		
Fair value at issue date	(R'000)	**6,424**
Assumptions		
Weighted average share price	(cents)	**32**
Weighted average exercise price	(cents)	**32**
Expected volatility		
(expressed as weighted average volatility used under the Black-Scholes model)	(%)	**40.0**
Option life	(years)	**7**
Risk-free rate	(%)	**7.39**
Expected dividends	(%)	**2.00**

The expected volatility is based on the historic volatility (calculated based on the weighted average remaining life of the share options), adjusted for any expected changes to future volatility due to publicly available information.

15. Borrowings

	Notes	2021 R'000	2020 R'000
Industrial Development Corporation of South Africa Limited[1]		**13,872**	16,808
Serialong Consortium[2]		**-**	25,323
		13,872	42,131

1 The loan bears interest at prime +1% per annum, compounded monthly and is repayable in monthly instalments, with a final balloon payment of R2.2 million due on 31 August 2023. Total payments of R3 million were made during the year of which R1.9 million was for capital and R1.1 million was for interest.

2 Serialong Financial Investments (Pty) Ltd provided the Company with formal notice to convert the Loan Outstandings of R30 929 189, into Purple Group shares at a price per share of 22.87 cents (refer to Note 15). The number of Purple Group shares issued to Serialong is 135 239 128 shares, representing 11.46% of the issued capital of Purple Group, post the issue of the Conversion Shares. The shares were issued and listed on the JSE on 27 August 2021.

	Notes	2021 R'000	2020 R'000
Current payable		**6,000**	3,000
Non-current payable		**7,872**	39,131
		13,872	42,131

16. Trade and other payables

	Notes	2021 R'000	2020 R'000
Trade payables		**761**	335
Payable to group companies		**17,173**	15,199
Other payables and accrued expenses		**882**	906
Provision for rebates		**240**	240
Value added Tax		**83**	923
Employee-related accruals		**2,053**	1,684
		21,192	19,287

The Company's exposure to liquidity risk related to trade and other payables is disclosed in note 17.

17. Financial instruments

CREDIT RISK

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure.

The maximum exposure to credit risk at the reporting date was:

	Notes	2021 R'000	2020 R'000
Receivables	8	**1,395**	2,178
Investments	7	**18,224**	13,781
Loan to group companies	6	**10,026**	10,026
Trade and other receivables	11	**3,151**	461
Cash and cash equivalents	12	**275**	275
		33,071	26,721

In respect of the staff loans the collateral held as security exceeds the loan amount thereby reducing the credit risk on these receivables.

The expected credit loss on the loan to group companies was quantified at 0.1% and deemed insignificant based on the expected growth of the group company resulting in improved liquidity which will allow for the repayment of the loan.

The expected credit loss on trade and other receivables was quantified at 0.1% and deemed insignificant due to the short-dated nature of trade receivables. All trade and other receivables have settled at reporting date.

There are currently no other items that expose Purple Group Limited to credit risk.

LIQUIDITY RISK

The following are the contractual undiscounted maturities of financial liabilities, including estimated interest payments as at 31 August 2021:

	Notes	Carrying amount R'000	Contractual cash flows R'000	Less than one year R'000	One to two years R'000	Two to five years R'000	Total R'000
Trade and other payables	16	**19,056**	**19,056**	**19,056**	**-**	**-**	**19,056**
Borrowings	15	**13,872**	**15,135**	**7,094**	**8,041**	**-**	**15,135**
Overdraft	12	**3,866**	**3,866**	**3,866**	**-**	**-**	**3,866**
		36,794	**38,057**	**30,016**	**8,041**	**-**	**38,057**

The following were the contractual undiscounted maturities of financial liabilities including estimated interest payments as at 31 August 2020:

	Notes	Carrying amount R'000	Contractual cash flows R'000	Less than one year R'000	One to two years R'000	Two to five years R'000	Total R'000
Trade and other payables	16	19,287	19,287	19,287	-	-	19,287
Borrowings	15	42,131	52,488	5,409	38,692	8,387	52,488
Overdraft	12	9,847	9,847	9,847	-	-	9,847
		71,265	81,622	34,543	38,692	8,387	81,622

INTEREST RATE RISK

Profile

At the reporting date the interest rate profile of the Company's interest-bearing financial instruments was:

	Notes	Interest rates applicable	Carrying amount 2021 R'000	Carrying amount 2020 R'000
Variable rate instruments				
Borrowings	15	Various*	**13,872**	16,808
Overdraft	12	Prime	**3,866**	9,847
			17,738	26,655

Cash flow sensitivity analysis for variable rate instruments

A change of 50 basis points in interest rates at the reporting date would have increased/(decreased) profit or loss after tax by the amounts shown below. This analysis assumes that all other variables remain constant.

	2021 Profit or loss		2020 Profit or loss	
	50bp increase R'000	50bp decrease R'000	50bp increase R'000	50bp decrease R'000
Variable rate instruments				
Financial liabilities	**(64)**	**64**	(96)	96

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

	Notes	2021 R'000	2020 R'000
Financial assets at amortised cost			
– Receivables	8	**1,395**	2,056
– Loans to group companies	9	**10,026**	10,026
– Trade and other receivables	11	**3,151**	461
– Cash and cash equivalents	12	**275**	275
		14,847	12,818
Investments at fair value through profit or loss			
– Investments	7	**18,224**	13,781
		18,224	13,781
Financial liabilities at amortised cost			
– Trade and other payables	16	**(19,056)**	(16,680)
– Borrowings	15	**(13,872)**	(42,131)
– Bank overdraft	12	**(3,866)**	(9,847)
		(36,794)	(68,658)

18. Contingencies

There are no contingencies at the reporting date.

19. Related parties

IDENTITY OF RELATED PARTIES

The Company has related party relationships as disclosed below.

TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL

The key management personnel compensation is as follows and is included in employee benefit expense (see note 2):

	2021 R'000	2020 R'000
Employee benefits		
Non-executive directors		
Mark Barnes		
– fees (Purple Group Ltd)	**197**	312
– fees (Subsidiary)	**500**	500
– share option expenses	**-**	116
Happy Ntshingila – fees (Chairman)	**546**	520
Craig Carter – fees	**318**	303
Bonang Mohale – fees	**153**	229
Arnold Forman – fees	**318**	303
	2,032	2,283
Employee benefits		
Executive directors		
Charles Savage		
– salary and benefits	**4,606**	4,400
– bonus paid*	**800**	630
– share option expenses	**242**	410
Gary van Dyk		
– salary and benefits	**3,581**	3,419
– bonus paid	**850**	640
– share option expenses	**190**	372
	10,269	9,871

'* A bonus of R1 000 000 was awarded to Charles Savage during the year. An amount of R800 000 was paid during FY 2021 and the remaining amount carried over.

The three highest paid employees other than directors earned salaries and bonuses of R3.5 million, R3.4 million and R3.2 million, respectively.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

At 31 August the directors' interests in the issued share capital of the Company were as follows:

	2021				2020			
	Beneficial		% Holding		Beneficial		% Holding	
	Direct	Indirect	Direct	Indirect	Direct	Indirect	Direct	Indirect
Mark Barnes	**36,213,892**	**70,138,108**	**3.07**	**5.94**	34,112,718	166,080,851	3.47	16.90
Craig Carter	**1,932,366**	-	**0.16**	**0.00**	1,932,366	0	0.20	-
Charles Savage	**27,412,561**	**954,596**	**2.32**	**0.08**	20,412,561	378,200	2.07	0.04
Gary van Dyk	**19,702,197**	-	**1.67**	**0.00**	15,402,197	-	1.57	-
Bonang Mohale	**-**	**24,478,282**	-	**2.07**	-	-	-	-
	85,261,016	**95,570,986**	**7.23**	**8.10**	71,859,842	166,459,051	7.31	16.94

	2021 R'000	2020 R'000
Related party balances		
Receivable from related parties		
First World Trader Proprietary Limited	**1,518**	102
GT247.com Proprietary Limited	**371**	-
Emperor Asset Management Proprietary Limited	**140**	314
These receivables are interest free and have no set repayment terms.		
Payable to related parties		
First World Trader Proprietary Limited	**407**	-
GT247.com Proprietary Limited	**16,766**	15,178
Emperor Asset Management Proprietary Limited	**-**	21
These payables are interest free and have no set repayment terms.		
Loan accounts - Owing from related parties		
Emperor Asset Management Proprietary Limited	**10,026**	10,026
This loan is interest free and has no set repayment terms.		
Loan accounts - Owing to related parties		
Bonang Mohale (Serialong Consortium)	**-**	25,323
Related party transactions		
Emperor Asset Management Proprietary Limited	**566**	326
GT247.com Proprietary Limited	**696**	5,500

20. List of subsidiaries

Subsidiaries Name	Country	**2021 %**	2020 %
First World Trader Proprietary Limited[1]	South Africa	**70**	70
First World Trader Nominees (RF) Proprietary Limited (Subsidiary of First World Trader Proprietary Limited)[1]	South Africa	**100**	100
GT247 Proprietary Limited[2]	South Africa	**100**	100
One World Trader Proprietary Limited (Subsidiary of GT247 Proprietary Limited)	Mauritius	**100**	100
Emperor Asset Management Proprietary Limited	South Africa	**100**	100
Emperor Asset Management Nominees (RF) Proprietary Limited (Subsidiary of Emperor Asset Management Proprietary Limited)	South Africa	**100**	100
Emperor Asset Management GP 1 (RF) Proprietary Limited (Subsidiary of Emperor Asset Management Proprietary Limited)	South Africa	**100**	100
Global Trader Europe Limited[3]	United Kingdom	**100**	100
EasyEquities International Limited (Subsidiary of First World Trader Proprietary Limited)	Ireland	**100**	100
EasyEquities Proprietary Limited (Subsidiary EasyEquities International Limited)	Australia	**100**	100
EasyCrypto SA Proprietary Limited (Subsidiary of First World Trader Proprietary Limited)[4]	South Africa	**-**	n/a
EasyProperties Proprietary Limited (Subsidiary of First World Trader Proprietary Limited)	South Africa	**51**	51

1 Includes the operations of EasyEquities.
2 Includes the operations of GT247.com.
3 Placed into liquidation in 2008 and still ongoing.
4 Refer to note 10 for the full disclosure of the business combination of EasyCrypto in 2021.

21. Events after the reporting date

The directors are not aware of any other matter or circumstance arising since reporting date up to the date of this report, not otherwise dealt with in this report.

22. Going concern

The financial statements have been prepared on a going-concern basis. Despite the Company having accumulated losses and current liabilities in excess of current assets, the Company has net equity of R336.4 million, and the Group as a whole has turned the corner by generating increasing profits for the last two reporting periods, which are expected to only improve, which will allow for the Group companies to fund the operating costs and commitments of the Company should the need arise, and as such the directors are confident that the Company will continue trading as a going concern into the foreseeable future.

The directors have also reviewed any potential impact of the COVID-19 pandemic and have determined that there has been no negative impact on the Group from the pandemic during the current financial year and up to the date of this report.

COVID-19 pandemic

Leading up to the announcement of the lockdown in South Africa on 23 March 2020, all businesses within the Group finalised their plans to ensure all staff members were equipped to work from home. As all our business systems and applications are hosted virtually, the transition from office to home was relatively seamless. At this point in time we have no plans to call staff back to the office, firstly to ensure their safety and secondly all aspects of the business are operating efficiently and effectively from home.

The business has performed various tests of its disaster recovery and business continuity plans, and we are satisfied that these plans are effective and will result in minimum down time in the event of a disaster at our primary hosting site.

The business has continued to deliver significant growth throughout the Covid pandemic and management do not expect this to change.

SHAREHOLDERS ANALYSIS

	Number of shareholders	% of total shareholders	Number of shares	% of total issued share capital
Analysis of shareholdings				
1-999	36,804	73.78%	6,581,127	0.56%
1 000-9 999	9,195	18.43%	30,057,016	2.55%
10 000-99 999	3,246	6.51%	90,112,041	7.63%
100 000-999 999	548	1.10%	127,434,466	10.79%
1 000 000 +	88	0.18%	926,819,988	78.47%
Total	49,881	100.00%	1,181,004,638	100.00%
Distribution of shareholders				
PRIVATE COMPANIES	146	0.29%	315644866	26.75%
INDIVIDUAL	49,516	99.27%	713,648,448	60.39%
BANKS	2	0.00%	102,404,000	8.68%
BROKER	6	0.01%	11,532,489	0.98%
NOMINEES AND TRUSTS	130	0.26%	30,964,175	2.62%
INVESTMENT COMPANIES	62	0.13%	6,106,211	0.52%
CLOSE CORPORATION	17	0.03%	703,998	0.06%
OTHER CORPORATIONS	2	0.01%	451	0.00%
Total	49,881	100.00%	1,181,004,638	100.00%
Shareholder spread				
Non-public	54	0.11%	609,511,897	51.61%
Employees	42	0.08%	55,013,548	4.66%
Directors	9	0.02%	88,461,016	7.49%
10% of issued capital or more	3	0.01%	466,037,333	39.46%
Public	49,827	99.89%	571,492,741	48.39%
Total	49,881	100.00%	1,181,004,638	100.00%

SHAREHOLDERS ANALYSIS CONTINUED

	Number of shareholders	% of total shareholders	Number of shares	% of total issued share capital
Beneficial shareholding of 3% or more				
BUSINESS VENTURE INVESTMENTS NO 184			182,161,841	15.44%
BASE SPV PARTNERSHIP A			148,636,364	12.60%
SERIALONG FINANCIAL INVESTMENTS PTY LTD			135,239,128	11.46%
Foreign Custodians Holding 3% or more				
JP Morgan Chase Bank Omnibus Clients Onshore			70,000,000	5.93%
Country				
United Arab Emirates	6	0.0%	3,543	0.00%
Austria	1	0.0%	38	0.00%
Australia	2	0.0%	10,093	0.00%
Botswana	2	0.0%	57,000	0.00%
Central African Republic	2	0.0%	16	0.00%
Switzerland	2	0.0%	32,711,970	2.77%
Chile	1	0.0%	551	0.00%
China	9	0.0%	5,883	0.00%
Cuba	1	0.0%	58	0.00%
Cape Verde	1	0.0%	222	0.00%
Germany	2	0.0%	1,148	0.00%
Ethiopia	1	0.0%	115,300	0.01%
Great Britain	16	0.0%	72,551,038	6.15%
South Georgia	8	0.0%	2,770	0.00%
Hungary	1	0.0%	317	0.00%
British Indian Territory	1	0.0%	47,334	0.00%
Japan	2	0.0%	8,928	0.00%
Kenya	3	0.0%	73,982	0.01%
Democratic People's Republic of Korea	1	0.0%	2,325	0.00%
Republic of Korea	7	0.0%	9,373	0.00%
Lesotho	118	0.2%	156,282	0.01%
Luxembourg	1	0.0%	15,251	0.00%
Macao	1	0.0%	6,666	0.00%
Mauritius	1	0.0%	4,514,940	0.38%

SHAREHOLDERS ANALYSIS CONTINUED

	Number of shareholders	% of total shareholders	Number of shares	% of total issued share capital
Mozambique	1	0.0%	1,000	0.00%
Namibia	248	0.5%	1158728	0.10%
Netherlands	3	0.0%	19,113	0.00%
New Zealand	1	0.0%	9,228	0.00%
Oman	2	0.0%	20,446	0.00%
Portugal	3	0.0%	597	0.00%
Qatar	3	0.0%	78,144	0.01%
Saudi Arabia	2	0.0%	4,394	0.00%
South Sudan	1	0.0%	12	0.00%
Swaziland	77	0.2%	187001	0.02%
French Southern Territories	8	0.0%	480	0.00%
Saint Vincent and the Grenadines	1	0.0%	215	0.00%
Taiwan	2	0.0%	1,613	0.00%
United States of America	5	0.0%	7,439,141	0.63%
South Africa	49326	98.9%	1,061,690,074	89.90%
Zimbabwe	8	0.0%	99,424	0.01%
Total	**49,881**	**100%**	**1,181,004,638**	**100.00%**
Dematerialised			1,174,907,649	99.48%
Certificated			6,096,989	0.52%
Total	**49,881**	**100%**	**1,181,004,638**	**100.00%**

CORPORATE INFORMATION

NATURE OF BUSINESS

Purple Group Limited is a financial services company.

DIRECTORS

Happy Ntshingila	Independent non-executive Chairman
Mark Barnes	Non-executive director
Charles Savage	Group CEO
Gary van Dyk	Group CFO
Arnold Forman	Independent non-executive director
Craig Carter	Independent non-executive director
Bonang Mohale	Non-executive director
Paul Rutherford	Non-executive director

BUSINESS ADDRESS

16th Floor
25 Owl Street
Braamfontein Werf
2092

POSTAL ADDRESS

PO Box 411449
Craighall
2024

BANKERS

Mercantile Bank Limited

AUDITORS

BDO South Africa Incorporated
Registered Auditors

GROUP SECRETARY

4 Africa Exchange Registry Proprietary Limited
5th Floor, Block B
The Woodstock Exchange Building
66-68 Albert Road
Woodstock
7925

SHARE REGISTRARS

4 Africa Exchange Registry Proprietary Limited
5th Floor, Block B
The Woodstock Exchange Building
66-68 Albert Road
Woodstock
7925

COMPANY REGISTRATION NUMBER

1998/013637/06

ISIN

ZAE000185526

VAT REGISTRATION NUMBER

4640178168

TAX NUMBER

9552/065/64/2

PURPLE GROUP

LIMITED

16TH FLOOR 25 OWL STREET | AUCKLAND PARK | JOHANNESBURG | 2092

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