

Equity Express Securities Exchange Proprietary Limited
(Registration number 2015/197820/07)
Consolidated financial statements
for the year ended 31 March 2023

Odendaal & Co
Chartered Accountants (SA)
Registered Auditor
Issued 26 July 2023

Equity Express Securities Exchange Proprietary Limited

(Registration number: 2015/197820/07)

Trading as Equity Express Securities Exchange Proprietary Limited

Consolidated Financial Statements for the year ended 31 March 2023

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	To create an infrastructure in which both companies and investors are able to achieve their objectives in an appropriately regulated environment
Directors	Richard Mark Andrews Mark Angus Currie Noah Greenhill Madeleine Elizabeth Kotze Sarita Martin Shaun David Read Flynn Robson Anthony Graeme Linford Wilmot
Business address	2nd Floor, The Workspace 44 Melrose Boulevard Melrose Arch Birnham 2196
Postal address	PO Box 785261 Sandton Johannesburg 2146
Auditors	Odendaal & Co Chartered Accountants (SA) Registered Auditor
Secretary	Kilgetty Statutory Services (South Africa) Proprietary Limited
Tax reference number	9347228182
Preparer	The consolidated financial statements were internally compiled by: Anthony Wilmot Chartered Accountants (SA)

Equity Express Securities Exchange Proprietary Limited

(Registration number: 2015/197820/07)

Trading as Equity Express Securities Exchange Proprietary Limited
Consolidated Financial Statements for the year ended 31 March 2023

Contents

The reports and statements set out below comprise the consolidated financial statements presented to the shareholders:

	Page
Audit and Risk Committee Report	3 - 4
Directors' Responsibilities and Approval	5
Declaration by the Company Secretary	6
Directors' Report	7 - 8
Independent Auditor's Report	9 - 10
Statement of Financial Position	11
Statement of Comprehensive Income	12
Statement of Changes in Equity	13
Statement of Cash Flows	14
Accounting Policies	15 - 18
Notes to the Consolidated Financial Statements	19 - 26
The following supplementary information does not form part of the consolidated financial statements and is unaudited:	
Detailed Income Statement	27

Equity Express Securities Exchange Proprietary Limited

(Registration number: 2015/197820/07)

Trading as Equity Express Securities Exchange Proprietary Limited
Consolidated Financial Statements for the year ended 31 March 2023

Audit and Risk Committee Report

This report is provided by the audit and risk committee appointed in respect of the 2023 financial year of Equity Express Securities Exchange Proprietary Limited.

1. Members of the Audit and Risk Committee

The members of the audit and risk committee are all independent non-executive directors of the group and include:

Name	Qualification
N Greenhill	MBA (Wits)
ME Kotze	CA(SA)
S Read	BA, LLB, MBA (University of Pretoria)

The audit and risk committee is satisfied that the members thereof have the required knowledge and experience as set out in Section 94(5) of the Companies Act 71 of 2008 and Regulation 42 of the Companies Regulation, 2011.

2. Meetings held by the Audit and Risk Committee

The audit and risk committee performs the duties laid upon it by Section 94(7) of the Companies Act 71 of 2008 by holding meetings with the key role players on a regular basis and by the unrestricted access granted to the external auditors.

All members act independently as described in section 94 of the Companies Act.

3. External auditor

The audit and risk committee satisfied itself through enquiry that the external auditors are independent as defined by the Companies Act 71 of 2008 and as per the standards stipulated by the auditing profession. Requisite assurance was sought and provided by the auditors that internal governance processes within the firm support and demonstrate the claim to independence.

The audit and risk committee in consultation with executive management, agreed to the terms of the engagement. The audit fee for the external audit has been considered and approved taking into consideration such factors as the timing of the audit, the extent of the work required and the scope.

4. Consolidated financial statements

Following the review of the consolidated financial statements the audit and risk committee recommend board approval thereof.

5. Functions of the audit and risk committee

The audit and risk committee has adopted formal terms of reference, delegated to it by the board of directors, as its audit and risk committee charter. The audit and risk committee has discharged the functions in terms of its charter as ascribed to it in the terms of the act as follows:

Reviewed the year-end financial statements, culminating in a recommendation to the board to adopt them.

In the course of its review the audit and risk committee,

- took appropriate steps to ensure that the financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) and in the manner required by the Companies Act of South Africa;
- considered and, when appropriate, made recommendation on internal financial controls;
- dealt with concerns or complaints relating to accounting policies, the auditing or content of annual financial statements, and internal financial controls;
- reviewed legal matters that could have a significant impact on the organisation's financial statements;
- reviewed external audit reports on the annual financial statements;

Equity Express Securities Exchange Proprietary Limited

(Registration number: 2015/197820/07)

Trading as Equity Express Securities Exchange Proprietary Limited

Consolidated Financial Statements for the year ended 31 March 2023

Audit and Risk Committee Report

- evaluated the effectiveness of risk management, controls and the governance processes;
- verified the independence of the external auditors and nominated Odendaal & Co as the auditors for 2023 and noted the appointment of Mr Herman Odendaal as the designated auditor;
- approved audit fees and engagement terms of the external auditors;
- determined the nature and extent of allowable non-audit services and approved contract terms for the provision of non-audit services by the external auditors.

6. Confidential meetings

Audit and risk committee agendas provide for confidential meetings between the committee members and the external auditors.

7. Expertise and experience of finance function

The audit and risk committee satisfied itself that the composition, experience and skillset of the finance function met the group's requirement.

On behalf of the audit and risk committee:



M Kotze
Chairperson Audit and Risk Committee
Maïrose Arch
26 July 2023

Equity Express Securities Exchange Proprietary Limited

(Registration number: 2015/197820/07)

Trading as Equity Express Securities Exchange Proprietary Limited
Consolidated Financial Statements for the year ended 31 March 2023

Directors' Responsibilities and Approval

The directors are required by the Companies Act 71 of 2008, to maintain adequate accounting records and are responsible for the content and integrity of the consolidated financial statements and related financial information included in this report. It is their responsibility to ensure that the consolidated financial statements fairly present the state of affairs of the group as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with the International Financial Reporting Standard for Small and Medium-sized Entities. The external auditors are engaged to express an independent opinion on the consolidated financial statements.

The consolidated financial statements are prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

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

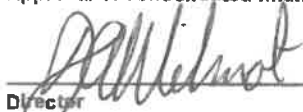
The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the consolidated financial statements. However, any system of internal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

The directors have reviewed the group's cash flow forecast for the year to 31 March 2024 and, in the light of this review and the current financial position, they are satisfied that the group has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the group's consolidated financial statements. The consolidated financial statements have been examined by the group's external auditors and their report is presented on page 9.

The consolidated financial statements set out on pages 11 to 26, which have been prepared on the going concern basis, were approved by the directors on 26 July 2023 and were signed on its behalf by:

Approval of consolidated financial statements



Director



Director

Wednesday, 26 July 2023

Equity Express Securities Exchange Proprietary Limited

(Registration number: 2015/197820/07)

Trading as Equity Express Securities Exchange Proprietary Limited
Consolidated Financial Statements for the year ended 31 March 2023

Declaration by the Company Secretary

In terms of section 88 of the Companies Act, No 71 of 2008, I confirm that for the year ended 31 March 2023, Equity Express Securities Exchange Proprietary Limited has lodged with the Companies and Intellectual Property Commission all such returns and notices as are required of a company in terms of the Act and that all such returns and notices are true, correct and up to date.



Kilgatty Statutory Services (South Africa) Proprietary Limited
Company Secretary
26 July 2023
Melrose Arch

Equity Express Securities Exchange Proprietary Limited

(Registration number: 2015/197820/07)

Trading as Equity Express Securities Exchange Proprietary Limited

Consolidated Financial Statements for the year ended 31 March 2023

Directors' Report

The directors have pleasure in submitting their report on the consolidated financial statements of Equity Express Securities Exchange Proprietary Limited and the group for the year ended 31 March 2023.

1. Nature of business

Equity Express Securities Exchange Proprietary Limited is a holding company incorporated in South Africa with interests in the financial services industry. The activities of the group are undertaken through the company and its principal subsidiary. The group operates in South Africa.

There have been no material changes to the nature of the group's business from the prior year.

2. Review of financial results and activities

The consolidated consolidated financial statements have been prepared in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act 71 of 2008. The accounting policies have been applied consistently compared to the prior year.

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

3. Share capital

	2023		2022	
Authorised				
			Number of shares	
Ordinary shares			100,000	100,000
Issued	2023	2022	2023	2022
	R	R	Number of shares	
Ordinary shares	34,000,000	34,000,000	5,667	5,667

There have been no changes to the authorised or issued share capital during the year under review.

4. Dividends

The directors do not recommend the declaration of a dividend for the year.

5. Directors

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

Directors	Office	Designation
Richard Mark Andrews		Non-executive
Mark Angus Currie		Non-executive
Noah Greenhill		Non-executive
Madeleine Elizabeth Kotze		Non-executive
Sarita Martin	Chairperson	Non-executive
Shaun David Read		Non-executive
Flynn Robson	Head of Risk and Compliance	Executive
Anthony Graeme Linford Wilmot	Chief Executive Officer	Executive

6. Interests in subsidiaries, associates and joint arrangements

Details of material interests in subsidiary companies, associates and joint arrangements are presented in the consolidated consolidated financial statements in note 5.

There were no significant acquisitions or divestitures during the year ended 31 March 2023.

Equity Express Securities Exchange Proprietary Limited

(Registration number: 2015/197820/07)

Trading as Equity Express Securities Exchange Proprietary Limited
Consolidated Financial Statements for the year ended 31 March 2023

Directors' Report

7. Events after the reporting period

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report.

8. Going concern

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

9. Litigation statement

The group is not currently involved in any claim or lawsuit incidental to the ordinary course of business which individually or in the aggregate, are expected to have a material adverse effect on the business or its assets.

10. Auditors

Odendaal & Co was re-appointed and will continue in office as auditors for the company and its subsidiary for 2023.

11. Secretary

The company secretary is Kilgetty Statutory Services (South Africa) Proprietary Limited.

Business address

1st Floor, Building 33
Waterford Office Park
Waterford Drive
Fourways
2191

12. Statement of disclosure to the company's auditors

With respect to each person who is a director on the day that this report is approved:

- there is, so far as the person is aware, no relevant audit information of which the company's auditors are unaware; and
- the person has taken all the steps that he or she ought to have taken as a director to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Independent Auditor's Report

To the shareholders of Equity Express Securities Exchange Proprietary Limited

Opinion

We have audited the consolidated financial statements of Equity Express Securities Exchange Proprietary Limited (the company) set out on pages 11 to 26, which comprise the statement of financial position as at 31 March 2023, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Equity Express Securities Exchange Proprietary Limited as at 31 March 2023, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act 71 of 2008.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the consolidated financial statements section of our report. We are independent of the company in accordance with the sections 290 and 291 of the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (Revised January 2018), parts 1 and 3 of the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (Revised November 2018) (together the IRBA Codes) and other independence requirements applicable to performing audits of consolidated financial statements in South Africa. We have fulfilled our other ethical responsibilities, as applicable, in accordance with the IRBA Codes and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Codes are consistent with the corresponding sections of the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) respectively. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Equity Express Securities Exchange Proprietary Limited consolidated financial statements for the year ended 31 March 2023", which includes the Directors' Report and Audit and Risk Committee Report as required by the Companies Act 71 of 2008 and the Detailed Income Statement, which we obtained prior to the date of this report. The other information does not include the consolidated financial statements and our auditor's report thereon.

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

Independent Auditor's Report

Responsibilities of the directors for the Consolidated Financial Statements

The directors are responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act 71 of 2008, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the group'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 group 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 consolidated 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 International Standards on Auditing 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 consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated 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 group'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 group'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 consolidated 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 group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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



Odendaal & Co
Herman Odendaal
Partner
Chartered Accountants (SA)
Registered Auditor

26 July 2023
Randburg

Equity Express Securities Exchange Proprietary Limited

(Registration number: 2015/197820/07)

Trading as Equity Express Securities Exchange Proprietary Limited
Consolidated Financial Statements for the year ended 31 March 2023

Statement of Financial Position as at 31 March 2023

Figures in Rand	Note(s)	Group		Company	
		2023	2022	2023	2022
Assets					
Non-Current Assets					
Property, plant and equipment	3	35,065	59,481	35,065	59,481
Intangible assets	4	-	1,966,168	-	1,966,168
Investments in subsidiaries	5	-	-	100	100
Deferred tax	6	2,390,259	2,930,190	2,390,259	2,930,190
		2,425,324	4,955,839	2,425,424	4,955,939
Current Assets					
Trade and other receivables	7	346,739	502,291	346,739	502,291
Cash and cash equivalents	8	36,073,171	34,728,046	27,980,583	26,039,832
		36,419,910	35,230,337	28,327,322	26,542,123
Total Assets		38,845,234	40,186,176	30,752,746	31,498,062
Equity and Liabilities					
Equity					
Share capital	9	34,000,000	34,000,000	34,000,000	34,000,000
Accumulated losses		(6,209,649)	(5,589,933)	(6,209,549)	(5,589,833)
		27,790,351	28,410,067	27,790,451	28,410,167
Liabilities					
Non-Current Liabilities					
Other financial liabilities	10	2,400,000	2,400,000	2,400,000	2,400,000
Current Liabilities					
Trade and other payables	11	8,546,063	9,376,109	453,475	687,895
Current tax payable		108,820	-	108,820	-
		8,654,883	9,376,109	562,295	687,895
Total Liabilities		11,054,883	11,776,109	2,962,295	3,087,895
Total Equity and Liabilities		38,845,234	40,186,176	30,752,746	31,498,062

Equity Express Securities Exchange Proprietary Limited

(Registration number: 2015/197820/07)

Trading as Equity Express Securities Exchange Proprietary Limited
Consolidated Financial Statements for the year ended 31 March 2023

Statement of Comprehensive Income

Figures in Rand	Note(s)	Group		Company	
		2023	2022	2023	2022
Revenue	12	8,533,941	10,978,799	8,533,941	10,978,799
Cost of sales		(321,530)	(315,225)	(321,530)	(315,225)
Gross profit		8,212,411	10,663,574	8,212,411	10,663,574
Other income		25,000	-	25,000	-
Operating expenses		(10,691,822)	(11,611,014)	(10,691,822)	(11,611,014)
Operating loss		(2,454,411)	(947,440)	(2,454,411)	(947,440)
Investment revenue	14	2,619,179	2,979,429	2,619,179	2,979,429
Finance costs	15	(135,733)	(88,806)	(135,733)	(88,806)
Profit before taxation		29,035	1,943,183	29,035	1,943,183
Taxation	16	(648,751)	2,930,190	(648,751)	2,930,190
(Loss) profit for the year		(619,716)	4,873,373	(619,716)	4,873,373

Equity Express Securities Exchange Proprietary Limited

(Registration number: 2015/197820/07)

Trading as Equity Express Securities Exchange Proprietary Limited
Consolidated Financial Statements for the year ended 31 March 2023

Statement of Changes in Equity

Figures in Rand	Share capital	Accumulated losses	Total equity
Group			
Balance at 01 April 2021	34,000,000	(10,463,306)	23,536,694
Profit for the year	-	4,873,373	4,873,373
Balance at 01 April 2022	34,000,000	(5,589,933)	28,410,067
Loss for the year	-	(619,716)	(619,716)
Balance at 31 March 2023	34,000,000	(6,209,649)	27,790,351
Note(s)	9		
Company			
Balance at 01 April 2021	34,000,000	(10,463,206)	23,536,794
Profit for the year	-	4,873,373	4,873,373
Balance at 01 April 2022	34,000,000	(5,589,833)	28,410,167
Loss for the year	-	(619,716)	(619,716)
Balance at 31 March 2023	34,000,000	(6,209,549)	27,790,451
Note(s)	9		

Equity Express Securities Exchange Proprietary Limited

(Registration number: 2015/197820/07)

Trading as Equity Express Securities Exchange Proprietary Limited
Consolidated Financial Statements for the year ended 31 March 2023

Statement of Cash Flows

Figures in Rand	Note(s)	Group		Company	
		2023	2022	2023	2022
Cash flows from operating activities					
Cash generated (used) in operations	18	(1,138,321)	(125,445,263)	(542,695)	1,022,127
Interest income		2,619,179	2,979,429	2,619,179	2,979,429
Finance costs		(135,733)	(88,806)	(135,733)	(88,806)
Net cash from operating activities		1,345,125	(122,554,640)	1,940,751	3,912,750
Cash flows from investing activities					
Purchase of property, plant and equipment	3	-	(69,740)	-	(69,740)
Cash flows from financing activities					
Raising of other financial liabilities		-	400,000	-	400,000
Repayment of shareholders loan		-	(400,000)	-	(400,000)
Net cash from financing activities		-	-	-	-
Total cash movement for the year		1,345,125	(122,624,380)	1,940,751	3,843,010
Cash at the beginning of the year		34,728,046	157,352,426	26,039,832	22,196,822
Total cash at end of the year	8	36,073,171	34,728,046	27,980,583	26,039,832

Equity Express Securities Exchange Proprietary Limited

(Registration number: 2015/197820/07)

Trading as Equity Express Securities Exchange Proprietary Limited
Consolidated Financial Statements for the year ended 31 March 2023

Accounting Policies

1. Basis of preparation and summary of significant accounting policies

The consolidated financial statements have been prepared on a going concern basis in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and the Companies Act 71 of 2008. The consolidated financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below. They are presented in South African Rands.

These accounting policies are consistent with the previous period.

1.1 Consolidation

Basis of consolidation

The consolidated consolidated financial statements incorporate the consolidated financial statements of the company and all of its subsidiaries.

Control exists when the company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries are included in the consolidated consolidated financial statements from the effective date of acquisition to the effective date of disposal. All intragroup transactions, balances, income and expenses are eliminated.

Investments in subsidiaries are accounted for at cost less any accumulated impairment losses, in the company's separate consolidated financial statements.

Subsidiaries

The results of subsidiaries are included in the group annual financial statements from the effective date of acquisition to the effective date of disposal. All intra-group transactions, balances and unrealised gains and losses are eliminated in full on consolidation. Profits and losses arising from inter-company transactions that are recognised in assets are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

1.2 Significant judgements and sources of estimation uncertainty

Critical judgements in applying accounting policies

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

Key sources of estimation uncertainty

The financial statements do not include assets or liabilities whose carrying amounts were determined based on estimations for which there is a significant risk of material adjustments in the following financial year as a result of the key estimation assumptions.

1.3 Property, plant and equipment

Property, plant and equipment are tangible assets which the group holds for its own use or for rental to others and which are expected to be used for more than one period.

Property, plant and equipment is initially measured at cost.

Cost includes costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the group and the cost can be measured reliably. Day to day servicing costs are included in profit or loss in the period in which they are incurred.

Equity Express Securities Exchange Proprietary Limited

(Registration number: 2015/197820/07)

Trading as Equity Express Securities Exchange Proprietary Limited

Consolidated Financial Statements for the year ended 31 March 2023

Accounting Policies

1.3 Property, plant and equipment (continued)

Property, plant and equipment is subsequently stated at cost less accumulated depreciation and any accumulated impairment losses, except for land which is stated at cost less any accumulated impairment losses.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the group.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
IT equipment	Straight line	3 years

Depreciation is not charged to an asset if its estimated residual value exceeds or is equal to its carrying amount.

When indicators are present that the useful lives and residual values of items of property, plant and equipment have changed since the most recent annual reporting date, they are reassessed. Any changes are accounted for prospectively as a change in accounting estimate.

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

1.4 Intangible assets

Intangible assets are initially recognised at cost and subsequently at cost less accumulated amortisation and accumulated impairment losses.

Research and development costs are recognised as an expense in the period incurred.

Amortisation is provided to write down the intangible assets, on a straight-line basis, as follows:

Item	Amortisation method	Average useful life
License fees	Straight line	4 years

The residual value, amortisation period and amortisation method for intangible assets are reassessed when there is an indication that there is a change from the previous estimate.

1.5 Financial instruments

Initial measurement

Financial instruments are initially measured at the transaction price (including transaction costs except in the initial measurement of financial assets and liabilities that are measured at fair value through profit or loss) unless the arrangement constitutes, in effect, a financing transaction in which case it is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Equity Express Securities Exchange Proprietary Limited

(Registration number: 2015/197820/07)

Trading as Equity Express Securities Exchange Proprietary Limited
Consolidated Financial Statements for the year ended 31 March 2023

Accounting Policies

1.5 Financial instruments (continued)

Financial instruments at amortised cost

These include loans, trade receivables and trade payables. Those debt instruments which meet the criteria in section 11.8(b) of the standard, are subsequently measured at amortised cost using the effective interest method. Debt instruments which are classified as current assets or current liabilities are measured at the undiscounted amount of the cash expected to be received or paid, unless the arrangement effectively constitutes a financing transaction.

At each reporting date, the carrying amounts of assets held in this category are reviewed to determine whether there is any objective evidence of impairment. If there is objective evidence, the recoverable amount is estimated and compared with the carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

Financial instruments at cost

Equity instruments that are not publicly traded and whose fair value cannot otherwise be measured reliably without undue cost or effort are measured at cost less impairment.

1.6 Tax

Current tax assets and liabilities

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

The tax liability reflects the effect of the possible outcomes of a review by the tax authorities.

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences.

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised.

Tax expenses

Tax expense is recognised in the same component of total comprehensive income or equity as the transaction or other event that resulted in the tax expense.

1.7 Leases

The directors considered IFRS 16 and did not make any amendments as the impact was not material on the group or company's financial statements.

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership to the lessee. All other leases are operating leases.

Operating leases – lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term unless:

- another systematic basis is representative of the time pattern of the benefit from the leased asset, even if the payments are not on that basis, or
- the payments are structured to increase in line with expected general inflation (based on published indexes or statistics) to compensate for the lessor's expected inflationary cost increases.

Any contingent rents are expensed in the period they are incurred.

Equity Express Securities Exchange Proprietary Limited

(Registration number: 2015/197820/07)

Trading as Equity Express Securities Exchange Proprietary Limited

Consolidated Financial Statements for the year ended 31 March 2023

Accounting Policies

1.8 Impairment of assets

The group assesses at each reporting date whether there is any indication that property, plant and equipment or intangible assets or goodwill may be impaired.

If there is any such indication, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset (or group of assets) in prior years. A reversal of impairment is recognised immediately in profit or loss.

1.9 Share capital and equity

Ordinary shares are recognised at par value and classified as 'share capital' in equity. Any amounts received from the issue of shares in excess of par value is classified as 'share premium' in equity. Dividends are recognised as a liability in the year in which they are declared.

1.10 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as leave pay and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

1.11 Revenue

Revenue comprises of sales to customers and service rendered to customers. Revenue is stated at the invoice amount and is exclusive of value added taxation.

Interest is recognised, in profit or loss, using the effective interest rate method.

1.12 Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

Equity Express Securities Exchange Proprietary Limited

(Registration number: 2015/197820/07)

Trading as Equity Express Securities Exchange Proprietary Limited

Consolidated Financial Statements for the year ended 31 March 2023

Notes to the Consolidated Financial Statements

2. New Standards and Interpretations

The IASB issued a number of standards, amendments to standards and interpretations during the year ended 31 March 2023.

Amendments to IFRS 16 'Leases'

New standards and interpretations not yet adopted - Lease Liability in a Sale and Leaseback (Amendments to IFRS 16) – effective date: 1 January 2024 The amendments clarify how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale.

Impact: No impact is expected by the Group as a result of the new standard.

Amendments to IAS1

Non-current Liabilities with Covenants (Amendments to IAS 1) – effective date: 1 January 2024 The amendment is to clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The impact of the amendment on the Group is currently being assessed.

Equity Express Securities Exchange Proprietary Limited

(Registration number: 2015/197820/07)

Trading as Equity Express Securities Exchange Proprietary Limited
Consolidated Financial Statements for the year ended 31 March 2023

Notes to the Consolidated Financial Statements

3. Property, plant and equipment

Group	2023			2022		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
IT equipment	1,024,837	(989,772)	35,065	1,024,837	(965,356)	59,481

Company	2023			2022		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
IT equipment	1,024,837	(989,772)	35,065	1,024,837	(965,356)	59,481

Reconciliation of property, plant and equipment - Group - 2023

	Opening balance	Additions	Depreciation	Closing balance
IT equipment	59,481	-	(24,416)	35,065

Reconciliation of property, plant and equipment - Group - 2022

	Opening balance	Additions	Depreciation	Closing balance
IT equipment	206,430	69,740	(216,689)	59,481

Reconciliation of property, plant and equipment - Company - 2023

	Opening balance	Depreciation	Closing balance
IT equipment	59,481	(24,416)	35,065

Reconciliation of property, plant and equipment - Company - 2022

	Opening balance	Additions	Depreciation	Closing balance
IT equipment	206,430	69,740	(216,689)	59,481

Registers with details of the above are available for inspection by shareholders or their duly authorised representatives at the registered office of the company and its respective subsidiary.

Equity Express Securities Exchange Proprietary Limited

(Registration number: 2015/197820/07)

Trading as Equity Express Securities Exchange Proprietary Limited

Consolidated Financial Statements for the year ended 31 March 2023

Notes to the Consolidated Financial Statements

4. Intangible assets

Group	2023			2022		
	Cost	Accumulated amortisation	Carrying value	Cost	Accumulated amortisation	Carrying value
License fees	11,797,005	(11,797,005)	-	11,797,005	(9,830,837)	1,966,168

Company	2023			2022		
	Cost	Accumulated amortisation	Carrying value	Cost	Accumulated amortisation	Carrying value
License fees	11,797,005	(11,797,005)	-	11,797,005	(9,830,837)	1,966,168

Reconciliation of intangible assets - Group - 2023

	Opening balance	Amortisation	Total
License fees	1,966,168	(1,966,168)	-

Reconciliation of intangible assets - Group - 2022

	Opening balance	Amortisation	Total
License fees	4,915,419	(2,949,251)	1,966,168

Reconciliation of intangible assets - Company - 2023

	Opening balance	Amortisation	Total
License fees	1,966,168	(1,966,168)	-

Reconciliation of intangible assets - Company - 2022

	Opening balance	Amortisation	Total
Licenses and franchises	4,915,419	(2,949,251)	1,966,168

5. Investments in subsidiaries

Name of subsidiary	Company			
	% holding 2023	% holding 2022	Carrying amount 2023	Carrying amount 2022
Equity Express Securities Exchange Nominees Proprietary Limited	100.00 %	100.00 %	100	100

The entity is incorporated in South Africa and share the year end of the group.

Equity Express Securities Exchange Proprietary Limited

(Registration number: 2015/197820/07)

Trading as Equity Express Securities Exchange Proprietary Limited
Consolidated Financial Statements for the year ended 31 March 2023

Notes to the Consolidated Financial Statements

Figures in Rand	Group		Company	
	2023	2022	2023	2022
6. Deferred tax				
The major components of the deferred tax balance are as follows:				
Deferred tax asset				
Arising as a result of differences on:				
Tax losses available for set off against future taxable income	2,390,259	2,930,190	2,390,259	2,930,190
Reconciliation of deferred tax asset				
At beginning of year	2,930,190	-	2,930,190	-
Recognised in profit or loss:				
Rate change adjustment - company tax	(104,649)	-	(104,649)	-
(Decrease) increase in tax loss available for set off against future taxable income	(435,282)	2,930,190	(435,282)	2,930,190
	(539,931)	2,930,190	(539,931)	2,930,190
At end of year	2,390,259	2,930,190	2,390,259	2,930,190
7. Trade and other receivables				
Trade receivables	294,213	475,921	294,213	475,921
Deposits	49,353	26,370	49,353	26,370
VAT	3,173	-	3,173	-
	346,739	502,291	346,739	502,291
8. Cash and cash equivalents				
Cash and cash equivalents consist of:				
Bank balances	706,759	516,772	706,759	516,772
Short-term deposits	27,273,824	25,523,060	27,273,824	25,523,060
Investors' cash	8,092,588	8,688,214	-	-
	36,073,171	34,728,046	27,980,583	26,039,832
An amount of R 8,092,588 (2022: R 8,688,214) is restricted from use as it relates to the funds of investors of schemes listed on the exchange.				
9. Share capital				
Reconciliation of number of shares issued:				
Reported as at 01 April 2022	5,667	5,667	5,667	5,667
Issued				
Ordinary	34,000,000	34,000,000	34,000,000	34,000,000

Equity Express Securities Exchange Proprietary Limited

(Registration number: 2015/197820/07)

Trading as Equity Express Securities Exchange Proprietary Limited

Consolidated Financial Statements for the year ended 31 March 2023

Notes to the Consolidated Financial Statements

Figures in Rand	Group		Company	
	2023	2022	2023	2022
10. Other financial liabilities				
At amortised cost				
Singular Systems (Pty) Ltd	2,400,000	2,400,000	2,400,000	2,400,000
The loan bears interest at 7,5% (2022 : 3,5%) per annum and is repayable on request from the directors of Singular Systems.				
Non-current liabilities				
At amortised cost	2,400,000	2,400,000	2,400,000	2,400,000
11. Trade and other payables				
Trade payables	185,223	176,489	185,223	176,489
VAT	-	37,001	-	37,001
Accrued leave pay	110,256	90,267	110,256	90,267
Accrued audit fees	82,996	67,500	82,996	67,500
Other accrued expenses	75,000	316,638	75,000	316,638
External investors' funds	8,092,588	8,688,214	-	-
	8,546,063	9,376,109	453,475	687,895
12. Revenue				
Annual listing fees	1,239,236	949,143	1,239,236	949,143
Initial listing fee	324,875	300,000	324,875	300,000
STRATE revenue	286,116	363,269	286,116	363,269
Hosting fee	2,185,557	2,032,911	2,185,557	2,032,911
Transaction fees	4,498,157	7,333,476	4,498,157	7,333,476
	8,533,941	10,978,799	8,533,941	10,978,799
13. Depreciation, amortisation and impairments				
The following items are included within depreciation, amortisation and impairments:				
Depreciation				
Property, plant and equipment	24,416	216,689	24,416	216,689
Amortisation				
Intangible assets	1,966,168	2,949,251	1,966,168	2,949,251
Total depreciation, amortisation and impairments				
Depreciation	24,416	216,689	24,416	216,689
Amortisation	1,966,168	2,949,251	1,966,168	2,949,251
	1,990,584	3,165,940	1,990,584	3,165,940
14. Investment revenue				
Interest revenue				
Bank	2,619,179	2,979,429	2,619,179	2,979,429

Equity Express Securities Exchange Proprietary Limited

(Registration number: 2015/197820/07)

Trading as Equity Express Securities Exchange Proprietary Limited
Consolidated Financial Statements for the year ended 31 March 2023

Notes to the Consolidated Financial Statements

Figures in Rand	Group		Company	
	2023	2022	2023	2022
15. Finance costs				
Non-current borrowings	135,733	85,916	135,733	85,916
Interest paid to SARS	-	2,890	-	2,890
	<u>135,733</u>	<u>88,806</u>	<u>135,733</u>	<u>88,806</u>
16. Taxation				
Major components of the tax expense (income)				
Current taxation				
South African normal tax - year	108,820	-	108,820	-
Deferred taxation				
South African deferred tax - current year	539,931	(2,930,190)	539,931	(2,930,190)
	<u>648,751</u>	<u>(2,930,190)</u>	<u>648,751</u>	<u>(2,930,190)</u>
Reconciliation of the tax expense				
Reconciliation between accounting profit and tax expense.				
Accounting profit	29,035	1,943,183	29,035	1,943,183
Tax at the applicable tax rate of 27% (2022: 28%)	7,839	544,091	7,839	544,091
Non-deductible expenses				
SARS interest paid	-	809	-	809
	<u>-</u>	<u>809</u>	<u>-</u>	<u>809</u>
Other				
Temporary differences	536,262	37,847	536,262	37,847
80% limitation on use of assessed losses	(435,281)	(582,747)	(435,281)	(582,747)
	<u>100,981</u>	<u>(544,900)</u>	<u>100,981</u>	<u>(544,900)</u>
	<u>108,820</u>	<u>-</u>	<u>108,820</u>	<u>-</u>
The estimated tax loss available for set off against future taxable income is R 8,852,812 (2022: R 10,464,966).				
17. Auditor's remuneration				
Fees	102,996	75,000	102,996	75,000

Equity Express Securities Exchange Proprietary Limited

(Registration number: 2015/197820/07)

Trading as Equity Express Securities Exchange Proprietary Limited
Consolidated Financial Statements for the year ended 31 March 2023

Notes to the Consolidated Financial Statements

Figures in Rand	Group		Company	
	2023	2022	2023	2022
18. Cash (used in) generated from operations				
Profit before taxation	29,035	1,943,183	29,035	1,943,183
Adjustments for:				
Depreciation and amortisation	1,990,584	3,165,940	1,990,584	3,165,940
Interest received	(2,619,179)	(2,979,429)	(2,619,179)	(2,979,429)
Finance costs	135,733	88,806	135,733	88,806
Changes in working capital:				
Trade and other receivables	155,552	(47,461)	155,552	(47,461)
Trade and other payables	(830,046)	(127,616,302)	(234,420)	(1,148,912)
	(1,138,321)	(125,445,263)	(542,695)	1,022,127

19. Related parties

Relationships

Subsidiaries

Shareholders with significant influence

Members of key management

Refer to note 5

Monotix Software (Pty) Ltd

F Robson

A Wilmot

Related party balances and transactions with other related parties

Related party balances

Loan accounts - Owing to related parties

Singular Systems (Pty) Ltd	(2,400,000)	(2,400,000)
----------------------------	-------------	-------------

Deposits

Crimson King Properties 364 (Pty) Ltd	26,370	26,370
---------------------------------------	--------	--------

Related party transactions

Interest paid to related parties

Singular IP (Pty) Ltd	-	15,418
Singular Systems (Pty) Ltd	135,733	70,498

Rent paid to related parties

Crimson King Properties 364 (Pty) Ltd	441,648	471,114
---------------------------------------	---------	---------

Operating expenses

Singular Systems (Pty) Ltd - HR and Accounting	148,800	141,780
Singular Systems (Pty) Ltd - IT Support	77,220	74,775
Singular Systems (Pty) Ltd - Software licence fee	2,214,250	2,108,900

Equity Express Securities Exchange Proprietary Limited

(Registration number: 2015/197820/07)

Trading as Equity Express Securities Exchange Proprietary Limited
Consolidated Financial Statements for the year ended 31 March 2023

Notes to the Consolidated Financial Statements

20. Directors' remuneration

Executive

2023

	Emoluments	Other benefits	Total
Flynn Robson	215,334	48,000	263,334
Anthony Graeme Linford Wilmot	1,101,002	348,000	1,449,002
	1,316,336	396,000	1,712,336

2022

	Emoluments	Other benefits	Total
Flynn Robson	203,650	48,000	251,650
Anthony Graeme Linford Wilmot	1,036,712	348,000	1,384,712
	1,240,362	396,000	1,636,362

Non-executive

2023

	Directors' fees	Total
Richard Mark Andrews	67,500	67,500
Noah Greenhill	52,500	52,500
Madeleine Elizabeth Kotze	52,500	52,500
Sarita Martin	52,500	52,500
Shaun David Read	30,000	30,000
	255,000	255,000

2022

	Directors' fees	Total
Richard Mark Andrews	45,000	45,000
Noah Greenhill	45,000	45,000
Madeleine Elizabeth Kotze	45,000	45,000
Sarita Martin	45,000	45,000
Shaun David Read	15,000	15,000
	195,000	195,000

21. Prior period changes

The directors made a decision to retrospectively include deferred tax in the annual financial statements.

The adjustments resulted in the following changes:

Statement of Financial Position

Deferred tax asset	-	2,930,190	-	2,930,190
Profit or Loss				
Deferred tax credit	-	(2,930,190)	-	(2,930,190)

Equity Express Securities Exchange Proprietary Limited

(Registration number: 2015/197820/07)

Trading as Equity Express Securities Exchange Proprietary Limited
Consolidated Financial Statements for the year ended 31 March 2023

Detailed Income Statement

Figures in Rand	Note(s)	Group		Company	
		2023	2022	2023	2022
Revenue					
Rendering of services		8,533,941	10,978,799	8,533,941	10,978,799
Cost of sales					
Purchases		(321,530)	(315,225)	(321,530)	(315,225)
Gross profit		8,212,411	10,663,574	8,212,411	10,663,574
Other income					
Other income		25,000	-	25,000	-
Interest received	14	2,619,179	2,979,429	2,619,179	2,979,429
		2,644,179	2,979,429	2,644,179	2,979,429
Operating expenses					
Accounting fees		(371,875)	(331,658)	(371,875)	(331,658)
Advertising		(33,283)	(5,431)	(33,283)	(5,431)
Auditors remuneration	17	(102,996)	(75,000)	(102,996)	(75,000)
Bank charges		(97,399)	(177,727)	(97,399)	(177,727)
Computer expenses		(57,244)	(162,745)	(57,244)	(162,745)
Consulting and professional fees		-	50,000	-	50,000
Consumables		(5,995)	(10,197)	(5,995)	(10,197)
Depreciation and amortisation	12	(1,990,585)	(3,165,940)	(1,990,585)	(3,165,940)
Employee costs		(3,825,111)	(3,741,364)	(3,825,111)	(3,741,364)
IT expenses		(356,465)	(407,424)	(356,465)	(407,424)
Infrastructure support		(134,380)	(74,775)	(134,380)	(74,775)
Insurance		(83,618)	(80,864)	(83,618)	(80,864)
Lease rentals on operating lease		(519,148)	(547,699)	(519,148)	(547,699)
Motor vehicle expenses		(54,890)	(5,117)	(54,890)	(5,117)
Regulator fees		(756,915)	(719,483)	(756,915)	(719,483)
Repairs and maintenance		(78,992)	(33,234)	(78,992)	(33,234)
Software licence fee		(2,214,250)	(2,108,900)	(2,214,250)	(2,108,900)
Staff welfare		(3,553)	(11,128)	(3,553)	(11,128)
Telephone and fax		(5,123)	(2,328)	(5,123)	(2,328)
		(10,691,822)	(11,611,014)	(10,691,822)	(11,611,014)
Operating profit		164,768	2,031,989	164,768	2,031,989
Finance costs	15	(135,733)	(88,806)	(135,733)	(88,806)
Profit before taxation		29,035	1,943,183	29,035	1,943,183
Taxation	16	(648,751)	2,930,190	(648,751)	2,930,190
(Loss) profit for the year		(619,716)	4,873,373	(619,716)	4,873,373