

HIGHLIGHTS

Nav per share
E 1.02

Equity Investments
valued at
E 52.6 m

E 62.5
invested in
2019

COMMENTARY

INTRODUCTION

The main purpose of Inala Capital Limited ("Inala") is to create a formal investment vehicle, which is listed on the Eswatini Stock Exchange ("ESE") that will provide investors with attractive long term returns. Inala will invest primarily in a diversified portfolio of unlisted privately owned businesses (as opposed to being listed or traded on a stock exchange, i.e. the private equity asset class) in the agriculture, food production and food retailing sectors.

Inala formally started trading on the Eswatini Stock Exchange on 3 June 2019.

Inala performance

Key highlights for the period ending 31 March 2020 have been:

- Inala's reported Net Asset Value ("NAV") per share at 31 March 2020 is E 1.02 (2019: E 1.03); and
- The equity investment portfolios valued at E52.6 million (2019: E43.9 million).

FINANCIAL REVIEW

Total Comprehensive loss for the half year was E557,165 (2019: income of E320,064). There was no dividend income in the period ended March 2020 from underlying investments. Interest income from the year was E556,207 which relates to interest from the E20 million Promissory Note investment and to the investment made in money market. The revaluation of the underlying equity investments was nil (2019: E1.4 million).

Operating expenses amounted to E1.1 million (2019: E2.0 million) and comprise of day-to-day operational expenses incurred to run Inala, audit fees, professional fees, listing fees and the managers management fee.

INVESTMENT REVIEW

The underlying Investment portfolio is currently valued at E 72.7 million [E 52.6 million under equity investment and E 20 million in money market] which is in total E1.4 million above the cost of these investments.

OUTLOOK

The Board believes that it is unlikely that there will be a material improvement in the macroeconomic outlook in Eswatini in the next 12 months. However, the investment portfolio is well positioned to for the difficult economic environment that is envisaged. Inala believes that a number of investment opportunities will present themselves and thus needs to position itself to be able to take advantage of these opportunities.

POST BALANCE SHEET

In June 2020, Alliance Foods (Pty) Ltd bought back shares worth E 8,736,000 from Inala due to an acquisition that Alliance Foods (Pty) Ltd was pursuing not coming to fruition.

There are no other significant events that have occurred in respect of the Company, subsequent to the year end, that may be relevant to the accuracy of these financial statements.

FINANCIAL STATEMENTS

The financial statements for the half year ended 31 March 2020 have been reviewed by PricewaterhouseCoopers.

ANNUAL GENERAL MEETING

The annual general meeting of the shareholders of Inala Capital Limited will be held on or before 23 October 2020. Adequate notice will be given to all shareholders prior to the meeting.

CORPORATE GOVERNANCE

The directors and management of Inala Capital Limited confirm their commitment to the principles of openness, integrity and accountability as advocated by sound principles of Corporate Governance contained in the King Reports.

By order of the Board

AT Dlamini

Figures in Emalangen	Reviewed for the half year ending 31 March 2020	Audited for the year ending 30 September 2019
STATEMENT OF COMPREHENSIVE INCOME		
Interest Income	556 207	499 726
Operating expenses	-1 113 372	-2 005 845
Operating loss	-557 165	-1 506 119
Unrealised gain/(loss) on revaluation of investments	-	1 412 000
Loss before taxation	-557 165	-94 119
Income tax credit	-	414 183
Total Comprehensive profit / (loss)	-557 165	320 064
Earnings per Share	-0,008	0,004
STATEMENT OF FINANCIAL POSITION		
ASSETS		
NON-CURRENT ASSETS		
Investments in associates	30 920 000	22 184 000
Investments at fair value through profit or loss	21 728 000	21 728 000
Deferred tax asset	414 183	414 183
	53 062 183	44 326 183
CURRENT ASSETS		
Other financial assets	20 036 755	20 499 726
Cash and cash equivalents	461 790	9 250 622
	20 498 545	29 750 348
TOTAL ASSETS	73 560 728	74 076 531
EQUITY AND LIABILITIES		
EQUITY		
Share capital	73 373 123	73 373 123
Retained profit	-247 143	310 022
TOTAL EQUITY	73 125 980	73 683 145
LIABILITIES		
Current Liabilities		
Trade and other payables	426 746	385 386
Amounts owing to related parties	8 000	8 000
TOTAL LIABILITIES	434 746	393 386
TOTAL EQUITY AND LIABILITIES	73 560 726	74 076 531
STATEMENT OF CHANGES IN EQUITY		
SHARE CAPITAL	73 373 123	73 373 123
RETAINED INCOME	-247 143	310 022
Balance at the beginning of the period	310 022	-10 041
Issue of shares	-	-
Profit for the year	-557 165	320 063
TOTAL EQUITY	73 125 980	73 683 145
STATEMENT OF CASH FLOWS		
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash used in operations	-609 040	-1 322 926
Finance costs	-	-797 260
Interest received	556 208	499 726
NET CASH GENERATED FROM ACTIVITIES	-52 832	-1 620 460
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	-8 736 000	-40 000 000
NET CASH OUTFLOW FROM INVESTING ACTIVITIES	-8 736 000	-40 000 000
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds on issue of shares	-	40 480 023
Repayment of other financial liabilities	-	-
NET CASH INFLOW FROM FINANCING ACTIVITIES	40 480 023	40 480 023
NET CHANGE IN CASH AND CASH EQUIVALENTS	-8 788 832	-1 140 437
TOTAL CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	9 250 622	10 391 059
TOTAL CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	461 790	9 250 622

Figures in Emalangen	Reviewed for the half year ending 31 March 2020	Audited for the year ending 30 September 2019
1. STATEMENT OF COMPLIANCE		
The financial results have been prepared in accordance with International Financial Reporting Standards (IFRS) and in the manner required by the Companies' Act 2009.		
The financial results presented have been reviewed by the auditor of Inala Capital Limited (the Company), but not audited.		
3. HEADLINE EARNINGS		
3.1 EARNINGS PER SHARE		
Basic and diluted earnings per share	-0,008	0,004
3.2 NUMBER OF ORDINARY SHARES OF E1 EACH IN ISSUE		
Actual	71 497 844	71 497 844
Weighted Average	71 497 844	71 497 944
4. INVESTMENTS		
Unlisted	52 648 000	43 912 000
	52 648 000	43 912 000
5. LOANS AND RECEIVABLES		
Investment in promissory notes	20 036 755	20 499 726
	20 036 755	20 499 726
6. RELATED PARTY TRANSACTIONS		
Management and performance fees	422 436	381 075
All related party transactions are made at terms equivalent to those prevailing in arm's length transactions. There have been no guarantee provided or received for any related party receivables or payables. The company has not recorded any impairment of receivables relating to amounts owed by or investments in related parties during the period.		
7. CASH GENERATED FROM OPERATIONS		
Loss before tax	-557 165	-94 119
Adjustments for:		
Finance cost	-	797 260
Interest income	-556 207	-499 726
Change in fair value of investments through profit or loss	-	-1 412 000
Increase in other financial assets	-	-499 726
Increase/(decrease) in trade and other payables	41 361	385 385
Increase/decrease in trade and other receivables	462 971	-
	-609 040	-1 322 926

Inala Capital Limited

(Incorporated in the Kingdom of Eswatini Reg. No. 2364 of 2017)

Directors: AT Dlamini (Chairman), AMB de Castro, M Dlamini, TM Dlamini, NK Mabuza, SS Msibi

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MANAGER



AUDITORS



PricewaterhouseCoopers Services (Pty) Ltd
P.O. Box 569, Mbabane

TRANSFER SECRETARY



KPMG Chartered Accountants
P.O. Box 331, Mbabane, H100

STOCKBROKERS



African Alliance Eswatini Securities Limited
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