

Reviewed Condensed Consolidated Financial Statements

for the six months ended
31 March 2022



Highlights

For the 6 months ended 31 March 2022

Assets under management
and administration

R295.3bn (31 March 2021: R278.3 billion) **↗6.1%**

Revenue

R397.4m (31 March 2021: R350.5 million) **↗13.4%**

Profit after tax

R139.1m (31 March 2021: R105.8 million) **↗31.5%**

Basic earnings and headline
earnings per share

92.6c (31 March 2021: 74.8 cents) **↗23.8%**

Interim dividend
per share

80c (31 March 2021: 55 cents) **↗45.5%**

Corporate information

Country of incorporation and domicile

South Africa

Nature of business and principal activities

Sygnia Limited and its subsidiaries ("the Group") is a specialist financial services group headquartered in South Africa and listed on the Johannesburg Stock Exchange ("JSE") and A2X Market ("A2X"). The Group focuses on the provision of investment management and administration solutions to institutional and retail clients predominantly located in South Africa. The main services provided by the Group include multi-manager investment products, index-tracking investment products, custom-designed investment strategy management, transition management, institutional investment administration services, retail investment administration services, employee benefit administration services, stockbroking, securities lending and treasury services.

Board of Directors

Name	Date of appointment
MF Wierzycka (Chairperson) #	17/09/2007
DR Hufton (Chief Executive Officer) #	01/09/2018
MA Sirkot (Financial Director) #	16/01/2019
WA Wierzycki #	10/06/2021
G Cavaleros (Lead Independent) *	28/06/2019
HI Bhorat *	11/06/2015
MH Jonas *	01/09/2018
C Appana *	08/09/2020
J Boyd *	29/07/2021

* Independent Non-executive Director # Executive Director

Registered office:

7th Floor, The Foundry
Cardiff Street
Green Point
8001

Postal address:

PO Box 51591
Waterfront
8002

Company registration number

2007/025416/06

Company secretary:

G MacLachlan
Appointed: 01/11/2016

Sponsor:

The Standard Bank of South Africa Limited
30 Baker Street, Rosebank
Johannesburg, 2196

External auditor:

Mazars
Mazars House, Rialto Road
Grand Moorings Precinct
Century City, 7441
South Africa

Transfer secretaries:

Computershare Investor Services Proprietary Limited
Rosebank Towers
15 Biermann Avenue, Rosebank
Johannesburg, 2196

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Turning ordinary savers into
extraordinary investors

For us, that's about making saving
and investing simple, affordable,
and accessible to all.

Commentary of the directors

The directors have pleasure in presenting their report on the activities of the Group for the six months ended 31 March 2022.

Market overview

After two tumultuous years dealing with the hardships of the Covid-19 pandemic, the world is now also grappling with the geopolitical uncertainty of the Russian invasion of Ukraine and the unprecedented levels of sanctions imposed on Russia. At the same time, China, for many years the engine of global growth, has entered a period of economic slowdown brought about by the real estate crisis of last year and aggravated by its zero-Covid policy and the associated lockdowns of large centres of industrial activity. Elevated oil and gas prices, shortages of exports originating from Russia, Ukraine and China, and record levels of employment in developed markets combined with the pandemic inspired Great Resignation, have pushed global inflation to levels outside the control of central banks for the ensuing 12 to 18 months. Consequently, we expect central banks to remain level-headed with their monetary policy, in part also to alleviate debt pressures accumulated during the pandemic. All of these factors are contributing to weaker global growth prospects and elevated market volatility in the foreseeable future.

While the South African economy remains fragile, it has been temporarily boosted by rising commodity prices. Unfortunately, its longer-term growth prospects are inhibited by structural growth constraints, including decade-high unemployment and a growing energy-security crisis. After 14 years of loadshedding, Eskom still appears unable to turn the situation around and warned of 101 days of loadshedding in the year starting 1 April 2022. Adding to the country's woes, devastating flash floods in KwaZulu-Natal claimed the lives of almost 500 people in April and prompted the government to reinstate the recently cancelled national state of disaster to rebuild infrastructure at an estimated cost of R17 billion. Sadly, that infrastructure damage was worsened recently by more torrential rains. Our hearts are with the people of KwaZulu-Natal who have lost loved ones and had their homes and businesses destroyed by the floods, and with the people of Ukraine enduring the horrific events still unfolding in their country.

Notwithstanding the challenging economic backdrop, the Group delivered record half-year financial results for the six months to 31 March 2022, accompanied by a substantially higher interim dividend. Looking forward, Sygnia remains guided by its drive to turn ordinary savers into extraordinary investors, and we are certain of our ability to continue to grow our assets under management sustainably by bringing together strong investment performance at low management fees, a continuing commitment to innovation and a relentless pursuit of superior customer service. In addition to leveraging benefits of scale through ongoing automation and operational excellence, we intend to continue delivering durable profits to our shareholders.

2022 interim results

Group revenue for the six months to 31 March 2022 increased by 13.4% to R397.4 million (31 March 2021: R350.5 million), while total expenses rose by 2.4% to R211.5 million (31 March 2021:

R206.7 million). After accounting for interest and investment income and finance costs of R10.0 million (31 March 2021: R4.9 million), pre-tax profit increased to R195.8 million (31 March 2021: R148.8 million), and, at an effective rate of 29.0%, income tax for the reporting period was R56.8 million (31 March 2021: R43.0 million). After-tax profit was R139.1 million (31 March 2021: R105.8 million), up 31.5% over the prior comparable period.

For the interim period ended 31 March 2022, basic and headline earnings per share increased by 23.8% to 92.6 cents (31 March 2021: 74.8 cents).

Assets under management and administration ("AuM") were almost unchanged for the six months under review, with a closing balance of R295.3 billion (30 September 2021: R296.4 billion), and 6.1% higher over the past 12 months (31 March 2021: R278.3 billion). Market appreciation of R4.5 billion countered much of the R5.6 billion net outflow for the six months to 31 March 2022, in contrast to net inflows of R3.8 billion for the prior comparable period. Average AuM increased by 15.3% to R303.7 billion (31 March 2021: R263.4 billion).

Over the six months to 31 March 2022, the FTSE/JSE All Share Index rose by 19.6% and the JSE All Bond Index by 4.8%, while the rand appreciated by 2.9% relative to the US dollar. Over twelve months, the FTSE/JSE All Share and All Bond indices were up 18.6% and 12.4% respectively, and the rand was 1.0% stronger against the US dollar.

Business review

The ongoing success of the Group is largely linked to the growth of AuM from a mix of institutional and retail clients, dependent on both market movements and new business flows. Over the six months to 31 March 2022, revenue linked mostly to AuM increased by 10.6%, to R311.0 million (31 March 2021: R281.1 million), largely reflecting the increase in average AuM. Variable trading income of R86.4 million was up 24.5% compared to the prior period (31 March 2021: R69.4 million).

Institutional AuM amounted to R241.2 billion at 31 March 2022 (30 September 2021: R244.3 billion; 31 March 2021: R232.6 billion). The institutional business experienced net outflows of R9.2 billion (31 March 2021: R1.3 billion) over the first half of 2022, of which R7.2 billion relates to the mutually agreed termination of one very low-profit-margin assets under administration client. Furthermore, benefit payments continued to exceed contributions across existing institutional clients, reflecting the weaker economy and stalled job creation.

Our institutional flagship Sygnia Signature multi-manager and passively managed Sygnia Skeleton fund ranges have outperformed their benchmarks over all time frames to 31 March 2022 since inception. Compared to peers, the Sygnia Signature funds ranked at or near the top of the Alexander Forbes Multi-Manager Watch Survey™ across all risk profiles over the medium to long term to 31 March 2022.

After allowing for management fees, the Sygnia Skeleton fund range performed mostly in line with the Signature range, and both ranges outperformed most actively managed portfolios in the Alexander Forbes Global Large Manager Watch Survey™ over three through ten years to 31 March 2022.

The Sygnia Umbrella Retirement Fund (“SURF”) accounts for R10.5 billion of the institutional AuM, an increase of 12.9% over the six months and 34.6% over the 12 months ended 31 March 2022 (30 September 2021: R9.3 billion; 31 March 2021: R7.8 billion). With another R2.0 billion awaiting regulatory transfer approval, SURF is the sixth-largest commercial umbrella fund in South Africa, with around R12.5 billion under management.

Retail AuM reached R54.1 billion at the end of March 2022 (30 September 2021: R52.1 billion; 31 March 2021: R45.7 billion) on the back of R3.6 billion net inflows. At that time, our ever-growing mix of direct and advice-led retail investors stood at 17 700 and 22 200 respectively, approximately 31% more than the 30 500 retail investors at 31 March 2021. The number of our advisor relationships also increased over that period, from 636 to 707 independent financial advisor firms.

Our wide range of domestic and global specialist index-tracking funds and our risk-profiled Sygnia Skeleton Balanced unit trusts have continued to produce outstanding peer-comparable performance since inception (source: Morningstar). Highlights include the Sygnia 4th Industrial Revolution Global Equity Fund, which ranked second out of 41 global equity unit trusts from 2016 to 31 March 2022, and the Sygnia FAANG Plus Global Equity Fund, which ranked first out of 50 global equity unit trusts from 2018 to 31 March 2022. The Sygnia Skeleton Balanced 70 fund ranked second out of 78 mostly actively managed unit trusts since 2013, and the Sygnia Skeleton Balanced 60 and 40 funds both ranked first out of 50 and 70 funds respectively since their launch in 2014.

The growing popularity of exchange traded funds (ETFs) among both institutional and retail customers is reflected in net inflows of R2.4 billion (31 March 2021: R2.0 billion) into the Sygnia Itrix range of ETFs, which are included in the relevant client type flows reported above. Sygnia Itrix AuM amounted to R32.2 billion at 31 March 2022 (30 September 2021: R30.9 billion; 31 March 2021: R26.9 billion), making Sygnia the second-largest provider of ETFs in South Africa and the largest provider of international ETFs on the JSE. This places us in a strong position to attract institutional investors seeking to take advantage of the recent relaxation of exchange controls by means of a passive approach. The Sygnia Itrix range grew to 14 funds following the listing of the Sygnia Itrix New China Sectors ETF shortly after the period under review.

Treasury, securities lending and brokerage income was 24.5% higher than the prior comparable period, due primarily to brokerage and treasury services being boosted by transition management opportunities and more offshore flows as a result of the increased limit on offshore investing.

Interim dividend

Sygnia is committed to rewarding its shareholders with regular distributions of free cash flow generated. Accounting for projected cash requirements, a gross dividend of 80.0 cents per share has been declared on 6 June 2022 out of retained income, resulting in a net dividend of 64.0 cents per share for shareholders after dividends tax (DT).

In compliance with the JSE listings requirements, the following dates are applicable:

Last day to trade:	Tuesday, 28 June 2022
Share trade ex-dividend:	Wednesday, 29 June 2022
Record date:	Friday, 1 July 2022
Payment date:	Monday, 4 July 2022

Share certificates may not be dematerialised or rematerialised between Wednesday, 29 June 2022 and Friday, 1 July 2022, both dates inclusive. Dividends declared after 31 March 2012 are subject to DT where applicable. In terms of DT, the following additional information is disclosed:

The local DT rate is 20%.

The number of ordinary shares in issue at the date of this declaration is 149 565 353. Sygnia's tax reference number is 9334/221/16/6.

These condensed consolidated financial statements were prepared under the supervision of the Financial Director, Murad Sirkot CA (SA).

Independent Auditor's Review Conclusion on the Condensed Consolidated Financial Statements

for the period ended 31 March 2022

To the Shareholders of Sygnia Limited

We have reviewed the condensed consolidated financial statements for the six months ended 31 March 2022 of Sygnia Limited, set out on pages 7 to 19, which comprised the condensed consolidated statement of financial position as at 31 March 2022 and the condensed consolidated statement of profit or loss and other comprehensive income, changes in equity and cash flows for the six-months then ended, and selected explanatory notes.

Directors' Responsibility for the Interim Financial Statements

The directors are responsible for the preparation and presentation of these interim financial information in accordance with the International Financial Reporting Standard (IAS) 34 Interim Financial Reporting, the Financial Pronouncements as issued by Financial Reporting Standards Council 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 interim financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

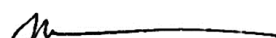
Our responsibility is to express a conclusion on these interim financial statements. We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. ISRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the interim financial statements are not prepared in all material respects in accordance with the applicable financial reporting framework. This standard also requires us to comply with relevant ethical requirements. A review of interim financial statements in accordance with ISRE 2410 is a limited assurance engagement. We perform procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and

applying analytical procedures, and evaluate the evidence obtained.

The procedures performed in a review are substantially less than and differ in nature from those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on these financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated financial statements of Sygnia Limited for the six months ended 31 March 2022 are not prepared, in all material respects, in accordance with the International Financial Reporting Standard, (IAS) 34 Interim Financial Reporting, the Financial Pronouncements as issued by Financial Reporting Standards Council and the requirements of the Companies Act of South Africa.



Partner: Yolandie Ferreira
Registered Auditor
6 June 2022

Mazars

Mazars House
Rialto Road
Grand Moorings Precinct
7441 Century City
South Africa

Condensed consolidated statement of financial position

as at 31 March 2022

		Reviewed 31 March 2022 R'000s	Reviewed 31 March 2021 R'000s	Audited 30 September 2021 R'000s
Assets	Note			
Intangible assets		411 370	427 536	412 360
Property and equipment		20 439	24 399	21 877
Loans receivable		43 893	50 323	50 113
Right-of-use assets		20 279	37 780	28 659
Deferred tax assets		4 663	9 376	8 155
Investments linked to investment contract liabilities		128 607 010	116 756 457	126 641 861
Other receivables		8 744	6 207	6 920
Trade receivables		99 798	73 777	99 629
Investments		429 383	324 901	322 052
Amounts owing by clearing houses		12 190	-	2 826
Amounts owing by clients		47 302	81 072	410 046
Cash and cash equivalents		356 532	477 097	460 481
Total assets		130 061 603	118 268 925	128 464 979
Equity				
Stated capital		651 092	617 160	652 011
Retained earnings		384 994	309 540	366 154
Reserves		(234 111)	(207 961)	(237 067)
Total equity		801 975	718 739	781 098
Attributable to the owners of the parent		801 616	718 739	780 802
Attributable to non-controlling interest		359	-	296
Liabilities				
Loan payable - Non-current	4	65 343	75 348	-
Preference share liability - Non-current	4	100 000	100 000	-
Lease liabilities - Non-current		5 182	21 973	14 036
Deferred tax liabilities		72 303	73 051	80 154
Third-party liabilities arising on consolidation of unit trust funds		4 814 141	3 530 115	2 972 447
Investment contract liabilities		123 792 869	113 226 342	123 659 093
Tax payable		35 254	25 851	26 387
Loan payable - Current	4	-	-	65 276
Preference share liability - Current	4	-	-	100 000
Lease liabilities - Current		17 429	19 577	18 146
Trade and other payables		297 619	396 863	335 649
Amounts owing to clearing houses		24 987	50 951	95 709
Amounts owing to clients		34 501	30 115	316 984
Total liabilities		129 259 628	117 550 186	127 683 881
Total equity and liabilities		130 061 603	118 268 925	128 464 979

Condensed consolidated statement of profit or loss and other comprehensive income

for the period ended 31 March 2022

	Notes	Reviewed six months ended 31 March 2022 R'000s	Reviewed six months ended 31 March 2021 R'000s	Audited for the year ended 30 September 2021 R'000s
Revenue	5	397 418	350 533	737 198
Expenses		(211 525)	(206 666)	(411 885)
Profit from operations		185 893	143 867	325 313
Investment contract (loss)/income		(399 470)	9 061 795	16 156 826
Transfer from/(to) investment contract liabilities		399 470	(9 061 795)	(16 156 826)
Interest income		11 991	9 485	19 595
Other investment income		3 444	2 017	4 156
Finance costs		(5 482)	(6 575)	(12 437)
Profit before tax		195 846	148 794	336 627
Income tax expense		(56 788)	(42 959)	(95 680)
Profit after tax		139 058	105 835	240 947
Other comprehensive income				
<i>Items that may subsequently be reclassified to profit or loss:</i>				
Foreign currency translation reserve		(432)	220	223
Total comprehensive income for the period		138 626	106 055	241 170
Profit attributable to:				
Owners of the parent		138 715	105 835	240 443
Non-controlling interest		343	-	504
		139 058	105 835	240 947
Total comprehensive income attributable to:				
Owners of the parent		138 283	106 055	240 666
Non-controlling interest		343	-	504
		138 626	106 055	241 170
Earnings per share (cents)	6			
Basic		92.6	74.8	170.7
Diluted		89.9	72.8	166.1

Condensed consolidated statement of changes in equity

for the period ended 31 March 2022

	Attributable to equity holders of the group					Total equity R'000s
	Stated capital R'000s	Other reserves R'000s	Share-based payment reserve R'000s	Retained earnings R'000s	Non-controlling interest R'000s	
Balance at 30 September 2020	603 173	(252 908)	44 447	308 129	-	702 841
Total comprehensive income for the period	-	220	-	105 835	-	106 055
Dividends paid *	-	-	-	(104 424)	-	(104 424)
Share-based payment expense	-	-	4 167	-	-	4 167
Issue of shares relating to share options exercised	10 100	-	-	-	-	10 100
Transfer between share based payment reserve and stated capital for share options exercised	3 887	-	(3 887)	-	-	-
Balance at 31 March 2021	617 160	(252 688)	44 727	309 540	-	718 739
Acquisition of non-controlling interest	-	-	-	-	22	22
Total comprehensive income for the period	-	3	-	134 608	504	135 115
Dividends paid **	-	-	-	(77 994)	(230)	(78 224)
Share-based payment expense	-	-	4 210	-	-	4 210
Issue of shares relating to share options exercised	73 060	-	-	-	-	73 060
Transfer between share based payment reserve and stated capital for share options exercised	33 615	-	(33 615)	-	-	-
Capital distribution ***	(71 824)	-	-	-	-	(71 824)
Balance at 30 September 2021	652 011	(252 685)	15 322	366 154	296	781 098
Total comprehensive income for the period	-	(432)	-	138 715	343	138 626
Dividends paid ****	-	-	-	(119 875)	(280)	(120 155)
Share-based payment expense	-	-	4 652	-	-	4 652
Ordinary shares repurchased	(5 273)	-	-	-	-	(5 273)
Issue of shares relating to share options exercised	3 027	-	-	-	-	3 027
Transfer between share based payment reserve and stated capital for share options exercised	1 327	-	(1 327)	-	-	-
Balance at 31 March 2022	651 092	(253 117)	18 647	384 994	359	801 975

* Dividends per share - 70 cents

** Dividends per share - 55 cents

*** Capital distribution per share - 48 cents

**** Dividends per share - 80 cents

Other reserves relate to equity acquired in subsidiaries from minority shareholders in prior periods, as well as business combinations under common control in which the consideration exceeded the carrying value of the net assets acquired and a foreign currency translation reserve.

Condensed consolidated statement of cash flows

for the period ended 31 March 2022

	Reviewed six months ended 31 March 2022 R'000s	Reviewed six months ended 31 March 2021 R'000s	Audited year ended 30 September 2021 R'000s
Cash flow from operations	234 962	328 188	389 269
Dividends received	-	30	56
Interest received	11 990	11 543	20 679
Interest paid	(5 415)	(4 683)	(12 527)
Tax paid	(41 963)	(19 267)	(80 555)
Net cash flows from operating activities	199 574	315 811	316 922
Cash flows from investing activities			
Additions to property and equipment	(2 065)	(1 352)	(2 720)
Loans advanced	-	-	(4 994)
Loans repaid	6 220	4 791	10 016
Purchase of investments	(119 380)	(61 617)	(67 433)
Proceeds on sale of investments	15 000	79 500	90 936
Net cash flows from investing activities	(100 225)	21 322	25 805
Cash flow from financing activities			
Capital distributions paid	(71 824)	-	-
Dividends paid	(120 155)	(104 424)	(182 648)
Issue of ordinary shares	3 027	10 100	83 160
Ordinary shares repurchased	(5 273)	-	-
Loans repaid	-	(15 018)	(25 000)
Lease liabilities paid - principal portion	(9 312)	(10 918)	(18 343)
Net cash flows from financing activities	(203 537)	(120 260)	(142 831)
Net change in cash and cash equivalents	(104 188)	216 873	199 896
Cash and cash equivalents at beginning of the year	460 481	259 683	259 683
Exchange gains on cash and cash equivalents	239	541	902
Cash and cash equivalents at end of year	356 532	477 097	460 481

Note to the statement of cash flows:

Cash held in overnight settlement accounts on behalf of policyholders of Sygnia Life Limited and clients of Sygnia Collective Investments (RF) Proprietary Limited is included on the face of the statement of financial position under "Cash and cash equivalents" with a corresponding payable to clients included in trade and other payables (unsettled trades). This results in the movement in these cash amounts being disclosed in the statement of cash flows. Changes in these amounts are shown under the "Cash flow from operations", under the "Cash flows from operating activities" section on the statement of cash flows. These cash amounts fluctuate on a daily basis and can result in significant fluctuations if comparing "Changes in working capital" between reporting periods.

Notes to the condensed consolidated financial statements

for the period ended 31 March 2022

1. Accounting policies

The condensed consolidated interim financial statements ("interim financial statements") comprise Sygnia Limited and its subsidiaries ("the Group"). The accounting policies applied in the preparation of these interim financial statements conform to International Financial Reporting Standards (IFRS) and are consistent with those accounting policies applied in the preparation of the consolidated financial statements as at and for the year ended 30 September 2021, except for the adoption of the requirements of 'Interest Rate Benchmark Reform – Phase 2 Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16' (IBOR reform Phase 2) which is effective for annual periods beginning on or after 1 January 2021.

A fundamental reform of major interest rate benchmarks is being undertaken globally, including the replacement of some interbank offered rates (IBORs) with alternative nearly risk-free rates. The Group has a R65.3 million loan payable and R100 million preference share liability in place with Standard Bank that carries interest linked to JIBAR. There is a possibility that JIBAR will cease and be replaced by an alternative reference rate in the future. The Group will continue to engage with the bank and transition JIBAR to an appropriate rate if necessary.

Basis of preparation

The interim financial statements have been prepared on a going concern basis, in accordance with and containing information required by IAS 34 Interim Financial Reporting and Financial Pronouncements as issued by the Financial Reporting Standards Council, the requirements of the Companies Act 71 of 2008 of South Africa and the JSE Listings Requirements.

The interim financial statements are presented in Rands, which is the functional currency of the Group, and are prepared on the historical cost basis, except for the measurement of certain financial instruments which are measured at fair value.

2. Use of estimates and judgements

In preparing these interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 30 September 2021.

3. Segment information

The Group has identified Sygnia's executive committee as the Chief Operating Decision Maker (CODM). The responsibility of the executive committee is to assess performance and to make resource allocation decisions across the Group. The Group has operations in the United Kingdom with a subsidiary registered in England & Wales. The subsidiary earned fees and incurred costs as the general partner to private equity partnerships registered in England & Wales, as well as fees for support services. The revenue and costs related to these operations is not considered to be significant and therefore, no further disclosure has been made in relation to this segment. The South African operations continued to provide investment management and administration services to institutional and retail clients predominantly located in South Africa. No disaggregated information is provided to the CODM on the South African operations, and the CODM assesses operating performance and makes resource decisions about the South African operations as a whole. The Group has therefore concluded that the South African operations constitutes one operating segment.

4. Loan payable and preference share liability

The Group has a R65.3 million loan payable and R100 million preference share liability in place with Standard Bank that would have expired in March 2022. In January 2022, the terms of both the loan payable and preference share liability were renegotiated, extending the final redemption date of the preference shares to 31 March 2025 and the final repayment date of the loan payable to 31 March 2027.

5. Revenue

The Group's main revenue streams are those described in the 2021 annual financial statements. The Group's revenue is derived from contracts with customers.

	Reviewed six months ended 31 March 2022 R'000s	Reviewed six months ended 31 March 2021 R'000s	Audited year ended 30 September 2021 R'000s
Investment management fees * #	249 511	226 470	476 387
Administration fees #	56 970	50 826	107 198
General partner fees *	4 549	3 795	8 219
Treasury income **	63 946	50 726	101 249
Securities lending income **	6 783	6 943	13 149
Brokerage income **	15 659	11 773	30 996
	397 418	350 533	737 198
Timing of revenue recognition			
Revenue recognised at a point in time	79 605	66 304	132 245
Revenue recognised over time	317 813	284 229	604 953
	397 418	350 533	737 198

* The general partner fees for the period ended 31 March 2021 have been disclosed separately from investment management fees to achieve a more consistent presentation with the current period financial statements. General partner fees are earned in the United Kingdom.

** Treasury income, securities lending income and brokerage income were shown together as trading income for the period ended 31 March 2021.

Investment management fees amounting to R6.8 million for the period ended 31 March 2021 have been reclassified to administration fees to achieve a more consistent presentation with the current period financial statements.

6. Earnings and headline earnings per share

	Reviewed six months ended 31 March 2022 R'000s	Reviewed six months ended 31 March 2021 R'000s	Audited year ended 30 September 2021 R'000s
Profit attributable to ordinary shareholders	138 715	105 835	240 443
Headline earnings	138 715	105 835	240 443
	Number of shares	Number of shares	Number of shares
Weighted average number of ordinary shares in issue (basic)	149 739 472	141 454 907	140 825 446
Potential number of shares issued in respect of diluted instruments	4 599 938	3 921 409	3 969 841
Weighted average number of ordinary shares in issue (diluted)	154 339 410	145 376 316	144 795 287

	Reviewed six months ended 31 March 2022	Reviewed six months ended 31 March 2021	Audited year ended 30 September 2021
	Cents	Cents	Cents
Earnings per share (basic)	92.6	74.8	170.7
Earnings per share (diluted)	89.9	72.8	166.1
Headline earnings per share (basic)	92.6	74.8	170.7
Headline earnings per share (diluted)	89.9	72.8	166.1
Alternative performance measures			
Net asset value per share	536.2	480.4	522.0
Tangible net asset value per share	261.2	194.6	246.4

The tangible net asset value per share is the net asset value, excluding intangible assets, divided by the number of ordinary shares in issue at the end of the period.

7. Corporate vs third party financial information

A subsidiary of the Group, Sygnia Life Limited is a linked insurance company and issues linked policies to policyholders (where the value of policy benefit is directly linked to the fair value of the supporting assets), and as such does not expose the business to the market risk of fair value adjustments on the financial asset, as this risk is contractually assumed by the policyholder. Sygnia Securities Proprietary Limited (subsidiary) provides stockbroking services to clients, which results in significant working capital fluctuations due to the timing of the close of the JSE in terms of client settlements (amounts owing to/by clearing houses/clients). In order to evaluate the consolidated financial position, the Group segregates the statement of financial position and the statement of profit or loss and other comprehensive income between corporate (own balances) and third-party (client-related balances). Third-party balances represent investments linked to investment contract liabilities, third-party liabilities arising on consolidation of unit trust funds, investment contract liabilities, related deferred tax liabilities and unsettled trades. The Sygnia Divi Index Fund, Sygnia Skeleton Balanced Absolute Fund, Sygnia China New Economy Global Equity Fund, Sygnia Money Market Fund and Sygnia Health Innovation Global Equity Fund met the criteria for control during the period ended 31 March 2022 and have therefore been consolidated. This resulted in an increase to investments linked to investment contract liabilities and third-party liabilities arising on consolidation of unit trust funds in the condensed consolidated statement of financial position amounting to R1.6 billion. The Group has significant influence over Sygnia Skeleton Balanced 40 Fund, Sygnia Skeleton Balanced 60 Fund and Sygnia 4th Industrial Revolution Global Equity Fund with a total investment balance of R1.2 billion at 31 March 2022.

Statement of profit or loss and other comprehensive income

	Reviewed six months ended 31 March 2022			Reviewed six months ended 31 March 2021			Audited year ended 30 September 2021		
	Consolidated R'000s	Corporate R'000s	Third-party R'000s	Consolidated R'000s	Corporate R'000s	Third-party R'000s	Consolidated R'000s	Corporate R'000s	Third-party R'000s
Revenue	397 418	397 418	-	350 533	350 533	-	737 198	737 198	-
Expenses	(211 525)	(211 525)	-	(206 666)	(206 666)	-	(411 885)	(411 885)	-
Profit from operations	185 893	185 893	-	143 867	143 867	-	325 313	325 313	-
Investment contract (loss)/ income	(399 470)	-	(399 470)	9 061 795	-	9 061 795	16 156 826	-	16 156 826
Transfer from/(to) investment contract liabilities	399 470	-	399 470	(9 061 795)	-	(9 061 795)	(16 156 826)	-	(16 156 826)
Interest income	11 991	11 991	-	9 485	9 485	-	19 595	19 595	-
Other investment income	3 444	3 444	-	2 017	2 017	-	4 156	4 156	-
Finance costs	(5 482)	(5 482)	-	(6 575)	(6 575)	-	(12 437)	(12 437)	-
Profit before tax	195 846	195 846	-	148 794	148 794	-	336 627	336 627	-
Income tax	(56 788)	(56 788)	-	(42 959)	(42 959)	-	(95 680)	(95 680)	-
Profit after tax	139 058	139 058	-	105 835	105 835	-	240 947	240 947	-
Foreign currency translation reserve	(432)	(432)	-	220	220	-	223	223	-
Total comprehensive income for the period	138 626	138 626	-	106 055	106 055	-	241 170	241 170	-

8. Fair value

The fair values of all financial instruments approximate the carrying values reflected in the statement of financial position. The carrying value and gains and losses of financial instruments are as follows:

	Reviewed six months ended 31 March 2022 R'000s	Reviewed six months ended 31 March 2021 R'000s	Audited year ended 30 September 2021 R'000s
Financial assets at fair value through profit or loss			
<i>Condensed consolidated statement of financial position</i>			
Investments linked to investment contract liabilities	128 607 010	116 756 457	126 641 861
Investments	429 383	324 901	322 052
	129 036 393	117 081 358	126 963 913
<i>Condensed consolidated statement of profit or loss and other comprehensive income</i>			
Investment contract (loss)/income	(399 470)	9 061 795	16 156 826
Other investment income	3 444	2 017	4 156
	(396 026)	9 063 812	16 160 982
Financial assets at amortised cost			
<i>Condensed consolidated statement of financial position</i>			
Loans receivable	43 893	50 323	50 113
Trade receivables	99 798	73 777	99 629
Amounts owing by clearing houses	12 190	-	2 826
Amounts owing by clients	47 302	81 072	410 046
Cash and cash equivalents	356 532	477 097	460 481
	559 715	682 269	1 023 095
<i>Condensed consolidated statement of profit or loss and other comprehensive income</i>			
Interest income	11 991	9 485	19 595
	11 991	9 485	19 595
Financial liabilities at fair value through profit or loss			
<i>Condensed consolidated statement of financial position</i>			
Investment contract liabilities	123 792 869	113 226 342	123 659 093
Third-party liabilities arising on consolidation of unit trust funds	4 814 141	3 530 115	2 972 447
	128 607 010	116 756 457	126 631 540
<i>Condensed consolidated statement of profit or loss and other comprehensive income</i>			
Transfer from/(to) investment contract liabilities	399 470	(9 061 795)	(16 156 826)
	399 470	(9 061 795)	(16 156 826)

	Reviewed six months ended 31 March 2022 R'000s	Reviewed six months ended 31 March 2021 R'000s	Audited year ended 30 September 2021 R'000s
Financial liabilities at amortised cost			
<i>Condensed consolidated statement of financial position</i>			
Loan payable	65 343	75 348	65 276
Preference share liability	100 000	100 000	100 000
Lease liabilities	22 611	41 550	32 182
Trade and other payables	297 619	396 863	335 649
Amounts owing to clearing houses	24 987	50 951	95 709
Amounts owing to clients	34 501	30 115	316 984
	545 061	694 827	945 800
<i>Condensed consolidated statement of profit or loss and other comprehensive income</i>			
Finance costs	(5 482)	(6 575)	(12 437)
	(5 482)	(6 575)	(12 437)

The following table shows the categories of financial instruments at fair value based on the degree to which fair value is observable.

Level 1 - fair value is derived from quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 1 investments relates to equities and interest income securities.

Level 2 - fair value is derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). Level 2 investments relate to unlisted private equity investment, interest income securities, collective investment scheme, hedge funds, investments in insurance policies, investment contract portfolio debtors, investment contract portfolio accrued interest and cash and cash equivalents. The unlisted private equity investment was valued at the last traded price.

Level 3 - fair value is derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs). The level 3 investment relates to limited liability partnership investments.

	Level 1 R'000s	Level 2 R'000s	Level 3 R'000s	Total R'000s
Reviewed 31 March 2022				
Investments linked to investment contract liabilities	36 467 490	88 448 350	3 691 170	128 607 010
Investments	-	429 383	-	429 383
Third-party liabilities arising on consolidation of unit trust funds	(3 942 516)	(871 625)	-	(4 814 141)
Investment contract liabilities	(32 524 974)	(87 576 725)	(3 691 170)	(123 792 869)
Reviewed 31 March 2021				
Investments linked to investment contract liabilities	36 291 600	77 067 624	3 397 233	116 756 457
Investments	-	324 901	-	324 901
Third-party liabilities arising on consolidation of unit trust funds	(2 844 511)	(685 604)	-	(3 530 115)
Investment contract liabilities	(33 447 089)	(76 382 020)	(3 397 233)	(113 226 342)
Audited 30 September 2021				
Investments linked to investment contract liabilities	29 917 979	92 914 524	3 809 358	126 641 861
Investments	-	322 052	-	322 052
Third-party liabilities arising on consolidation of unit trust funds	(2 102 386)	(870 061)	-	(2 972 447)
Investment contract liabilities	(27 815 593)	(92 034 142)	(3 809 358)	(123 659 093)

	Reviewed six months ended 31 March 2022 R'000s	Reviewed six months ended 31 March 2021 R'000s	Audited year ended 30 September 2021 R'000s
Level 3 financial instruments			
Opening balance	3 809 358	1 904 704	1 904 704
Additions / (disposals) - discretionary mandates	155 098	(551 531)	(440 287)
Additions - non-discretionary mandates	85 698	1 513 714	1 707 443
Fair value adjustment included in investment contract income	(358 984)	530 346	637 498
Closing balance	3 691 170	3 397 233	3 809 358

The level 3 investment relates to investments in partnerships registered in Guernsey, Braavos Capital I LP (BC I LP) and Braavos Capital II LP (BC II LP) and a limited liability partnership registered in the UK, Sygnia Ventures LP. The partnerships are administered and valued by an independent administrator. On a quarterly basis, the independent administrator provides adjusted net asset values (assets less liabilities) to each partner. Assets include listed and unlisted investments. Liabilities include carried interest accruals amounting to GBP 8.1 million. Carried interest is only payable if certain performance conditions are met when a fund is wound up. A summary of the valuation policy applied to listed and unlisted investments is as follows:

- Listed investments - the fair values of financial instruments traded in active markets (such as recognised stock exchanges) are based on quoted market prices.
- Unlisted investments - the fair value of unlisted securities are established using valuation techniques and methodologies consistent with the International Private Equity and Venture Capital Valuation Guidelines ("IPEVCV guidelines") endorsed by the European Private Equity and Venture Capital Associations. These include the use of recent arm's-length transactions, discounted cash flow analysis and earnings multiples. For investments in seed, start up and early-stage companies, cost may be the best indication of fair value unless there is objective evidence that the investment has since been impaired. If recent investments have been made by third parties, the price of this investment can provide a basis for valuation. If there is no readily ascertainable value following the price of recent investments, or there is objective evidence that a deterioration in fair value has occurred since a relevant transaction, the fund will consider alternative methodologies in the IPEVCV guidelines such as discounted cash flows ('DCF') or price-earnings multiples.

A subsidiary in the Group, Sygnia Life Limited, has made a commitment to invest GBP 103 million (31 March 2021: GBP 60 million) in BC I LP and GBP 93 million (31 March 2021: GBP 13.9 million) in BCI II LP. These commitments consist of commitments made in respect of discretionary mandates managed by Sygnia Life Limited, as well as commitments secured by Braavos Investment Advisers LP directly from third-party clients to whom Sygnia Life Limited provides administration services only. These commitments will be financed from existing and future Sygnia Life Limited cash flows.

9. Related-party transactions

Related-party transactions similar to those disclosed in the Group's financial statements for the year ended 30 September 2021 took place during the period under review.

New share options were granted to directors on 1 October 2021. 200 000 (fair value: R2.5 million) and 50 000 (fair value: R0.6 million) share options were granted to DR Hufton and MA Sirkot respectively.

The Ulundi broad-based share scheme was unwound in September 2021. Dividends, net of withholding taxes, of R5.9 million and R2.5 million were distributed to HI Bhorat and MH Jonas respectively in October 2021.

On the 18th of October 2021, a capital distribution of 48 cents per share was paid to shareholders. The capital distribution paid to directors (including indirect shareholding) is as follows:

	R'000s
MF Wierzycka	43 273
DR Hufton	1 145
MA Sirkot	240
WA Wierzycki	523

10. Events subsequent to the reporting date

On June 6 2022, the directors declared a dividend of 80.0 cents per share.

The directors are not aware of any other matters or circumstances, arising since the end of the financial period, not otherwise dealt with in the interim financial statements that significantly affect the financial position of the Group or the results of its operations.

11. Russian invasion of Ukraine

Russia's invasion of Ukraine in February 2022 has had a significant impact on the South African and international markets. Refer to the commentary of the directors for further detail. While this had no significant impact on the Group, the Group continues to monitor the impact of the invasion.

12. COVID-19 pandemic

The COVID-19 pandemic has had a significant impact on the South African and international markets. The Group continues to monitor the impact of the markets on its revenue and will adjust its cost base if required. The Group has considered the impact of COVID-19 on its financial assets at amortised cost. Trade receivables continue to be collected directly from clients' investments and unit trust funds. No receivables are past due. Cash and cash equivalents continue to be held with high credit quality financial institutions. The Group has concluded that the fair value of financial assets at amortised cost is equal to its carrying amount and consequently, no impairment is required.

Reviewed Condensed Consolidated Financial Statements 2022

Sygnia Limited

Incorporated in the Republic of South Africa

Registration number: 2007/025416/06

JSE share code: SYG

ISIN code: ZAE000208815

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