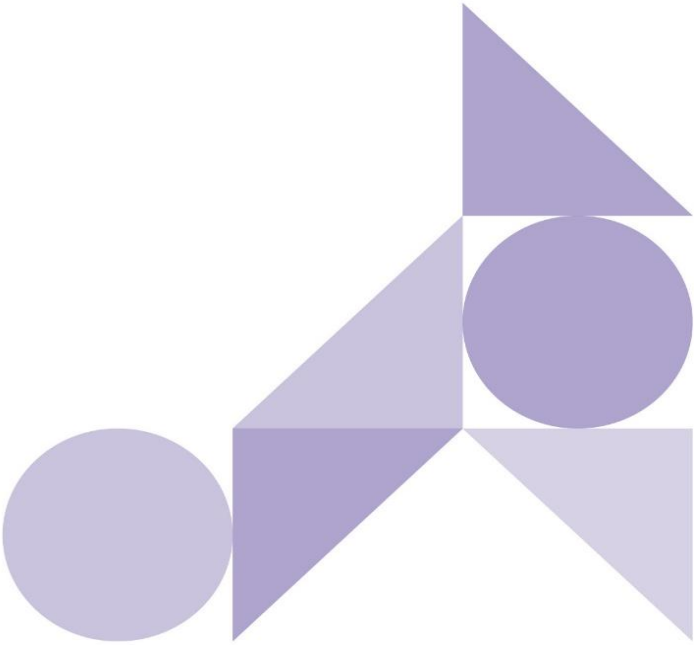




Real People Investment Holdings Limited
Unaudited condensed group financial statements
For the quarter ended 30 September 2021



Real People Investment Holdings Limited and subsidiaries

Unaudited condensed group financial statements for the quarter ended 30 September 2021

Condensed group statement of financial position

R'000	Notes	30 Sep 2021	31 Mar 2021
Assets			
Equipment		19,138	17,862
Right-of-use assets		4,609	5,633
Amount receivable from Old Mutual Alternative Risk Transfer	4	12,038	9,914
Net advances	5	1,102,388	1,066,354
Other receivables		24,750	26,261
Derivatives		18,540	18,847
Tax receivable		-	7,130
Cash and cash equivalents		324,140	426,793
Total assets		1,505,603	1,578,794
Equity			
Share capital and equity notes		1,308,857	1,308,857
Reserves		2,192	2,084
Accumulated loss		(971,422)	(1,034,595)
Total equity		339,627	276,346
Liabilities			
Borrowings		1,089,777	1,246,277
Deferred tax		433	349
Provisions		28,001	13,469
Trade and other payables		38,131	37,471
Tax payable		9,634	4,882
Total liabilities		1,165,976	1,302,448
Total equity and liabilities		1,505,603	1,578,794

Real People Investment Holdings Limited and subsidiaries

Unaudited condensed group financial statements for the quarter ended 30 September 2021

Condensed group statement of financial performance

R'000	Notes	Three months ended		Six months ended	
		30-Sep-21	30-Sep-20	30-Sep-21	30-Sep-20
Revenue	6	155,887	185,177	324,115	360,423
Gross yield from assets		137,561	166,679	278,711	328,825
Impairments		18,376	(19,610)	21,093	(59,095)
Net yield		155,937	147,069	299,804	269,730
Finance costs		(29,223)	(34,638)	(59,958)	(77,781)
Net margin		126,714	112,431	239,846	191,949
Net assurance income - funeral benefits		6,036	6,375	12,589	14,225
Outsourced collection income		12,290	12,123	23,895	22,582
Other income		6,053	1,278	7,760	3,416
Net operating income		151,093	132,207	284,090	232,172
Operating expenses		(114,700)	(128,198)	(212,885)	(218,643)
Profit before taxation		36,393	4,009	71,205	13,529
Taxation		(3,651)	(384)	(8,032)	(4,380)
Profit profit for the period		32,742	3,625	63,173	9,149

Real People Investment Holdings Limited and subsidiaries

Unaudited condensed group financial statements for the quarter ended 30 September 2021

Condensed group statement of comprehensive income

R'000	Six months ended	
	30-Sep-21	30-Sep-20
Profit for the period	63,173	9,149
<i>Other comprehensive income/(loss):</i>		
Effects of cash flow hedges	108	(641)
Total comprehensive income for the period	63,281	8,508

Condensed group statement of changes in equity

R'000	Share capital and equity notes	Cash flow hedging reserve	Accumulated loss	Total equity
<i>For the six months ended 30 September 2021</i>				
Opening balance	1,308,857	2,084	(1,034,595)	276,346
Profit for the period	-	-	63,173	63,173
Other comprehensive income	-	108	-	108
Closing balance	1,308,857	2,192	(971,422)	339,627
<i>For the six months ended 30 September 2020</i>				
Opening balance	1,308,857	2,430	(1,143,226)	168,061
Loss for the period	-	-	9,149	9,149
Other comprehensive income	-	(641)	-	(641)
Closing balance	1,308,857	1,789	(1,134,077)	176,569
<i>For the twelve months ended 31 March 2021</i>				
Opening balance	1,308,857	2,430	(1,143,226)	168,061
Profit for the year	-	-	108,631	108,631
Other comprehensive income	-	(346)	-	(346)
Closing balance	1,308,857	2,084	(1,034,595)	276,346

Real People Investment Holdings Limited and subsidiaries

Unaudited condensed group financial statements for the quarter ended 30 September 2021

Condensed group statement of cash flows

R'000	30-Sep-21	30-Sep-20
Cash flows generated from operating activities		
Cash generated by operations	112,617	425,571
Finance costs	(59,685)	(77,781)
Tax refunded (paid)	4,761	(4,938)
	57,692	342,852
Cash flows utilised in investing activities		
Additions to equipment	(6,153)	(7,465)
Proceeds on sale of equipment	1,871	389
	(4,282)	(7,075)
Cash flows from financing activities		
Proceeds from borrowings	60,000	-
Repayment of borrowings	(216,063)	(281,445)
	(156,063)	(281,445)
Total cash movement for the period	(102,653)	54,332
Cash and cash equivalents at the beginning of the period	426,793	326,600
Total cash and cash equivalents at the end of the period	324,140	380,932

Real People Investment Holdings Limited and subsidiaries

Unaudited condensed group financial statements for the quarter ended 30 September 2021

Notes to the condensed financial statements

The registration number of Real People Investment Holdings Limited is 1999/020093/06.

1. Basis of preparation

The condensed financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting. These financial statements do not include all of the information required by International Financial Reporting Standards (IFRS) for full financial statements and should be read in conjunction with the annual financial statements for the year ended 31 March 2021.

The principal accounting policies are consistent with those of the annual financial statements for the year ended 31 March 2021, as described in those annual financial statements. The financial statements are presented in South African Rands.

2. Accounting estimates and judgements

Critical judgements in applying accounting policies

Recognition of deferred tax asset

The recognition of deferred tax assets on taxable losses in Real People Investment Holdings Limited and subsidiaries has been suspended and the deferred tax assets recognised in prior financial years impaired until there is a history of sustainable profitability.

The group recognises the net future tax benefit related to deferred income tax assets to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future or to the extent that it is probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilised in the foreseeable future and there is a history of sustainable profitability. Estimates of future taxable income are based on forecast results from operations and the application of existing taxation laws.

Key sources of estimation uncertainty

Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the group's history, existing market conditions in the micro-finance industry as well as forward looking estimates at the end of each reporting period.

Uncertain tax positions

The nature of certain group financial products gives rise to uncertainty relating to the tax treatment and tax allowances. Appropriate research is conducted and expert opinions obtained to minimise the risk of tax misstatements. With this in mind the group is considered to have adequately provided for its tax liabilities. To the extent that the group's tax methodologies and positions require consultation with relevant experts, this is done after appropriate research and development to mitigate the risk of tax misstatements. In so doing, the group ensures that it meets its tax compliance

Where the final outcome of tax assessments is different from the amounts that were initially recorded in the accounts, such differences will impact the current and deferred income tax assets and liabilities in the reporting period in which such determination is made.

3. Dividends

No ordinary dividends were declared or paid to shareholders during the six months ended 30 September 2021.

Real People Investment Holdings Limited and subsidiaries

Unaudited condensed group financial statements for the quarter ended 30 September 2021

Notes to the condensed financial statements

4. Amount receivable form Old Mutual Alternative Risk Transfer

The group invested in the preference shares in the OMART Real People Cell Captive which entitles it to the profits of the insurance business that is housed in the cell. The receivable from OMART is measured at the net asset value of the cell at the end of the reporting period.

	30-Sep-21	31-Mar-21
	R'000	R'000
OMART Real People Cell Captive preference shares	1,000	1,000
OMART Real People Cell Captive retained earnings	11,038	8,914
	12,038	9,914

5. Net advances

Home Finance

Performing loans

Gross advances	448,594	435,433
Impairment of advances	(77,344)	(81,897)
	371,250	353,536

Non-performing loans

Gross advances	1,474,240	1,529,242
Impairment of advances	(1,327,307)	(1,366,489)
	146,932	162,753

Acquired Debt

Gross advances	721,922	723,203
Impairment of advances	(137,717)	(173,138)
	584,205	550,065

Combined

Gross advances	2,644,756	2,687,878
Impairment of advances	(1,542,368)	(1,621,524)
Net advances	1,102,388	1,066,354

6. Revenue

Revenue other than from contracts with customers

Interest and similar income	261,280	289,904
Net premiums received	38,940	47,938

Revenue from contracts with customers

Outsourced collection income	23,895	22,582
	324,115	360,423

7. Taxation

Recognition of additional deferred tax assets within Real People Investment Holdings Ltd and its subsidiaries remain suspended.

Real People Investment Holdings Limited and subsidiaries

Unaudited condensed group financial statements for the quarter ended 30 September 2021

Notes to the condensed financial statements

8. Segment information

The presentation of segment information corresponds to the current operational and management-related structure of the group.

<i>Reportable segment</i>	<i>Services</i>
Home Finance channel	Provides credit and related financial services (credit life cover) to customers of building supply merchants
Acquired Debt channel	Purchases non-performing loan portfolios and provides debt collection solutions to credit providers. Owns and collects the discontinued receivables of the group
Outsourced Collections channel	Collects outstanding debt on the behalf of corporate outsourced clients
RP Life channel	Provides a variety of funeral, disability and loss of income benefits to customers.

	Net operating income R'000	Operating expenses R'000	Profit before tax R'000
<i>For the six months ended 30 September 2021</i>			
Home Finance	87,820	(17,397)	70,423
Acquired Debt	149,356	(56,779)	92,577
Outsourced collections	23,850	(7,769)	16,081
RP Life	13,024	(7,769)	5,256
Central cost centres and head office functions	10,041	(123,172)	(113,131)
	284,090	(212,885)	71,205

*** For the six months ended 30 September 2020**

Home Finance	83,549	(38,250)	45,299
Acquired Debt	93,135	(42,603)	50,532
Outsourced collections	22,659	(13,888)	8,771
RP Life	14,487	(6,061)	8,427
Central cost centres and head office functions	18,342	(117,841)	(99,500)
	232,172	(218,643)	13,529

* Comparatives have been restated for comparability with current year results per channel.

	Assets R'000	Liabilities R'000
<i>30 September 2021</i>		
Home Finance	609,761	463,362
Acquired Debt	793,658	557,137
RP Life	15,882	12,676
Central cost centres and head office functions	86,301	132,801
	1,505,603	1,165,976

30 September 2020

Home Finance	769,520	2,129,555
Acquired Debt	676,601	766,899
RP Life	-	57,301
Central cost centres and head office functions	104,301	1,579,902
	1,550,422	1,373,853

Real People Investment Holdings Limited and subsidiaries

Unaudited condensed group financial statements for the quarter ended 30 September 2021

Notes to the condensed financial statements

8. Segment information (continued)

	Assets R'000	Liabilities R'000
31 March 2021		
Home Finance	676,514	645,801
Acquired Debt	841,856	884,017
RP Life	13,726	17,427
Central cost centres and head office functions	46,698	(244,797)
	1,578,794	1,302,448
