2017

TRANSCAPITAL INVESTMENTS LIMITED

AUDITED ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER

TransCapital Investments

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The annual financial statements were prepared under the supervision of Crystal Bass CA (SA).

DIRECTORS' RESPONSIBILITY STATEMENT
FOR THE YEAR ENDED 30 SEPTEMBER 2017

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 annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of TransCapital Investments Limited (the company) 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 International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the directors set 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 company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company 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 provided by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual 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 company's cash flow forecast for the year to 30 September 2018 and, in light of this review and the current financial position, are satisfied that the company has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently reviewing and reporting on the company annual financial statements. The company financial statements have been examined by the external auditors and their report is presented on page 2.

The annual financial statements set out on pages 5 to 18, which have been prepared on the going concern basis, were approved by the directors on 21 November 2017 and are signed on their behalf:

David Hurwitz
Director

Ronen Goldstein
Director

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF TRANSCAPITAL INVESTMENTS LIMITED

Report on the Audit of the Financial Statements

OPINION

We have audited the financial statements of TransCapital Investments Limited set out on pages 5 to 18, which comprise the statement of financial position as at 30 September 2017, and the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of TransCapital Investments Limited as at 30 September 2017, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and the requirements of the Companies Act of South Africa.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Independent Regulatory Board for Auditors Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B). 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 Statement of Directors' Responsibility and Approval and the Directors' Report as required by the Companies Act of South Africa. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE DIRECTORS FOR THE FINANCIAL STATEMENTS

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT *continued*

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the 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.

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that Deloitte & Touche has been the auditor of TransCapital Investments Limited for 2 years.

Deloitte & Touche
Registered Auditor
Per: Lito Nunes
Partner

21 November 2017

DIRECTORS' REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2017

NATURE OF BUSINESS

The company has been incorporated for the purposes of funding the borrowing requirements of the holding company, Transaction Capital Limited, and its subsidiaries.

FINANCIAL RESULTS

The results of the company are set out in the annual financial statements.

DIRECTORATE

The names of the directors in office at the date of this report are set out on page 19.

HOLDING COMPANY

Transaction Capital Limited owns 100% of the issued shares in the company.

The audit, risk and compliance committee and social and ethics committee functions are carried out at the holding company, Transaction Capital Limited. These committees' reports can be found in the annual financial statements of Transaction Capital Limited. Refer to the following link for Transaction Capital Limited's results: **http://www.transactioncapital.co.za/investor.php**.

STATEMENT OF FINANCIAL POSITION
AT 30 SEPTEMBER

	Notes	2017 R	2016 R
Assets			
Group loans		–	100
Trade and other receivables	1	860 300	–
Deferred tax assets	2	173 479	–
Total assets		1 033 779	100
Liabilities			
Group loans	8	1 474 713	–
Trade and other payables	3	5 053	–
Total liabilities		1 479 766	–
Equity			
Ordinary share capital	4	100	100
Retained earnings		(446 087)	–
Total equity		(445 987)	100
Total equity and liabilities		1 033 779	100

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 SEPTEMBER

	Notes	**2017 R**	2016 R
Operating costs	5	**(619 566)**	–
Loss before tax		**(619 566)**	–
Income tax	6	**173 479**	–
Loss for the year		**(446 087)**	–
Other comprehensive income		**–**	–
Total comprehensive loss for the year		**(446 087)**	–

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 SEPTEMBER

	Number of ordinary shares	Share capital R	Retained earnings R	Total equity R
Balance at 30 September 2015	–	–	–	–
Issue of shares	100	100	–	100
Balance at 30 September 2016	**100**	**100**	**–**	**100**
Total comprehensive loss	**–**	**–**	**(446 087)**	**(446 087)**
Loss for the year	**–**	**–**	**(446 087)**	**(446 087)**
Balance at 30 September 2017	**100**	**100**	**(446 087)**	**(445 987)**

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 SEPTEMBER

	Notes	2017 R	2016 R
Cash flow from operating activities			
Cash utilised by operations	7	(619 566)	–
Cash flow utilised in operating activities before changes in operating assets and liabilities		(619 566)	–
Increase in working capital		(855 247)	–
Increase in trade and other receivables		(860 300)	–
Increase in trade and other payables		5 053	–
Net cash utilised in operating activities		(1 474 813)	–
Cash flow from financing activities			
Issue of shares		–	100
Net increase/(decrease) in group loans		1 474 813	(100)
Net cash generated from financing activities		1 474 813	–
Net decrease in cash and cash equivalents		–	–
Cash and cash equivalents at beginning of the year		–	–
Cash and cash equivalents at end of year		–	–

ACCOUNTING POLICIES

FOR THE YEAR ENDED 30 SEPTEMBER 2017

The financial statements of the company are prepared in accordance with International Financial Reporting Standards ('IFRS'), interpretations issued by the International Financial Reporting Interpretations Committee ('IFRIC'), the going concern principle and the requirements of the South African Companies Act, 71 of 2008.

The financial statements have been prepared on the historical cost basis.

Reference to the current maturities of the financial assets and liabilities are disclosed in the statement of financial position notes and in the analysis of financial assets and liabilities. The accounting policies are consistent with the prior year.

All monetary information and figures presented in these financial statements are stated in South African Rands (R), unless otherwise indicated.

The principal accounting policies are set out below:

1. FINANCIAL INSTRUMENTS

A financial instrument is defined as a contract that gives rise to a financial asset in one entity and a financial liability or equity instrument in another entity. The company recognises financial assets and financial liabilities at the trade date when it becomes a party to the contractual provisions of the instrument.

1.1 Initial recognition

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial instruments are grouped into classes that are appropriate taking into account the characteristics and risks of those financial instruments. Classes of financial instruments have been determined by referring to the nature and extent of risks arising from the financial instruments and how these are managed.

The company generally does not reclassify financial instruments between different categories subsequent to initial recognition.

1.2 Classification

Financial assets are classified into the following categories:

- At fair value through profit or loss;
- At fair value through other comprehensive income; and
- Amortised cost.

Financial liabilities are classified into the following categories:

- Financial liabilities at fair value through profit or loss; and
- Financial liabilities at amortised cost.

A financial asset is measured at fair value through profit and loss unless it is measured at amortised cost or at fair value through other comprehensive income.

The company classifies all financial liabilities as subsequently measured at amortised cost.

1.3 Impairment

The company recognises a loss allowance for expected credit losses on financial assets that are measured at amortised cost, at fair value through other comprehensive income, lease receivables, contracts or loan commitments and financial guarantee contracts.

The company applies the impairment requirements for the recognition and measurement of a loss allowance for financial assets that are measured at fair value through other comprehensive income. The loss allowance is recognised in other comprehensive income and does not reduce the carrying amount of the financial asset in the statement of financial position.

Impairment losses or reversals are recognised in profit or loss.

ACCOUNTING POLICIES *continued*
FOR THE YEAR ENDED 30 SEPTEMBER 2017

2. TAXATION

2.1 Current

The charge for current tax is based on the results for the year adjusted for items which are tax exempt or are not tax deductible. Tax is calculated using rates that have been enacted or substantively enacted by the financial year-end.

2.2 Deferred tax

Deferred tax is calculated using the liability method.

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from:

- The initial recognition of goodwill; or
- The initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit or taxable profit nor tax loss.

A deferred tax liability is recognised for all taxable temporary differences associated with investments in subsidiaries and associates, except to the extent that both of the following conditions are satisfied:

- The company is able to control the timing of the reversal of the temporary difference; and
- It is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax is calculated using taxation rates that have been enacted or substantially enacted at financial year-end. The effect on deferred tax of any changes in taxation rates is charged to profit or loss, except to the extent that it relates to items previously charged or credited directly to equity in which case the deferred tax is charged to equity.

Deferred tax assets are recognised to the extent that it is probable that future profits will be available against which the associated tax deductible temporary differences can be utilised.

Deferred tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

STANDARDS

Standards and interpretations effective in the current period

No accounting standards and interpretations became applicable during the current reporting period that the company was required to adopt.

New standards issued but not yet effective

These amendments are not expected to have a material impact on the company's financial statements.

IFRS 12 – Disclosure of interests in other entities

Amendments to IFRS 12 included clarifying the scope of the standard by specifying that the disclosure requirements in the standard, except for those in paragraphs B10 – B16, apply to an entity's interests listed in paragraph 5 that are classified as held for sale, as held for distribution or as discontinued operations in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations.

The amendment is effective for the financial year ending 30 September 2018. The amendment is not expected to have a material impact on the company's financial statements.

IFRS 15 – Revenue from contracts with customers

The standard provides a single, principles based five-step model to be applied to all contracts with customers.

Guidance is provided on topics such as the point at which revenue is recognised, accounting for variable considerations, costs of fulfilling and obtaining a contract and various related matters. New disclosures about revenue are also introduced.

The amendment is effective for the financial year ending 30 September 2018. Significant revenue streams within the company are interest income, therefore the amendment is not expected to have a material impact on the company's financial statements.

ACCOUNTING POLICIES *continued*
FOR THE YEAR ENDED 30 SEPTEMBER 2017

STANDARDS *continued*

New standards issued but not yet effective *continued*

IFRS 16 – Leases
IFRS 16 introduces a comprehensive model for the identification of lease arrangements and accounting treatments for both lessors and lessees. IFRS 16 will supersede the current lease guidance including IAS 17 Leases and the related interpretations when it becomes effective.

IFRS 16 distinguishes leases and service contracts on the basis of whether an identified asset is controlled by a customer. Distinctions of operating leases (off balance sheet) and finance leases (on balance sheet) are removed for lessee accounting, and is replaced by a model where a right-of-use asset and a corresponding liability have to be recognised for all leases (i.e. all on balance sheet) except for short-term leases and leases of low value assets.

The right-of-use is initially measured at cost and subsequently measured at cost (subject to certain exceptions) less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications, amongst others. Furthermore, the classification of cash flows will also be affected as operating lease payments under IAS 17 are presented as operating cash flows; whereas under the IFRS 16 model, the lease payments will be split into a principal and interest portion which will be presented as financing and operating cash flows respectively.

In contrast to lessee accounting, IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17, and continues to require a lessor to classify a lease either as an operating lease or a finance lease.

The amendment is effective for the financial year ending 30 September 2020. Except for short term leases and leases of small value, the company's current operating leases will be disclosed based on the right of use model in IFRS 16.

IAS 7 – Cash flow statement
The amendments to IAS 7 clarify that entities shall provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities.

The amendment is effective for the financial year ending 30 September 2018. The amendment is not expected to have a material impact on the company's financial statements.

IAS 12 – Income taxes
The amendments to IAS 12 clarify the following aspects:

- Unrealised losses on debt instruments measured at fair value and measured at cost for tax purposes give rise to a deductible temporary difference regardless of whether the debt instrument's holder expects to recover the carrying amount of the debt instrument by sale or by use.
- The carrying amount of an asset does not limit the estimation of probable future taxable profits.
- Estimates for future taxable profits exclude tax deductions resulting from the reversal of deductible temporary differences.
- An entity assesses a deferred tax asset in combination with other deferred tax assets. Where tax law restricts the utilisation of tax losses, an entity would assess a deferred tax asset in combination with other deferred tax assets of the same type.

The amendment is effective for the financial year ending 30 September 2018. The amendment is not expected to have a material impact on the company's financial statements.

IFRIC 23 – Uncertainty over income tax treatments
IFRIC 23 clarifies the accounting for uncertainties in income taxes. The interpretation is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12.

The amendment is effective for the financial year ending 30 September 2019. The amendment is not expected to have a material impact on the company's financial statements.

NOTES TO THE COMPANY FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER

		2017 R	2016 R
1	**TRADE AND OTHER RECEIVABLES**		
	Prepayments	**45 743**	–
	Project costs*	**814 557**	–
	Total trade and other receivables	**860 300**	–
	The carrying value of trade and other receivables approximates fair value as they are short-term in nature and not subject to material changes in credit risk and fair value.		
	* *Project costs relate to the establishment and registration of the note programme.*		
2	**DEFERRED TAX**		
	Deferred tax is presented on the statement of financial position as follows:		
	Deferred tax assets*	**173 479**	–
	Net deferred tax assets	**173 479**	–
	The movements during the year are analysed as follows:		
	Balance at the beginning of the year	**–**	–
	Recognised in the income statement for the year	**173 479**	–
	Net deferred tax assets at the end of the year	**173 479**	–

* *Deferred tax assets have only been recognised for deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised.*

	Opening balance R	Charged to income R	Closing balance R
2017			
Temporary difference			
Assessed loss unutilised	**–**	**173 479**	**173 479**
	–	**173 479**	**173 479**

	Opening balance R	Charged to income R	Closing balance R
2016			
Temporary difference			
Assessed loss unutilised	–	–	–
	–	–	–

NOTES TO THE COMPANY FINANCIAL STATEMENTS *continued*

FOR THE YEAR ENDED 30 SEPTEMBER

		2017 R	2016 R
3	**TRADE AND OTHER PAYABLES**		
	Trade payables and accruals	**5 053**	–
	Total trade and other payables	**5 053**	–
	The carrying value of trade and other payables approximates fair value as they are short-term in nature and not subject to material changes in fair value.		
4	**ORDINARY SHARE CAPITAL**		
	Authorised		
	1 000 ordinary shares		
	Issued		
	100 (2016: 100) ordinary shares		
	Ordinary share capital	**100**	100
	Total ordinary share capital	**100**	100
5	**OPERATING COSTS**		
	Operating costs comprise:		
	Audit fees	**(137 121)**	–
	Audit fees – current year	**(5 053)**	–
	Audit fees – prior periods	**(132 068)**	–
	Listing costs	**(179 978)**	–
	Professional fees	**(279 300)**	–
	Other operating costs	**(23 167)**	
	Total operating costs	**(619 566)**	–
6	**INCOME TAX**		
	South African normal taxation:		
	Current taxation	**173 479**	–
	Current year	**173 479**	–
	Total income tax	**173 479**	–
	Tax rate reconciliation		
	South African tax rate	**28.0%**	28.0%
	Effective tax rate	**28.0%**	28.0%

NOTES TO THE COMPANY FINANCIAL STATEMENTS *continued*

FOR THE YEAR ENDED 30 SEPTEMBER

		2017 R	2016 R
7	**CASH UTILISED BY OPERATIONS**		
	Loss before taxation	**(619 566)**	–
	Cash utilised by operations	**(619 566)**	–
8	**RELATED PARTIES**		
8.1	Group loans		
	Transaction Capital Limited	**(1 474 713)**	100
	The loan is interest-free and repayable on demand.		

9 FINANCIAL RISK MANAGEMENT

The board is responsible for risk management and the setting of the risk management framework. Oversight of risk management is the responsibility of two board sub-committees: the asset and liability committee ('ALCO') and the audit, risk and compliance ('ARC') committee. ALCO monitors risks associated with liquidity and funding, interest rates, counterparties, currency exposures and capital adequacy. The ARC committee monitors risks associated with financial reporting, accounting policies, internal control and IT governance. The ARC committee is responsible for risk management including setting the risk management framework, setting risk appetite and monitoring the group's management of risk including credit and compliance.

The responsibility for day to day management of risks falls to each of the respective subsidiary's chief executive officers and their executive committees. Risk management is managed at subsidiary level through the divisional executive committees and reviewed by each of the respective subsidiary boards. Group oversight is the responsibility of the group financial director.

9.1 Credit risk

Credit risk is the risk of loss arising from the failure of a client or counterparty to discharge an obligation to the company. It is not the company's strategy to avoid credit risk, but rather to manage credit risk within the company's risk appetite and to earn an appropriate risk-adjusted return. The company does not consider there to be any significant concentration of credit risk which has not been adequately provided for.

9.1.1 FINANCIAL ASSETS SUBJECT TO RISK

Credit quality in the maximum exposure to credit risk of financial assets at the financial year-end is analysed as follows:

	Group loans R	Trade & other receivables* R	Total R
2017			
Neither past due nor impaired	**–**	**814 557**	**814 557**
Carrying value of financial assets	**–**	**814 557**	**814 557**

	Group loans R	Trade & other receivables* R	Total R
2016			
Neither past due nor impaired	100	–	100
Carrying value of financial assets	100	–	100

* *Prepayments are not financial assets and therefore have been excluded from trade and other receivables.*

9 FINANCIAL RISK MANAGEMENT *continued*

9.2 Liquidity risk

Liquidity risk is the risk that the company is unable to meet payment obligations when they fall due or that insufficient funds are available to meet loan demands in the ordinary course of business. The company's objectives in relation to liquidity risk are to manage the contractual mismatch between cash inflows from assets and cash outflows to settle liabilities, to fund the expected balance sheet growth, to honour all cash outflow commitments, to avoid raising funds at market premiums or through the forced sale of assets as a result of liquidity pressure and to take advantage of attractive but unanticipated borrowing opportunities.

The monitoring and reporting of liquidity risk takes the form of, as a minimum, cash flow projections to settlement of longest dated funding obligations, an analysis of the company's borrowing facilities and utilisation thereof, borrowing facilities under discussion, maturity profile and concentration of liability by counterparty, asset maturities and borrowing facility obligations and special conditions.

The group's capital markets ('CM') team is responsible for executing on fund raising mandates given to it by subsidiaries in support of the respective business models. This includes the ongoing assessment and evaluation of various funding sources designed to grow and diversify the group's funding base to achieve an optimal funding profile and sound liquidity. The CM team is also responsible for the ongoing monitoring of asset portfolio performance and its obligations to funders, including covenants.

It is the responsibility of each subsidiary to manage the daily cash flow requirements, to ensure funding covenants are maintained, to produce financial projections to monitor the impact of business trends on future funding requirements and covenants and to notify the CM team of any changes to the business environment that may impact funding requirements.

The table below analyses financial liabilities at the balance sheet date to the contractual maturity dates. The amounts disclosed in the table are the contractual undiscounted cash flows.

	On demand R	**Within 1 year R**	**From 1 – 5 years R**	**More than 5 years R**	**Total R**
2017					
Liabilities					
Trade and other payables	**5 053**	**–**	**–**	**–**	**5 053**
Group loans	**1 474 713**	**–**	**–**	**–**	**1 474 713**
Total liabilities	**1 479 766**	**–**	**–**	**–**	**1 479 766**

	On demand R	Within 1 year R	From 1 – 5 years R	More than 5 years R	Total R
2016					
Liabilities					
Trade and other payables	–	–	–	–	–
Group loans	–	–	–	–	–
Total liabilities	–	–	–	–	–

NOTES TO THE COMPANY FINANCIAL STATEMENTS *continued*
FOR THE YEAR ENDED 30 SEPTEMBER

9 FINANCIAL RISK MANAGEMENT *continued*

9.3 Fair value disclosure

The fair values of financial assets and financial liabilities are disclosed below:

	Carrying value 2017 R	**Fair value 2017 R**	Carrying value 2016 R	Fair value 2016 R
Assets				
Group loans	**–**	**–**	100	100
Trade and other receivables*	**814 557**	**814 557**	–	–
	814 557	**814 557**	100	100
Liabilities				
Group loans	**1 474 713**	**1 474 713**	–	–
Trade and other payables	**5 053**	**5 053**	–	–
	1 479 766	**1 479 766**	–	–
Net exposure	**(665 209)**	**(665 209)**	100	100

* *Prepayments are not financial assets and therefore have been excluded from trade and other receivables.*

NOTES TO THE COMPANY FINANCIAL STATEMENTS *continued*
FOR THE YEAR ENDED 30 SEPTEMBER

9 FINANCIAL RISK MANAGEMENT *continued*

9.4 Statement of financial position categories

2017	At fair value through profit and loss R	At fair value through other comprehensive income R	Financial assets carried at amortised cost R	Financial liabilities carried at amortised cost R	Non-financial liabilities or financial assets R	Equity R	Total R
Assets							
Trade and other receivables*	–	–	814 557	–	45 743	–	860 300
Deferred tax assets	–	–	–	–	173 479	–	173 479
Total assets	–	–	814 557	–	219 222	–	1 033 779
Equity and liabilities							
Liabilities							
Group loans	–	–	–	1 474 713	–	–	1 474 713
Trade and other payables	–	–	–	5 053	–	–	5 053
Total liabilities	–	–	–	1 479 766	–	–	1 479 766
Equity							
Ordinary share capital	–	–	–	–	–	100	100
Retained earnings	–	–	–	–	–	(446 087)	(446 087)
Total equity	–	–	–	–	–	(445 987)	(445 987)
Total equity and liabilities	–	–	–	1 479 766	–	(445 987)	1 033 779

2016	At fair value through profit and loss R	At fair value through other comprehensive income R	Financial assets carried at amortised cost R	Financial liabilities carried at amortised cost R	Non-financial liabilities or financial assets R	Equity R	Total R
Assets							
Group loans	–	–	100	–	–	–	100
Total assets	–	–	100	–	–	–	100
Equity and liabilities							
Equity							
Ordinary share capital	–	–	–	–	–	100	100
Total equity	–	–	–	–	–	100	100
Total equity and liabilities	–	–	–	–	–	100	100

* *Prepayments are not financial assets and therefore have been excluded from trade and other receivables.*

NOTES TO THE COMPANY FINANCIAL STATEMENTS *continued*

10 GOING CONCERN

The annual financial statements were prepared on a going concern basis. Based on their assessment, the directors have no reason to believe that the company will not continue as a going concern in the foreseeable future. The viability of the company is supported by the annual financial statements.

11 SUBSEQUENT EVENTS

No events which would have a material impact on either the financial position or operating results of the company have taken place between 30 September 2017 and the date of release of this report.

ADMINISTRATION

COMPANY REGISTRATION NUMBER

2016/130129/07

DIRECTORS

D Hurwitz
M Herskovits
R Goldstein

REGISTERED OFFICE

230 Jan Smuts Avenue
Dunkeld, 2196
P O Box 41888
Craighall, 2024

AUDITORS

Deloitte & Touche
Deloitte Place, The Woodlands
Woodlands Drive
Woodmead, Sandton
Private Bag X6, Gallo Manor, 2052

CERTIFICATE BY COMPANY SECRETARY

In terms of section 88 (2)(e) of Companies Act, I certify that the company has lodged with the Commissioner all such returns and notices as are required by the Companies Act and that all such returns and notices are true, correct and up to date.

Theresa Palos
Company Secretary
21 November 2017

TransCapital Investments

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