

TRANSCAPITAL INVESTMENTS LIMITED
(PREVIOUSLY K2016130129 (SOUTH AFRICA) (PTY) LTD)
REGISTRATION NUMBER: 2016/130129/07
AUDITED ANNUAL FINANCIAL STATEMENTS: 30 SEPTEMBER 2016

TRANSCAPITAL INVESTMENTS LIMITED
(PREVIOUSLY K2016130129 (SOUTH AFRICA) (PTY) LTD)

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AUDITED ANNUAL FINANCIAL STATEMENTS

30 SEPTEMBER 2016

TRANSCAPITAL INVESTMENTS LIMITED

ANNUAL FINANCIAL STATEMENTS

6 months period ended 30 September 2016

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

TRANSCAPITAL INVESTMENTS LIMITED

ADMINISTRATION

6 months period ended 30 September 2016

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.



T. Palos
Company Secretary

18 November 2016
Hyde Park

TRANSCAPITAL INVESTMENTS LIMITED

DIRECTORS' RESPONSIBILITY STATEMENT

6 months period ended 30 September 2016

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 given by management that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the 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 2016 and, in light of this review and the current financial position, are satisfied that the company has or 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 4.

The annual financial statements set out on pages 6 to 10, which have been prepared on the going concern basis, were approved by the directors on 18 November 2016 and are signed on their behalf:



Directors



INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDER OF TRANSCAPITAL INVESTMENTS LIMITED

Report on the Financial Statements

We have audited the financial statements of TransCapital Investments Limited set out on pages 7 to 10, which comprise the statement of financial position as at 30 September 2016 and the notes, comprising a summary of significant accounting policies and other explanatory information.

Directors' Responsibility for the Financial Statements

The company's directors are responsible for the preparation and fair presentation of these 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

National Executive: *LL Bam Chief Executive Officer *TMM Jordan Deputy Chief Executive Officer *MJ Jarvis Chief Operating Officer
*GM Pinnock Audit *N Sing Risk Advisory *NB Kader Tax TP Pillay Consulting S Gwala BPaaS *K Black Clients & Industries
*JK Mazzocco Talent & Transformation *MJ Comber Reputation & Risk *TJ Brown Chairman of the Board

A full list of partners and directors is available on request

* Partner and Registered Auditor

B-BBEE rating: Level 2 contributor in terms of the Chartered Accountancy Profession Sector Code

Associate of Deloitte Africa, a Member of Deloitte Touche Tohmatsu Limited

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of TransCapital Investments Limited as at 30 September 2016, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

Other reports required by the Companies Act

As part of our audit of the financial statements for the year ended 30 September 2016, we have read the Directors' Report and the Company Secretary's Certificate for the purpose of identifying whether there are material inconsistencies between these reports and the audited financial statements.

These reports are the responsibility of the respective preparers. Based on reading these reports we have not identified material inconsistencies between these reports and the audited financial statements. However, we have not audited these reports and accordingly do not express an opinion on these reports.

Report on Other Legal and Regulatory Requirements

In terms of the Independent Regulatory Board for Auditors (IRBA) Rule published in Government Gazette Number 39475 dated 04 December 2015, we report that Deloitte & Touche has been the auditor of TransCapital Investments Ltd for 1 year.

DELOITTE & TOUCHE
Deloitte & Touche
Registered Auditors

Per: Vuyelwa Sangoni
Partner
18 November 2016

TRANSCAPITAL INVESTMENTS LIMITED

DIRECTORS' REPORT

6 months period ended 30 September 2016

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 2.

Holding company

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

The audit and social and Ethics committee function is carried out at the holding company, Transaction Capital Limited. These 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>).

Subsequent event

Transaction Capital Limited (TC) is in the process of establishing the Programme to be listed on the Johannesburg Stock Exchange ("JSE"). The issuer of the Programme, TransCapital Investments Limited ("Issuer"), will be a 100% held subsidiary of TC, whose sole purpose is to raise funding under the Programme and on-lend these proceeds to TC or the TC Group for general corporate use. The Issuer's obligations pursuant to the Programme and the due and punctual payment of all amounts owing by the Issuer in respect of the instruments issued thereunder will be irrevocably and unconditionally guaranteed by TC. TC envisages listing the Programme on or about November 2016, followed by its debut issuance in the first or second quarter of 2017 (subject to market conditions and investor appetite).

TRANSCAPITAL INVESTMENTS LIMITED

STATEMENT OF FINANCIAL POSITION

6 months period ended 30 September 2016

		6 months period ended 30 September 2016 R
Assets		
<i>Current asset</i>		
Group Loans		100
Total assets		<u>100</u>
Capital and reserves		
Share capital	2	100
Total equity		<u>100</u>

* The entity, TransCapital Investments Limited, was only incorporated on 8 April 2016 and therefore there are no comparative numbers for the 2015 financial year.

TRANSCAPITAL INVESTMENTS LIMITED

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

6 months period ended 30 September 2016

1. Accounting policies

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 SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council, AC 500 standards as issued by the Accounting Practices Board, 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.

The company statement of financial position are presented in order of liquidity.

New standards, amendments and interpretations have not had a material impact on the company's financial statements.

Employee benefits

Medical aid obligation

Medical aid costs are recognised as an expense in the period in which the employees render services to the company. Differences between contributions payable and contributions actually paid are shown as either prepayments or accruals in the statement of financial position. There are no post-retirement benefit obligations for former employees.

Retirement funds

The company's contributions to defined contribution plans are recognised as an expense in the period in which the related services are rendered. There are no defined benefit plans for employees.

Employees' leave entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. An accrual is made for the annual leave liability at the financial year-end. Unutilised sick leave does not accrue to employees.

Termination benefits

The company recognises termination benefits as a liability in the statement of financial position and as an expense in profit or loss when it has a present obligation relating to termination. The company has a present obligation when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan, without possibility of withdrawal or providing termination benefits as a result of an offer to encourage voluntary redundancy.

Bonuses

Management and staff bonuses are recognised as an expense as incurred when it is probable that the economic benefits will be paid and the amount can be reliably measured.

TRANSCAPITAL INVESTMENTS LIMITED

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

6 months period ended 30 September 2016

6 months
period ended
30 September
2016
R

2. Share capital

Authorised

1000 shares of R1 each

1000

Issued

100 shares of R1 each

100

3. Statement of comprehensive income and cash flow statement

The company did not receive any revenue or incur any expenditure during the 6 months period ended 30 September 2016.

4. Subsequent event

Transaction Capital Limited (TC) is in the process of establishing the Programme to be listed on the Johannesburg Stock Exchange ("JSE"). The issuer of the Programme, TransCapital Investments Limited ("Issuer"), will be a 100% held subsidiary of TC, whose sole purpose is to raise funding under the Programme and on-lend these proceeds to TC or the TC Group for general corporate use. The Issuer's obligations pursuant to the Programme and the due and punctual payment of all amounts owing by the Issuer in respect of the instruments issued thereunder will be irrevocably and unconditionally guaranteed by TC. TC envisages listing the Programme on or about November 2016, followed by its debut issuance in the first or second quarter of 2017 (subject to market conditions and investor appetite).

5. Directors' Remuneration

The table below discloses the remuneration received by directors acting as directors of the Transaction Capital Limited Group for the period ending September 2016:

Executive Director	Salary 2016 R	Employee benefits 2016 R	Annual incentive bonus 2016 R	Total 2016 R
David Hurwitz	2 848 492	685 376	2 598 750	6 132 618
Mark Herskovits	2 104 560	407 540	1 228 500	3 740 600
Ronen Goldstein ¹	265 417	31 121	1 166 667	1 463 205
Total	5 218 469	1 124 037	4 993 917	11 336 422

¹Appointed as an executive director of Transaction Capital Limited from 1 August 2016

TRANSCAPITAL INVESTMENTS LIMITED

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

6 months period ended 30 September 2016

5. Directors' Remuneration (continued)

The table below discloses the directors' holding office at 30 September 2016 which held the following unvested Share Appreciation Rights granted under the Transaction Capital Limited Share Appreciation Rights Scheme:

	Grant Date	Vesting Date	Present Value	Number of SARs awarded	Number of SARs vested during the year and not exercised	Number of SARs exercised during the year	Gains on exercise of SARs
			R				R
David Hurwitz	11-Jul-13	11-Jul-16	3 200 000	2 004 494	2 004 494	-	-
	18-Nov-13	18-Nov-16	2 092 570	979 049	-	-	-
	25-Nov-14	25-Nov-18	1 029 000	300 000	-	-	-
	26-Nov-15	26-Nov-19	830 000	250 000	-	-	-
Mark Herskovits	11-Jul-13	11-Jul-16	2 700 000	1 691 292	1 691 292	751 685	5 417 021
	18-Nov-13	18-Nov-16	2 675 060	1 251 578	-	-	-
	25-Nov-14	25-Nov-18	857 500	250 000	-	-	-
	26-Nov-15	26-Nov-19	498 000	150 000	-	-	-
Ronen Goldstein	11-Jul-13	11-Jul-16	100 000	62 640	62 640	62 640	451 418
	18-Nov-13	18-Nov-16	150 000	70 180	-	-	-
	25-Nov-14	25-Nov-18	343 000	100 000	-	-	-
	26-Nov-15	26-Nov-19	498 000	150 000	-	-	-

The first tranche of the SARs vested on 11 July 2016. Participants have one year after vesting to exercise their rights.