Trans Capital Investments

Transcapital Investments Limited
Audited annual

FINANCIAL statements

For the year ended
30 September 2022

10 YEARS AS A LISTED ENTITY

Trans Capital Investments

Contents

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

Directors' **responsibility statement**

for the year ended 30 September 2022

The directors of Transcapital Investments Limited (the company) are responsible for the preparation and fair presentation of the audited company annual financial statements in accordance with International Financial Reporting Standards and the Financial Reporting Guides as issued by the Accounting Practices Board and in the manner required by the Companies Act, 71 of 2008 as amended, of South Africa ('Companies Act').

The directors confirm that the company is in compliance with the Companies Act and is operating in conformity with the company's memorandum of incorporation.

The directors' responsibilities include designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of these annual financial statements to ensure that they are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances. The responsibilities also include maintaining adequate accounting records and an effective system of risk management.

The audited company annual financial statements are prepared on the going concern basis. Nothing has come to the attention of the directors to indicate that the company will not remain a going concern in the year ahead.

The auditors are responsible for reporting on whether the company annual financial statements are fairly presented in accordance with the applicable financial reporting framework, and their unmodified report appears on pages 15 to 16.

David Hurwitz
Chief executive officer

Sean Doherty
Chief financial officer

Company **secretary's certificate**

for the year ended 30 September 2022

I hereby certify that, to the best of my knowledge and belief, the company has filed all such returns and notices as is required of a public company in terms of the Companies Act, 71 of 2008 as amended of South Africa ('Companies Act'), with the Companies and Intellectual Property Commission ('CIPC') for the financial year ended 30 September 2022, and that all such returns and notices appear to be true, correct and up to date.

Lisa Lill
Company secretary

15 November 2022

Directors' **report**

for the year ended 30 September 2022

Nature of business

The company provides treasury, management and administrative services to the Transaction Capital Limited group of companies.

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 provided on page 40.

Holding company

100% of the issued share capital is held by Transaction Capital Limited. Holding company

Changes to the Audit Committee

Mr Ian Kirk, subsequent to his appointment as chairman of the board of Transaction Capital Limited, will step down as a member of the audit committee with effect from 31 December 2022. Mr Seabrooke, who is currently an invitee to the audit committee, will consequently be appointed as a member of the audit committee with effect from 31 December 2022.

Audit committee **report**

for the year ended 30 September 2022

The responsibilities of the audit committee are set out in the Companies Act, 71 of 2008 as amended (the 'Act'), Transaction Capital's Memorandum of Incorporation, the King Code on Corporate Governance (King IV) and the JSE Listings Requirements. The audit committee's terms of reference are reviewed annually and approved by the board.

Composition

At 30 September 2022, the audit committee comprised of four independent non-executive directors, all of whom are financially literate and have adequate financial and commercial experience to fulfil their roles as members. The committee meets four times per year, with two members of the audit committee forming a quorum.

At the date of this report, the audit committee comprised of:

- Diane Radley (chairperson)
- Buhle Hanise
- Suresh Kana
- Ian Kirk

The external auditors attend all audit committee meetings and separate meetings may be held with the audit committee to afford the external auditors the opportunity to meet with the audit committee without the presence of management.

Representatives from internal audit attend all audit committee meetings and are similarly afforded the opportunity of separate meetings with the audit committee. The group internal audit executive has a functional reporting line to the committee chairperson and an administrative reporting line to the chief financial officer.

The effectiveness of the audit committee and its members is assessed on an annual basis.

Members of the audit committee are elected annually at the company's annual general meeting by the group's shareholders on recommendation from the board and nominations committee. The board may remove members of the audit committee and must fill vacancies within 40 business days.

Access to training is provided on an ongoing basis to assist members in discharging their duties.

Roles and responsibilities

The key functions and responsibilities of the audit committee, as outlined in the audit committee's terms of reference, include oversight of:

The preparation of financial reporting

- Ensure appropriate financial reporting procedures are established and operating effectively; including the consideration of all entities included in the consolidated group financial statements, to ensure it has access to all the financial information to allow the group to effectively prepare and report on the financial statements;
- Review of the annual financial statements, accounting practices and policies, internal financial controls and reports.
- Review and consider the findings of the annual JSE proactive monitoring report, and ensure that appropriate action is taken.

Combined assurance

- Monitor the appropriateness of the intended combined assurance model to provide a coordinated approach to all assurance activities;
- Review the skills, resources and experience of the company's finance function annually and report the results in the integrated annual report; and
- Review the suitability of the skills and experience of the chief financial officer.

Internal audit

- Review the independence, performance and effectiveness of the internal audit process and ensure that it has the necessary resources, budget, standing and authority to discharge its functions;
- Ensure that the internal audit function is periodically, subject to an independent quality review to ensure that it remains effective; and
- Review the suitability of the skills and experience of the internal audit executive.

External audit

- Recommend/nominate the external auditor for appointment by the shareholders;
- Approve the external auditor's engagement terms, including remuneration;
- Monitor the relationship between the external auditor and management;
- Report on the independence of the external auditor in the annual financial statements;
- Define a policy for non-audit services provided by the external auditor and pre-approve contracts for non-audit services outside this policy; and
- Review the performance and effectiveness of the external audit process.
- Review the Independent Regulatory Board of Auditors (IRBA) Inspection Findings Report to evaluate the engagement team's independence, competency, capacity and risk focus of the auditors.

Roles and responsibilities continued

Governance

- In liaison with external and internal audit, review the developments in corporate governance and best practices and consider their impact and implication for the businesses' processes and structures;
- Be available at all times to advise the chairman of the board on queries relating to the financial affairs and internal controls; and
- Oversee matters relating to accounting practices, internal control, content or audit of the financial statements, internal financial controls and any related matters.

Risk

- Oversee the management of:
  - Tax risks;
  - Financial reporting risks;
  - Internal financial controls; and
  - Fraud risks relating to financial reporting.

Accounting

- Make submissions to the board on accounting policies, financial controls, records and reporting.

Formation of tax sub-committee

The tax sub-committee (the 'committee') was formed on 1 October 2022. The committee consists of the following members who were all appointed on 1 October 2022:

- Chris Seabrooke (Chair)
- Diane Radley
- Jonathan Jawno

The committee was established to oversee the adoption, publication and adherence of/to the group tax strategy which provides guidance on the principles to be applied in managing the group's tax affairs as well as the commitment to tax transparency.

Requirements of the Companies Act

- The audit committee assumes responsibility for all subsidiary companies that do not have their own audit committees. Responsibilities include reviewing the formalised processes and controls followed on behalf of subsidiaries.

The audit committee confirms that it has adopted appropriate formal terms of reference to discharge its responsibilities, has regulated its affairs and has discharged all of its responsibilities as contained therein.

Annual confirmations

Having considered, analysed, reviewed and debated information provided by management, internal audit and external audit; the audit committee confirms that:

- The internal financial controls of the group have been effective in all material aspects throughout the year under review;
- These controls have ensured that the group's assets have been safeguarded;
- The chief financial officer's expertise and experience is deemed appropriate;
- Appropriate financial reporting procedures have been established and are operating effectively;
- The group has complied in all material respects with the implemented risk management policy during the year under review;
- Resources have been utilised efficiently;
- The skills, independence, audit plan, reporting and overall performance of the external auditors are acceptable and it recommends their re-appointment in 2023; and
- It has confirmed the suitability of the appointment of the current audit firm and the designated individual partner with the audit firm, having obtained information as required by the JSE Listings Requirements.

The internal auditors have reviewed the controls over financial reporting and presented their findings to the audit committee. During the current financial year, management identified no significant deficiencies in internal control over financial reporting either through the control self-assessment process or direct testing of results. The CEO and CFO's evaluation of controls included:

- The identification and classification of risks including the determination of materiality;
- Utilising internal audit to test the design adequacy and operating effectiveness of controls addressing high risk areas;
- Obtaining control declarations from divisional managers on the operating effectiveness of all controls on a quarterly basis;
- Developing remediation plans to address control deficiencies identified. The audit committee has discussed and documented the basis for its conclusion, which includes discussions with internal and external auditors as well as management.

Conclusions on roles and responsibilities

Finance function

The audit committee has satisfied itself to the appropriateness of the expertise and experience of the chief financial officer and finance function for the year under review.

Risk management

The audit committee and risk and technology committee have satisfied themselves to the risk management processes within the group and the effectiveness thereof.

External audit

In terms of the requirements of Mandatory Audit Firm Rotation, as instituted by the Independent Regulatory Board of Auditors ("IRBA"), Transaction Capital Limited will undergo a managed transition to new external auditors for, at the latest, the financial year ending 30 September 2024. The current responsible audit partner, Stephen Munro, has been on the Transaction Capital audit for three years and the other key audit partners, Lito Nunes, Patrick Kleb and Kelby Moothoosamy, for one year.

The audit committee, in consultation with executive management, agreed to an audit fee for the year under review. The fee is considered appropriate for the work that could reasonably have been foreseen at that time. Audit fees are disclosed in note 35 to the consolidated annual financial statements. In addition, the audit committee has approved a policy for non-audit services provided by the external auditors, is comfortable that non-audit services performed during the year have been reasonable and that this has not impacted on the independence of the external auditors.

The audit committee has reviewed the external auditor's report and is satisfied with the performance and effectiveness of the external audit process.

Internal audit

The audit committee has satisfied itself of the independence, performance and effectiveness of the internal audit process. The audit committee has considered and recommended the internal audit charter for approval by the board, which has so approved it.

The internal audit function will be subject to an independent quality review in 2023. The previous review was performed in 2016 and the function was found to generally conform to the International Standards for the Professional Practice of Internal Auditing with no material findings being noted.

The committee is satisfied with the arrangement and level of combined assurance provided by the internal and external audit functions.

Going concern

The going concern assertion of the group, as prepared by management, was reviewed by the audit committee and recommended to the board.

Annual financial statements

The audit committee:

- Reviewed the audited annual financial statements after interrogation with management, the external auditors and the internal auditors;
- Reviewed the external auditor's management letter and management's response thereto;
- Reviewed adjustments resulting from external audit queries and accepted any unadjusted audit differences; and
- Received and considered reports from the internal auditors.

The external audit report meets the requirements of International Auditing and Assurance Standards Board ('IAASB'). The audit opinion listed key audit matters in which areas of judgement have been applied, and how these matters have been addressed as part of the audit process. In this regard, the committee has obtained comfort on areas in which management has applied judgement by:

- Interrogating management on methodologies applied to areas of judgement and being kept appraised on changes to methodologies applied (where applicable);
- Reviewing back-tests results on areas of judgement, with satisfying results;
- Receiving detailed feedback from the auditors on their testing performed on areas of judgement; and
- Reviewing disclosure in the annual financial statements with regards to areas of judgement.

The committee concurs with and accepts the external auditor's report on the annual financial statements and has recommended the approval thereof to the board, which has subsequently approved the annual financial statements. These will be open for discussion at the forthcoming annual general meeting.

Conclusion

The audit committee is satisfied that it has fulfilled all its statutory duties, including those prescribed by the Companies Act, and those assigned to it by the board during the year under review in relation to its terms of reference.

Diane Radley
Audit committee chairperson

15 November 2022

Risk and technology committee **report**

for the year ended 30 September 2022

At 30 September 2022, the risk and technology committee (the 'committee') comprised of the following independent members:

- Ian Kirk (chairman)
- Diane Radley
- Suresh Kana

The committee has adopted terms of reference as its charter and has regulated its affairs in compliance with this and has discharged all of the responsibilities therein.

The committee was established to perform the statutory functions required to address risk and IT governance in terms of the King IV Report on Corporate Governance for South Africa, 2016 (King IV).

The key functions and responsibilities of the risk and technology committee, as outlined in the audit committee's terms of reference, include oversight of:

IT governance

The Committee will ensure that IT is suitably aligned with the Company's objectives, and in particular the Committee should:

- Consider the Company's IT risks and the adequacy of related controls;
- Ensure that the Company has adequate business resilience arrangements in place to identify and respond to incidents (including disaster recovery, cyber attacks and adverse social media events);
- Monitor and evaluate significant IT investments and expenditure;
- Ensure that the Company takes full advantage of the use of IT;
- Ensure that the Company is compliant with respect to IT laws and applicable rules, codes and standards;
- Where appropriate, obtain independent assurance on the effectiveness of the IT internal controls for outsourced and non-outsourced IT services;
- Ensure that systems are in place for the management of information such that:
  - all personal information is identified and managed appropriately in accordance with applicable laws; and
  - ensure that the intellectual property built into IT is protected.

Risk

- Oversee the development and annual review of a policy and plan for risk management;
- Monitor implementation of the policy and plan for risk management;
- Ensure that continuous risk monitoring by management takes place within the levels of risk tolerance approved by the board;
- Oversee that the risk management plan is widely disseminated throughout the Company and integrated in the day-to-day activities of the Company;
- Ensure that risk management assessments are performed on a continuous basis;
- Ensure that frameworks and methodologies are implemented to increase the possibility of anticipating unpredictable risks;
- Ensure that management considers and implements appropriate risk responses;
- Ensure that continuous risk monitoring by management takes place;
- Ensure proactive monitoring of intelligence to identify and respond to incidents, including cyber attacks and adverse social media events;
- Express the Committee's opinion to the board on the effectiveness of the system and process of risk management; and
- Review reporting concerning risk management that is to be included in the integrated report for it being timely, comprehensive and relevant.
- Oversee the management of:
  - Information and technology risks and
  - Compliance risks

Compliance

- The Risk and Technology committee has oversight of compliance with applicable laws and regulations.

Ian Kirk
Risk and technology committee chairman

15 November 2022

Social and ethics committee **report**

for the year ended 30 September 2022

At 30 September 2022, the social and ethics committee (the 'committee') comprised of the following members:

- Suresh Kana (chairman)
- Albertinah Kekana
- David Hurwitz
- Kuben Pillay
- Roberto Rossi

The committee has adopted terms of reference as its charter and has regulated its affairs in compliance with this, and has discharged all of the responsibilities set out therein.

The committee was established to assist the board in ensuring that Transaction Capital is and remains a good and responsible corporate citizen, and to perform the statutory functions required of a social and ethics committee in terms of the Companies Act, 71 of 2008 as amended of South Africa ('Companies Act') and the King IV Report on Corporate Governance for South Africa, 2016 (King IV).

The committee monitors relevant legislation and other legal requirements or prevailing codes of best practice, specifically with regard to matters relating to social and economic development, good corporate citizenship, transformation, the environment, health and public safety as well as labour and employment. The committee met four times during this financial year.

Key focus areas for the committee for the year under review included:

- Transformation, and particularly employment equity;
- Implementing the ethics functions across the group;
- Developing and implementing Transaction Capital's environmental, social and economic impact framework, which provides an objective and balanced account of Transaction Capital's sustainability impact and facilitates the communication of its shared value creation to stakeholders;
- Staff wellness and mental wealth.

Conclusion

Transaction Capital has the necessary policies and programmes in place to advance social and economic development, sound ethical behaviour, fair labour practices, responsible environmental practices and good customer relations. The committee confirms that Transaction Capital gives the necessary attention to its transformation, social and ethics responsibilities and has complied with the company's MOI and regulatory requirements. The committee is satisfied that it discharged its responsibilities set out in its terms of reference during the year.

Suresh Kana

Social and ethics committee chairman

15 November 2022

Corporate governance **report**

for the year ended 30 September 2022

Board of directors

The names of the directors in office at the date of this report are set out on page 40.

Debt officer

Pursuant to paragraphs 6.39(a) and 7.3(g) of the JSE Limited Debt Listings Requirements, Mark Herskovits was appointed as the Debt Officer of the company with effect from 21 October 2020. The board has considered and is satisfied with the competence, qualifications and experience of the Debt Officer.

Independent advice

A director may, if necessary, take independent professional advice at the expense of the company.

Company secretary

All directors have access to the advice and services of the company secretary, who provides guidance to the board as a whole and to individual directors with regard to how their responsibilities should be discharged in the best interest of the company.

Board sub-committees

The audit, social and ethics and the risk and technology committee functions are carried out at the holding company, Transaction Capital Limited.

The board has concluded that these committees fulfilled its responsibilities for the year under review in compliance with its terms of reference and statutory requirements as well as paragraph 7.3(e) of the JSE debt listing requirements.

Remuneration philosophy

The company is a special purpose vehicle which does not employ any employees and no remuneration is paid.

Sustainability reporting

As a special purpose vehicle, the company does not play an active role where the environment and community is involved. Sustainability issues are dealt with by the holding company.

Fundamental and affected transactions

The company does not conduct business with entities in which its directors have a financial interest. Directors are required to declare financial interests on an annual basis.

Compliance with King IV

The company is, as far as practically possible given the special purpose nature thereof, fully committed to the principles contained in the King IV Report on Corporate Governance™ for South Africa, 2016 (King IV).

The company is a special purpose vehicle and is a subsidiary of Transaction Capital Limited. The company has no employees and its management is outsourced to its holding company. The audit function and social and ethics function is carried out by the holding company, as provided for in section 94(2) and regulation 43(2) of the Companies Act. As a consequence, the governance framework of the holding company applies to the company, as appropriate. In the context of the above, the directors of the company are of the opinion that the company has complied with the principles of King IV for the year under review.

In terms of the JSE Debt Listings Requirements, the company is required to disclose the application of the King IV principles, as set out below.

Primary roles and responsibilities		Principles	Status	Comment
To be read in conjunction with Transaction Capital Limited's integrated annual report which is available at **http://www.transactioncapital.co.za/results-reports.php**				
Leadership, ethics and corporate citizenship				
1	**Leadership**	The governing body should lead ethically and effectively.	Apply	The board maintains a high level of individual and collective accountability and responsibility, and strives for fairness and transparency in all its dealings. Together, these principles drive a culture of ethical leadership and protects the creation of value for the group's stakeholders. The Transaction Capital Limited board is responsible for the strategic direction of TransCapital Investments Limited (the company). The board directs strategy with reference to the company's values and ethics charter, to ensure the company consistently delivers shared value outcomes for all stakeholders. The company's values form a common platform for effective, responsible and ethical leadership, and is the basis for all deliberations, decisions and actions at board level and within every area of the business. The company has a Nomination policy, Conflicts of Interest Policy and a Board Evaluations in place.
2	**Organisational ethics**	The governing body should govern the ethics of the organisation in a way that supports the establishment of an ethical culture.	Apply	The company is a special purpose vehicle with no employees and all functions are outsourced to its holding company, with the exception of the external audit function. The services performed by its holding company are conducted in accordance with Transaction Capital's ethics charter, as governed by the audit committee. Our values support our ability to maintain an ethical culture by setting the tone for the behaviour we expect from our executives and employees across the group. This includes always acting with integrity, striving for excellence, treating all our colleagues and stakeholders with respect, innovating in our markets, and taking accountability for our actions. Together, our ethical and values-based culture lays the groundwork for responsible value creation. Transaction Capital's ethics charter constitutes a formally documented policy to guide to entrench an ethical and values-based culture across the group. The ethics charter defines our vision, mission and values, and outlines our approach to delivering shared value outcomes. The board of the holding company's ethics governance framework sets out the structures and functions for governing ethics across the group. Effective governance of ethics enhances our businesses' growth, risk and sustainability profiles and secures our ability to sustainably deliver shared value outcomes. The pillars of this framework, serve to operationalise the group's ethics charter. The functions performed by its holding company are also governed by Transaction Capital's social and ethics committee.

Compliance with King IV continued

Primary roles and responsibilities		Principles	Status	Comment
Leadership, ethics and corporate citizenship continued				
3	**Responsible corporate citizenship**	The governing body should ensure that the organisation is and is seen to be a responsible corporate citizen.	Apply	The company is a special purpose vehicle with no employees and all functions are outsourced to its holding company, with the exception of the external audit function. Transaction Capital seeks to be a responsible corporate citizen and the business model demonstrates our commitment to sustainable and inclusive growth. We consistently generate good commercial returns for clients, across our industry value chains, while simultaneously creating net positive socio-economic returns with enduring benefits. As a result, the principles of responsible corporate citizenship underpin all key aspects of our business, with ultimate responsibility entrusted to the board. Through the sub-committees, the board oversees and monitors how the group's operations and activities affect its corporate citizenship status. An economic, social and environmental (ESE) framework is in place which defines each division's societal purpose, cascading into defined impact areas and supporting metrics. These were developed through engagement with internal and external stakeholders to address their key concerns and expectations. The ESE framework informs our strategic and operational initiatives to ensure that the group's impacts are appropriately managed to create and protect value for Transaction Capital and our stakeholders, while minimising activities that could erode value. Progress in improving these ESE indicators forms part of the scorecards of group and divisional executives, supporting alignment to sustainability objectives across the group
Strategy, performance and reporting				
4	**Strategy and performance**	The governing body should appreciate that the organisation's core purpose, its risks and opportunities, strategy, business model, performance and sustainable development are all inseparable elements of the value creation process.	Apply	The company is a special purpose vehicle. The strategy, direction and functions of the company are prescribed by the programme memorandum, programme agreement, agency agreement and any other ancillary agreements. Any changes to these agreements are approved by the board. Strategy is a key responsibility of the board, and it ensures a deep understanding of the business by monitoring strategy execution and engaging with executives across the group. Based on the recommendation of the holding company's Audit committee, the board approves the annual financial statements and any other reports published by the company, where required. The board ensures that the financial statements, which include the independent auditor's report, are available to stakeholders to make informed assessments of the company's performance.

Compliance with King IV continued

	Primary roles and responsibilities	Principles	Status	Comment
Strategy, performance and reporting continued				
5	**Reporting**	The governing body should ensure that reports issued by the organisation enable stakeholders to make informed assessments of the organisation's performance and its short, medium and long-term prospects.	Apply	The board of directors of the holding company acknowledges its responsibility for the integrity of external reports issued by the group. These reports should be read together for a complete view of the group and its sustainability performance, provided through the different lenses of our reporting suite. All external reports are considered and approved by the board prior to being issued.
Governing structures and delegation				
6	**Primary role and responsibilities of the governing body**	The governing body should serve as the focal point and custodian of corporate governance in the organisation.	Apply	The board of directors of the holding company is the focal point of its corporate governance framework. The holding company follows a stakeholder-inclusive approach to governance, with the holding company board being ultimately responsible and accountable to stakeholders for the performance, activities and control of the company. The board of directors of the holding company delegates specific responsibilities to appropriately mandated and constituted sub-committees. The audit committee and the social and ethics committee fulfil the statutory governance functions on behalf of Transaction Capital, its divisions and group subsidiaries in terms of the Companies Act 71 of 2008 and King IV. Transaction Capital's governance structures are aligned to King IV, which advocates an outcomes-based approach to governance. The board considers value creation against the King IV definition of corporate governance as the exercise of ethical and effective leadership to achieve the governance outcomes of good performance and ethical culture, effective control and legitimacy.
7	**Composition of the governing body**	The governing body should comprise the appropriate balance of knowledge, skills, experience, diversity and independence for it to discharge its governance role and responsibilities objectively and effectively.	Apply	The board of TransCapital Investments, in conjunction with its holding company nominations committee, assesses the composition and membership of the board. Directors of TransCapital Investments are of sufficient calibre, experience and number for their views to carry significant weight in board decisions. The activities of the holding company's board include reviewing and providing input on corporate strategy, business plans, risk propensity, budgets and sustainability. Strategies, business plans and performance criteria are clearly defined, with appropriate key performance indicators in place to measure and monitor performance against their strategies. Based on its most recent assessments performed in November 2022, Transaction Capital's board, together with the nominations committee, is satisfied that TransCapital Investment's board composition reflects the appropriate mix of knowledge, skills, experience and independence. The company has a Nomination policy, Conflicts of Interest Policy and a Board Evaluations in place.

Compliance with King IV continued

Primary roles and responsibilities		Principles	Status	Comment
Governing structures and delegation continued				
8	**Committees of the governing body**	The governing body should ensure that its arrangements for delegation within its own structures promote independent judgement, and assist with the balance of power and the effective discharge of its duties.	Apply	A delegation of authority is in place for board sub-committees of the holding company. Board sub-committees have terms of reference, which are reviewed annually. The governance function of the board sub-committees is outlined in the respective approved committee terms of reference. All sub-committees have fully functional structures, with clear objectives set out in their respective terms of reference. Terms of reference are approved by the board and reviewed annually. Included in each sub-committee's terms of reference is the imperative to enhance the standard of governance within the group, together with clearly defined authority delegation and reporting procedures.
9	**Evaluations of the performance of the governing body**	The governing body should ensure that the evaluation of its own performance and that of its committees, its chair and its individual members, support continued improvement in its performance and effectiveness.	Apply	The board of Transcapital Investments has executed its responsibilities in accordance with the evaluation policy. A formal performance evaluation of the holding company board (which includes the directors of the TransCapital Investments board), its committees and the company secretary are conducted annually by means of an evaluation questionnaire, to review the mix of skills, performance during the year, contribution and independence of individual directors. Results of the evaluations provide the basis for improvement of the board and its committees for the following year. The nominations committee workplan includes discussions on board performance as well as that of the chairman, members and sub-committees. Based on the annual evaluations undertaken during November 2022, the board has assessed the expertise, performance and experience of the chairman, lead independent director, CEO, CFO, internal audit executive and the company secretary and is satisfied that they are performing adequately. In accordance with King IV, the offices of the chairman, lead independent director and CEO are separate. Additionally, the board is satisfied with the qualifications, experience and competence of the company secretary, Lisa Lill, and that an arm's length relationship is maintained between the board and the company secretary.
10	**Appointment and delegation to management**	The governing body should ensure that the appointment of, and delegation to, management contribute to role clarity and the effective exercise of authority and responsibilities.	Apply	The company does not have any employees and all its functions have been outsourced to its holding company. Such functions are governed by Transaction Capital's committees.

Compliance with King IV continued

Primary roles and responsibilities		Principles	Status	Comment
Governance of functional areas				
11	**Risk**	The governing body should govern risk in a way that supports the organisation in setting and achieving its strategic objectives.	Apply	The company is a special purpose vehicle. The company does not have employees and all its functions have been outsourced to Transaction Capital Limited. The services performed by Transaction Capital Limited are governed by its Audit committee. The holding company has a board-approved risk framework, which sets the policy, risk appetite and tolerance levels of the group, identifies the material risks and opportunities, and ensures ongoing risk oversight and monitoring for the group. The board is assisted by the risk and technology committee and ALCO in governing risk in a way that supports the group's strategic objectives and the creation of value.
12	**Technology and information**	The governing body should govern technology and information in a way that supports the organisation in setting and achieving its strategic objectives.	Apply	The company does not have any employees and all its functions have been outsourced to its holding company. Data, information and technology are integral to the operations of the group and its divisions, and to their ability to deliver value and grow sustainably. The board has delegated the governance of information and technology to the risk and technology committee, which also ensures that an information and technology governance reporting framework is in place. Chief information officers are appointed at each division, with the appointments ratified by the group CEO. Information and technology expenditure is reported on and governed under the group's authority framework. An information and technology policy that addresses the governance of information and technology in line with the recommended practices of King IV is also in place. Each subsidiary sets its own strategy with regards to information and technology, which is reported to its board and the risk and technology committee. Disaster recovery and business continuity plans are in place for the group and are tested regularly. Compliance, information security, cybersecurity, risk and the control environment are all managed within each information and technology team. Additionally, the information and technology functions reported to the risk and technology committee that adequate arrangements are in place for ongoing business continuity, with proactive monitoring of intelligence in place to identify and respond to potential cyber attacks. Cybersecurity measures are in place in all businesses including the group executive office. Insurance policies were updated during the year following the changes in the group and new policies are in place from 1 July 2022.
13	**Compliance**	The governing body should govern compliance with applicable laws and adopted, non-binding rules, codes and standards in a way that supports the organisation being ethical and a good corporate citizen.	Apply	"The company does not have any employees and all its functions have been outsourced to its holding company. The risk and technology committee and the social and ethics committee are responsible for compliance oversight. Board processes are in place to keep up to date with changes in the legislative landscape including the JSE Debt Listings Requirements. The group-wide risk framework specifically manages compliance risk, with dedicated internal compliance functions in place within the divisions. Regulatory compliance is non-negotiable. The board proactively oversees the review of the group's systems of control and governance. It also continually recommends enhancements to ensure that each division is managed ethically, in compliance with legislative requirements and in line with best practice governance guidelines.

Compliance with King IV continued

Primary roles and responsibilities		Principles	Status	Comment
Governance of functional areas continued				
14	**Remuneration**	The governing body should ensure that the organisation remunerates fairly, responsibly and transparently so as to promote the achievement of strategic objectives and positive outcomes in the short, medium and long term.	N/A	The company has no employees and does not remunerate its directors individually. The directors of the TransCapital Investments Board are remunerated in accordance with their services by the holding company.
15	**Assurance**	The governing body should ensure that assurance services and functions enable an effective control environment, and that these support the integrity of information for internal decision-making and of the organisation's external reports.	Apply	The company is a special purpose vehicle. The company does not have employees and all its functions have been outsourced to Transaction Capital Limited. The services performed by Transaction Capital Limited are governed by its Audit committee. Compliance and internal audit representatives from Transaction Capital Limited are present at the Audit committee meetings. The Audit Committee and Risk and Technology Committee are responsible for overseeing the effectiveness of combined assurance arrangements within the group. The combined assurance plan is based on the recommendations of King IV.
Stakeholder relationships				
16	**Stakeholders**	In the execution of its governance role and responsibilities, the governing body should adopt a stakeholder-inclusive approach that balances the needs, interests and expectations of material stakeholders in the best interests of the organisation over time.	Apply	Stakeholder engagement is reported on at the holding company's board and social and ethics committee. The holding company board, through the social and ethics committee, oversees the group's stakeholder engagement strategies and processes, which enables executive management to understand and effectively respond to legitimate stakeholder concerns. The divisions each have their own tailored stakeholder engagement plans in place, which are reported, considered and discussed at their respective board meetings. The group's key stakeholder groups have been identified according to their levels of influence on the group, the group's impact on them and the level to which the group collaborates, involves or consults with them. Stakeholder concerns are also prioritised as part of the group's risk management framework.
17	**Institutional investors**	The governing body of an institutional investor organisation should ensure that responsible investment is practiced by the organisation to promote the good governance and the creation of value by the companies in which it invests.	N/A	The company is not an institutional investor.

Independent auditor's **report**

To the Shareholder 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 17 to 39, which comprise the statement of financial position as at 30 September 2022 and the statement of 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 2022, 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 corresponding sections of the International Ethics Standards Board for Accountants' (IESBSA) International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA code). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

For the purposes of the TransCapital Investments Limited 30 September 2022 audit, we have not identified any key audit matters.

Other Information

The directors are responsible for the other information. The other information comprises Statement of Directors' Responsibility and Approval, the Company Secretary's Certificate, the Directors' Report, the Audit Committee Report, the Risk and Technology Committee Report the Social and Ethics Committee Report, as well as the Corporate Governance 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 on the other information obtained prior to the date of this auditor's report, 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 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.

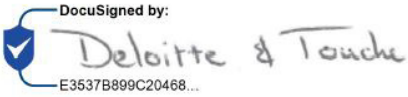
We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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 7 years.



Deloitte & Touche

Registered Auditor
Per: Stephen Munro
Partner

15 November 2022

5 Magwa Crescent, Waterfall City, Waterfall

Statement of **financial position**

at 30 September 2022

	Notes	2022 R	2021 R
Assets			
Cash and cash equivalents	4	**1 130 990**	18 842
Trade and other receivables	5	**60 448**	57 570
Loan to group company	16	**1 640 000**	800 000
Loans to holding company	10	**454 977 848**	–
Total assets		**457 809 286**	876 412
Liabilities			
Trade and other payables	7	**108 775**	6 608
Loans from group companies	16	**5 762 194**	4 793 759
Interest-bearing liabilities	8	**455 588 162**	–
Total liabilities		**461 459 131**	4 800 367
Equity			
Ordinary share capital	9	**100**	100
Retained earnings		**(3 649 945)**	(3 924 055)
Total equity		**(3 649 845)**	(3 923 955)
Total equity and liabilities		**457 809 286**	876 412

Statement of **comprehensive income**

for the year ended 30 September 2022

	Notes	2022 R	2021 R
Interest income	12	**23 252 655**	433
Interest expense	12	**(21 926 873)**	–
Net interest income	12	**1 325 782**	433
Impairment loss	10	**(1 369 041)**	–
Non-interest revenue	11	**730 435**	800 000
Operating costs	13	**(413 066)**	(823 663)
Profit/ (loss) before tax		**274 110**	(23 230)
Income tax expense	14	**–**	(864 633)
Profit/ (loss) for the year		**274 110**	(887 863)
Other comprehensive income		**–**	–
Total comprehensive profit/ (loss) for the year		**274 110**	(887 863)

Statement of **changes in equity**

for the year ended 30 September 2022

	Number of ordinary shares	Share capital R	Retained earnings R	Total equity R
Balance at 30 September 2020	100	100	(3 036 192)	(3 036 092)
Total comprehensive income	–	–	(887 863)	(887 863)
Loss for the year	–	–	(887 863)	(887 863)
Other comprehensive income	–	–	–	–
Balance at 30 September 2021	**100**	**100**	**(3 924 055)**	**(3 923 955)**
Total comprehensive income	**–**	**–**	**274 110**	**274 110**
Profit for the year	**–**	**–**	**274 110**	**274 110**
Other comprehensive income	**–**	**–**	**–**	**–**
Transfer to retained earnings		**–**	**–**	**–**
Balance at 30 September 2022	**100**	**100**	**(3 649 945)**	**(3 649 845)**

Statement of **cash flows**

for the year ended 30 September 2022

	Notes	2022 R	2021 R
Cash flow from operating activities			
Cash generated by operations	15	**(89 929)**	(23 663)
Interest received*		**17 905 766**	433
Interest paid**		**(16 763 711)**	–
Income taxes paid		**–**	(664)
Cash flow from operating activities before changes in operating assets and working capital		**1 052 126**	(23 894)
Loans to holding company		**(451 000 000)**	–
Changes in working capital		**38 841**	(10 493)
Increase in trade and other receivables***		**(63 326)**	(3 259)
Increase/ (decrease) in trade and other payables		**102 167**	(7 234)
Net cash utilised by operating activities		**(449 909 033)**	(34 387)
Cash flow from financing activities			
Proceeds from interest-bearing liabilities		**451 000 000**	–
Increase in loans from group companies		**21 181**	9 682
Net cash generated by financing activities		**451 021 181**	9 682
Net increase/ (decrease) in cash and cash equivalents		**1 112 148**	(24 705)
Cash and cash equivalents at the beginning of the year	4	**18 842**	43 547
Cash and cash equivalents at the end of year	4	**1 130 990**	18 842

* *Interest received has been reduced by R5 346 889 (2021: R nil) for non-cash flow item which is the accrual of interest to be received from Transaction Capital Limited in respect to the Loan to holding company.*

** *Interest paid has been reduced by R5 163 162 (2021: R nil). This is in respect to the accrual of interest on the interest bearing liabilities. The interest on the interest bearing liabilities is settled on a quarterly basis.*

*** *Trade and other payables has been adjusted for the closing balance of R60 448 for 2022 which was paid on behalf of the company by the group company.*

Notes to the **annual financial statements**

for the year ended 30 September 2022

1 Basis of preparation

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 and JSE Debt Listings requirements.

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

Reference to the current maturities of these financial assets and liabilities are disclosed in the statements of financial position notes and in the analysis of financial assets and liabilities.

All monetary information and figures presented in these financial statements are stated in thousands of South African Rands, unless otherwise stated. The accounting policies are consistent with the prior year.

The company has consistently applied the accounting policies to all periods presented in these financial statements.

2 Management estimates

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that may affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and other factors that are believed to be reasonable under the circumstances. This forms the basis of making the judgements on carrying values of assets or liabilities that are not otherwise readily apparent. Actual results may differ from these estimates. The estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision only affects that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Impairment of loans to holding company

Expected credit losses are measured as an allowance equal to 12-month expected credit losses (ECL) or lifetime ECL. An asset moves to lifetime ECL when its credit risk has increased significantly since initial recognition. IFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased the company considers qualitative and quantitative reasonable and supportable forward-looking information. Refer to note 17.2.2 for further information.

3 Changes in accounting policies and disclosures

The accounting policies applied in the preparation of the financial statements is in terms of International Financial Reporting Standards (IFRS) and are consistent with those accounting policies applied in the preparation of the previous annual financial statements, except for the adoption of amended accounting standards and interpretations , as described below.

Impact of the initial application of interest rate benchmark reform amendments to IFRS 9 and IFRS 7

These amendments modify specific hedge accounting requirements to allow hedge accounting to continue for affected hedges during the period of uncertainty before the hedged items or hedging instruments affected by the current interest rate benchmarks are amended as a result of the on-going interest rate benchmark reforms.

The interest rate benchmark reform amendments have not had a material impact on the amounts reported in the annual financial statements.

Disclosure of accounting policies (amendments to IAS 1 and IFRS practice statement 2)

The amendments require that an entity discloses its material accounting policies, instead of its significant accounting policies. Further amendments explain how an entity can identify a material accounting policy. Examples of when an accounting policy is likely to be material are added. To support the amendment, the Board has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in IFRS Practice Statement 2.

The amendment is effective for the financial year ending 30 September 2024. The amendment is not expected to have a material impact on the annual financial statements.

Definition of accounting estimates (amendments to IAS 8)

The amendments replace the definition of a change in accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The amendments clarify that a change in accounting estimate that results from new information or new developments is not the correction of an error.

The amendment is effective for the financial year ending 30 September 2024. The amendment is not expected to have a material impact on the annual financial statements.

3 Changes in accounting policies and disclosures continued

Deferred tax relating to assets and liabilities arising from a single transaction (amendments to ias 12)

The amendment clarifies how a company accounts for income tax, including deferred tax, which represents tax payable or recoverable in the future. In specified circumstances, companies are exempt from recognising deferred tax when they recognise assets or liabilities for the first time. The aim of the amendments is to reduce diversity in the reporting of deferred tax on leases and decommissioning obligations, by clarifying when the exemption from recognising deferred tax would apply to the initial recognition of such items.

The amendment is effective for the financial year ending 30 September 2024. The amendment is not expected to have a material impact on the annual financial statements.

Annual improvements to IFRS standards 2018 – 2020:

The annual improvements applicable for the 2018-2020 cycle include amendments to certain standards, the amendments applicable to the company are:

Fees in the '10 per cent' Test for Derecognition of Financial Liabilities (Amendment to IFRS 9)

IFRS 9 requires an entity to derecognise a financial liability and recognise a new financial liability when there is an exchange between an existing borrower and the lender of debt instruments with substantially different terms (including a substantial modification of the terms of an existing financial liability or part of it). The terms are substantially different if the discounted present value of the remaining cash flows under the new terms are at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability ('10 per cent' test). The amendment clarifies which fees an entity includes when it applies the '10 per cent' test in assessing whether to derecognise a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

The amendment is effective for the financial year ending 30 September 2023. The amendment is not expected to have a material impact on the annual financial statements.

		2022 R	2021 R
4	**Cash and cash equivalents**		
	Bank balances	**1 130 990**	18 842
	Total cash and cash equivalents	**1 130 990**	18 842
	Bank overdrafts	**–**	–
	Net cash and cash equivalents	**1 130 990**	18 842
	Ceded as part security for securitisation debentures and loans as shown in note 8, in favour of the guarantor.		
5	**Trade and other receivables**		
	Prepayments	**60 448**	57 570
	Total trade and other receivables	**60 448**	57 570

The carrying value of trade and other receivables approximates fair value as these are short-term in nature and not subject to material changes in credit risk and fair value.

The trade and other receivables is prepaid expenditure - which is a non-financial asset, and expected credit losses are not applicable.

6 Deferred tax asset

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 nor taxable profit or tax loss.

A deferred tax liability is recognised for all taxable temporary, 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 substantively enacted at financial year-end. Based on the announcement by the minister of finance in his budget speech to reduce the corporate income tax rate from 28% to 27% for years of assessment commencing on or after 1 April 2022, deferred tax balances as at 30 September 2022 have been recognised at the reduced tax rate. The tax rate of 27% is viewed to be substantively enacted.

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 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.

	2022 R	2021 R
Deferred tax is presented in the statement of financial position as follows:		
Deferred tax assets	–	–
Deferred tax asset at the end of the year	–	–
The movements during the year are analysed as follows:		
Balance at the beginning of the year	–	863 969
Recognised in the income statement for the year	–	(864 633)
Prior year adjustment	–	664
Deferred tax asset at the end of the year	–	–

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. In the prior year, the assessed loss of R864 633 was derecognised. The unrecognised balance remained available to be utilised against future taxable profits. The assessments are performed on a continuous basis and if required the deferred tax asset is impaired.

	Opening balance R	Charged to income statement R	Prior year adjustment R	Closing balance R
2022				
Temporary difference				
Assessed loss unutilised	–	–	–	–
Total	–	–	–	–

A deferred tax asset of R205 464 was not recognised during the current financial year.

	Opening balance R	Charged to income statement R	Prior year adjustment* R	Closing balance R
2021				
Temporary difference				
Assessed loss unutilised	863 969	(864 633)	664	–
Total	863 969	(864 633)	664	–

* *The prior year adjustment of R664 was presented in the 2021 Financial Statement under an "Other" line however in the 2022 finanical statements the R664 has been disclosed under the "Assessed loss unutilised" line for 2021*

	Notes	2022 R	2021 R
7 Trade and other payables			
Trade payables and accruals		**7 875**	6 608
VAT payable		**100 900**	–
Trade and other payables		**108 775**	6 608

Trade payables and accruals principally comprise amounts outstanding for trade purchases and ongoing costs. The average credit period taken for trade purchases is 30 days. For most suppliers no interest is charged on the trade payables for the first 30 days from the date of the invoice. Thereafter, interest is charged on the outstanding balances at various interest rates. The company has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

8 Interest-bearing liabilities			
Type of loan			
Debentures		**455 588 162**	–
Total interest-bearing liabilities		**455 588 162**	–
Classes of interest-bearing liabilities			
Debentures		**455 588 162**	–
Total interest-bearing liabilities		**455 588 162**	–
Maturity profile			
Payable after 3 years		**212 286 641**	–
Payable after 5 years		**243 301 521**	–
Total interest-bearing liabilities		**455 588 162**	–

Restrictive funding arrangements

During the current and prior year, the company had no restrictive funding arrangements as defined by the JSE listing requirements.

2022 Sponsor	Restrictive conditions	Maturity Date	Rm
Rand Merchant Bank	Non-restrictive	2027/02/15	**243 301 521**
Rand Merchant Bank	Non-restrictive	2025/02/17	**212 286 641**

The company was not during the year or at year end in breach or default of any provisions of the terms or conditions of the agreements governing borrowings that will change the timing or amount of cash flows.

2022 Loan	Description	Date issued	Interest Rate	Maturity Date	Rm
Debenture	Term	2022/02/15	3 Month JIBAR plus 3.39%	2027/02/15	**243 301 521**
Debenture	Term	2022/02/15	3 Month JIBAR plus 2.89%	2025/02/17	**212 286 641**

	2022 R	2021 R
9 Ordinary share capital		
Authorised		
1 000 Ordinary shares		
Issued		
100 (2021: 100) Ordinary shares	**100**	100
Ordinary share capital	**100**	100

All issued shares are paid up.

	2022 R	2021 R
10 Loans to holding company		
Gross loan to holding company	**456 346 889**	–
Impairment	**(1 369 041)**	–
Net loan to holding company	**454 977 848**	–
Maturity Analysis		
Within one year	**–**	–
Payable thereafter	**454 977 848**	–
Total loan to holding company	**454 977 848**	–

The funds receieved from the debentures isssued during the financial year was loaned to Transaction Capital Limited at a 3 month JIBAR plus rate. Refer to note 17.2.2 for further explanation on credit risk.

11 Revenue recognition

General Policy

Revenue is measured based on the consideration specified based on a cost plus methodology which is set out in the contract. The revenue is made up of the fees for rendering services to the Transaction Capital group companies.

11.1 Rendering of services

The recognition of revenue from the rendering of services is included in the table below for each significant source of revenue.

Product and service	Nature, timing of satisfaction of performance obligations
Secretarial services	Secretarial services were provided at specific points within the financial periods. Revenue was recognised as the performance obligation was met and the services provided to the client.

	2022 R	2021 R
Non-interest revenue:		
Secretarial services	**730 435**	800 000
Total non-interest revenue	**730 435**	800 000

12 Interest income and expense

	2022 R	2021 R
Interest is earned on:		
Cash and cash equivalents	**23 822**	433
Loan to holding compay	**23 228 833**	–
Total interest income	**23 252 655**	433
Interest expense on debenture instruments	**(21 926 873)**	–
Total interest expense	**(21 926 873)**	–
Interest income	**23 252 655**	433
Interest expense	**(21 926 873)**	–
Net interest income	**1 325 782**	433

	2022 R	2021 R
13 Operating costs		
Operating costs comprise:		
Audit fees	**82 297**	6 229
Bank charges	**82 591**	85 138
Consulting fees	**–**	5 083
Listing fees	**238 915**	325 217
Professional fees – other	**–**	396 750
Secretarial fees	**9 263**	5 246
Total operating costs	**413 066**	823 663

Executive compensation

Executive directors' remuneration

The following table shows a breakdown of the annual remuneration of directors' for the year ended 30 September 2022, the below disclosed directors emoluments are paid from Transaction Capital Limited for services provided as directors across the group.

	2022				
	Salary R	Short-term employee benefits* R	Present value of share-based awards** R	Annual incentive bonus R	Total R
Executive directors					
Sean Doherty	**2 899 611**	**539 430**	**4 574 708**	**2 833 333**	**10 847 082**
Mark Herskovits	**2 732 190**	**574 983**	**3 734 644**	**2 708 333**	**9 750 150**
David Hurwitz	**6 220 437**	**690 169**	**5 463 769**	**6 792 500**	**19 166 875**
Total	**11 852 238**	**1 804 582**	**13 773 121**	**12 334 166**	**39 764 107**

	2021				
	Salary R	Short-term employee benefits* R	Present value of share-based awards** R	Annual incentive bonus R	Total R
Executive directors					
Sean Doherty	2 569 551	480 966	3 671 204	2 250 000	8 971 721
Mark Herskovits	2 613 202	540 933	3 509 204	2 326 430	8 989 769
David Hurwitz	5 110 619	627 550	5 134 023	5 958 333	16 830 525
Total	10 293 372	1 649 449	12 314 431	10 534 763	34 792 015

* *There were no post employment, other long term or post termination benefits paid to executive directors.*

** *Value of share-based awards made during the financial year. To enhance disclosure, the present value of share-based payments have been restated to include the stretch performance awards awarded to the executivee directors on 16th of November 2021. The figure presented in the prior year included only the normal awards.*

13 Operating costs continued

Executive compenstion continued

Conditional Share Plan (CSP)

The following table shows the position for directors in office at 30 September 2022:

	Component	Present value of CSP * R	Vesting periods (years)	Number of CSPs*	Number of CSPs excercised during the year	Gain on CSPs exercised R
Executive director						
David Hurwitz						
Granted on 22 November 2016	Group	–	–	2 to 4	30 759	1 305 720
Granted on 22 November 2017	Group	348 666	27 760	2 to 5	85 920	3 647 304
Granted on 20 November 2018	Group	1 599 690	98 203	2 to 5	85 351	3 623 150
Granted on 26 November 2019	Group	3 632 316	191 007	3 to 5	–	–
Granted on 24 November 2020	Group	4 635 135	255 192	3 to 5	–	–
Granted on 16 November 2021	Group	5 134 023	126 766	3 to 5	–	–
Granted on 15 November 2022	Group	5 463 769	146 639	3 to 5	–	–
Mark Herskovits						
Granted on 22 November 2016	Group	–	–	2 to 4	26 313	1 116 987
Granted on 22 November 2017	Group	175 664	13 986	2 to 5	43 290	1 837 661
Granted on 20 November 2018	Group	798 990	49 049	2 to 5	42 631	1 809 686
Granted on 26 November 2019	Group	1 615 142	84 933	3 to 5	–	–
Granted on 24 November 2020	Group	3 013 986	165 938	3 to 5	–	–
Granted on 16 November 2021	Group	3 509 204	86 647	3 to 5	–	–
Granted on 15 November 2022	Group	3 734 644	100 232	3 to 5	–	–
Sean Doherty						
Granted on 19 June 2019	Group	3 711 399	215 779	3 to 5	107 889	4 670 515
Granted on 26 November 2019	Group	1 634 558	85 954	3 to 5	–	–
Granted on 24 November 2020	Group	2 267 200	124 823	3 to 5	–	–
Granted on 16 November 2021	Group	3 671 204	90 647	3 to 5	–	–
Granted on 15 November 2022	Group	4 574 708	122 778	3 to 5	–	–

* *To enhance the disclosure, the present value of share based payments have been restated to include the stretch performance awards awarded to the executive directors on the 16th November 2021. The figures presented in the prior year included only the normal awards.*

14 Income tax

14.1 Current tax

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

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.

14.2 Income tax expense

	2022 R	2021 R
South African normal taxation:		
Current taxation	–	(664)
Current year	–	(664)
Deferred taxation	–	(863 969)
Current year	–	(864 633)
Prior years	–	664
Total income tax expense	–	(864 633)
Tax rate reconciliation		
Profit/ (loss) before tax from continuing operations	**274 110**	(23 230)
South African tax	–	(864 633)
Effective tax	–	(864 633)
South African tax rate	**28%**	28%
Tax effects of:		
Expenses not deductible for tax purposes	–	–
Tax losses not recognised	–	(28%)
Tax not previously recognised now utilised	**(28%)**	–
Effective tax rate	–	–

15 Cash generated by operations

	Notes	2022 R	2021 R
Profit/ (loss) before taxation from continuing operations:		**274 110**	(23 230)
Adjusted for:			
Interest income		**(23 252 655)**	(433)
Interest expense		**21 926 873**	–
Impairment expense		**1 369 041**	–
Non-cash secretarial fee revenue*		**(730 435)**	–
Other non-cash operating expenditure**		**323 137**	–
Cash generated by operations		**(89 929)**	(23 663)

* *Secretarial fee revenue has been removed as the revenue has increased the TCCS loan to group company and the cash has not been received.*

** *Other non-cash operating expenditure relates to expenses set-off against the group loan.*

16 Related parties

	2022 R	2021 R
Transactions with group companies		
TC Corporate Support Proprietary Limited – secretarial service revenue	**730 435**	800 000
Transaction Capital Limited – interest income	**23 228 833**	–
Balance for the year	**23 959 268**	800 000
Balances with group companies		
Transaction Capital Limited loan liability*	**(5 762 194)**	(4 793 759)
TC Corporate Support Proprietary Limited loan asset*	**1 640 000**	800 000
Transaction Capital Limited loan receivable**	**454 977 848**	
Balance at the end of the year	**450 855 654**	(3 993 759)

* *Interest free and receivable/(payable) on demand*
** *Interest bearing at a 3 month JIBAR plus rate, with repayment at the end of the loan term on the date disclosed in the interest bearing liability note 8.*

17 Financial risk management

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.

17.1 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.

17.2 Financial assets

17.2.1 Amortised cost and effective interest method

These instruments are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Financial assets which have been classified as loans and receivables include cash that does not meet the definition of cash as defined in IAS 7- Statement of Cash Flows, trade and other receivables, loans and advances.

Loans and receivables (including trade and other receivables, bank balances, cash and group loans) are initially recognised at fair value. Subsequently, loans and receivables are carried at amortised cost using the effective interest method, less any impairment losses. Amortised cost is calculated by taking into account any transaction costs on acquisition and fees and costs that are an integral part of the effective interest rate.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost. For financial assets other than purchased credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired. For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

Interest income is recognised in profit or loss and is included in the interest income line item (note 11 of the annual financial statements.).

17 Financial risk management continued

17.2 Financial assets continued

17.2.1 Amortised cost and effective interest method continued

Classification

A financial asset is measured at amortised cost if:

- The financial asset is held within a business model whose objective is to collect contractual cash flows; and
- The contractual terms of the financial asset give rise to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

A financial asset is measured at fair value through other comprehensive income if:

- The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- The contractual terms of the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding. 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. In certain instances the business model is not to collect contractual cash flows, nor to sell the asset and in these cases the financial asset is held at fair value through profit and loss.

Financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at fair value through profit or loss (FVTPL).

Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held for trading, or (iii) designated as at FVTPL, are measured subsequently at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

17.2.2 Credit Risk

Impairment

The company recognises a loss allowance for expected credit losses (ECL) on financial assets that are measured at amortised cost Impairment losses or reversals are recognized in profit or loss.

The impairment requirements result in the recognition of lifetime ECL for all financial instruments for which there have been significant increases in credit risk since initial recognition, whether assessed on an individual or collective basis, considering all reasonable and supportable information, including that which is forward looking. If at the reporting date, the credit risk on a financial instrument has not increased significantly since initial recognition, the company measures the loss allowance for that financial instrument at an amount equal to 12 months ECL.

Measurement of expected credit losses (ECL)

The company measures ECL of a financial instrument in a way that reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The maximum period considered when measuring ECL is the maximum contractual period (including extension options) over which the company is exposed to credit risk, and not a longer period, even if that period is consistent with business practice. The measurement of ECL is a function of the probability of default (PD),loss given write-offs (LGW) and exposure at default (EAD). The assessment of the probability of default and loss given write-offs is based on historical data adjusted by forward-looking information as described above. As for the EAD for financial assets, this is represented by the assets' gross carrying amount at the reporting date and other relevant forward-looking information.

For financial assets, the ECL is estimated as the difference between all contractual cash flows that are due to the company in accordance with the contract and all the cash flows that the company expects to receive, discounted at the original effective interest rate.

17 Financial risk management continued

17.3 Nature of financial risk

Interest rate risk

Interest rate risk is the risk of loss arising from changes in the fair value or future cash flows of a financial instrument as a result of movement in market interest rates.

The company is exposed to interest rate risk as it borrows and places funds. The risk is managed by placing funds and borrowings on short term.

	Loan to holding company R	Trade and other receivables* R	Total R
2022			
Neither past due nor impaired	**456 346 889**	**–**	**456 346 889**
Past due but not impaired	**–**	**–**	**–**
Impaired	**–**	**–**	**–**
Purchased credit-impaired financial assets	**–**	**–**	**–**
Impairment allowance	**(1 369 041)**	**–**	**(1 369 041)**
Performing loans and advances	**(1 369 041)**	**–**	**(1 369 041)**
Non-performing loans and advances	**–**	**–**	**–**
Non-performing trade and other receivables	**–**	**–**	**–**
Carrying value of financial assets	**454 977 848**	**–**	**454 977 848**

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

The Debenture instruments were issued in the current financial year. Thus in the prior financial year there are no comparatives to compare.

17.3.1 Risk profile of financial assets and liabilities

The table below summarises the exposure to interest rate risk through grouping assets and liabilities into repricing categories, determined to be the earlier of contractual repricing date or maturity.

	Floating rate liabilities R	Floating rate assets R	Net floating rate (liabilities)/ assets R
2022	**(455 588 162)**	**456 108 838**	**(520 676)**
Total	**(455 588 162)**	**456 108 838**	**(520 676)**
2021	(6 608)	18 842	12 234
Total	(6 608)	18 842	12 234

17.3.2 Weighted average interest rates

The table below summarises the weighted interest rate of bank balances and borrowings.

	2022		2021	
	Bank balances %	Borrowings %	Bank balances %	Borrowings %
Total	**6.98**	**7.24**	2.20	-

17 Financial risk management continued

17.3 Nature of financial risk continued

17.3.3 Interest rate sensitivity analysis

The company's exposure to interest rate risks is set out below:

	Effect on profit before tax of 1% change in rates R	Total carrying value of assets and liabilities R
30 September 2022		
Assets		
Cash and cash equivalents	**11 310**	**1 130 990**
Loan to holding company	**4 549 778**	**454 977 848**
Total	**4 561 088**	**456 108 838**
Liabilities		
Interest-bearing liabilities	**4 555 882**	**455 588 162**
Floating rate liabilities	**4 555 882**	**455 588 162**
Total	**4 555 882**	**455 588 162**
Net Exposure	**5 207**	**520 676**

	Effect on profit before tax of 1% change in rates R	Total carrying value of assets and liabilities R
30 September 2021		
Assets		
Cash and cash equivalents	188	18 842
Group loans	–	800 000
Total	188	818 842
Liabilities		
Group loans	–	4 793 759
Trade and other payables	66	6 608
Total	66	4 800 367
Net exposure	122	(3 981 525)

The company uses a sensitivity analysis technique that measures the estimated change to profit or loss of an instantaneous change in market interest rates. The sensitivity analysis is prepared based on financial instruments that are recognised at the end of the reporting period. This is the case even where those exposures did not exist for the entire period or where the exposure changed materially during the period. The company is mainly exposed to fluctuations in the following market interest rates: 3 month JIBAR rate. The sensitivity that is applied is the amount that could reasonably be expected to occur, and has been determined as 1% (100 basis points) up or down. The effect of a 1% change in interest rates is shown above. As the company has no control over rate movements, it cannot predict the effect of future rate movements, if any.

17 Financial risk management continued

17.4 Liquidity risk managememt

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 Transaction Capital group's capital markets (CM) team is responsible for executing on fund raising mandates given to it by subsidiaries in support of 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. Over several years, the CM team has developed strong relationships with funders and ensures equitable treatment of all funder partners.

The monitoring and reporting of liquidity risk takes the form of, as a minimum, cash flow projections to settlement of longest dated funding obligations by subsidiary or securitisation vehicle, an analysis of the Transaction Capital group'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 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	From 1 – 5 years R	Total R
2022			
Liabilities			
Group loans	**5 762 194**	**–**	**5 762 194**
Interest-bearing liabilities	**–**	**617 186 714**	**617 186 714**
Financial liabilities	**5 762 194**	**617 186 714**	**622 948 908**
Trade and other payables	**108 775**	**–**	**108 775**
Non-financial liabilities	**108 775**	**–**	**108 775**
Total liabilities	**5 870 969**	**617 186 714**	**623 057 683**

	On demand R	From 1 – 5 years R	Total R
2021			
Liabilities			
Group loans	4 793 759	–	4 793 759
Financial liabilities	4 793 759	–	4 793 759
Trade and other payables	6 608	–	6 608
Non-financial liabilities	6 608	–	6 608
Total liabilities	4 800 367	–	4 800 367

17 Financial risk management continued

17.5 Fair value disclosure

The fair value of a financial instrument is the price that would be received to sell an asset or paid to transfer a liability between market participants at the measurement date.

The best evidence of the fair value of a financial instrument at the initial recognition is the transaction price (i.e., the fair value of the consideration given or received) unless the fair value of that instrument is evidence by comparison with other observable current market transactions in the same instrument (i.e., without modification or repackaging) or based on a valuation technique whose variables include only data from observable markets.

The method of determining the fair value of financial instruments is analysed into the following categories:

Level 1 Unadjusted prices in active markets where the quotes price is readily available, and the price represents the actual and regularly occurring market transactions on an arm's length basis.

Level 2 Valuation techniques using market observable inputs, including:

- Using recent arm's length market transactions.
- Reference to the current fair value of similar instruments; and
- Discounted cash flow analysis, pricing models or other techniques commonly used by market participants.

Level 3 Valuation techniques, as described for level 2 above, for which not all inputs are market observable prices or rates. Such a financial instruments is initially recognised at the transaction price, which is best indicator of fair value, although the value obtained from the relevant valuation model may differ. The difference between the transaction price and the model value, commonly referred to as "day one profit or loss", is either amortised over the life of the transaction, deferred until the instrument's fair value can be determined using market observable inputs, or realised through settlements.

17 Financial risk management continued

17.5 Fair value disclosure continued

The valuation techniques in level 2 and 3 use inputs such as interest rate yield curves, equity prices, commodity and currency price yields, volatilities, and the correlation between inputs. The model used in these valuation techniques are calibrated against industry standards, economic models and against transaction process, where applicable.

	2022				
	Carrying value R	Total fair value R	Level 1 R	Level 2 R	Level 3 R
Assets					
Loan to group company	**1 640 000**	**1 640 000**	**–**	**–**	**1 640 000**
Loan to holding company	**454 977 848**	**454 977 848**	**–**	**–**	**454 977 848**
Total	**456 617 848**	**456 617 848**	**–**	**–**	**456 617 848**
Liabilities					
Interest-bearing liabilities	**455 588 162**	**456 565 162**	**–**	**–**	**456 565 162**
Floating rate liabilities	**455 588 162**	**456 565 162**	**–**	**–**	**456 565 162**
Group loans	**5 762 194**	**5 762 194**	**–**	**–**	**5 762 194**
Total	**461 350 356**	**462 327 356**	**–**	**–**	**462 327 356**
Net exposure	**(4 732 508)**	**(5 709 508)**	**–**	**–**	**(5 709 508)**

	2021				
	Carrying value R	Total fair value R	Level 1 R	Level 2 R	Level 3 R
Assets					
Loan to group company	800 000	800 000	–	–	800 000
Loan to holding company	–	–	–	–	–
Total	800 000	800 000	–	–	800 000
Liabilities					
Interest-bearing liabilities	–	–	–	–	–
Floating rate liabilities	–	–	–	–	–
Group loans	4 793 759	4 793 759	–	–	4 793 759
Total	4 793 759	4 793 759	–	–	4 793 759
Net exposure	(3 993 759)	(3 993 759)	–	–	(3 993 759)

17 Financial risk management continued

17.6 Statement of financial position categories

	Financial assets carried at amortised cost R	Financial liabilities carried at amortised cost R	Non financial liabilities or non financial assets R	Equity R	Total R
2022					
Assets					
Cash and cash equivalents	**1 130 990**	**–**	**–**	**–**	**1 130 990**
Trade and other receivables	**–**	**–**	**60 448**	**–**	**60 448**
Loan to group company	**1 640 000**	**–**	**–**	**–**	**1 640 000**
Loan to holding company	**454 977 848**	**–**	**–**	**–**	**454 977 848**
Total assets	**457 748 838**	**–**	**60 448**	**–**	**457 809 286**
Equity and liabilities					
Group loans	**–**	**5 762 194**	**–**	**–**	**5 762 194**
Trade and other payables	**–**	**–**	**108 775**	**–**	**108 775**
Interest-bearing liabilities	**–**	**455 588 162**	**–**	**–**	**455 588 162**
Total liabilities	**–**	**461 350 356**	**108 775**	**–**	**461 459 131**
Equity					
Ordinary share capital	**–**	**–**	**–**	**100**	**100**
Retained earnings	**–**	**–**	**–**	**(3 649 945)**	**(3 649 945)**
Equity attributable to ordinary equity holders of the parent	**–**	**–**	**–**	**(3 649 845)**	**(3 649 845)**
Total equity	**–**	**–**	**–**	**(3 649 845)**	**(3 649 845)**
Total equity and liabilities	**–**	**461 350 356**	**108 775**	**(3 649 845)**	**457 809 286**

	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
2021					
Assets					
Cash and cash equivalents	18 842	–	–	–	18 842
Trade and other receivables	–	–	57 570	–	57 570
Group loans	800 000	–	–	–	800 000
Total assets	818 842	–	57 570	–	876 412
Equity and liabilities					
Trade and other payables	–	6 608	–	–	6 608
Group loans	–	4 793 759	–	–	4 793 759
Total liabilities	–	4 800 367	–	–	4 800 367
Equity					
Ordinary share capital	–	–	–	100	100
Retained earnings	–	–	–	(3 924 055)	(3 924 055)
Equity attributable to ordinary equity holders of the parent	–	–	–	(3 923 955)	(3 923 955)
Total equity	–	–	–	(3 923 955)	(3 923 955)
Total equity and liabilities	–	4 800 367	–	(3 923 955)	876 412

18 Going concern

The annual financial statements were prepared on a going concern basis. Based on their assessment, the directors have assessed the company's ability to continue as a going concern and have noted that as at 30 September 2022 the company's liabilities exceed its assets by R3 649 845. The company's ultimate holding company Transaction Capital Limited has undertaken to take all the appropriate action to ensure the company has access to the technical and financial resources needed to successfully continue in operation and meet its contractual obligations. On this basis the directors have satisfied themselves that the entity has sufficient borrowing facilities and technical financial support to continue in operation for the foreseeable future. A letter of support to this effect has been provided. Debt taken on in respect to the Debentures have been guaranteed by Transaction Capital Limited.

19 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 30th of September 2022 and the date of release of this report.

Administration

Company registration number

2016/130129/06

Executive Directors

D Hurwitz (Chief Executive Officer)
M Herskovits (Chief Investment Officer)
S Doherty (Chief Financial Officer)

Link to executive directors qualifications: https://www.transactioncapital.co.za/about-us/

Company Secretary and Registered office

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