

SSI SCF (RF) Limited

Financial Statements for the 3 months ended

31 December 2017

SSI SCF (RF) Limited

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SSI SCF (RF) Limited

Corporate governance statement

CORPORATE GOVERNANCE STATEMENT

In South Africa, principles and guidelines for corporate governance are set out in the King IV Report on Corporate Governance ("King IV"), and the Companies Act, 71 of 2008, as amended ("Companies Act").

SSI SCF (RF) Limited ("the Company") is committed to compliance with the governance framework as set out in King IV and the Companies Act and is committed to the highest standards of business integrity, ethics and professionalism.

The practices underpinning the principles in King IV will be entrenched in the Company's internal controls, policies and procedures governing corporate conduct, once the Company starts to operate.

The Company believes that all board members are suitably qualified and independent in character and judgment and it further believes that the current composition of the board is in the best interest of all stakeholders.

The Board of directors comprises one executive and three non-executive directors. Board committees are in place for Audit a Social and ethics Committee.

EXTERNAL AUDIT

The Company's annual financial statements have been audited by PricewaterhouseCoopers Inc. (South Africa).

The Board of Directors is satisfied that the external auditors have observed the appropriate level of business and professional ethics. The Board of Directors has no reason to believe that the external auditors have not at all times acted with uncompromised independence.

RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

• Responsibility

Managing risk is an integral part to the continued success of the Company and is key in protecting all stakeholder's interests and generating value for the shareholders.

The Company is currently dormant and the following aspects will be considered critical in the risk management framework of the Company once it starts to trade:

- identifying and assessing all risks that the Company is exposed to, both financial and other;
- mitigating the risks that are identified so as to protect the Company against losses that may arise;
- ensuring the on-going reporting and monitoring of all losses that do or may occur;
- maintaining proper accounting records;
- employing staff of a high calibre with segregation of duties;
- ensuring the reliability of financial and other qualitative information used in the business;
- ensuring compliance with laws, regulations and other supervisory requirements applicable to the business;
- safeguarding the Company's assets; and
- managing the balance between the profit-making objective of the business and sound ethical business practices.

The board is primarily responsible for establishing, maintaining and monitoring the effectiveness of the risk management procedures in the Company.

SSI SCF (RF) Limited

Corporate governance statement

The board sets the risk strategy policies and the Company's risk appetite. The board is responsible for the day-to-day design, implementation and monitoring of risk management.

The board acknowledges the inherent limitations of a system of internal control, e.g. human error, deliberate circumvention and collusion. As such, the internal control systems can mitigate, but not eliminate risks, and cannot provide absolute assurance against adverse consequences from risks.

Due to the size, nature and current dormancy of the Company, the internal control system is dependent on the integrity of management and staff and segregation of responsibilities in key business areas, such as the approval of transactions and control over assets. The board is satisfied the Company is currently dormant.

REGULATORY COMPLIANCE, BUSINESS ETHICS AND ORGANISATIONAL INTEGRITY

The Company is committed to the highest standards of business conduct and organisational integrity and transparency in the conduct of its affairs.

- **Integrated report**

An integrated report explains how an organisation's strategy, governance, performance and prospects lead to the sustainable creation of value. Although a wide range of stakeholders will benefit from the information contained in an integrated report, it is mainly aimed at the providers of financial capital. The Company does not believe that integrated reporting has a significant influence on how the business is run.

- **Compliance**

The board monitors the Company's compliance with regulatory requirements and adherence to the business ethics and integrity of the Company.

- **Business ethics and integrity**

The Company aspires to the highest levels of business ethics and integrity in the conduct of its operations. Careful consideration is given to ethics in the appointment of third parties and the allocation of responsibility. The Company adopts a zero-tolerance approach to non-adherence to its ethical principles. During the financial year under review, there has been no known breaches ethics or integrity.

SUSTAINABILITY

The Company is committed to a policy of open, timeous and effective communication and transparency with its stakeholders and regulators.

- **Shareholders**

As at 31 December 2017, the SSI SCF Owner Trust holds 100% of the ordinary shares in SSI SCF (RF) Limited. Subsequent to 31 December 2017 the Company changed its name to Fintegic (RF) Limited, effective 7 September 2018.

SSI SCF (RF) Limited

Corporate governance statement

- **Clients and investors**

The Company intends to provide asset backed security solutions to large South African corporates and investors. The integrity and reputation of the Company is paramount. The Company expects the same levels of integrity and ethical behaviour from its clients and investors.

SSI SCF (RF) Limited

Statement of responsibility by the board of directors

The directors are responsible for maintaining adequate accounting records and for the preparation, integrity and fair presentation of the annual financial statements of SSI SCF (RF) Limited. The annual financial statements presented on pages 10 to 17 have been prepared in accordance with International Financial Reporting Standards ("IFRS"), and include amounts based on judgements and reasonable estimates made by management. The directors also prepared the other information included in the annual report and are responsible for both its accuracy and its consistency with the annual financial statements. The annual financial statements include disclosures on the Company's corporate governance philosophy.


The going concern basis has been adopted in preparing the annual financial statements. The directors have no reason to believe that the Company will not be a going concern in the foreseeable future based on forecasts and available cash resources. These annual financial statements support the viability of the Company.

Nothing has come to the attention of the directors to indicate any breakdown in the internal system of control resulting in a material loss to the Company during the current financial year.

The independent accounting firm, PricewaterhouseCoopers Incorporated, which was given unrestricted access to all financial records and related data, has audited the annual financial statements. The directors believe that all representations made to the independent auditors during their audit are valid and appropriate. PricewaterhouseCoopers Incorporated's unqualified audit report is presented on pages 6 and 7.

The preparation of the financial statements for the 3 months ended 31 December 2017 was prepared by the Company. The financials have been audited in compliance with section 30(2)(d) of the Companies Act 71 of 2008.

The annual financial statements were approved by the board of directors on 1 November 2018 and are signed on its behalf by:



Jan Reyneke



Jansen Harper

SSI SCF (RF) Limited

Director's report

The directors have pleasure in presenting their annual report, which forms part of the audited financial statements of the Company for the 3 months ended 31 December 2017.

Principal activities of the Company

The Company intends to issue asset backed security notes to one or more large South African institutional investors subject to all applicable laws and the debt listings requirements of the JSE. As at 31 December 2017 the Company was in dormant state and haven't concluded any transactions.

Directorate

As at 31 December 2017 the Company had the following directors:

J Bower	Appointed 6 October 2017
M Collis	Appointed 6 October 2017
J Harper	Appointed 1 December 2017
J Reyneke	Appointed 6 October 2017

Interest of directors and officers

During the financial year, no contracts were entered into in which directors or officers of the Company had an interest.

Directors' emoluments

The Company doesn't pay remuneration to its directors.

SSI SCF (RF) Limited

Report of the independent auditor

To the Shareholders of SSI SCF (RF) Limited

Our opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of SSI SCF (RF) Limited (the Company) as at 31 December 2017, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

What we have audited

SSI SCF (RF) Limited's financial statements set out on pages 10 to 17 comprise:

- the statement of financial position as at 31 December 2017;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

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

Independence

We are independent of the Company in accordance with the Independent Regulatory Board for Auditors Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B).

Other information

The directors are responsible for the other information. The other information comprises the Directors' Report, the Audit Committee's Report and Certification by the company secretary as required by the Companies Act of South Africa and Corporate governance statement, Statement of responsibility by the board of directors and Directorate and company information. 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 identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

Responsibilities of the directors for the financial statements

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

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

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

SSI SCF (RF) Limited

Report of the independent auditor

considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

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

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



PricewaterhouseCoopers Inc.

Director: Andrew Graham Taylor
Registered Auditor
Johannesburg
1 November 2018

SSI SCF (RF) Limited

Directorate and Company Information

Directorate

As at 31 December 2017 the Company had the following directors:

J Bower	Appointed 6 October 2017
M Collis	Appointed 6 October 2017
J Harper	Appointed 1 December 2017
J Reyneke	Appointed 6 October 2017

Company secretary

GMG Corporate Services (Africa) Proprietary Limited
2nd Floor, Bridge House, Boundary Terraces, Newlands, 7700

GMG Corporate Services was in the position for the whole financial year.

External auditors

PricewaterhouseCoopers Incorporated
4 Lisbon Lane, Waterfall City 2090

Holding company

The SSI SCF Owner Trust

Registered office

2nd Floor, Bridge House,
Boundary Terraces, Mariendahl Lane
Newlands, 7700
Republic of South Africa

Telephone +27 10 001 8020

SSI SCF (RF) Limited

Certification by company secretary

In our opinion as company secretary, we hereby confirm, in terms of section 88(2) (a) of the Companies Act, that for the 3 months ended 31 December 2017, the company secretary has lodged with the Companies and Intellectual Property Commission all such returns as are required of a company in terms of the Companies Act and that all such returns are true, correct and up to date.



GMG Corporate Services (Africa) Proprietary Limited

Company secretary
Cape Town
1 November 2018

SSI SCF (RF) Limited

Statement of Financial Position at 31 December 2017

		December 2017
	Notes	R
ASSETS		
Cash and cash equivalents	1	100
Total assets		<u>100</u>
EQUITY		
Ordinary Share capital	2	100
Total equity		<u>100</u>
LIABILITIES		
Total liabilities		<u>-</u>
Total equity and liabilities		<u>100</u>

SSI SCF (RF) Limited**Statement of Comprehensive Income
for the 3 months ended 31 December 2017**

	Notes	December 2017
		R
Fee income		-
Net income		-
Expenses		-
Result of operating activities		-
Finance costs		-
Profit before tax		-
Income tax expense		-
Profit for the period		-
Total comprehensive income for the period		-

SSI SCF (RF) Limited

Statement of Changes in Equity for the year 3 months ended 31 December 2017

	Notes	Share capital	Total
Profit for the year		-	-
Shares issued during the year	2	100	100
At the end of the year 31 December 2017		100	100

SSI SCF (RF) Limited**Statement of Cash Flows
for the 3 months ended 31 December 2017**

	Notes	December 2017 R
Cash flow from operating activities		
Cash (used in) operations		-
Interest income		-
Income tax paid		-
Net cash generated from operating activities		<u>-</u>
Cash flow from investing activities		
Net cash generated from (used in) investing activities		<u>-</u>
Cash flow from financing activities		
Net Ordinary and other shares issued		100
Net cash used in financing activities		<u>100</u>
Net increase in cash equivalents		<u>100</u>
Cash and cash equivalents at the beginning of the year		-
Cash and cash equivalents at the end of the year	1	<u>100</u>

SSI SCF (RF) Limited

Summary of significant accounting policies for the 3 months ended 31 December 2017

SSI SCF (RF) Limited is a ring-fenced special purpose vehicle and is incorporated and domiciled in South Africa.

General information

The Company intends to issue asset backed security notes to one or more large South African institutional investors subject to all applicable laws and the debt listings requirements of the JSE. The company is incorporated and domiciled in South Africa. The Company was incorporated on 6 October 2017. The company was dormant for the entire period ending 31 December 2017. Subsequent to 31 December 2017 the Company changed its name to Fintegic (RF) Limited, effective 7 September 2018.

Summary of significant accounting policies

Basis of presentation

The financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") under the historical cost convention.

The preparation of the financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies.

Amendments and interpretations to published standards effective in the current year

During the year, the following new accounting standards, interpretations and amendments were adopted by the Company for the first time:

- IFRS 12: *Disclosure of interests in other entities* (annual periods beginning on or after 1 January 2017): IFRS 12, 'Disclosure of Interests in other entities' regarding clarification of the scope of the standard. The amendment clarified that the disclosures requirement of IFRS 12 are applicable to interest in entities classified as held for sale except for summarised financial information (para B17 of IFRS 12). These amendments do not have a significant impact on the Company.

Standards, amendments and interpretations to published standards that are not yet effective and have not been early adopted by the company

- IFRS 15: *Revenue from contracts with customers* (annual periods beginning on or after 1 January 2018): The FASB and IASB issued their long awaited converged standard on revenue recognition on 29 May 2014. It is a single, comprehensive revenue recognition model for all contracts with customers to achieve greater consistency in the recognition and presentation of revenue. Revenue is recognised based on the satisfaction of performance obligations, which occurs when control of good or service transfers to a customer. The IASB amended IFRS 15 to clarify the guidance, but there were no major changes to the standard itself. The amendments comprise clarifications of the guidance on identifying performance obligations, accounting for licences of intellectual property and the principal versus agent assessment (gross versus net revenue presentation). New and amended illustrative examples were added for each of these areas of guidance. The IASB also included additional practical expedients related to transition to the new revenue standard. The Company is yet to assess IFRS 15's full impact but material reclassifications are not expected for the Company.

- IFRS 9: *Financial instruments* (annual periods beginning on or after 1 January 2018): This standard replaces the guidance in IAS 39. It includes requirements on the classification and measurement of financial assets and liabilities; it also includes an expected credit losses model that replaces the current incurred loss impairment model.

- IFRIC 22: *Foreign currency transactions and advance consideration* (annual periods beginning on or after 1 January 2018): This IFRIC addresses foreign currency transactions or parts of transactions where there is consideration that is denominated or priced in a foreign currency. The interpretation provides guidance for when a

SSI SCF (RF) Limited

Summary of significant accounting policies for the 3 months ended 31 December 2017

single payment/receipt is made as well as for situations where multiple payment/receipts are made. The guidance aims to reduce diversity in practice. This amendment is not expected to have a significant impact on the Company.

• **IFRS 10: Consolidated financial statements and IAS 28: Investments in associates and joint ventures** (Postponed: was effective from 1 January 2016): The postponement applies to changes introduced by the IASB in 2014 through narrow-scope amendments to IFRS 10 'Consolidated Financial Statements' and IAS 28 'Investments in Associates and Joint Ventures'. Those changes affect how an entity should determine any gain or loss it recognises when assets are sold or contributed between the entity and an associate or joint venture in which it invests. The changes do not affect other aspects of how entities account for their investments in associates and joint ventures. The reason for making the decision to postpone the effective date is that the IASB is planning a broader review that may result in the simplification of accounting for such transactions and of other aspects of accounting for associates and joint ventures. These amendments are not expected to have an impact on the Company.

• **IFRIC 23: Uncertainty over income tax treatments:** IFRIC 23 provides a framework to consider, recognise and measure the accounting impact of tax uncertainties. The Interpretation provides specific guidance in several areas where previously IAS 12 was silent. The Interpretation also explains when to reconsider the accounting for a tax uncertainty. Most entities will have developed a model to account for tax uncertainties in the absence of specific guidance in IAS 12. These models might, in some circumstances, be inconsistent with IFRIC 23 and the impact on tax accounting could be material. Management should assess the existing models against the specific guidance in the Interpretation and consider the impact on income tax accounting. This amendment is not expected to have a significant impact on the Company.

Standards, amendments and interpretations to published standards that are not yet effective and not relevant for the company's operations

• **IFRS 2: Share based payments** (annual periods beginning on or after 1 January 2018): The IASB has clarified the measurement basis for cash-settled, share-based payments and the accounting for modifications that change an award from cash-settled to equity-settled. It also introduces an exception to the principles in IFRS 2 that will require an award to be treated as if it was wholly equity-settled, where an employer is obliged to withhold an amount for the employee's tax obligation associated with a share-based payment and pay that amount to the tax authority. This standard will not have an impact on the Company.

• **IFRS 9: Financial instruments** (annual periods beginning on or after 1 January 2018): The IASB has amended IFRS 9 to align hedge accounting more closely with an entity's risk management. The revised standard also establishes a more principles-based approach to hedge accounting and addresses inconsistencies and weaknesses in the current model in IAS 39. Early adoption of the above requirements has specific transitional rules that need to be followed. Entities can elect to apply IFRS 9 for any of the following:

- The own credit risk requirements for financial liabilities.
- Classification and measurement (C&M) requirements for financial assets.
- C&M requirements for financial assets and financial liabilities.
- The full current version of IFRS 9 (that is, C&M requirements for financial assets and financial liabilities and hedge accounting).

The transitional provisions described above are likely to change once the IASB completes all phases of IFRS 9.

• **IAS 40: Investment Property** (annual periods beginning on or after 1 January 2018): These amendments clarify that to transfer to, or from, investment properties there must be a change in use. To conclude if a property has changed use there should be an assessment of whether the property meets the definition. This change must be supported by evidence. This standard will not have an impact on the Company.

SSI SCF (RF) Limited

Summary of significant accounting policies for the 3 months ended 31 December 2017

•IFRS 1: 'First-time adoption of IFRS' (effective 1 January 2018). The IASB has deleted the short-term exemptions for first-time adopters regarding IFRS 7, IAS 19, and IFRS 10. This amendment will not have an impact on the Company.

•IAS 28: 'Investments in associates and joint ventures' (effective 1 January 2018). IAS 28 allows venture capital organisations, mutual funds, unit trusts and similar entities to elect measuring their investments in associates or joint ventures at fair value through profit or loss (FVTPL). The Board clarified that this election should be made separately for each associate or joint venture at initial recognition. This amendment will not have an impact on the Company.

Assets, liabilities and provisions

Assets are recognised when the Company obtains control of a resource as a result of past events, and from which it is probable that future economic benefits will flow to the Company and can be measured reliably.

Liabilities and provisions, are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. Provisions are measured as the present value of management's best estimate of the expenditure required to settle the obligation at the reporting date. The pre-tax discount rate used to determine the present value reflects current market assessments of the time value of money. The increase in the provision due to the passage of time is recognised as interest expense.

The Company discloses a contingent asset where, as a result of past events, it is highly likely that economic benefits will flow to it, but this will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events.

The Company discloses a contingent liability where it has a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company, or it is not probable that an outflow of resources will be required to settle an obligation, or the amount of the obligation cannot be measured with sufficient reliability.

Cash and cash equivalents

Cash and cash equivalents are recognised at cost and subsequently carried at amortised cost. If considered necessary, a provision is made for doubtful recoveries of cash invested.

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash in hand, deposits held at call, short-term fixed deposits and advances made under resale agreements, together with short-term, highly liquid investments that are readily convertible to a known amount of cash, and that are subject to an insignificant risk of changes in value. Short-term fixed deposits and advances made under resale are considered to be instruments that can be liquidated within a period of three months from the reporting date. Fixed deposits and advances made under resale agreements which cannot be accessed within this period are classified as investments.

Share capital

Shares are classified as equity when there is no obligation to transfer cash or other assets. Incremental costs directly attributable to the issue of equity instruments are shown in equity as a deduction from the proceeds, net of tax. Incremental costs directly attributable to the issue of equity instruments as consideration for the acquisition of a business are included in the cost of acquisition.

SSI SCF (RF) Limited

Notes to the financial statements for the 3 months ended 31 December 2017

	December 2017 R
1. Cash and cash equivalents	
Cash at bank and in hand	100
	<u>100</u>

2. Ordinary Share capital	Number of shares	Share capital R	Total R
1 000 no par value shares.			
The ordinary shareholders have all the voting rights at meetings of the company. Ordinary shares entitle the holder to a dividend from the residual profits of the company, subject to sufficient provisions being retained for outstanding liabilities.			
Shares issued	1 000	100	100
At 31 December 2017	1 000	100	100

