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NUTUN INVESTMENTS LIMITED

(previously "TransCapital Investments Limited")

Audited annual financial statements

For the year ended 30 September 2024

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CONTENTS

The company's annual financial statements were prepared under the supervision of Mark Herskovits CA(SA), Chief Financial Officer.

Directors' responsibility statement

for the year ended 30 September 2024

The directors of Nutun Investments Limited (previously TransCapital Investments Limited) (the company) are responsible for the preparation and fair presentation of the audited company annual financial statements in accordance with IFRS® Accounting 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 page 15 to 17.

The annual financial statements on pages 1 to 44 were approved by the board of directors on 12 December 2024, and are signed on their behalf by:

Jonathan Jawno
Chief executive officer

Mark Herskovits
Chief financial officer

Company secretary's certificate

for the year ended 30 September 2024

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 2024, and that all such returns and notices appear to be true, correct and up to date.

Lisa Lill
Company secretary
12 December 2024

Directors' report

for the year ended 30 September 2024

Nature of business

Nutun Investments Limited is a special purpose company and the issuer under the Nutun Investments Limited note programme. Its sole purpose is to raise funding by the issuance of notes under the programme for general corporate purposes.

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 43.

David Hurwitz stepped down as the chief executive officer and director of the company with effect from 31 December 2023 and Jonathan Jawno was appointed as the chief executive officer and director from the same date.

Sahil Samjowan stepped down as the chief financial officer and director of the company with effect from 1 June 2024 and Roberto Rossi was appointed as a director from the same date. Mark Herskovits was appointed as the chief financial officer with effect from 1 June 2024.

With effect from 31 March 2025, Mark Herskovits will resign as the chief financial officer and director of the company and Robert Huddy will be appointed as the chief financial officer and director from the same date.

No further appointments or resignations occurred during the year.

Holding company

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

Audit and risk committee report

for the year ended 30 September 2024

During the current year, the audit committee and risk and technology committee were combined into the audit and risk committee.

The responsibilities of the audit and risk committee are set out in the Companies Act, Nutun Investments Limited's Memorandum of Incorporation, the King Code on Corporate Governance (King IV) and the JSE Debt Listings Requirements. The audit and risk committee's terms of reference are reviewed annually and approved by the board.

Composition

At 30 September 2024, the audit and risk committee comprised of three 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 met six times during the current year, with two members of the audit and risk committee forming a quorum.

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

- Diane Radley (chairperson)
- Suresh Kana
- Christopher Seabrooke

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

Representatives from internal audit attend all audit and risk committee meetings and are similarly afforded the opportunity of separate meetings with the audit and risk 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 audit and risk committee approved a plan to outsource the internal audit function, and Deloitte were appointed as the internal auditors effective 1 June 2024. As part of the outsourcing arrangement, the previous in-house internal audit team transitioned to Deloitte and forms part of the team that will be redeployed back to service the company on an outsourced basis. This was done to ensure continuity, preservation of institutional knowledge and a smooth transition. The Audit and Risk Committee considered the following key factors in arriving at the outsourcing decision:

- Strengthening internal audit's independence and objectivity;
- Access to specialist skills and subject matter experts within Deloitte;
- Flexibility to adjust resource requirements up and down as needed; and
- Reducing the impact of staff turnover, as outsourcing ensures continuity of service.

The audit and risk committee members assess the effectiveness of the audit and risk committee and the audit and risk committee chairperson on an annual basis.

Members of the audit and risk 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 and risk 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 and risk committee, as outlined in the audit and risk committee terms of reference, include oversight of:

Financial accounting and external 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; and
- 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 function.

Audit and risk committee report continued

for the year ended 30 September 2024

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;
- Review the performance and effectiveness of the external audit process; and
- 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.

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 chairperson 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.

Requirements of the Act

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

The audit and risk 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 and risk committee confirms that:

- The internal financial controls have been effective in all material aspects throughout the year under review;
- These controls have ensured that the company's assets have been safeguarded;
- The CFO's expertise and experience is deemed appropriate;
- Appropriate financial reporting procedures have been established and are operating effectively;
- The company has complied in all material respects with the implemented risk management policy during the year under review;
- The skills, independence, audit plan, reporting and overall performance of the external auditors; 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 group finance function has reviewed the controls over financial reporting and presented their findings to the audit and risk 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;
- Obtaining control declarations from divisional managers on the operating effectiveness of all controls on a quarterly basis; and
- Developing remediation plans to address control deficiencies identified.

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

Risk management

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

Audit and risk committee report continued

for the year ended 30 September 2024

External audit

The committee has the primary responsibility for overseeing the relationship with, and performance of, the external auditors. This includes making the recommendation on the appointment, reappointment, and removal of the external auditors, assessing their independence on an ongoing basis,and for approving the external audit engagement terms including audit fees and defining a policy for non audit services permitted to be provided by the external auditors and pre-approve material non audit services.

The current responsible audit partner, Johan Potgieter has been on the Nutun Investments Limited audit for one year.

The Transaction Capital Limited Group transitioned to new external auditors for the financial year ended 30 September 2024. PricewaterhouseCoopers (PwC) was appointed as the external auditor of the group for the financial year ended 30 September 2024 with Johan Potgieter as the designated audit partner.

The audit and risk 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 12 to the annual financial statements. In addition, the audit and risk 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 and risk 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 and risk committee has satisfied itself of the independence, performance and effectiveness of the internal audit process. The committee has considered and recommended the internal audit charter for approval by the board, which has so approved it.

The internal audit function was subject to an independent quality review in 2023, and the function was found to generally conform to the International Standards for the Professional Practice of Internal Auditing, which is the highest rating awarded during such a review. The internal audit function was outsourced during the year will be subject to independent reviews in line with Deloitte's practice and the next independent review is set to take place in 2028.

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 company, as prepared by management, was reviewed by the audit and risk committee and recommended to the board.

Annual financial statements

The audit and risk 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 Accounting Standards Board (IASB). The audit opinion considered key audit matters in which areas of judgement have been applied, and how these matters have been addressed as part of the audit process. The audit opinion includes a conclusion that there were no key audit matters to communicate for the Nutun Investments Limited audit. 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);
- 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 and risk 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 and risk committee chair

12 December 2024

Social, ethics and sustainability committee report

for the year ended 30 September 2024

At 30 September 2024, the social, ethics and sustainability committee (the 'committee') comprised of the following members:

- Suresh Kana (chairman)
- Albertinah Kekana
- Ian Kirk (with effect from 31 May 2024)

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, 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 regarding 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 twice during this financial year.

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

- Transformation, and particularly employment equity;
- Implementing the ethics function;
- 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; and
- Staff wellness and mental wealth.

Conclusion

Nutun Investments Limited 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 Nutun Investments Limited 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, ethics and sustainability committee chairman
12 December 2024

Corporate governance report

for the year ended 30 September 2024

Board of directors

The names of the directors in office at the date of this report are set out on page 43.

Debt officer

Pursuant to paragraphs 6.39(a) and 7.3(g) of the JSE Debt Listings Requirements, Mark Herskovits was, the CFO, 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 and risk, social, ethics and sustainability committees are carried out at the 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.

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 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.

Corporate governance report continued
for the year ended 30 September 2024

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 and risk function and social, ethics and sustainability 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.

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

Primary roles and responsibilities	Principles	Status	Comment
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 Nutun 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 Policy in place. Directors annually complete and sign a Declaration of Interest which is updated as necessary and noted at each board of directors meeting.

Corporate governance report continued

for the year ended 30 September 2024

Compliance with King IV continued

Primary roles and responsibilities	Principles	Status	Comment
LEADERSHIP, ETHICS AND CORPORATE CITIZENSHIP CONTINUED			
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 and Risk 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. The Social, Ethics and Sustainability Committee approved several group ethics policies namely the Anti-Harassment Policy; the Anti-Drug and Anti-Alcohol Abuse Policy; the Anti-Bribery and Corruption Policy; the Sponsorship and Donations Policy; the Transformation Deviation Policy; the Environmental Policy; and the Human Rights Policy which was endorsed by the board of the holding company.
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. The board monitors the continued adoption and operationalisation of the ESE Frameworks across the group, through quarterly reporting and data capturing.

Corporate governance report continued

for the year ended 30 September 2024

Compliance with King IV continued

Primary roles and responsibilities	Principles	Status	Comment
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 and Risk 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.
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 aligned to best practice market trends, with supplementary governance, risk and sustainability reports 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 and risk committee and the social, ethics and sustainability 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. The holding company has several group ethics policies in place.

Corporate governance report continued

for the year ended 30 September 2024

Compliance with King IV continued

Primary roles and responsibilities	Principles	Status	Comment
GOVERNING STRUCTURES AND DELEGATION CONTINUED			
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 Nutun Investments Limited, in conjunction with its holding company nominations committee, assesses the composition and membership of the board. Directors of the company 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, Transaction Capital's board, together with the nominations committee, is satisfied that Nutun Investment Limited's board composition reflects the appropriate mix of knowledge, skills, experience and independence. The company has a Nomination Policy; Conflicts of Interest Policy; Promotions Policy; and a Board Evaluations Policy in place, and has restructured the Audit and Risk Committee and the Nominations Committee to align with King IV recommendations.
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	Nutun Investments Limited 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 Nutun Investments Limited 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, the board has assessed the expertise, performance and experience of the chairman, lead independent director, CEO, CFO, internal audit function 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.

Corporate governance report continued

for the year ended 30 September 2024

Compliance with King IV continued

Primary roles and responsibilities		Principles	Status	Comment
GOVERNING STRUCTURES AND DELEGATION CONTINUED				
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.
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 and Risk 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.
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 Audit and Risk Committee, which also ensures that an information and technology governance reporting framework is in place. 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. 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 Audit and Risk Committee that adequate arrangements are in place for ongoing business continuity, with proactive monitoring of intelligence in place to identify and respond to potential cyberattacks.

Corporate governance report continued

for the year ended 30 September 2024

Compliance with King IV continued

Primary roles and responsibilities	Principles	Status	Comment
GOVERNANCE OF FUNCTIONAL AREAS CONTINUED			
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 holding company Audit and Risk Committee and the Social, Ethics and Sustainability Committee are responsible for compliance oversight. Board processes, including a Group Combined Assurance Plan, 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 through formalised group compliance reporting at the Audit and Risk Committee meetings. 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.
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 Nutun Investments Limited 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 and risk committee. Compliance and internal audit representatives from Transaction Capital Limited are present at the audit and risk committee meetings. The audit and risk committee is responsible for overseeing the effectiveness of combined assurance arrangements within the group. The combined assurance plan is based on the recommendations of King IV.

Corporate governance report continued
for the year ended 30 September 2024

Compliance with King IV continued

Primary roles and responsibilities	Principles	Status	Comment
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, ethics and sustainability Committee. The holding company board, through the Social, Ethics and Sustainability 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 Shareholders of Nutun Investments Limited (previously TransCapital Investments Limited)

Report on the audit of the financial statements

Our opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Nutun Investments Limited (previously TransCapital Investments Limited) (the Company) as at 30 September 2024, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards and the requirements of the Companies Act of South Africa.

What we have audited

Nutun Investments Limited's financial statements set out on page 18 to 42 comprise:

- the statement of financial position as at 30 September 2024;
- 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, including material accounting policy information.

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 corresponding sections of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards).*

Our audit approach

Overview

Overall materiality
Overall materiality: **R1 931 128**, which represents 1% of Total Assets.

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we considered where the directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall materiality for the financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Overall materiality	R1 931 128
How we determined it	We used our professional judgement, and our knowledge obtained of the Company to determine overall materiality. As a basis for our judgement, we used 1% of Total Assets.
Rationale for the materiality benchmark applied	Nutun Investments Limited was established as a financing vehicle to issue Domestic Medium-Term Notes, facilitating funding for the broader Transaction Capital Limited Group. Given users' focus on the entity's financial stability and capacity to meet debt obligations, total assets are deemed the most appropriate benchmark for assessing materiality. We chose 1% of total assets, which is consistent with quantitative materiality thresholds used for asset-oriented companies.

Independent auditor's report
for the year ended 30 September 2024

Report on the audit of the financial statements continued

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.

We have determined that there are no key audit matters to communicate in our report in respect of Nutun Investments Limited 30 September 2024 audit.

Other information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Nutun Investments Limited (previously TransCapital Investments Limited) Audited Annual financial statements for the year ended 30 September 2024", which includes the Directors' Report, the Audit and risk committee's Report and the Company Secretary's Certificate 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 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 IFRS Accounting 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[1].

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 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.

1 The examination of controls over the maintenance and integrity of the Company's website is beyond the scope of the audit of the financial statements. Accordingly, we accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

Independent auditor's report
for the year ended 30 September 2024

Report on the audit of the financial statements continued

Auditor's responsibilities for the audit of the financial statements continued

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

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 PricewaterhouseCoopers Inc. has been the auditor of Nutun Investments Limited for 1 year.

PricewaterhouseCoopers Inc.
Director: J Potgieter

Registered Auditor

Johannesburg, South Africa

12 December 2024

Statement of financial position

At 30 September

	Notes	2024 R	2023 R
Assets			
Cash and cash equivalents	4	**8 576 536**	6 198 225
Trade and other receivables	5	**412 365**	55 718
Loan to holding company	6	**184 123 960**	456 025 789
Total assets		**193 112 861**	462 279 732
Liabilities			
Tax liabilities		**133 478**	12 445
Trade and other payables	7	**155 755**	173 676
Loan from holding company	17	**8 486 270**	7 039 161
Interest-bearing liabilities	8	**183 258 139**	457 249 624
Deferred tax liability		**18 165**	–
Total liabilities		**192 051 807**	464 474 906
Equity			
Ordinary share capital	9	**100**	100
Retained earnings		**1 060 954**	(2 195 274)
Total equity		**1 061 054**	(2 195 174)
Total equity and liabilities		**193 112 861**	462 279 732

Statement of comprehensive income

for the year ended 30 September

	Notes	2024 R	2023 R
Interest revenue*	11	**44 723 722**	49 696 412
Interest expense	11	**(42 930 851)**	(47 340 004)
Net interest income	11	**1 792 871**	2 356 408
Impairment reversal/(loss)	18.1.2	**1 831 431**	(462 390)
Non-interest revenue	10	**882 000**	936 783
Operating costs	12	**(716 637)**	(616 761)
Profit before tax		**3 789 665**	2 214 039
Income tax expense	13	**(533 437)**	(759 369)
Profit for the year		**3 256 228**	1 454 671
Other comprehensive income		**–**	–
Total comprehensive profit for the year		**3 256 228**	1 454 670

* The company has renamed this line to Interest revenue (previously interest income) to depict the true nature of the FSLI. This renaming has also been applied to the prior year and notes where the line items are listed.

Statement of changes in equity

for the year ended 30 September

	Number of ordinary shares	Share capital R	Retained earnings R	Total equity R
Balance as at 30 September 2022	100	100	(3 649 945)	(3 649 845)
Total comprehensive income	–	–	1 454 671	1 454 671
Profit for the year	–	–	1 454 671	1 454 671
Other comprehensive income	–	–	–	–
Balance as at 30 September 2023	**100**	**100**	**(2 195 274)**	**(2 195 174)**
Total comprehensive income	**–**	**–**	**3 256 228**	**3 256 228**
Profit for the year	**–**	**–**	**3 256 228**	**3 256 228**
Other comprehensive income	**–**	**–**	**–**	**–**
Balance as at 30 September 2024	**100**	**100**	**1 060 954**	**1 061 054**

Statement of cash flow

for the year ended 30 September

	Notes	2024 R	2023 R
Cash flow from operating activities			
Cash generated by operations	14	**165 363**	320 022
Interest received		**48 205 072**	48 186 081
Interest paid		**(46 670 426)**	(45 678 542)
Income taxes paid	15	**(394 238)**	(746 924)
Cash flow from operating activities before changes in operating assets and working capital		**1 305 770**	2 080 637
INCREASE IN OPERATING ASSETS		**270 250 000**	1 640 000
Loan to holding company		**270 250 000**	–
Loan to group company		**–**	1 640 000
CHANGES IN WORKING CAPITAL		**(374 568)**	69 631
(Increase)/Decrease in trade and other receivables		**(356 647)**	4 730
(Decrease)/Increase in trade and other payables		**(17 921)**	64 901
Net cash generated by operating activities		**271 181 202**	3 790 268
Cash flow from financing activities			
Settlement of interest-bearing liabilities	16	**(270 250 000)**	–
Proceeds on loan from holding company	16	**1 447 109**	1 276 967
Net cash (utilised)/generated by financing activities		**(268 802 892)**	1 276 967
Net increase in cash and cash equivalents		**2 378 311**	5 067 235
Cash and cash equivalents at the beginning of the year	4	**6 198 225**	1 130 990
Cash and cash equivalents at the end of year	4	**8 576 536**	6 198 225

Notes to the annual financial statements

for the year ended 30 September

1. Basis of preparation

The financial statements of the company are prepared in accordance with International IFRS Accounting Standards by the IFRIC® Interpretations, the going-concern principle and the requirements of the South African Companies Act, and JSE Debt Listing requirements.

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

Reference to the current maturities of 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 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.

2.1 Impairment of loan to the 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 18.1 for further information.

3. Changes in accounting policies and disclosures

The accounting policies applied in the preparation of the financial statements are in terms of 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.

Amendments to IAS 1 Presentation of financial statements and IFRS practice statement 2 making materiality judgements – Disclosure of accounting policies

The amendments change the requirements in IAS 1 with regard to the disclosure of accounting policies. The amendments replace all instances of the term 'significant accounting policies' with 'material accounting policy information'. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements.

The supporting paragraphs in IAS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.

The application of these amendments has not had a material impact on the amounts reported in the company's financial statements.

Notes to the annual financial statements continued
for the year ended 30 September

3. Changes in accounting policies and disclosures continued

Amendments to IAS 8 Accounting policies, changes in accounting estimates and errors – Definition of accounting estimates

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".

The amendment further clarifies the following:

- A change in accounting estimate that results from new information or new developments is not the correction of an error; and
- The effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors.

The application of these amendments has not had a material impact on the amounts reported in the company's financial statements.

Amendments to IAS 12 Income Taxes – Deferred tax relating to assets and liabilities arising from a single transaction

The amendments introduce a further exception from the initial recognition exemption. Under the amendments, an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences.

Following the amendments to IAS 12, an entity is required to recognize the related deferred tax asset and liability, with the recognition of any deferred tax asset being subject to the recoverability criteria in IAS 12. The amendments apply to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period an entity recognises:

- A deferred tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised) and a deferred tax liability for all deductible and taxable temporary differences associated with:
  - right of use assets and lease liabilities; and
  - decommissioning, restoration and similar liabilities and the corresponding amounts recognised as part of the cost of the related asset.
- The cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at that date.

The application of these amendments has not had a material impact on the amounts reported in the company's financial statements.

New amendments and standards issued but not yet effective

Amendments of IFRS 9 financial instruments – Amendments to the classification and measurement of financial instruments

The amendment to IFRS 9 narrows the scope amendments to address diversity in accounting practice by making the classification and measurement requirements of IFRS 9 more understandable and consistent by:

- Classifying the classification of financial assets with environmental, social and corporate governance (ESG) and similar features; and
- Clarifying the date on which a financial asset or financial liability is derecognized when a liability is settled through electronic payment systems. These amendments also introduce an accounting policy option to allow a company to derecognize a financial liability before it delivers cash on the settlement date if specified criteria are met.

The amendment to IFRS 9 is effective for the financial year ending 30 September 2027, and is not expected to have a material impact on the company's financial statements.

Notes to the annual financial statements continued

for the year ended 30 September

3. Changes in accounting policies and disclosures continued

New amendments and standards issued but not yet effective continued

Amendments to IAS 1 Presentation of financial instruments – Classification of liabilities as current or non-current

IAS 1 requires an entity to classify debt as current if it is unable to avoid settling the debt within 12 months after the reporting date. However, the entity may need to comply with covenants during that same period, which may question whether the debt should be classified as non-current.

The amendments state that at the reporting date, the entity does not consider covenants that will need to be complied with in the future, when considering the classification of the debt as current or non-current. Instead, the entity should disclose information about these covenants in the notes to the financial statements, to enable investors to understand the risk that such debt could become repayable early and therefore improving the information being provided on the long-term debt.

The amendments are effective for the financial year ending 30 September 2025, and are not expected to have a material impact on the company's financial statements.

New standards issued not yet effective

IFRS 18 Presentation and disclosure in financial statements

IFRS 18 introduces three sets of new requirements to improve companies' reporting of financial performance and give investors a better basis for analysing and comparing companies:

- Improved comparability in the statement of profit or loss (income statement) through the introduction of three defined categories for income and expenses – operating, investing and financing – to improve the structure of the income statement, and a requirement for all companies to provide new defined subtotals including operating profit.
- Enhanced transparency of management defined performance measured with a requirement for companies to disclose explanations for those company-specific measured that are related to the income statement.
- More useful grouping of information in the financial statements through enhanced guidance on how to organize information and whether to provide it in the primary financial statements or in the notes, as well as a requirement for companies to provide more transparency about operating expenses.

IFRS 18 replaces IAS 1 Presentation of Financial Statements. It carries forward many requirements from IAS 1 unchanged. The new standard is effective for the financial year ending 30 September 2028, and is expected to have a material impact on the company's financial statements.

Notes to the annual financial statements continued
for the year ended 30 September

	2024 R	2023 R
4. Cash and cash equivalents		
Bank balances	**8 576 536**	6 198 225
Total cash and cash equivalents	**8 576 536**	6 198 225
Bank overdrafts	**–**	–
Net cash and cash equivalents	**8 576 536**	6 198 225

The cash balance has been pledged as part security for securitisation notes and loans as shown in note 8, in favour of the guarantor. The carrying value of cash and cash equivalents approximates fair value as it is short-term in nature and not subject to material changes in credit risk and fair value.

	2024 R	2023 R
5. Trade and other receivables		
Trade receivables	**338 100**	–
Prepayments	**67 279**	55 718
VAT receivable	**6 986**	–
Total trade and other receivables	**412 365**	55 718

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 balance includes prepaid expenses and VAT receivable which are classified as non-financial assets and therefore expected credit losses do not apply. The company measures expected credit losses for the financial assets within the trade and other receivables balance (trade receivables) equal to lifetime expected losses. These are estimated with reference to past default experience of the debtor and an analysis of the debtors financial position. Based on this assessment, the impairment provision for the current year has been deemed immaterial.

The trade and other receivables balance has been pledged as part security for securitisation notes and loans as shown in note 8, in favour of the guarantor.

	2024 R	2023 R
6. Loan to holding company		
Gross loan to holding company	**184 123 960**	457 857 220
Impairment	**–**	(1 831 431)
Net loan to holding company	**184 123 960**	456 025 789

The loan to the holding company has interest charged at a 3-month Jibar plus 3.89% rate. Refer to note 18.1 for further explanation of the credit risk.

The current portion of the loans amounts to R3 373 960 (2023: R5 025 789) which relates to the interest whereby nil (2023: R210 000 000) receivable on 15 Feb 2025 and R180 750 000(2023: R241 000 000) R180 750 000 (2023: R451 000 000) is receivable on maturity date on 15 Feb 2027 which is therefore deemed to be non-current.

Cash interest received from loans to holding company amounted to R47 343 623 for the current year.

Notes to the annual financial statements continued

for the year ended 30 September

	2024 R	2023 R
7. Trade and other payables		
Trade payables and accruals	**148 427**	139 136
VAT payable	**–**	34 540
Other	**7 328**	–
Trade and other payables	**155 755**	173 676

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.

	2024 R	2023 R
8. Interest-bearing liabilities		
Type of loan		
Securitisation notes	**183 258 139**	457 249 624
Total interest-bearing liabilities	**183 258 139**	457 249 624
Classes of interest-bearing liabilities		
Securitisation notes	**183 258 139**	457 249 624
Total interest-bearing liabilities	**183 258 139**	457 249 624

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. The current portion of the loans amounting to R2 508 139 (2023: R6 249 624) relates to interest whereby Rnil (2023: R210 000 000) repayable on 15 Feb 2025 and R180 750 000 (2023: R241 000 000) is repayable on maturity date on 15 Feb 2027 which is therefore deemed to be non-current.

The obligations of the company pursuant to the note programme are irrevocably and unconditionally guaranteed by Transaction Capital Limited.

2024

Loan	Description	Date issued	Interest rate	Maturity date	Rm
Securitisation notes	Term	2022/02/15	3 Month JIBAR plus 3.39%	2027/02/15	**183 258 139**
Securitisation notes	Term	2022/02/15	3 Month JIBAR plus 2.89%	2025/02/15	**–**

2023

Loan	Description	Date issued	Interest rate	Maturity date	Rm
Securitisation notes	Term	2022/02/15	3 Month JIBAR plus 3.39%	2027/02/15	244 259 523
Securitisation notes	Term	2022/02/15	3 Month JIBAR plus 2.89%	2025/02/15	212 990 101

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

Management is aware of the changes from JIBAR to ZARONIA, expected to be effective end of 2026, the impact of which will be assessed on effective date.

Notes to the annual financial statements continued

for the year ended 30 September

	2024 R	2023 R
9. Ordinary share capital		
Authorised		
1 000 Ordinary shares		
Issued		
100 (2023: 100) Ordinary shares of R1 each	**100**	100
Ordinary share capital	**100**	100

All issued shares are fully paid up.

10. Non-interest revenue

General policy

The recognition of non-interest revenue is measured based on 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.

Secretarial services were provided throughout the financial periods. Revenue was recognised as over time as the performance obligation was met and the secretarial services provided to the group companies.

	2024 R	2023 R
Non-interest revenue comprises:		
Secretarial services	**882 000**	936 783
Total non-interest revenue	**882 000**	936 783

	2024 R	2023 R
11. Interest revenue and expense		
Interest is earned on:		
Cash and cash equivalents	**860 480**	252 106
Loan to holding company	**43 862 273**	49 444 306
Other receivable	**969**	–
Total interest revenue	**44 723 722**	49 696 412
Interest expense is incurred on:		
Interest-bearing liabilities	**(42 930 851)**	(47 340 004)
Total interest expense	**(42 930 851)**	(47 340 004)
Interest revenue	**44 723 722**	49 696 412
Interest expense	**(42 930 851)**	(47 340 004)
Net interest revenue	**1 792 871**	2 356 408

Notes to the annual financial statements continued

for the year ended 30 September

	2024 R	2023 R
12. Operating costs		
Operating costs comprise:		
Audit fees*	**170 751**	262 203
Bank charges	**265 417**	86 088
Listing fees	**257 555**	227 601
Secretarial fees	**22 914**	10 469
VAT disallowed	**–**	30 400
Total operating costs	**716 637**	616 761

* No non-audit service fees were paid during the year.

Executive compensation

Executive directors' remuneration

The following table shows a breakdown of the annual remuneration of directors for the year ended 30 September 2024, the below disclosed directors emoluments are paid from Transaction Capital Limited for services provided as directors across the group.

	2024					
	Salary R	**Short-term employee benefits R**	**Restraint of Trade**	**Severance package**	**Annual incentive bonus R**	**Total R**
Executive directors						
Jonathan Jawno*	**5 602 475**	**105 583**	**–**	**–**	**–**	**5 708 058**
Mark Herskovits	**4 605 845**	**–**	**–**	**–**	**4 800 000**	**9 405 845**
David Hurwitz**	**1 791 522**	**57 066**	**7 170 000**	**–**	**–**	**9 018 588**
Sahil Samjowan***	**2 833 333**	**109 428**	**–**	**12 725 000**	**–**	**15 667 761**
Roberto Rossi****	**4 409 898**	**120 390**	**–**	**–**	**–**	**4 530 288**
Total	**19 243 073**	**392 467**	**7 170 000**	**12 725 000**	**4 800 000**	**44 330 540**

	2023				
	Salary R	Short-term employee benefits R	Present value of share-based awards R	Annual incentive bonus R	Total R
Executive directors					
Sean Doherty	2 441 233	441 270	–	–	2 882 503
Jonathan Jawno*	–	–	–	–	–
Mark Herskovits	3 179 038	677 735	9 550 127	2 533 333	15 940 233
David Hurwitz**	6 492 999	868 898	–	–	7 361 897
Sahil Samjowan***	1 226 413	207 745	3 612 500	1 770 833	6 817 491
Roberto Rossi****	–	–	–	–	–
Total	13 339 683	2 195 648	13 162 627	4 304 166	33 002 124

* Jonathan Jawno was appointed as CEO and Executive Director of Nutun Investments Limited effective 31 December 2023.
** David Hurwitz stepped down as CEO and Executive Director of Nutun Investments effective 31 December 2023.
*** Sahil Samjowan stepped down as CFO and Executive Director of Nutun Investments Limited effective 1 June 2024.
**** Robert Rossi was appointed as an Executive Director of Nutun Investments Limited effective 1 June 2024.

Notes to the annual financial statements continued
for the year ended 30 September

12. Operating costs continued
Executive compensation continued
Executive directors' remuneration continued

	Component	Grant date fair value of CSP R	Opening number of CSPs	Vesting periods (years)	Number of CSPs exercised during the year	Closing number of CSPs	Gain on CSPs exercised R
Executive director							
DAVID HURWITZ							
Granted on 20 November 2018	Group	–	38 549	2 to 5	38 549	–	298 369
Granted on 26 November 2019	Group	–	127 338	2 to 5	127 338	–	985 596
Granted on 24 November 2020	Group	–	255 192	3 to 5	255 192	–	1 975 186
Granted on 16 November 2021	Group	–	133 780	3 to 5	133 780	–	1 035 457
Granted on 15 November 2022	Group	–	152 975	3 to 5	152 975	–	1 184 027
MARK HERSKOVITS							
Granted on 20 November 2018	Group	313 624	19 253	2 to 5	19 253	–	137 162
Granted on 26 November 2019	Group	1 076 762	56 622	3 to 5	28 311	28 311	201 693
Granted on 24 November 2020	Group	3 013 986	165 938	3 to 5	55 312	110 626	394 054
Granted on 16 November 2021	Group	3 483 940	91 442	3 to 5	–	91 442	–
Granted on 15 November 2022	Group	4 108 088	115 884	3 to 5	–	115 884	–
Granted on 06 December 2023	Group	9 550 127	1 341 310	3	–	1 341 310	–

Equity settled conditional share plan
Details of the equity settled conditional share plan. The group implemented a conditional share plan for executives and senior employees of the company and its subsidiaries. In accordance with the terms of the plan, as approved by shareholders at a general meeting, the grant of conditional share plans awards (CSPs) will be made on an annual or on an ad hoc basis. The number of CSPs granted to an employee will take cognisance of the employees grade,performance, term of employment, retention requirements and market benchmarks. A CSP is a conditional right to acquire Transaction Capital shares for no consideration, the number of shares being determined by the value of the CSP at vesting date, and the number of CSPs granted. The value of Transaction Capital shares issued will be subject to income tax.

Notes to the annual financial statements continued

for the year ended 30 September

13. Income Tax

13.1 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.

	2024 R	2023 R
13.2 Income tax expense		
South African normal taxation:		
Current taxation	**(515 271)**	(759 369)
Current year	**(525 806)**	(732 121)
Prior years	**10 535**	(27 248)
Deferred taxation	**(18 166)**	(0)
Total income tax expense	**(533 437)**	(759 369)
Tax rate reconciliation:		
South African tax rate	**27%**	27%
Adjusted for tax effects of:		–
Tax losses not recognised	**–**	–
Expenses not deductible for tax purposes*	**(13%)**	6%
Prior period tax	**0%**	1%
Effective tax rate	**14%**	34%

* Expense (and reversals) relating to expected credit losses are not deductible for tax purposes.

14. Cash generated by operations

	2024 R	2023 R
Profit before taxation:	**3 789 665**	2 214 040
Adjusted for:		
Interest revenue	**(44 723 722)**	(49 696 412)
Interest expense	**42 930 851**	47 340 004
Impairment expense	**(1 831 431)**	462 390
Cash generated by operations	**165 363**	320 022

Notes to the annual financial statements continued

for the year ended 30 September

		2024 R	2023 R
15.	**Income taxes paid**		
	Amounts payable at the beginning of the year	**(12 445)**	–
	Charged in statement of comprehensive income	**(515 271)**	(759 369)
	Amounts payable at the end of the year	**133 478**	12 445
	Income taxes paid	**(394 238)**	(746 924)

		Interest bearing liabilities R	Loans from holding company	Total R
16.	**Liabilities from financing activities**			
	As at 1 October 2022	455 588 162	5 762 104	461 350 356
	Net financing activities	1 661 462	1 276 967	2 938 429
	Liabilities raised	–	1 276 967	1 276 967
	Interest accrued	47 340 004	–	47 340 004
	Capital repaid	–	–	–
	Interest repaid	(45 678 542)	–	(45 678 542)
	As at 30 September 2023	**457 249 624**	**7 039 161**	**464 288 785**
	Net financing activities	**(273 991 485)**	**1 447 109**	**(272 544 376)**
	Liabilities raised	**–**	**1 447 109**	**1 447 109**
	Interest accrued	**42 928 941**	**–**	**42 928 941**
	Capital repaid	**(270 250 000)**	**–**	**(270 250 000)**
	Interest repaid	**(46 670 426)**	**–**	**(46 670 426)**
	As at 30 September 2024	**183 258 139**	**8 486 270**	**191 744 409**

The presentation of the movement in interest-bearing liabilities in the liabilities from financing activities note was amended to separately disclose gross liabilities raised and liabilities repaid. In the prior year, this information was erroneously presented on a net basis. The previously reported net amount of R1 661 462 has now been disaggregated into liabilities raised of R47 340 004 and liabilities repaid of R45 678 542. The total net financing cash flows of R1 661 462 remain consistent with the amount disclosed in the prior year. This amendment had no impact on the equity or the statement of financial position.

		2024 R	2023 R
17.	**Related parties**		
	Transactions with group companies		
	TC Corporate Support Proprietary Limited – secretarial service revenue	**882 000**	936 783
	Transaction Capital Limited – interest revenue	**43 862 273**	49 444 306
	Total transactions with related parties	**44 744 273**	50 381 089
	Balances with group companies		
	Transaction Capital Limited loan liability*	**(8 486 270)**	(7 039 161)
	TC Corporate Support Proprietary Limited trade receivable	**338 100**	–
	Transaction Capital Limited loan asset**	**184 123 960**	456 025 789
	Balance at the end of the year	**175 975 790**	448 986 628

* Interest free and receivable/(payable) on demand.

** Interest bearing at 3 month JIBAR plus 3.39% and 3.89% rates, with repayment at the end of the loan term as disclosed in note 18.3 Liquidity risk management.

Notes to the annual financial statements continued
for the year ended 30 September

18. Financial risk management

The company's operations expose it to a number of financial risks, including interest rate risk, credit risk and liquidity risk.

The board is responsible for risk management and the setting of the risk management framework. Oversight of risk management is the responsibility of the Audit and Risk committee. The Audit and Risk committee monitors risks associated with financial reporting, accounting policies, liquidity and funding, capital adequacy and internal controls. The audit and risk committee is responsible for risk management including setting the risk management framework, setting risk appetite and monitoring the company's management of risk including credit and compliance.

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.

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.

Financial assets

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.

Amortised cost and effective interest method

Trade and other receivables, and loans to holding companies are initially recognised at fair value. Subsequently, trade and other receivables and group loans 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.

Loans to group companies primarily arise from the on-lending of debt obtained from interest-bearing liabilities and Trade receivables primarily relate to management fees. These financial assets expose the company to credit risk.

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- Significant financial difficulty of the issuer or the borrower;
- A breach of contract, such as a default;
- The lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender(s) would not otherwise consider;
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation;
- The disappearance of an active market for that financial asset because of financial difficulties; or
- The purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

Notes to the annual financial statements continued

for the year ended 30 September

18. Financial risk management continued

Financial assets continued

Amortised cost and effective interest method continued

Interest revenue is recognised using the effective interest method for debt instruments measured subsequently at amortised cost. Interest revenue 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 revenue 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 revenue is recognised in profit or loss and is included in the interest revenue line item (note 11 of the annual financial statements).

Financial liabilities

The company's financial liabilities primarily relate to interest-bearing liabilities and trade and other payables which are initially measured at fair value and subsequently measured at amortised costs using the effective interest rate method. Interest-bearing liabilities consist of the listed debt issued by Nutun Investments Limited. The effective interest rate is the rate that exactly discounts estimated future cash payments.

Nutun Investments Limited's obligations under the interest-bearing debt are irrevocably and unconditionally guaranteed by Transaction Capital Limited.

18.1 Credit risk

Credit risk is the risk of loss arising from the failure of a client or counterparty to discharge an obligation to the company. The primary credit risk that the company is exposed to arises from the loan to the holding company. The measurement of the ECL relating to this loan is discussed in the section below.

The company limits its counterparty exposure arising from cash balances by dealing only with well-established financial institutions of high credit standing. Deposits are limited to the big five banks within South Africa.

Impairment

The company recognises a loss allowance for expected credit losses (ECL) on financial assets that are measured at amortised cost.

The loss allowance for a financial instrument is measured at the lifetime ECL if the credit risk on that financial asset has increased significantly since initial recognition.

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.

12 month ECL are the portion of the lifetime ECL that represent the ECL that result from default events on a financial instrument that are possible within 12 months after reporting date. For loan commitments and financial guarantee contracts, the date that the company becomes party to the irrevocable commitment is considered the date of initial recognition for the purposes of applying the impairment requirements.

Notes to the annual financial statements continued

for the year ended 30 September

18. Financial risk management continued

18.1 Credit risk continued

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. 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.

The measurement of the ECL is a function of the probability of default, the loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and the loss given default is based on historical data adjusted by forward-looking information. The company has assessed the probability of default with reference to guidance based on the external credit rating from a global institution. The company's assessment of the loss given default is based on a calculated expected recovery rate, determined by comparing the holding company's contractual debt cash outflows relative to its total assets. The exposure at default is represented by the financial asset's gross carrying amount at the reporting date.

In assessing whether the credit risk on a financial asset has increased significantly since initial recognition, the company compares the risk of default occurring on the financial instrument at reporting date with the risk of default at the date of initial recognition. In making this assessment, the company considers both qualitative and quantitative information which is reasonable and supportable. In particular, the following information was considered:

- Actual or expected deterioration in the financial instrument's external credit rating;
- Liquid assets available in order to determine loss given default (LGD) rates;
- Any events of default in the past and other financial commitments that the borrower has, in order to inform the probability of default calculation; and
- Existing or forecasted adverse changes in the business, financial or economic conditions that are expected to cause a significant decrease in the holding company's ability to meet its obligations.

Expected credit losses are measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL for stage 2 or stage 3 assets.

- Stage 1 assets are considered performing. Credit risk has not increased significantly since initial recognition.
- Stage 2 assets are considered underperforming as credit risk has increased significantly since initial recognition but are not credit impaired.
- Stage 3 assets are considered as nonperforming and credit impaired.

In the current year, the company assessed the credit risk relating to the holding company loan as low. The asset has an external credit rating of A-(ZA) and A2 (ZA). An external global ratings institution has affirmed the South African national scale long and short-term issuer credit ratings of Transaction Capital Limited. The loan has therefore been assessed to be in stage 1, and the resultant ECL represents a 12-month expected credit loss.

Cash and cash equivalents

The Company maintains its cash and cash equivalents with banks and financial institutions having good reputation, good past track record and high quality credit rating and also reviews their credit-worthiness on an ongoing basis.

Due to the short-term nature of these assets and historical experience, cash and cash equivalents are regarded as having a low probability of default and therefore the related expected credit loss is deemed to be insignificant.

Cash balances are held with First National Bank that have a credit rating of ba2 per Moody's Rating Agency. Given this rating, management does not expect the counterparty to fail to meet its obligations.

Notes to the annual financial statements continued

for the year ended 30 September

18. Financial risk management continued

18.1 Credit risk continued

18.1.1 Financial assets subject to credit risk

The credit risk grades for the Company's financial assets subject to credit risk are as follows:

	Loan to Holding company R	Cash and cash equivalents R	Trade and other receivables* R	Total R
2024				
Stage 1	**184 123 960**	**8 576 536**	**338 100**	**193 038 596**
Stage 2	**–**	**–**	**–**	**–**
Stage 3	**–**	**–**	**–**	**–**
Impairment allowance**	**–**	**–**	**–**	**–**
Performing loans	**–**	**–**	**–**	**–**
Under-performing loans	**–**	**–**	**–**	**–**
Non-performing loans	**–**	**–**	**–**	**–**
Carrying value of financial assets	**184 123 960**	**8 576 536**	**338 100**	**193 038 596**

* Trade and other receivables on the statement of financial position include prepayments of R67 279 and VAT receivable of R6 986. Prepayments and VAT receivable are not financial assets and have therefore been excluded from the disclosure above.

** Refer to note 18.1.2 for a reconciliation of the impairment provision.

	Loans and advances R	Cash and cash equivalents*** R	Trade and other receivables* R	Total R
2023				
Stage 1	457 857 220	6 198 225	–	464 055 445
Stage 2	–	–	–	–
Stage 3	–	–	–	–
Impairment allowance**	(1 831 431)	–	–	(1 831 431)
Performing loans	(1 831 431)	–	–	(1 831 431)
Under-performing loans	–	–	–	–
Non-performing loans	–	–	–	–
Carrying value of financial assets	456 025 789	6 198 225	–	462 224 014

* Trade and other receivables of R55 718 on the statement of financial position relates to prepayments. Prepayments are not financial assets and have therefore been excluded from the disclosure above.

** The prior year disclosure has been updated to include the credit risk associated with cash and cash equivalents. The disclosure in the current year has been updated to include cash and cash equivalents as an asset carried at amortised cost. The amount of 6,198,225 was not shown as stage 1 in the current year. The total stage 1 assets shown in the prior year were R457,857,220 (updated to R464,055,445 above). Cash and cash equivalents have been classified as Stage 1 and no expected credit loss has been recognised. This amended disclosure has not impacted equity or the statement of financial position of the company.

*** Refer to note 18.1.2 for a reconciliation of the impairment provision.

Notes to the annual financial statements continued
for the year ended 30 September

18. Financial risk management continued
18.1 Credit risk continued
18.1.2 Impairment provision reconciliation

Loan to holding company	12 month expected credit losses R	Lifetime expected credit losses R	Credit impaired financial assets R	Total R
2023				
Balance at the beginning of the year	1 369 041	–	–	1 369 041
Impairment recognised in profit or loss	462 390	–	–	462 390
Balance at the end of the year	1 831 431	–	–	1 831 431
2024				
Balance at the beginning of the year	**1 831 431**	**–**	**–**	**1 831 431**
Impairment recognised in profit or loss*	**(1 831 431)**	**–**	**–**	**(1 831 431)**
Balance at the end of the year	**–**	**–**	**–**	**–**

* The impairment provision raised in previous years was released as a significant portion of the loan to holding company has been repaid. The credit risk relating to the holding company loan has been assessed as low. Refer to note 18.1 measurement of expected credit losses (ECL) for details of considerations applied. Management has assessed the sensitivity within the significant inputs, taking into consideration the liquid assets of the counterparty and its other liabilities, and any changes to these inputs would not result in a significant ECL having to be raised.

18.2 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 associated with the effects of fluctuations in the prevailing levels of market rates on future cash flows of a financial instrument and the fair value of the financial instrument based on changes in market interest rates.

18.2.1 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 assets R
2024	**(183 258 139)**	**192 700 496**	**9 442 357**
Total	**(183 258 139)**	**192 700 496**	**9 442 357**
2023	(457 249 624)	462 224 014	4 974 390
Total	(457 249 624)	462 224 014	4 974 390

18.2.2 Weighted average interest rates
The table below summarises the weighted interest rate of bank balances and borrowings.

	2024		2023	
	Bank balances	**Borrowings**	Bank balances	Borrowings
	%	**%**	%	%
Total	**10.03%**	**11.74%**	6.88	10.37

Notes to the annual financial statements continued

for the year ended 30 September

18. Financial risk management continued

18.2 Interest rate risk continued

18.2.3 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 2024		
Cash and cash equivalents	**85 765**	**8 576 536**
Loan to holding company	**1 841 240**	**184 123 960**
Total	**1 927 005**	**192 700 496**
LIABILITIES		
Interest-bearing liabilities	**1 832 581**	**183 258 139**
Total	**1 832 581**	**183 258 139**
Net exposure	**94 424**	**9 442 357**

	Effect on profit before tax of 1% change in rates R	Total carrying value of assets and liabilities R
30 September 2023		
ASSETS		
Cash and cash equivalents	61 982	6 198 225
Loan to holding company	4 560 258	456 025 789
Total	4 622 240	462 224 014
LIABILITIES		
Interest-bearing liabilities	4 572 496	457 249 624
Total	4 572 496	457 249 624
Net exposure	49 744	4 974 390

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 3 month JIBAR plus 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. This is based on an analysis of changes in interest rates in prior years. 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.

Notes to the annual financial statements continued

for the year ended 30 September

18. Financial risk management continued

18.3 Liquidity risk management

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 the company. 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 company's borrowing facilities and utilisation thereof, borrowing facilities under discussion, maturity profile and concentration of liability by counterparty, asset maturities and borrowing facility obligations and special conditions.

The 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.

	Carrying amount R	**Total R**	**On demand R**	**Within 1 year R**	**From 1–2 years R**	**From 2–3 years R**	**From 3–4 years R**	**From 4–5 years R**
2024								
LIABILITIES								
Trade and other payables	**155 755**	**155 755**	**155 755**	**–**	**–**	**–**	**–**	**–**
Loan from holding company	**8 486 270**	**8 486 270**	**8 486 270**	**–**	**–**	**–**	**–**	
Interest-bearing liabilities	**183 258 139**	**231 213 022**	**–**	**22 220 050**	**22 220 050**	**188 772 922**	**–**	**–**
Financial liabilities	**191 900 164**	**239 855 047**	**8 642 025**	**22 220 050**	**22 220 050**	**188 772 922**	**–**	**–**
Non-financial liabilities	**151 643**	**151 643**	**151 643**	**–**	**–**			
Total liabilities	**192 051 807**	**240 006 690**	**8 793 668**	**22 220 050**	**22 220 050**	**188 772 922**	**–**	**–**

	Carrying amount R	Total R	On demand R	Within 1 year R	From 1–2 years R	From 2–3 years R	From 3–4 years R	From 4–5 years R
2023								
LIABILITIES								
Trade and other payables	139 136	139 136	139 136	–	–	–	–	–
Group loans	7 039 161	7 039 161	7 039 161	–	–	–	–	–
Interest-bearing liabilities	457 249 624	587 533 678		52 673 027	250 324 092	28 768 006	255 768 553	–
Financial liabilities	464 427 921	594 711 975	7 178 297	52 673 027	250 324 092	28 768 006	255 768 553	–
Non-financial liabilities	46 985	46 985	46 985	–	–	–	–	–
Total liabilities	464 474 906	594 758 960	7 225 282	52 673 027	250 324 092	28 768 006	255 768 553	–

Notes to the annual financial statements continued

for the year ended 30 September

18. Financial risk management continued

18.4 Fair value disclosure

Fair values are the prices 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 instrument 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.

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

Notes to the annual financial statements continued

for the year ended 30 September

18. Financial risk management continued

18.4 Fair value disclosure continued

The following table represents the fair values of financial instruments not carried at fair value on statement of financial position but for which fair value is required to be disclosed for all other financial instruments, the carrying value is equal to a reasonable approximation of fair value.

	2024				
	Carrying value 2024 R	**Total fair value R**	**Level 1 R**	**Level 2 R**	**Level 3 R**
ASSETS					
Loan to holding company	**184 123 960**	**184 123 960**	**–**	**–**	**184 123 960**
Total	**184 123 960**	**184 123 960**	**–**	**–**	**184 123 960**
LIABILITIES					
Interest-bearing liabilities	**183 258 139**	**186 658 848**	**–**	**–**	**186 658 848**
Floating rate liabilities	**183 258 139**	**186 658 848**	**–**	**–**	**186 658 848**
Group loans	**8 486 270**	**8 486 270**	**–**	**–**	**8 486 270**
Total	**191 744 409**	**195 145 118**	**–**	**–**	**195 145 118**
Net exposure	**(7 620 449)**	**(11 021 158)**	**–**	**–**	**(11 021 158)**

	2023				
	Carrying value 2023 R	Total fair value R	Level 1 R	Level 2 R	Level 3 R
ASSETS					
Loan to holding company	456 025 789	456 025 789	–	–	456 025 789
Total	456 025 789	456 025 789	–	–	456 025 789
LIABILITIES					
Interest-bearing liabilities	457 249 624	459 855 224	–	–	459 855 224
Floating rate liabilities	457 249 624	459 855 224	–	–	459 855 224
Group loans	7 039 161	7 039 161	–	–	7 039 161
Total	464 288 785	466 894 385	–	–	466 894 385
Net exposure	(8 262 996)	(10 868 596)	–	–	(10 868 596)

The loan to the holding company which is at a variable interest rate approximates fair value as the estimated future cash flows are already considered in the expected credit loss model. The carrying amount of group loans approximates their fair value due to the loan being repayable on demand.

The fair value of interest-bearing liabilities is based on future cashflows, discounted using a forward rate curve plus a valuation margin. The valuation margin is a consensus margin at which deals with similar remaining cash profiles could be secured in the market at the valuation date.

Notes to the annual financial statements continued

for the year ended 30 September

18. Financial risk management continued

18.5 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
2024					
ASSETS					
Cash and cash equivalents	**8 576 536**	**–**	**–**	**–**	**8 576 536**
Trade and other receivables	**338 100**	**–**	**74 265**	**–**	**412 365**
Loan to holding company	**184 123 960**	**–**	**–**	**–**	**184 123 960**
Total assets	**193 038 596**	**–**	**74 265**	**–**	**193 112 861**
EQUITY AND LIABILITIES					
Tax liabilities	**–**	**–**	**133 478**	**–**	**133 478**
Trade and other payables	**–**	**155 755**	**–**	**–**	**155 755**
Group loans	**–**	**8 486 270**	**–**	**–**	**8 486 270**
Interest-bearing liabilities	**–**	**183 258 139**	**–**	**–**	**183 258 139**
Deferred tax liability	**–**	**–**	**18 165**	**–**	**18 165**
Total liabilities	**–**	**191 900 164**	**151 643**	**–**	**192 051 807**
EQUITY					
Ordinary share capital	**–**	**–**	**–**	**100**	**100**
Retained earnings	**–**	**–**	**–**	**1 060 954**	**1 060 954**
Equity attributable to ordinary equity holders of the parent	**–**	**–**	**–**	**1 061 054**	**1 061 054**
Total equity	**–**	**–**	**–**	**1 061 054**	**1 061 054**
Total equity and liabilities	**–**	**191 900 164**	**151 643**	**1 061 054**	**193 112 861**

	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
2023					
ASSETS					
Cash and cash equivalents	6 198 225	–	–	–	6 198 225
Trade and other receivables	–	–	55 718	–	55 718
Loan to holding company	456 025 789	–	–	–	456 025 789
Total assets	462 224 014	–	55 718	–	462 279 732
EQUITY AND LIABILITIES					
Tax liabilities	–	–	12 445	–	12 445
Trade and other payables	–	139 136	34 540	–	173 676
Group loans	–	7 039 161	–	–	7 039 161
Interest-bearing liabilities	–	457 249 624	–	–	457 249 624
Total liabilities	–	464 427 921	46 985	–	464 474 906
EQUITY					
Ordinary share capital	–	–	–	100	100
Retained earnings	–	–	–	(2 195 274)	(2 195 274)
Equity attributable to ordinary equity holders of the parent	–	–	–	(2 195 174)	(2 195 174)
Total equity	–	–	–	(2 195 174)	(2 195 174)
Total equity and liabilities	–	464 427 921	46 985	(2 195 174)	462 279 732

Notes to the annual financial statements continued

for the year ended 30 September

19. 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 2024 the company's assets exceed its liabilities by R1 060 054. 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. Debt taken on in respect to the securitization notes has been guaranteed by Transaction Capital Limited.

20. Operating segments

No segments have been disclosed in the annual financial statements as management view the business as one segment.

21. Subsequent events

No events which would have a material impact on either the financial position or operating results of the company have taken place between 30 September 2024 and the date of release of this report.

Directors' profiles

JONATHAN JAWNO (58)

Executive Director (Chief Executive Officer)

BCom (Hons) Graduate Diploma Accounting (University of Cape Town CA(SA)

Appointed: December 2023

Subsequent to completing his articles at Arthur Andersen, Jonathan went on to acquire and grow the group of companies that in 2007 became the foundation of Transaction Capital. Jonathan was appointed as an executive director of Transaction Capital in June 2010 and stepped into the role of Chief Executive Officer on 31 December 2023.

MARK HERSKOVITS (50)

Executive Director (Chief Financial Officer)

BBusSci (Finance) Postgraduate Diploma in Accounting (University of Cape Town) CA(SA) CFA

Appointed: September 2016

Mark served his articles at Deloitte & Touche in Johannesburg. After staying on as a manager until 2001, he joined Rand Merchant Bank as a corporate bond investment analyst in the Special Projects International division. In 2007, Mark joined Transaction Capital to assist in the corporate activity required to establish the Group. He joined the Capital Markets division in 2009 and led the team from June 2010, where he remained until his appointment in January 2014 as group CFO. In August 2016, Mark was appointed as executive director of capital management with primary responsibility for the Group's capital management strategy and activities, and in February 2020 was appointed as group Chief Investment Officer. In this position, his responsibilities include capital management, oversight of the asset and liability committee, Nutun book buying and the Group's offshore investment strategy through Transaction Capital Global Finance.

ROBERTO ROSSI (63)

Executive Director

BSc (MechEng) and Graduate Diploma (IndEng) (University of the Witwatersrand) BProc (Unisa)

Appointed: June 2024

Roberto founded Miners Credit Guarantee in 1991 to provide credit card-type facilities to mineworkers. In 1998, Nisela Growth Investments (part of African Bank) acquired a 50% shareholding in Miners Credit Guarantee. Shortly thereafter, Roberto assumed an executive role at African Bank Limited and was subsequently responsible for establishing, acquiring and operating several of the businesses owned by African Bank. After selling his remaining shares in Miners Credit Guarantee to African Bank in 2003, Roberto partnered with Jonathan Jawno and Michael Mendelowitz to acquire and grow the group of companies that in 2007 became the foundation of Transaction Capital.

Administration

Company registration number
2016/130129/06
(Incorporated in the Republic of South Africa)

Executive Directors
J Jawno (Chief Executive Officer)
M Herskovits (Chief Financial Officer), (Debt Officer)
R Rossi (Executive Director)

Company Secretary and Registered office
Lisa Lill
115 West Street
Sandton
Johannesburg
South Africa
(PO Box 41888, Craighall, 2024)

Debt Sponsor
Merchantec Capital
(Registration number 2008/027362/07)
13th Floor Illovo Point
68 Melville Road
Illovo, Sandton, 2196

Independent Auditor
PricewaterhouseCoopers Inc.
(Practice number 901121)
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Jukskei View, 2090
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