

Switch 2 Cover (Pty) Ltd
(Registration number 2016/195909/07)
Financial statements
for the 15 months ended 30 September 2017

Switch 2 Cover (Pty) Ltd

(Registration number 2016/195909/07)

Financial Statements for the 15 months ended 30 September 2017

Directors' Responsibilities and Approval

The directors are required by the Companies Act 71 of 2008, to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the financial statements fairly present the state of affairs of the company as at the end of the financial 15 months and the results of its operations and cash flows for the period then ended, in conformity with the International Financial Reporting Standard for Small and Medium-sized Entities. The external auditor's is engaged to express an independent opinion on the financial statements.

The financial statements are prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the company's cash flow forecast for the 15 months to 30 September 2018 and, in the light of this review and the current financial position, they are satisfied that the company has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditor's are responsible for independently auditing and reporting on the company's financial statements. The financial statements have been examined by the company's external auditor's and their report is presented on page 2.

The financial statements set out on pages 5 to 23, which have been prepared on the going concern basis, were approved by the board on and were signed on its behalf by:

Director

Director

Independent Auditor's Report

To the shareholders of Switch 2 Cover (Pty) Ltd

Opinion

We have audited the Financial Statements of Switch 2 Cover (Pty) Ltd set out on pages 7 to 20, which comprise the Statement of Financial Position as at 30 September 2017, and the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the 15 months then ended, and notes to the Financial Statements, including a summary of significant accounting policies.

In our opinion, the Financial Statements present fairly, in all material respects, the financial position of Switch 2 Cover (Pty) Ltd as at 30 September 2017, and its financial performance and cash flows for the 15 months then ended in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act 71 of 2008.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the Independent Regulatory Board for Auditors Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

We draw attention to note 20 in the Financial Statements, which indicates that the company incurred a net loss of R7,228,680 during the year ended 30 September 2017 and, as of that date, the company's current liabilities exceeded its total assets by R2,157,181. Our opinion is not modified in respect of this matter.

Other information

The directors are responsible for the other information. The other information comprises the Directors' Report as required by the Companies Act 71 of 2008, which we obtained prior to the date of this report. Other information does not include the Financial Statements and our auditor's report thereon.

Our opinion on the Financial Statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work We have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independent Auditor's Report

Responsibilities of the directors for the Financial Statements

The directors are responsible for the preparation and fair presentation of the Financial Statements in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act 71 of 2008, and for such internal control as the directors determine is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing 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 International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

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

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

Independent Auditor's Report

BERNARD SHAW OUDITEURE INC.
Registered Auditors
Per: T van der Merwe

Date:.....
STELLENBOSCH

Switch 2 Cover (Pty) Ltd

(Registration number 2016/195909/07)

Financial Statements for the 15 months ended 30 September 2017

Directors' Report

The directors have pleasure in submitting their report on the financial statements of Switch 2 Cover (Pty) Ltd for the 15 months ended 30 September 2017.

1. Review of financial results and activities

The financial statements have been prepared in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act 71 of 2008. The accounting policies have been applied consistently compared to the prior 15 months.

Full details of the financial position, results of operations and cash flows of the company are set out in these financial statements.

2. Share capital

Authorised		2017 Number of shares
Ordinary shares		9,999
Issued	2017 R	2017 Number of shares
Ordinary shares	5,071,499	8,610

There have been no changes to the authorised or issued share capital during the 15 months under review.

3. Dividends

The company's dividend policy is to consider an interim and a final dividend in respect of each financial 15 months. At its discretion, the board may consider a special dividend, where appropriate. Depending on the perceived need to retain funds for expansion or operating purposes, the board may pass on the payment of dividends.

Given the current state of the global economic environment, the board believes that it would be more appropriate for the company to conserve cash and maintain adequate debt headroom to ensure that the company is best placed to withstand any prolonged adverse economic conditions. Therefore the board has resolved not to declare a dividend for the financial 15 months ended 30 September 2017.

4. Directors

The directors in office at the date of this report are as follows:

Directors

SS Gilmour

SJ Knott

KL McGeachie

These directors have been appointed to the directorate for the period under review.

5. Directors interests in shares

As at 30 September 2017, the directors of the company held direct and indirect beneficial interests in 22.89% (2016: -%) of its issued ordinary shares, as set out below.

Interest in shares

Switch 2 Cover (Pty) Ltd

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Financial Statements for the 15 months ended 30 September 2017

Directors' Report

Directors

2017

Indirect

SJ Knott

1,971

6. Property, plant and equipment

There was no change in the nature of the property, plant and equipment of the company or in the policy regarding their use.

At 30 September 2017 the company's investment in property, plant and equipment amounted to R290,109 (2016:R-), of which R321,150 (2016: R-) was added in the current year through additions.

7. Events after the reporting period

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report.

8. Going concern

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

9. Auditors

BERNARD SHAW OUDITEURE INC. continued in office as auditors for the company for 2017.

Switch 2 Cover (Pty) Ltd

(Registration number 2016/195909/07)

Financial Statements for the 15 months ended 30 September 2017

Statement of Financial Position as at 30 September 2017

	Notes	30 September 2017 R
Assets		
Non-Current Assets		
Property, plant and equipment	2	290,109
Deferred tax	5	2,791,944
		3,082,053
Current Assets		
Trade and other receivables	6	47,173
Other financial assets	4	250,000
Cash and cash equivalents	7	490,172
		787,345
Total Assets		3,869,398
Equity and Liabilities		
Equity		
Share capital	8	5,071,499
Accumulated loss		(7,228,680)
		(2,157,181)
Liabilities		
Non-Current Liabilities		
Loans from shareholders	3	3,070,000
Other financial liabilities	10	2,472,241
		5,542,241
Current Liabilities		
Trade and other payables	9	484,338
Total Liabilities		6,026,579
Total Equity and Liabilities		3,869,398

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Financial Statements for the 15 months ended 30 September 2017

Statement of Comprehensive Income

	Notes	15 months ended 30 September 2017 R
Revenue	11	139,565
Operating expenses		(10,112,871)
Operating loss	12	(9,973,306)
Investment revenue	13	31,132
Finance costs	14	(78,450)
Loss before taxation		(10,020,624)
Taxation	15	2,791,944
Loss for the 15 months		(7,228,680)

Switch 2 Cover (Pty) Ltd

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Financial Statements for the 15 months ended 30 September 2017

Statement of Changes in Equity

	Share capital	Accumulated loss	Total equity
	R	R	R
Loss for the 15 months	-	(7,228,680)	(7,228,680)
Issue of shares	3,841,499	-	3,841,499
Conversion of loans into equity	1,230,000	-	1,230,000
Total changes	5,071,499	-	5,071,499
Balance at 30 September 2017	5,071,499	(7,228,680)	(2,157,181)
Note(s)	8		

Switch 2 Cover (Pty) Ltd

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Financial Statements for the 15 months ended 30 September 2017

Statement of Cash Flows

	Notes	15 months ended 30 September 2017 R
Cash flows from operating activities		
Cash receipts from customers		139,565
Cash paid to suppliers and employees		(9,644,665)
Cash used in operations	16	(9,505,100)
Net cash from operating activities		(9,505,100)
Cash flows from investing activities		
Purchase of property, plant and equipment	2	(321,150)
Net movement in financial assets		(250,000)
Interest Income		31,132
Net cash from investing activities		(540,018)
Cash flows from financing activities		
Proceeds on share issue	8	5,071,499
Net movement in other financial liabilities		2,472,241
Net movement in shareholders loan		3,070,000
Finance costs		(78,450)
Net cash from financing activities		10,535,290
Total cash movement for the 15 months		490,172
Total cash at end of the 15 months	7	490,172

Switch 2 Cover (Pty) Ltd

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Financial Statements for the 15 months ended 30 September 2017

Accounting Policies

1. Presentation of financial statements

The financial statements have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and the Companies Act 71 of 2008.

The financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below. They are presented in South African Rands.

1.1 Property, plant and equipment

Property, plant and equipment is carried at cost less accumulated depreciation and accumulated impairment losses.

Cost include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Depreciation is provided using the straight-line method to write down the cost, less estimated residual value over the useful life of the property, plant and equipment as follows:

Item	Depreciation method	Average useful life
Furniture and fixtures		6 years
IT equipment		3 years

If the major components of an item of property, plant and equipment have significantly different patterns of consumption of economic benefits, the cost of the asset is allocated to its major components and each such component is depreciated separately over its useful life.

The residual value, depreciation method and useful life of each asset are reviewed only where there is an indication that there has been a significant change from the previous estimate.

1.2 Financial instruments

Initial measurement

Financial instruments are initially measured at the transaction price (including transaction costs except in the initial measurement of financial assets and liabilities that are measured at fair value through profit or loss) unless the arrangement constitutes, in effect, a financing transaction in which case it is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial instruments at amortised cost

These include loans, trade receivables and trade payables. Those debt instruments which meet the criteria in section 11.8(b) of the standard, are subsequently measured at amortised cost using the effective interest method. Debt instruments which are classified as current assets or current liabilities are measured at the undiscounted amount of the cash expected to be received or paid, unless the arrangement effectively constitutes a financing transaction.

At each reporting date, the carrying amounts of assets held in this category are reviewed to determine whether there is any objective evidence of impairment. If there is objective evidence, the recoverable amount is estimated and compared with the carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

Switch 2 Cover (Pty) Ltd

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Financial Statements for the 15 months ended 30 September 2017

Accounting Policies

1.2 Financial instruments (continued)

Financial instruments at cost

Commitments to receive a loan are measured at cost less impairment.

Equity instruments that are not publicly traded and whose fair value cannot otherwise be measured reliably are measured at cost less impairment.

1.3 Tax

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

The tax liability reflects the effect of the possible outcomes of a review by the tax authorities.

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences.

A deferred tax asset is recognised for all deductible temporary differences and for the carry forward of unused tax losses and unused tax credits.

Deferred tax assets and liabilities are measured at an amount that includes the effect of the possible outcomes of a review by the tax authorities using tax rates that, on the basis of enacted or substantively enacted tax law at the end of the reporting period, are expected to apply when the deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax asset balances are reviewed at every reporting date. When necessary, a valuation allowance is recognised against the deferred tax assets so that the net amount equals the highest amount that is more likely than not to be realised on the basis of current or future taxable profit.

1.4 Impairment of assets

The company assesses at each reporting date whether there is any indication that property, plant and equipment or intangible assets or goodwill may be impaired.

If there is any such indication, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset (or group of assets) in prior 15 months. A reversal of impairment is recognised immediately in profit or loss.

1.5 Share capital and equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Switch 2 Cover (Pty) Ltd

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Financial Statements for the 15 months ended 30 September 2017

Accounting Policies

1.6 Revenue

Revenue is recognised to the extent that the company has transferred the significant risks and rewards of ownership of goods to the buyer, or has rendered services under an agreement provided the amount of revenue can be measured reliably and it is probable that economic benefits associated with the transaction will flow to the company. Revenue is measured at the fair value of the consideration received or receivable, excluding sales taxes and discounts.

Service revenue is recognised by reference to the stage of completion of the transaction at the end of the reporting period. The Stage of completion is determined by surveys of work performed. When the outcome of a transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Interest is recognised, in profit or loss, using the effective interest rate method.

1.7 Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

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Financial Statements for the 15 months ended 30 September 2017

Notes to the Financial Statements

15 months
ended
30 September
2017
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2. Property, plant and equipment

	2017		
	Cost	Accumulated depreciation	Carrying value
Furniture and fixtures	67,820	(8,027)	59,793
IT equipment	253,330	(23,014)	230,316
Total	321,150	(31,041)	290,109

Reconciliation of property, plant and equipment - 2017

	Opening balance	Additions	Depreciation	Total
Furniture and fixtures	-	67,820	(8,027)	59,793
IT equipment	-	253,330	(23,014)	230,316
	-	321,150	(31,041)	290,109

3. Loans to (from) shareholders

Yellowwoods Capital Holdings (Pty) Ltd (3,070,000)

This unsecured loan bears interest at 8% per annum and is repayable on 31 December 2018. This loan has been subordinated in favour of other creditors of the company and the subordination agreement shall remain in force for as long as the liabilities of the company exceed its assets fairly valued.

4. Other financial assets

At amortised cost

Silver Page Capital (Pty) Ltd 250,000

This unsecured loan bears interest as agreed upon by the parties from time to time and is repayable on demand. Therefore this asset is classified as current.

Current assets

At amortised cost 250,000

Switch 2 Cover (Pty) Ltd

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Financial Statements for the 15 months ended 30 September 2017

Notes to the Financial Statements

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5. Deferred tax

Deferred tax asset

Tax losses available for set off against future taxable income	2,791,944
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Reconciliation of deferred tax asset \ (liability)

Increases in tax loss available for set off against future taxable income	2,791,944
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6. Trade and other receivables

Deposits	39,570
Receiver of Revenue - VAT	7,603
	47,173

7. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balances	490,172
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8. Share capital

Authorised

9,999 Ordinary shares with no par value	9,999
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Reconciliation of number of shares issued:

Issue of shares – ordinary shares with no par value	9,999
Cancellation of shares issued	(1,389)
	8,610

Issued

8,610 Ordinary shares with no par value	5,071,499
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9. Trade and other payables

Trade payables	484,338
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Switch 2 Cover (Pty) Ltd

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Financial Statements for the 15 months ended 30 September 2017

Notes to the Financial Statements

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10. Other financial liabilities

At amortised cost

Silver Page Capital (Pty) Ltd	2,472,241
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This unsecured loan bears interest at rates linked to the prime bank overdraft rate and has no fixed terms of repayment. This loan has been subordinated in favour of other creditors of the company and the subordination agreement shall remain in force for as long as the liabilities of the company exceed its assets fairly valued. Management confirmed that this loan will also not be repaid within the next 12 months and therefore it is classified as long term.

Non-current liabilities

At amortised cost	2,472,241
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11. Revenue

Rendering of services	139,565
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12. Operating loss

Operating loss for the year is stated after accounting for the following:

Operating lease charges

Premises

• Contractual amounts	295,619
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Depreciation on property, plant and equipment	31,041
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Employee costs	3,782,793
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Research and development costs	243,716
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13. Investment revenue

Interest revenue

Bank	31,132
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14. Finance costs

Bank	29,053
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Late payment of tax	49,397
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78,450

Switch 2 Cover (Pty) Ltd

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Financial Statements for the 15 months ended 30 September 2017

Notes to the Financial Statements

15 months
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15. Taxation

Major components of the tax income

Deferred

Benefit of unrecognised tax loss / temporary difference used to reduce deferred tax expense	(2,791,944)
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16. Cash used in operations

Loss before taxation	(10,020,624)
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Adjustments for:

Depreciation and amortisation	31,041
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Interest received	(31,132)
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Finance costs	78,450
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Changes in working capital:

Trade and other receivables	(47,173)
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Trade and other payables	484,338
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	(9,505,100)
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Switch 2 Cover (Pty) Ltd

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Financial Statements for the 15 months ended 30 September 2017

Notes to the Financial Statements

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17. Related parties

Relationships	
Shareholders	Yellowwoods Capital Holdings (Pty) Ltd
Associate of close family member of key management	WH Collocott
	Silver Page Capital (Pty) Ltd
Members of key management	SJ Knott

Related party balances and transactions with entities with control, joint control or significant influence over the company

Related party balances

Loan accounts - Owing (to) by related parties

Yellowwoods Capital Holdings (Pty) Ltd	(3,070,000)
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Related party transactions

Consulting fees paid to related parties

SJ Knott	1,575,867
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Related party balances and transactions with other related parties

Related party balances

Loan accounts - Owing (to) by related parties

Silver Page Capital (Pty) Ltd	250,000
Silver Page Capital (Pty) Ltd	(2,472,241)

Related party transactions

Interest paid to related parties

Silver Page Capital (Pty) Ltd	28,952
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Consulting fees paid to related parties

WH Collocott	1,052,594
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Emoluments paid to related parties

WH Collocott	995,000
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18. Directors' remuneration

Executive

2017

SJ Knott	Emoluments 770,000	Total 770,000
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Financial Statements for the 15 months ended 30 September 2017

Notes to the Financial Statements

15 months
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19. Comparative figures

No comparative figures have been presented as these are the first financial statements of the company.

20. Going concern

We draw attention to the fact that at 30 September 2017, the company had accumulated losses of R 7,228,680 and that the company's total liabilities exceed its assets by R (2,157,181).

The financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The ability of the company to continue as a going concern is dependent on a number of factors. The most significant of these is that the directors continue to procure funding for the ongoing operations for the company and that the subordination agreements referred to in notes 3 and 10 of these financial statements will remain in force for as long as it takes to restore the solvency of the company.

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Financial Statements for the 15 months ended 30 September 2017

Notes to the Financial Statements

21. Categories of financial instruments

	Note(s)	Debt instruments at amortised cost	Financial liabilities at amortised cost	Equity and non financial assets and liabilities	Total
Categories of financial instruments - 2017					
Assets					
Non-Current Assets					
Property, plant and equipment	2	-	-	290,109	290,109
Deferred tax	5	-	-	2,791,944	2,791,944
		-	-	3,082,053	3,082,053
Current Assets					
Other financial assets	4	250,000	-	-	250,000
Trade and other receivables	6	39,570	-	7,603	47,173
Cash and cash equivalents	7	490,172	-	-	490,172
		779,742	-	7,603	787,345
Total Assets		779,742	-	3,089,656	3,869,398
Equity and Liabilities					
Equity					
Equity Attributable to Equity Holders of Parent:					
Share capital	8	-	-	5,071,499	5,071,499
Accumulated loss	8	-	-	(7,228,680)	(7,228,680)
		-	-	(2,157,181)	(2,157,181)
Total Equity		-	-	(2,157,181)	(2,157,181)
Liabilities					
Non-Current Liabilities					
Loans from shareholders	3	-	3,070,000	-	3,070,000
Other financial liabilities	10	-	2,472,241	-	2,472,241
		-	5,542,241	-	5,542,241
Current Liabilities					
Trade and other payables	9	-	484,338	-	484,338
Total Liabilities		-	6,026,579	-	6,026,579
Total Equity and Liabilities		-	6,026,579	(2,157,181)	3,869,398

Switch 2 Cover (Pty) Ltd

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Financial Statements for the 15 months ended 30 September 2017

Detailed Income Statement

	Notes	15 months ended 30 September 2017 R
Revenue		
Rendering of services		139,565
Other income		
Interest received	13	31,132
Expenses (Refer to page 22)		(10,112,871)
Operating loss	12	(9,942,174)
Finance costs	14	(78,450)
Loss before taxation		(10,020,624)
Taxation	15	2,791,944
Loss for the 15 months		(7,228,680)

Switch 2 Cover (Pty) Ltd

(Registration number 2016/195909/07)

Financial Statements for the 15 months ended 30 September 2017

Detailed Income Statement

	15 months ended 30 September 2017
	R
Notes	
Operating expenses	
Accounting fees	(21,375)
Advertising	(246,660)
Bank charges	(23,225)
Compliance	(134,022)
Computer expenses	(34,439)
Consulting and professional fees	(2,950,673)
Credit bureau	(576,459)
Debit order	(2,250)
Depreciation, amortisation and impairments	(31,041)
Employee costs	(3,782,793)
Entertainment	(29,112)
IT expenses	(243,312)
Insurance	(35,836)
Lease rentals on operating lease	(295,619)
Legal expenses	(327,168)
Municipal expenses	(40,706)
Office expenses	(11,040)
Postage	(15,040)
Printing and stationery	(4,860)
Recruitment	(19,366)
Referral fee	(329,259)
Repairs and maintenance	(1,632)
Research and development costs	(243,716)
Security	(2,100)
Software expenses	(11,605)
Staff welfare	(243,499)
Subscriptions	(7,088)
Telephone and fax	(416,550)
Training	(3,300)
Travel - local	(8,234)
VAT assessment expense	(20,892)
	(10,112,871)

Switch 2 Cover (Pty) Ltd

(Taxpayer reference number)

(Registration number 2016/195909/07)

Financial Statements for the 15 months ended 30 September 2017

Tax Computation

	2017 R
Net loss per income statement	(10,020,624)
Permanent differences (Non-deductible/Non taxable items)	
Interest, penalties paid in respect of taxes (s23(d))	49,397
Imputed net income from CFC	-
Assessed loss brought forward	-
Assessed loss for 2017 - carried forward	(9,971,227)
Tax thereon @ 28% in the Rand	-