

Lime Loans South Africa Proprietary Limited
(Registration number 2015/239349/07)
Annual Financial Statements
for the period ended 28 February 2017

MCG & Associates Incorporated
Chartered Accountants (S.A.)
Registered Auditors

These annual financial statements have been audited in compliance with the applicable requirements of the Companies Act 71 of 2008.

Issued 31 March 2017

Lime Loans South Africa Proprietary Limited

(Registration number 2015/239349/07)

Annual Financial Statements for the period ended 28 February 2017

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Granting of short-term loans on credit
Director	CTM Tembo
Registered office	Shop 1 - 125 Webber Road Lambton Germiston Gauteng 1401
Business address	Shop 1 - 125 Webber Road Lambton Germiston Gauteng 1401
Postal address	Shop 1 - 125 Webber Road Lambton Germiston Gauteng 1401
Auditors	MCG & Associates Incorporated Chartered Accountants (S.A.) Registered Auditors
Company registration number	2015/239349/07
Tax reference number	9925/879/15/8
Preparer	The annual financial statements were internally compiled under the supervision of: CTM Tembo Director

Lime Loans South Africa Proprietary Limited

(Registration number 2015/239349/07)

Annual Financial Statements for the period ended 28 February 2017

Index

The reports and statements set out below comprise the annual financial statements presented to the shareholder:

Index	Page
Director's Responsibilities and Approval	3
Independent Auditors Report	4 - 5
Director's Report	6 - 7
Statement of Financial Position	8
Statement of Comprehensive Income	9
Statement of Changes in Equity	10
Statement of Cash Flows	11
Accounting Policies	12 - 14
Notes to the Annual Financial Statements	15 - 17
The following supplementary information does not form part of the annual financial statements and is unaudited:	
Detailed Income Statement	18
Tax Computation	19
Level of assurance	

These annual financial statements have been audited in compliance with the applicable requirements of the Companies Act 71 of 2008.

Published

31 March 2017

Lime Loans South Africa Proprietary Limited

(Registration number 2015/239349/07)

Annual Financial Statements for the period ended 28 February 2017

Director's Responsibilities and Approval

The director is required by the Companies Act 71 of 2008, to maintain adequate accounting records and is responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is her responsibility to ensure that the annual financial statements fairly present the state of affairs of the company as at the end of the financial period 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 auditors are engaged to express an independent opinion on the annual financial statements.

The annual 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 director acknowledges that she is ultimately responsible for the system of internal financial control established by the company and places considerable importance on maintaining a strong control environment. To enable the director 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.

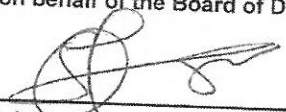
The director is of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial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

The director has reviewed the company's cash flow forecast for the period to 28 February 2018 and, in the light of this review and the current financial position, she is satisfied that the company has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the company's annual financial statements. The annual financial statements have been examined by the company's external auditors and their report is presented on page 4.

The annual financial statements set out on pages 6 to 19, which have been prepared on the going concern basis, were approved by the board on 31 March 2017 and were signed on its behalf by:

Signed on behalf of the Board of Directors By:



CTM Tembo
Johannesburg, South Africa

31 March 2017

Independent Auditors' Report

To the shareholder of Lime Loans South Africa Proprietary Limited

Opinion

We have audited the Annual Financial Statements of Lime Loans South Africa Proprietary Limited set out on pages 8 to 17, which comprise the Statement of Financial Position as at 28 February 2017, and the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the period then ended, and notes to the Annual Financial Statements, including a summary of significant accounting policies.

In our opinion, the Annual Financial Statements present fairly, in all material respects, the financial position of Lime Loans South Africa Proprietary Limited as at 28 February 2017, and its financial performance and cash flows for the period then ended in accordance with the 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 Auditors Responsibilities for the Audit of the Annual 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.

Other information

The director is responsible for the other information. The other information comprises the Director's 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 Annual Financial Statements and our auditors report thereon.

Our opinion on the Annual 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 Annual Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Annual 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 director for the Annual Financial Statements

The director is responsible for the preparation and fair presentation of the Annual Financial Statements in accordance with the 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 director determines is necessary to enable the preparation of Annual Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Annual Financial Statements, the director is 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 director either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Independent Auditors' Report


Auditors responsibilities for the audit of the Annual Financial Statements

Our objectives are to obtain reasonable assurance about whether the Annual Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors 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 Annual Financial Statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Annual 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 director.
- Conclude on the appropriateness of the director's 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 auditors report to the related disclosures in the Annual 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 auditors 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 Annual Financial Statements, including the disclosures, and whether the Annual Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the director 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.



MCG & Associates Incorporated
MC Grové
Partner
Chartered Accountant (S.A.)
Registered Auditor

21 April 2017
Johannesburg

Lime Loans South Africa Proprietary Limited

(Registration number 2015/239349/07)

Annual Financial Statements for the period ended 28 February 2017

Director's Report

The director has pleasure in submitting her report on the annual financial statements of Lime Loans South Africa Proprietary Limited for the period ended 28 February 2017.

1. Incorporation

The company was incorporated on 14 July 2015 and obtained its certificate to commence business on the same day.

2. Nature of business

Lime Loans South Africa Proprietary Limited was incorporated in South Africa. The company operates in South Africa.

The company is engaged in the granting of short-term loans on credit.

3. Review of financial results and activities

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

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

4. Share capital

Authorised

Ordinary no par value shares

2017
Number of
shares
1 000

Issued

Ordinary no par value shares

2017 R	2017 Number of shares
1 000	1 000
1 000	1 000

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

5. Director

The director in office at the date of this report is as follows:

Director
CTM Tembo

Nationality
South African

Changes
Appointed 07 March 2016

There have been no changes to the directorate for the period under review.

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 28 February 2017 the company's investment in property, plant and equipment amounted to R51 577, of which R63 924 was added in the current year through additions.

7. Events after the reporting period

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

8. Auditors

MCG & Associates Incorporated continued in office as auditors for the company for 2017.

Lime Loans South Africa Proprietary Limited

(Registration number 2015/239349/07)

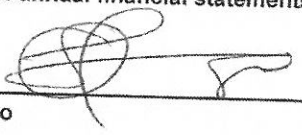
Annual Financial Statements for the period ended 28 February 2017

Director's Report

At the AGM, the shareholder will be requested to reappoint MCG & Associates Incorporated as the independent external auditors of the company and to confirm Mr MC Grove as the designated lead audit partner for the 2018 financial period.

The annual financial statements set out on pages 6 to 19, which have been prepared on the going concern basis, were approved by the board on 31 March 2017, and were signed on its behalf by:

Approval of annual financial statements



CTM Tembo

Johannesburg, South Africa

31 March 2017

Lime Loans South Africa Proprietary Limited

(Registration number 2015/239349/07)

Annual Financial Statements for the period ended 28 February 2017

Statement of Financial Position as at 28 February 2017

	Note(s)	28 February 2017 R
Assets		
Non-Current Assets		
Property, plant and equipment	2	51 577
Current Assets		
Trade and other receivables	3	733 688
Cash and cash equivalents	4	253 835
Total Assets		987 523
		1 039 100
Equity and Liabilities		
Equity		
Share capital		
Accumulated loss	5	1 000
		(615 078)
		(614 078)
Liabilities		
Non-Current Liabilities		
Loan from shareholder	6	1 651 933
Current Liabilities		
Trade and other payables		
Total Liabilities	7	1 245
Total Equity and Liabilities		1 653 178
		1 039 100

Lime Loans South Africa Proprietary Limited

(Registration number 2015/239349/07)

Annual Financial Statements for the period ended 28 February 2017

Statement of Comprehensive Income

	Note(s)	8 months ended 28 February 2017 R
Revenue		
Cost of sales	8	572 136
Gross profit	9	(204 873)
Operating expenses		367 263
Operating loss		(982 166)
Finance costs	10	(614 903)
Loss for the period	11	(175)
		(615 078)

Lime Loans South Africa Proprietary Limited

(Registration number 2015/239349/07)

Annual Financial Statements for the period ended 28 February 2017

Statement of Changes in Equity

	Share capital	Accumulated loss	Total equity
	R	R	R
Loss for the period	-	(615 078)	(615 078)
Issue of shares	1 000	-	1 000
Total changes	1 000	-	1 000
Balance at 28 February 2017	1 000	(615 078)	(614 078)

Lime Loans South Africa Proprietary Limited

(Registration number 2015/239349/07)

Annual Financial Statements for the period ended 28 February 2017

Statement of Cash Flows

	Note(s)	8 months ended 28 February 2017 R
Cash flows from operating activities		
Cash used in operations		
Finance costs	13	(1 334 999)
Net cash from operating activities		(175)
		(1 335 174)
Cash flows from investing activities		
Purchase of property, plant and equipment	2	(63 924)
Cash flows from financing activities		
Proceeds on share issue		
Proceeds from shareholder's loan	5	1 000
Net cash from financing activities		1 651 933
		1 652 933
Total cash movement for the period		253 835
Total cash at end of the period		253 835
	4	253 835

Lime Loans South Africa Proprietary Limited

(Registration number 2015/239349/07)

Annual Financial Statements for the period ended 28 February 2017

Accounting Policies

1. Presentation of annual financial statements

The annual 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 annual 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	Straight line	6 Years
IT equipment	Straight line	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.

Land is not depreciated.

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.

Lime Loans South Africa Proprietary Limited

(Registration number 2015/239349/07)

Annual Financial Statements for the period ended 28 February 2017

Accounting Policies

1.3 Tax

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.

Tax expenses

Tax expense is recognised in the same component of total comprehensive income or equity as the transaction or other event that resulted in the tax expense.

1.4 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership to the lessee. All other leases are operating leases.

Operating leases – lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term unless:

- another systematic basis is representative of the time pattern of the benefit from the leased asset, even if the payments are not on that basis, or
- the payments are structured to increase in line with expected general inflation (based on published indexes or statistics) to compensate for the lessor's expected inflationary cost increases.

Any contingent rents are expensed in the period they are incurred.

1.5 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 periods. A reversal of impairment is recognised immediately in profit or loss.

1.6 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.

Lime Loans South Africa Proprietary Limited

(Registration number 2015/239349/07)

Annual Financial Statements for the period ended 28 February 2017

Accounting Policies

1.7 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as leave pay and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

1.8 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.

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

1.9 Borrowing costs

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

1.10 Foreign exchange

Foreign currency transactions

Exchange differences arising on monetary items are recognised in profit or loss in the period in which they arise.

Lime Loans South Africa Proprietary Limited

(Registration number 2015/239349/07)

Annual Financial Statements for the period ended 28 February 2017

Notes to the Annual Financial Statements

8 months
ended
28 February
2017
R

2. Property, plant and equipment

	2017		
	Cost	Accumulated depreciation	Carrying value
Furniture and fixtures			
IT equipment	22 000	(2 904)	19 096
Total	41 924	(9 443)	32 481
	63 924	(12 347)	51 577

Reconciliation of property, plant and equipment - 2017

	Opening balance	Additions	Depreciation	Total
Furniture and fixtures	-	22 000	(2 904)	19 096
IT equipment	-	41 924	(9 443)	32 481
	-	63 924	(12 347)	51 577

3. Trade and other receivables

Customer loans

733 688

4. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balances

253 835

5. Share capital

Authorised

1000 Ordinary no par value shares

1 000

Reconciliation of number of shares issued:

Issue of shares – ordinary no par value shares

1 000

Issued

Ordinary no par value

1 000

6. Loan from shareholder

Lime Capital Partners Incorporated

(1 651 933)

Unsecured, interest free loan with no fixed terms of repayment. The shareholder has resolved that the loan will not be due and payable within the following 12 month period. These terms will be revised annually by the shareholder.

Lime Loans South Africa Proprietary Limited

(Registration number 2015/239349/07)

Annual Financial Statements for the period ended 28 February 2017

Notes to the Annual Financial Statements

8 months
ended
28 February
2017
R

7. Trade and other payables

VAT

Other accrued expenses

595

650

1 245

8. Revenue

Originating and other fees

Finance revenue

487 280

84 856

572 136

9. Cost of sales

Rendering of services

Direct scoring costs

204 873

10. Operating loss

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

Operating lease charges

Premises

• Contractual amounts

76 277

Depreciation on property, plant and equipment

Employee costs

12 347

520 836

11. Finance costs

Financial institutions

175

12. Taxation

No provision has been made for 2017 tax as the company has no taxable income. The estimated tax loss available for set off against future taxable income is R 614 671.

13. Cash used in operations

Loss before taxation

Adjustments for:

Depreciation

Finance costs

(615 078)

12 347

175

Changes in working capital:

Trade and other receivables

Trade and other payables

(733 688)

1 245

(1 334 999)

Lime Loans South Africa Proprietary Limited

(Registration number 2015/239349/07)

Annual Financial Statements for the period ended 28 February 2017

Notes to the Annual Financial Statements

8 months
ended
28 February
2017
R

14. Related parties

Relationships
Holding company

Lime Capital Partners Incorporated

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
Lime Capital Partners Incorporated

1 651 933

15. Director's remuneration

Executive

2017

CTM Tembo

Emoluments	Total
286 484	286 484

Lime Loans South Africa Proprietary Limited

(Registration number 2015/239349/07)

Annual Financial Statements for the period ended 28 February 2017

Detailed Income Statement

	Note(s)	8 months ended 28 February 2017 R
Revenue		
Originating and other fees		487 280
Finance revenue		84 856
	8	572 136
Cost of sales		
Direct scoring costs		(204 873)
Gross profit		367 263
Operating expenses		
Accounting fees		(24 000)
Advertising		(201 228)
Bad debts		(464)
Bank charges		(13 153)
Commission paid		(42 777)
Computer expenses		(8 644)
Depreciation		(12 347)
Employee costs		(520 836)
Fines and penalties		(407)
General expenses		(6 558)
Lease rentals on operating lease		(76 277)
Legal expenses		(44 872)
Motor vehicle expenses		(1 060)
Postage		(836)
Printing and stationery		(2 615)
Secretarial fees		(130)
Security		(1 774)
Staff welfare		(2 424)
Subscriptions		(1 000)
Telephone and fax		(20 729)
Travel - local		(35)
Operating loss		(982 166)
Finance costs	10	(614 903)
Loss for the period	11	(175)
		(615 078)

Lime Loans South Africa Proprietary Limited

(Taxpayer reference number 9925/879/15/8)

(Registration number 2015/239349/07)

Annual Financial Statements for the period ended 28 February 2017

Tax Computation

	2017 R
Net loss per statement of comprehensive income	(615 078)
Permanent differences (Non-deductible/Non taxable items)	
Fines & penalties	407
Assessed loss brought forward	-
Assessed loss for 2017 - carried forward	(614 671)
Tax thereon @ 28% in the Rand	-