

TPP International Limited
(Registration number 44607 Registered in Bermuda)
Financial statements
for the year ended 28 February 2013

Rothmann and Company
Registered Auditors
Published 04 December 2013

TPP International Limited

(Registration number 44607 Registered in Bermuda)
Financial Statements for the year ended 28 February 2013

General Information

Country of incorporation and domicile	Bermuda
Nature of business and principal activities	Providing a range of financial services and consulting services to a number of small and mid-size businesses and the investing high net worth public
Directors	M. Hewlett D. Lamb M. Wilson M.C. Calligeris (Non Executive)
Registered office	19 Par-la-Ville Road Hamilton HM 11 Bermuda
Postal address	19 Par-la-Ville Road Hamilton HM 11 Bermuda
Reviewers	Rothmann and Company Registered Auditors
Secretary	Kim M. Armstrong

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

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Directors' Responsibilities and Approval

The directors are required in terms of 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 group as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards.

The financial statements are prepared in accordance with International Financial Reporting Standards 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 group and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board of directors 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 group and all employees are required to maintain the highest ethical standards in ensuring the group's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the group is on identifying, assessing, managing and monitoring all known forms of risk across the group. While operating risk cannot be fully eliminated, the group 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 group's cash flow forecast for the year to 28 February 2014 and, in the light of this review and the current financial position, they are satisfied that the group has or has access to adequate resources to continue in operational existence for the foreseeable future.

The independent reviewers is responsible for independently reviewing and reporting on the group's financial statements. The financial statements have been examined by the group's independent reviewers and their report is presented on page 4.

The financial statements set out on pages 5 to 15, which have been prepared on the going concern basis, were approved by the board of directors on 04 December 2013 and were signed on its behalf by:



Director

Director

Independent Reviewer's Report

To the Shareholder of TPP International Limited

We have reviewed the accompanying financial statements of TPP International Limited, that comprise the statement of financial position as at 28 February 2013, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes, and the directors' report, as set out on pages 5 to 14.

Directors' Responsibility for the Financial Statements

These financial statements are the responsibility of the company's management.

Independent Reviewers' Responsibility

Our responsibility is to issue a report on these financial statements based on our review.

We conducted our review in accordance with the International Standard on Review Engagements (ISRE) 2400. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and this provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Unqualified conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying financial statements do not give a true and fair view, in accordance with International Financial Reporting Standards and the requirements of the Companies Act 71 of 2008.

Rothmann and Company
Registered Auditors
H.J. Rothmann C.A. (S.A.)
04 December 2013

550 Ontdekkers Road
Florida
1709

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Directors' Report

The directors submit their report for the year ended 28 February 2013.

1. Review of activities

Main business and operations

The group is engaged in providing a range of financial services and consulting services to a number of small and mid-size businesses and the investing high net worth public and operates principally in South Africa.

2. Events after the reporting period

The directors are not aware of any matter or circumstance arising since the end of the financial year that has a material impact on the financial statements.

3. Authorised and issued share capital

There were no changes in the authorised or issued share capital of the group during the year under review.

4. Directors

The directors of the company during the year and to the date of this report are as follows:

Name

M. Hewlett

D. Lamb

M. Wilson

M.C. Calligeris (Non Executive)

5. Secretary

The secretary of the company is Kim M. Armstrong

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Statement of Financial Position as at 28 February 2013

Figures in Rand	Note(s)	Group		Company	
		2013	2012	2013	2012
Assets					
Non-Current Assets					
Intangible assets	2	73 259 000	72 789 000	3 259 000	2 789 000
Other financial assets	4	566 946	566 946	-	-
		73 825 946	73 355 946	3 259 000	2 789 000
Current Assets					
Trade and other receivables	5	499	2 191	-	-
Cash and cash equivalents	6	149 020	8 178	4 000	4 000
		149 519	10 369	4 000	4 000
Total Assets		73 975 465	73 366 315	3 263 000	2 793 000
Equity and Liabilities					
Equity					
Share capital	7	30 500 600	30 500 600	500 000	500 000
Retained income		40 229 040	40 217 608	-	-
		70 729 640	70 718 208	500 000	500 000
Liabilities					
Non-Current Liabilities					
Loans from shareholders	3	2 913 000	2 323 411	2 763 000	2 293 000
Other financial liabilities	8	16 250	15 850	-	-
		2 929 250	2 339 261	2 763 000	2 293 000
Current Liabilities					
Current tax payable		42 000	42 000	-	-
Trade and other payables	9	274 575	266 846	-	-
		316 575	308 846	-	-
Total Liabilities		3 245 825	2 648 107	2 763 000	2 293 000
Total Equity and Liabilities		73 975 465	73 366 315	3 263 000	2 793 000

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Statement of Comprehensive Income

Figures in Rand	Note(s)	Group		Company	
		2013	2012	2013	2012
Revenue		225 387	-	-	-
Operating expenses		(213 955)	(34 283)	-	-
Operating profit (loss)		11 432	(34 283)	-	-
Fair value adjustments		-	40 000 000	-	-
Profit for the year		11 432	39 965 717	-	-
Other comprehensive income		-	-	-	-
Total comprehensive income for the year		11 432	39 965 717	-	-

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Statement of Changes in Equity

Figures in Rand	Share capital	Share premium	Total share capital	Retained income	Total equity
Group					
Balance at 01 March 2011	500 600	30 000 000	30 500 600	251 891	30 752 491
Profit for the year	-	-	-	39 965 717	39 965 717
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the year	-	-	-	39 965 717	39 965 717
Balance at 01 March 2012	500 600	30 000 000	30 500 600	40 217 608	70 718 208
Profit for the year	-	-	-	11 432	11 432
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the year	-	-	-	11 432	11 432
Balance at 28 February 2013	500 600	30 000 000	30 500 600	40 229 040	70 729 640
Note(s)	7	7	7		
Company					
Balance at 01 March 2011	500 000	-	500 000	-	500 000
Balance at 01 March 2012	500 000	-	500 000	-	500 000
Balance at 28 February 2013	500 000	-	500 000	-	500 000
Note(s)	7	7	7		

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Statement of Cash Flows

Figures in Rand	Note(s)	Group		Company	
		2013	2012	2013	2012
Cash flows from operating activities					
Cash generated from operations	10	20 853	(35 800)	-	-
Cash flows from investing activities					
Purchase of other intangible assets	2	(470 000)	(565 000)	(470 000)	(565 000)
Cash flows from financing activities					
Repayment of other financial liabilities		400	5 850	-	-
Repayment of shareholders loan		589 589	595 000	470 000	565 000
Net cash from financing activities		589 989	600 850	470 000	565 000
Total cash movement for the year		140 842	50	-	-
Cash at the beginning of the year		8 178	8 127	4 000	4 000
Total cash at end of the year	6	149 020	8 177	4 000	4 000

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Accounting Policies

1. Presentation of Financial Statements

The financial statements have been prepared in accordance with International Financial Reporting Standards, 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 Intangible assets

An intangible asset is recognised when:

- it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and
- the cost of the asset can be measured reliably.

Intangible assets are initially recognised at cost.

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

- it is technically feasible to complete the asset so that it will be available for use or sale.
- there is an intention to complete and use or sell it.
- there is an ability to use or sell it.
- it will generate probable future economic benefits.
- there are available technical, financial and other resources to complete the development and to use or sell the asset.
- the expenditure attributable to the asset during its development can be measured reliably.

1.2 Financial instruments

Loans to shareholders, directors, managers and employees

These financial assets are classified as loans and receivables.

Trade and other receivables

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

Trade and other receivables are classified as loans and receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

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Accounting Policies

1.2 Financial instruments (continued)

Held to maturity

These financial assets are initially measured at fair value plus direct transaction costs.

At subsequent reporting dates these are measured at amortised cost using the effective interest rate method, less any impairment loss recognised to reflect irrecoverable amounts. An impairment loss is recognised in profit or loss when there is objective evidence that the asset is impaired, and is measured as the difference between the investment's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition. Impairment losses are reversed in subsequent periods when an increase in the investment's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the investment at the date the impairment is reversed shall not exceed what the amortised cost would have been had the impairment not been recognised.

Financial assets that the group has the positive intention and ability to hold to maturity are classified as held to maturity.

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.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

1.4 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.

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Notes to the Financial Statements

Figures in Rand	Group		Company	
	2013	2012	2013	2012

2. Intangible assets

Group	2013			2012		
	Cost / Valuation	Accumulated amortisation	Carrying value	Cost / Valuation	Accumulated amortisation	Carrying value
PSP Technology	70 000 000	-	70 000 000	70 000 000	-	70 000 000
Listing cost	3 259 000	-	3 259 000	2 789 000	-	2 789 000
Total	73 259 000	-	73 259 000	72 789 000	-	72 789 000

Company	2013			2012		
	Cost / Valuation	Accumulated amortisation	Carrying value	Cost / Valuation	Accumulated amortisation	Carrying value
Listing cost	3 259 000	-	3 259 000	2 789 000	-	2 789 000

Reconciliation of intangible assets - Group - 2013

	Opening balance	Additions	Total
PSP Technology	70 000 000	-	70 000 000
Listing cost	2 789 000	470 000	3 259 000
	72 789 000	470 000	73 259 000

Reconciliation of intangible assets - Group - 2012

	Opening balance	Additions	Revaluations	Total
PSP Technology	30 000 000	-	40 000 000	70 000 000
Listing cost	2 224 000	565 000	-	2 789 000
	32 224 000	565 000	40 000 000	72 789 000

Reconciliation of intangible assets - Company - 2013

	Opening balance	Additions	Total
Listing cost	2 789 000	470 000	3 259 000

Reconciliation of intangible assets - Company - 2012

	Opening balance	Additions	Total
Listing cost	2 224 000	565 000	2 789 000

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Figures in Rand	Group		Company	
	2013	2012	2013	2012
3. Loans to (from) shareholders				
Einstein Trust	-	(411)	-	-
Unsecured loan, bearing no interest and has no fixed terms of repayment. This loan has been subordinated in favour of other creditors of the company.				
T. Theodorellis	(160 000)	(100 000)	(85 000)	(85 000)
This loan is unsecured, interest free and has no fixed terms of repayment. This loan has the right to be converted to equity within 12 months.				
M. Hewlett	(1 073 000)	(773 000)	(998 000)	(758 000)
This loan is unsecured, interest free and has no fixed terms of repayment. This loan has the right to be converted to equity within 12 months.				
M.C. Calligeris	(1 680 000)	(1 450 000)	(1 680 000)	(1 450 000)
This loan is unsecured, interest free and has no fixed terms of repayment. This loan has the right to be converted to equity within 12 months.				
	(2 913 000)	(2 323 411)	(2 763 000)	(2 293 000)
4. Other financial assets				
Loans and receivables				
The Ethos Trust	566 946	566 946	-	-
This loan is unsecured, interest free, and has no fixed terms of repayment.				
Non-current assets				
Loans and receivables	566 946	566 946	-	-
5. Trade and other receivables				
Trade receivables	499	499	-	-
VAT	-	1 692	-	-
	499	2 191	-	-
6. Cash and cash equivalents				
Cash and cash equivalents consist of:				
Bank balances	149 020	8 178	4 000	4 000
7. Share capital				
Authorised				
50,000,000 Ordinary Shares of US\$ 0.001	500 000	500 000	500 000	500 000
Issued				
Ordinary	500 600	500 600	500 000	500 000
Share premium	30 000 000	30 000 000	-	-
	30 500 600	30 500 600	500 000	500 000

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	2013	2012	2013	2012
8. Other financial liabilities				
Held at amortised cost				
Affinity Data Vault (Pty) Ltd Unsecured loan, bearing no interest and has no fixed terms of repayment.	16 250	15 850	-	-
Non-current liabilities				
At amortised cost	16 250	15 850	-	-
9. Trade and other payables				
Trade payables	266 846	266 846	-	-
VAT	7 729	-	-	-
	274 575	266 846	-	-
10. Cash generated from (used in) operations				
Profit before taxation	11 432	39 965 717	-	-
Adjustments for:				
Fair value adjustments	-	(40 000 000)	-	-
Changes in working capital:				
Trade and other receivables	1 692	(1 517)	-	-
Trade and other payables	7 729	-	-	-
	20 853	(35 800)	-	-

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Detailed Income Statement

Figures in Rand	Note(s)	Group		Company	
		2013	2012	2013	2012
Revenue					
Commission received		225 387	-	-	-
Other income					
Fair value adjustments		-	40 000 000	-	-
Operating expenses					
Administration and management fees		(4 000)	-	-	-
Advertising		(70 983)	(15 000)	-	-
Bank charges		(1 298)	(808)	-	-
Consulting fees		(41 347)	-	-	-
Entertainment		(20 000)	-	-	-
License fee		(13 175)	-	-	-
Postage		(1 000)	-	-	-
Printing and stationery		(43 430)	(4 075)	-	-
Rent		-	(5 950)	-	-
Reviewers remuneration		-	(5 000)	-	-
Secretarial fees		(400)	(3 000)	-	-
Subscriptions		(12 350)	(450)	-	-
Telephone and fax		(442)	-	-	-
Travel - local		(5 530)	-	-	-
		(213 955)	(34 283)	-	-
Profit before taxation		11 432	39 965 717	-	-
Profit for the year		11 432	39 965 717	-	-
Other comprehensive income		-	-	-	-
Total comprehensive income for the year		11 432	39 965 717	-	-