



ECSPONENT LIMITED
(Registration number R7/38733)

**ANNUAL FINANCIAL STATEMENTS
FOR THE 16 MONTHS ENDED 31 DECEMBER 2014**

Ecsponent Limited

Formerly Escalator Capital Limited
(Registration number R7/38733)

Annual Financial Statements for the 16 months ended 31 December 2014

General Information

Country of incorporation and domicile	Swaziland
Nature of business and principal activities	Financial Services
Directors	L Vllakati P Mtetwa A Hay E Soonius
Registered office	7 The Gables Ezulwini Swaziland
Business address	7 The Gables Ezulwini Swaziland
Holding company	Ecsponent Financial (Pty) Ltd incorporated in South Africa
Ultimate holding company	Ecsponent Limited incorporated in South Africa and listed on the JSE Securities Exchange
Bankers	FNB
Auditors	Nexia SAB&T Registered Auditors
Secretary	H van der Merwe
Company registration number	R7/38733

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Preparer

D vd Merwe
CA (SA)

Published

30 June 2015

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Directors' Responsibilities and Approval

The directors are required in terms of the Companies Act of Swaziland to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the company as at the end of the financial 16 months and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual 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 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 annual 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 16 months to 31 December 2015 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 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 7 to 26, which have been prepared on the going concern basis, were approved by the board on 30 June 2015 and were signed on its behalf by:


A Hay

Independent Auditor's Report

To the Shareholders of Ecsponent Ltd

We have audited the annual financial statements of Ecsponent Ltd, as set out on pages 7 to 26, which comprise the statement of financial position as at 31 December 2014, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory notes.

Directors' Responsibility for the Annual Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these annual financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the annual financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the annual financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the annual financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the annual financial statements.

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

Opinion

In our opinion, the annual financial statements present fairly, in all material respects, the financial position Ecsponent Ltd as at 31 December 2014, and its financial performance and its cash flows for the period then ended in accordance with International Financial Reporting Standards and in the manner required by the Companies Act of Swaziland.

Other reports required by the Companies Act

As part of our audit of the annual financial statements for the period ended 31 December 2014, we have read the Directors' Report for the purpose of identifying whether there are material inconsistencies between the report and the annual audited financial statements. The report is the responsibility of the respective preparers. Based on reading the report we have not identified material inconsistencies between the report and the audited financial statements. However, we have not audited the report and accordingly do not express an opinion on the report.

Nexia SAB&T

Nexia SAB&T

Registered Auditors

Per: T.J. de Kock - Registered Auditor and Director

119 Witch-Hazel Avenue, Highveld Technopark, Centurion, Pretoria

30 June 2015

Directors: B Adam (CEO), A Aboobaker, Z Abrams, A Darmalingam, T de Kock, S Gambô*, Y Hassen, N Hassim, S Ismail, B Jhetam, H Kajie, S Kleovoulou, H Makamure, S Makamure, T Mayet, P Mkumbuzi, K Rama, M Sindane, Y Soma, Z Sonpra, N Soopal, M F Sulaman, I Theron, H van der Merwe, M Wessels
* Non Executive

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Other Offices: Bloemfontein, Cape Town, Durban, Kimberley, Nelspruit, Polokwane, Port Elizabeth, Rustenburg

SAB&T Chartered Accountants Incorporated is an independent member firm of
Co. Reg No: 1997/018869/21
IRBA Reg No: 921297



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Directors' Report

The directors have pleasure in submitting their report on the annual financial statements of Ecsponent Limited for the 16 months ended 31 December 2014.

1. Incorporation

The company was incorporated on 16 July 2013 and obtained its certificate to commence business on the same day. The company remained dormant until the end of the 1st quarter of 2014 and started trading in April 2014. As a result no comparative figures are presented.

2. Nature of business

Ecsponent Limited was incorporated in Swaziland with interests in the financial services industry. The company operates in Swaziland.

3. Review of financial results and activities

The annual financial statements have been prepared in accordance with International Financial Reporting Standards and the requirements of the Companies Act of Swaziland.

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		2014
Ordinary shares		Number of shares
		1 000 000 000
Issued	2014	2014
	E	Number of
		shares
700 000 000 Ordinary shares of E0,00001 each	700	700 000 000

Refer to note 8 of the annual financial statements for detail of the movement in authorised and issued share capital.

5. Dividends

The company's dividend policy is to consider an interim and a final dividend in respect of each financial 16 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 16 months ended 31 December 2014.

6. Insurance and risk management

The company follows a policy of reviewing the risks relating to assets and possible liabilities arising from business transactions with its insurers on an annual basis. Wherever possible assets are automatically included. There is also a continuous asset risk control programme, which is carried out in conjunction with the company's insurance brokers. All risks are considered to be adequately covered, except for political risks, in the case of which as much cover as is reasonably available has been arranged.

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Directors' Report

7. Directorate

The directors appointed at registration date 16 July 2013 and in office at the date of this report are as follows:

Directors	Designation	Changes
L Vllakati	Executive	
P Mtetwa	Executive	
A Hay	Executive	
E Soonius	Executive	Appointed 25 August 2014

The directors, except for the appointment of E Soonius on the 25th of August 2014, were all appointed on incorporation of the business on the 16th of July 2013.

8. Directors' interests in contracts

During the financial year, no contracts were entered into which directors or officers of the company had an interest and which significantly affected the business of the company.

9. 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.

10. Going concern

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual 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.

11. Litigation statement

The company may become involved from time to time in various claims and lawsuits incidental to the ordinary course of business. The company is not currently involved in any such claims or lawsuits, which individually or in the aggregate, are expected to have a material adverse effect on the business or its assets.

12. Auditors

Nexia SAB&T was appointed as the company's auditors on 17 October 2014.

At the AGM, the shareholders will be requested to reappoint Nexia SAB&T as the independent external auditors of the company and to confirm Mr T de Kock as the designated lead audit partner for the 2015 financial 16 months.

13. Secretary

The company secretary is Mr H van der Merwe.

Business address

Acacia House, Green Hill Village Office Park
Crn Botterklapper & Nentabos Street
The Wollows
Pretoria East
0181

14. Date of authorisation for issue of financial statements

The annual financial statements have been authorised for issue by the directors on 30 June 2015. No authority was given to anyone to amend the annual financial statements after the date of issue.

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Statement of Financial Position as at 31 December 2014

	Note(s)	31 December 2014 E
Assets		
Current Assets		
Loans to group companies	4	6 838 465
Trade and other receivables	5	107 778
Other financial assets	6	5 333 599
Cash and cash equivalents	7	187 479
		12 467 321
Equity and Liabilities		
Equity		
Share capital	8	700
Retained income		603 579
		604 279
Liabilities		
Non-Current Liabilities		
Other financial liabilities	9	11 659 976
Deferred tax	10	105 797
		11 765 773
Current Liabilities		
Trade and other payables	11	97 269
Total Liabilities		11 863 042
Total Equity and Liabilities		12 467 321

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Statement of Profit or Loss and Other Comprehensive Income

	Note(s)	16 months ended 31 December 2014 E
Revenue	12	1 521 381
Other income	13	482 162
Operating expenses		(1 015 969)
Operating profit	14	987 574
Investment revenue		2 437
Fair value adjustments	15	347 427
Finance costs	16	(628 062)
Profit before taxation		709 376
Taxation	17	(105 797)
Profit for the 16 months		603 579
Other comprehensive income		-
Total comprehensive income for the 16 months		603 579

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Statement of Changes in Equity

	Share capital	Retained income	Total equity
	E	E	E
Profit for the 16 months	-	603 579	603 579
Other comprehensive income	-	-	-
Total comprehensive income for the 16 months	-	603 579	603 579
Issue of shares	700	-	700
Total contributions by and distributions to owners of company recognised directly in equity	700	-	700
Balance at 31 December 2014	700	603 579	604 279
Note(s)	8		

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Statement of Cash Flows

	Note(s)	16 months ended 31 December 2014 £
Cash flows from operating activities		
Cash receipts from customers		1 424 112
Cash paid to suppliers and employees		(434 521)
Cash generated from operations	19	989 591
Investment revenue		2 437
Finance costs		(628 062)
Net cash from operating activities		363 966
Cash flows from investing activities		
Purchase of property, plant and equipment	3	(12 527)
Loans advanced to group companies		(6 838 465)
Increase in financial assets		(5 333 599)
Net cash from investing activities		(12 184 591)
Cash flows from financing activities		
Proceeds on share issue	8	700
Proceeds from investors		12 007 404
Net cash from financing activities		12 008 104
Total cash movement for the 16 months		187 479
Total cash at end of the 16 months	7	187 479

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Accounting Policies

1. Presentation of annual financial statements

The annual financial statements have been prepared in accordance with International Financial Reporting Standards, and the Companies Act of Swaziland. 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 Emalangenis.

1.1 Significant judgements and sources of estimation uncertainty

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements. Significant judgements include:

Loans and receivables and trade receivables

The company assesses its loans and receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in profit or loss, the company makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

The impairment for loans and receivables is calculated on a portfolio basis, based on historical loss ratios, adjusted for national and industry-specific economic conditions and other indicators present at the reporting date that correlate with defaults on the portfolio. These annual loss ratios are applied to loan balances in the portfolio and scaled to the estimated loss emergence period.

Impairment testing

The recoverable amounts of cash-generating units and individual assets have been determined based on the higher of value-in-use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions. It is reasonably possible that the [name a key assumption] assumption may change which may then impact our estimations and may then require a material adjustment to the carrying value of goodwill and tangible assets.

The company reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. In addition, goodwill is tested on an annual basis for impairment. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the value in use of goodwill and tangible assets are inherently uncertain and could materially change over time.

Taxation

Judgement is required in determining the provision for income taxes due to the complexity of legislation. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The company recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

The company recognises the net future tax benefit related to deferred income tax assets to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future. Assessing the recoverability of deferred income tax assets requires the company to make significant estimates related to expectations of future taxable income. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the company to realise the net deferred tax assets recorded at the end of the reporting period could be impacted.

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Accounting Policies

1.2 Financial instruments

Classification

The company classifies financial assets and financial liabilities into the following categories:

- Loans and receivables
- Financial liabilities measured at amortised cost

Classification depends on the purpose for which the financial instruments were obtained / incurred and takes place at initial recognition. Classification is re-assessed on an annual basis, except for derivatives and financial assets designated as at fair value through profit or loss, which shall not be classified out of the fair value through profit or loss category.

Initial recognition and measurement

Financial instruments are recognised initially when the company becomes a party to the contractual provisions of the instruments.

The company classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Financial instruments are measured initially at fair value, except for equity investments for which a fair value is not determinable, which are measured at cost and are classified as available-for-sale financial assets.

For financial instruments which are not at fair value through profit or loss, transaction costs are included in the initial measurement of the instrument.

Transaction costs on financial instruments at fair value through profit or loss are recognised in profit or loss.

Subsequent measurement

Loans and receivables are subsequently measured at amortised cost, using the effective interest method, less accumulated impairment losses.

Financial liabilities at amortised cost are subsequently measured at amortised cost, using the effective interest method.

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the company has transferred substantially all risks and rewards of ownership.

Fair value determination

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the company establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models making maximum use of market inputs and relying as little as possible on entity-specific inputs.

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Accounting Policies

1.2 Financial instruments (continued)

Impairment of financial assets

At each reporting date the company assesses all financial assets, other than those at fair value through profit or loss, to determine whether there is objective evidence that a financial asset or group of financial assets has been impaired.

For amounts due to the company, significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default of payments are all considered indicators of impairment.

In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered an indicator of impairment. If any such evidence exists for available-for-sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognised in profit or loss - is removed from equity as a reclassification adjustment to other comprehensive income and recognised in profit or loss.

Impairment losses are recognised in profit or loss.

Impairment losses are reversed when an increase in the financial asset'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 financial asset at the date that the impairment is reversed shall not exceed what the carrying amount would have been had the impairment not been recognised.

Reversals of impairment losses are recognised in profit or loss except for equity investments classified as available-for-sale.

Where financial assets are impaired through use of an allowance account, the amount of the loss is recognised in profit or loss within operating expenses. When such assets are written off, the write off is made against the relevant allowance account. Subsequent recoveries of amounts previously written off are credited against operating expenses.

Loans to (from) group companies

These include loans to and from holding companies and fellow subsidiaries are recognised initially at fair value plus direct transaction costs.

Loans to group companies are classified as loans and receivables.

Loans from group companies are classified as financial liabilities measured at amortised cost.

Other financial assets

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.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in profit or loss within operating expenses. When a trade receivable is uncollectable, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against operating expenses in profit or loss.

Trade and other receivables are classified as loans and receivables.

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Accounting Policies

1.2 Financial instruments (continued)

Trade and other payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

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.

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.

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. A deferred tax asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Tax expenses

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:

- a transaction or event which is recognised, in the same or a different period, to other comprehensive income, or
- a business combination.

Current tax and deferred taxes are charged or credited to other comprehensive income if the tax relates to items that are credited or charged, in the same or a different period, to other comprehensive income.

Current tax and deferred taxes are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly in equity.

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.

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

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Accounting Policies

1.5 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 paid vacation leave 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.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of profit sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

1.6 Revenue

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the end of the reporting period. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the company;
- the stage of completion of the transaction at the end of the reporting period can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue shall be recognised only to the extent of the expenses recognised that are recoverable.

Administration fees charged consist of two components:

- Origination fees on loans measured at amortised cost.

These fees are charged upfront, are capitalised into the loan, and are primarily based on the cost of granting the loan to the individual. In accordance with IAS 18 Revenue, these origination fees are considered an integral part of the loan agreement and therefore recognised as an integral part of the effective interest rate and are accounted for over the shorter of the original contractual term and the actual term of the loan using the effective interest rate method. The deferred portion of the fees is recorded in the statement of financial position as a provision for deferred administration fees.

- Monthly servicing fees / administration fees

These are fees which form an integral part of the effective interest rate and are charged to customers on a monthly basis. These fees are recognised as part of the effective interest rate over the shorter of the original contractual term and the actual term of the loans and receivables. Beyond the original contractual term of the loan, the fee is recognised in profit or loss as it is charged to the customer on a monthly basis.

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for goods and services provided in the normal course of business, net of trade discounts and volume rebates, and value added tax.

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

Dividends are recognised, in profit or loss, when the company's right to receive payment has been established.

1.7 Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred. No borrowing costs have been capitalised.

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2. New Standards and Interpretations

2.1 Standards and interpretations effective and adopted in the current 16 months

In the current 16 months, the company has adopted the following standards and interpretations that are effective for the current financial 16 months and that are relevant to its operations:

IFRS 10 Consolidated Financial Statements

Amendment to IFRS 10 providing and exception to the principle that all subsidiaries must be consolidated. Entities meeting the definition of 'Investment Entities' must account for investments in subsidiaries at fair value under IFRS 9, Financial Instruments, or IAS 39, Financial Instruments: Recognition and Measurement. The effective date of the amendment is for years beginning on or after 01 January 2014. The company adopted the amendment for the first time in the 2014 annual financial statements. The amendment did have a material impact on the company's annual financial statements.

IFRS 12 Disclosure of Interests in Other Entities

IFRS 12 requires new disclosures required for Investment Entities as defined in IFRS 10 which provided an exception to the principle that all subsidiaries must be consolidated. Entities meeting the definition of 'Investment Entities' must account for investments in subsidiaries at fair value under IFRS 9, Financial Instruments, or IAS 39, Financial Instruments: Recognition and Measurement. The effective date of the amendment is for years beginning on or after 01 January 2014. The company adopted the amendment for the first time in the 2014 annual financial statements. The amendment did have a material impact on the company's annual financial statements.

IAS 27 Consolidated and Separate Financial Statements

Requirement to account for interests in Investment Entities at fair value under IFRS 9, Financial Instruments, or IAS 39, Financial Instruments: Recognition and Measurement, in the separate financial statements of a parent. The effective date of the amendment is for years beginning on or after 01 January 2014. The company adopted the amendment for the first time in the 2014 annual financial statements. The amendment did have a material impact on the company's annual financial statements.

IAS 36 Impairment of assets

Amendments made to address the disclosure of information about the recoverable amount of impaired assets if the amount is based on fair value less costs of disposal. The effective date of the amendment is for years beginning on or after 01 January 2014. The company adopted the amendment for the first time in the 2014 annual financial statements. The amendment did have a material impact on the company's annual financial statements.

IAS 39 Financial Instruments: Recognition and Measurement

Amendments made for the novation of derivatives the continuation of hedge accounting. The effective date of the amendment is for years beginning on or after 01 January 2014. The company adopted the amendment for the first time in the 2014 annual financial statements. The amendment did have a material impact on the company's annual financial statements.

IFRIC 21 Levies

IFRIC 21 provides guidance on when to recognise a liability for a levy imposed by a government, both for levies that are accounted for in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets and those where the timing and amount of the levy is certain. The Interpretation covers the accounting for outflows imposed on entities by governments (including government agencies and similar bodies) in accordance with laws and/or regulations. However, it does not include income taxes (see IAS 12 Income Taxes), fines and other penalties, liabilities arising from emissions trading schemes and outflows within the scope of other Standards. The effective date of the amendment is for years beginning on or after 01 January 2014. The company adopted the amendment for the first time in the 2014 annual financial statements. The amendment did have a material impact on the company's annual financial statements.

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2. New Standards and Interpretations (continued)

2.2 Standards and interpretations not yet effective

The company has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the company's accounting periods beginning on or after 01 January 2015 or later periods:

IFRS 1 First-time Adoption of International Financial Reporting Standards

Annual Improvements 2011–2013 Cycle: Amendments to the Basis of Conclusion clarify the meaning of "effective IFRSs". The effective date of the amendment is for years beginning on or after 01 July 2014. The company expects to adopt the amendment for the first time in the 2015 annual financial statements. It is unlikely that the amendment will have a material impact on the company's annual financial statements.

IFRS 2, Share-based Payment

Annual Improvements 2010–2012 Cycle: Amendments added the definitions of performance conditions and service conditions and amended the definitions of vesting conditions and market conditions. The effective date of the amendment is for years beginning on or after 01 July 2014. The company expects to adopt the amendment for the first time in the 2015 annual financial statements. It is unlikely that the amendment will have a material impact on the company's annual financial statements.

IFRS 3, Business Combinations

Annual Improvements 2010–2012 Cycle: Amendments to the measurement requirements for all contingent consideration assets and liabilities including those accounted for under IFRS 9. Annual Improvements 2011–2013 Cycle: Amendments to the scope paragraph for the formation of a joint arrangement. The effective date of the amendment is for years beginning on or after 01 July 2014. The company expects to adopt the amendment for the first time in the 2015 annual financial statements. It is unlikely that the amendment will have a material impact on the company's annual financial statements.

IFRS 8 Operating Segments

Amendments to some disclosure requirements regarding the judgements made by management in applying the aggregation criteria, as well as those to certain reconciliations. The effective date of the amendment is for years beginning on or after 01 July 2014. The company expects to adopt the amendment for the first time in the 2015 annual financial statements. It is unlikely that the amendment will have a material impact on the company's annual financial statements as the company does not prepare segment information.

IFRS 9 Financial Instruments

A finalised version of IFRS 9 has been issued which replaces IAS 39: Financial Instruments, Recognition and Measurement. The completed standard comprises guidance on classification and measurement, impairment hedge accounting and derecognition. This standard is applicable for periods beginning 1 January 2018. Further amendments to the measurement requirements for all contingent consideration assets and liabilities included under IFRS 9. The effective date of the amendment is for years beginning on or after 01 July 2014. The company expects to adopt the amendment for the first time in the 2015 annual financial statements. The amendment will have a disclosure impact on the company's annual financial statements.

IFRS 10 Consolidated Financial Statements

Narrow scope amendments related to investment entities has been introduced to provide clarifications when accounting for investment entities. The effective date of the interpretation is for years beginning on or after 01 January 2016. The company expects to adopt the interpretation for the first time in the 2015 annual financial statements. It is unlikely that the interpretation will have a material impact on the company's annual financial statements as no subsidiaries are held.

IFRS 11 Joint Arrangements

Amendments adding new guidance on how to account for the acquisition of an interest in a joint operation that constitutes a business which specify the appropriate accounting treatment for such acquisitions. Investment Entities: Applying the Consolidation Exception: Narrow-scope amendments to IFRS 10, IFRS 12 and IAS 28 introduce clarifications to the requirements when accounting for investment entities. The amendments also provide relief in particular circumstances, which will reduce the costs of applying the Standards. The effective date of the interpretation is for years beginning on or after 01 January 2016. The company expects to adopt the interpretation for the first time in the 2015 annual financial statements. It is unlikely that the interpretation will have a material impact on the company's annual financial statements as no subsidiaries are held.

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2. New Standards and Interpretations (continued)

IFRS 12 Disclosure of Interests in Other Entities

Investment Entities: Applying the Consolidation Exception: Narrow-scope amendments to IFRS 10, IFRS 12 and IAS 28 introduce clarifications to the requirements when accounting for investment entities. The amendments also provide relief in particular circumstances, which will reduce the costs of applying the Standards. The effective date of the interpretation is for years beginning on or after 01 January 2016. The company expects to adopt the interpretation for the first time in the 2015 annual financial statements. It is unlikely that the interpretation will have a material impact on the company's annual financial statements as no subsidiaries are held.

IFRS 13 Fair Value Measurement

Amendments to clarify the measurement requirements for those short-term receivables and payables.

Amendments to clarify that the portfolio exception applies to all contracts within the scope of, and accounted for in accordance with, IAS 39 or IFRS 9.

The effective date of the amendment is for years beginning on or after 01 July 2014. The company expects to adopt the amendment for the first time in the 2015 annual financial statements. It is unlikely that the amendment will have a material impact on the company's annual financial statements.

IFRS 14 Regulatory Deferral Accounts

IFRS 14 permits first-time adopters to continue to recognise amounts related to its rate regulated activities in accordance with their previous GAAP requirements when they adopt IFRS. However, to enhance comparability with entities that apply IFRS and do not recognise such amounts, the Standard requires that the effect of rate regulation must be presented separately from other items. An entity that already presents IFRS financial statements is not eligible to apply the Standard. The effective date of the amendment is for years beginning on or after 01 January 2016. The company expects to adopt the amendment for the first time in the 2015 annual financial statements. It is unlikely that the amendment will have a material impact on the company's annual financial statements.

IFRS 15 Revenue from Contracts from Customers

New standard that requires entities to recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This core principle is achieved through a five step methodology that is required to be applied to all contracts with customers.

- The new standard will also result in enhanced disclosures about revenue, provide guidance for transactions that were not previously addressed comprehensively and improve guidance for multiple-element arrangements.

- The new standard supersedes:

- (a) IAS 11 Construction Contracts;
- (b) IAS 18 Revenue; (c) IFRIC 13 Customer Loyalty Programmes;
- (d) IFRIC 15 Agreements for the Construction of Real Estate;
- (e) IFRIC 18 Transfers of Assets from Customers; and
- (f) SIC-31 Revenue—Barter Transactions Involving Advertising Services.

The effective date of the amendment is for years beginning on or after 01 January 2017. The company expects to adopt the amendment for the first time in the 2015 annual financial statements. It is unlikely that the amendment will have a material impact on the company's annual financial statements.

IAS 16 Property, Plant and Equipment

Amendments to the Revaluation method proportionate restatement of accumulated depreciation. The effective date of the amendment is for years beginning on or after 01 July 2014. Amendment to both IAS 16 and IAS 38 establishing the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset. Clarifying that revenue is generally presumed to be an inappropriate basis for measuring the consumption of economic benefits in such assets. Amendments to IAS 16 and IAS 41 which defines bearer plants and includes bearer plants in the scope of IAS 16 Property, plant and Equipment, rather than IAS 41 allowing such assets to be accounted for after initial recognition in accordance with IAS 16. The effective date of the amendment is for years beginning on or after 01 January 2016. The company expects to adopt the amendment for the first time in the 2015 annual financial statements. It is unlikely that the amendment will have a material impact on the company's annual financial statements.

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2. New Standards and Interpretations (continued)

IAS 24 Related Party Disclosures

Amendments to the definitions and disclosure requirements for key management personnel. The effective date of the amendment is for years beginning on or after 01 July 2014. The company expects to adopt the amendment for the first time in the 2015 annual financial statements. It is unlikely that the amendment will have a material impact on the company's annual financial statements.

IAS 27 Consolidated and Separate Financial Statements

Requirement to account for interests in 'Investment Entities' at fair value under IFRS 9, Financial Instruments, or IAS 39, Financial Instruments: Recognition and Measurement, in the separate financial statements of a parent. The effective date of the amendment is for years beginning on or after 01 January 2016. The company expects to adopt the amendment for the first time in the 2015 annual financial statements. It is unlikely that the amendment will have a material impact on the company's annual financial statements.

IAS 28 Investments in Associates

Investment Entities: Applying the Consolidation Exception: Narrow-scope amendments to IFRS 10, IFRS 12 and IAS 28 introduce clarifications to the requirements when accounting for investment entities. The amendments also provide relief in particular circumstances, which will reduce the costs of applying the Standards. The effective date of the amendment is for years beginning on or after 01 January 2016. The company expects to adopt the amendment for the first time in the 2015 annual financial statements. It is unlikely that the amendment will have a material impact on the company's annual financial statements.

IAS 38 Intangible Assets

Amendments to IAS 16 and IAS 38 to clarify the basis for the calculation of depreciation and amortisation, as being the expected pattern of consumption of the future economic benefits of an asset. Amendment to both IAS 16 and IAS 38 establishing the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset. Clarifying that revenue is generally presumed to be an inappropriate basis for measuring the consumption of economic benefits in such assets. The effective date of the amendment is for years beginning on or after 01 January 2016. The company expects to adopt the amendment for the first time in the 2015 annual financial statements. It is unlikely that the amendment will have a material impact on the company's annual financial statements.

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Notes to the Annual Financial Statements

3. Property, plant and equipment

	2014		
	Cost or revaluation	Accumulated depreciation	Carrying value
Furniture and fixtures	12 527	(12 527)	-

Reconciliation of property, plant and equipment - 2014

	Opening balance	Additions	Depreciation	Impairment loss	Total
Furniture and fixtures	-	12 527	(522)	(12 005)	-
	-	12 527	(522)	(12 005)	-

4. Loans to (from) group companies

Holding company

Ecsponent Financial (Pty) Ltd

700

The loan is unsecured, interest free and has no fixed repayment terms.

Fellow subsidiaries

Vanguard Limited

4 206 773

The loan bears interest at a floating rate linked to the South African prime overdraft rate, is unsecured and has no repayment terms.

Ligagu Investments (Pty) Ltd t/a Getbucks Swaziland

2 630 992

The loan bears interest at a floating rate linked to the South African prime overdraft rate, is unsecured and has no repayment terms. The loan has been subordinated to the benefit of Getbucks Swaziland's other creditors to the extent that the liabilities exceed the company's assets fairly valued.

2 630 992

6 837 765

5. Trade and other receivables

Trade receivables

64 597

Prepaid insurance

43 181

107 778

6. Other financial assets

Loans and receivables

SME advances

5 333 599

These loans are of a short term / bridging funding nature and generally comprise of periods no longer than 3 months. The loans bear interest at varying rates determined based on the risk profile of the lender as well as the products / services funded. Appropriate security is obtained based on an individual loan assessment basis.

Current assets

Loans and receivables

5 333 599

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Notes to the Annual Financial Statements

7. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	1 397
Bank balances	186 081
	187 478

8. Share capital

Authorised

1 000 000 000 ordinary shares of E0.000001	1 000
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Issued

700 000 000 ordinary shares of E0.000001	700
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Authorised Preference Shares

100 000 000 Class A preference shares of E1.00 each; and
100 000 000 Class B preference shares of E1.00 each; and
100 000 000 Class C preference shares of E1.00 each; and
100 000 000 Class D preference shares of E1.00 each; and
100 000 000 Class E preference shares of E1.00 each; and
100 000 000 Class F preference shares of E1.00 each; and
100 000 000 Class G preference shares of E1.00 each; and
100 000 000 Class H preference shares of E1.00 each.

The preference shares are redeemable after 60 months and are classified as debt in terms of IFRS measurement and classification rules. Refer to note 8 on other financial liabilities.

9. Other financial liabilities

Held at amortised cost

Redeemable preference shares_Class A	5 766 359
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The 5 year income provider product, Class A preference share provides a 15% per annum interest return paid out monthly. The original capital investment redeems at the end of the 60 month investment term.

Redeemable preference shares_Class B	5 893 618
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The 5 year capital growth product, Class B preference share provides a 0% per annum interest return. 200% of the original capital investment is redeemed at the end of the 60 month investment term providing the client with a capital growth return of 100% over the term of the investment.

11 659 977

Non-current liabilities

At amortised cost	11 659 976
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10. Deferred tax

Deferred tax liability

Preference share fair value adjustment	(223 253)
Prepayments	(11 875)
Total deferred tax liability	(235 128)

Deferred tax asset

Tax losses available for set off against future taxable income	129 331
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The deferred tax assets and the deferred tax liability relate to income tax in the same jurisdiction, and the law allows net settlement. Therefore, they have been offset in the statement of financial position as follows:

Deferred tax liability	(235 128)
Deferred tax asset	129 331
Total net deferred tax liability	(105 797)

Reconciliation of deferred tax asset / (liability)

Increases in tax loss available for set off against future taxable income	129 331
Capital growth - fair value adjustment and deferred transaction cost	(223 253)
Prepaid expenses	(11 875)
	(105 797)

Recognition of deferred tax asset

The company shall disclose the amount of a deferred tax asset and the nature of the evidence supporting its recognition, when:

- the utilisation of the deferred tax asset is dependent on future taxable profits in excess of the profits arising from the reversal of existing taxable temporary differences; and
- the entity has suffered a loss in either the current or preceding period in the tax jurisdiction to which the deferred tax asset relates.

The deferred tax asset is recognised to the extent it is probable that taxable income will be available from forecast profits to realise the future tax saving. The expectation of future profits is based on management's estimated future cash flows by making use of available information and the application of professional judgement, as well as actual results after balance sheet date.

11. Trade and other payables

Trade payables	26 254
Withholding tax	26 322
Dividend accrual	24 614
Accrued audit fees	15 000
Accrued expenses	5 079
	97 269

12. Revenue

Interest received - SME advances	908 343
Interest received - Group companies	613 038
	1 521 381

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13. Other income

Administration and management fees received
Sundry income

157 500

324 662

482 162

14. Operating profit

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

Operating lease charges

Premises

- Contractual amounts

78 698

Motor vehicles

- Contractual amounts

13 277

91 975

Impairment on property, plant and equipment

12 005

Depreciation on property, plant and equipment

522

Employee costs

68 571

15. Fair value adjustments

Other financial liabilities

347 427

The fair value adjustment originated at the original recognition of preference shares held for capital growth.

16. Finance costs

Capital growth on preference shares

355 041

Interest on preference shares

273 021

628 062

17. Taxation

Major components of the tax expense

Deferred

Originating and reversing temporary differences

105 797

Reconciliation of the tax expense

Reconciliation between applicable tax rate and average effective tax rate.

Applicable tax rate

27,50 %

Exempt income

(12,60)%

14,90 %

No provision has been made for 2014 tax as the company has no taxable income. The estimated tax loss available for set off against future taxable income is E470 295.

18. Auditors' remuneration

Fees

15 000

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Annual Financial Statements for the 16 months ended 31 December 2014

Notes to the Annual Financial Statements

19. Cash generated from operations

Profit before taxation	709 376
Adjustments for:	
Depreciation	522
Interest received - investment	(2 437)
Finance costs	628 062
Fair value adjustments	(347 427)
Impairment loss	12 005
Changes in working capital:	
Trade and other receivables	(107 778)
Trade and other payables	97 268
	989 591

20. Related parties

Relationships	
Ultimate holding company	Ecsponent Limited
Holding company	Ecsponent Financial (Pty) Ltd
Fellow subsidiaries	Vanguard Limited
	Ligagu Investments (Pty) Ltd t/a Getbucks Swaziland

Related party balances

Loan accounts - Owing (to) by related parties

Ecsponent Financial (Proprietary) Limited	700
Vanguard Limited	4 206 773
Ligagu Investments (Proprietary) Limited	2 630 992

Related party transactions

Interest paid to (received from) related parties

Ligagu Investments (Proprietary) Limited	(159 982)
Ecsponent Limited (South Africa)	(52 572)
Vanguard Limited	(353 225)

Management fees paid to (received from) related parties

Ligagu Investments (Proprietary) Limited	(120 000)
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21. Directors' emoluments

No emoluments were paid to the directors or any individuals holding a prescribed office during the 16 months.

22. Comparative figures

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

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23. Risk management

Capital risk management

The company's objectives when managing capital are to safeguard the company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

There are no externally imposed capital requirements.

There have been no changes to what the entity manages as capital, the strategy for capital maintenance or externally imposed capital requirements from the previous year.

Financial risk management

The company's activities expose it to a variety of financial risks: market risk (including fair value interest rate risk, cash flow interest rate risk), credit risk and liquidity risk.

The directors are of the opinion that the carrying amount of all current financial assets and financial liabilities approximate their fair values due to the short term maturities of these financial instruments. Where the effects of discounting are immaterial, short term receivables and short term payables are measured at the original invoice amount.

There have been no substantive changes to the company's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note. Information disclosed has not been disaggregated as the financial instruments used by the company share the same economic characteristics and market conditions.

Liquidity risk

The company's risk to liquidity is a result of the funds available to cover future commitments. The company manages liquidity risk through an ongoing review of future commitments and credit facilities. The company is currently only exposed to liquidity risk from Trade and other payables. The company has sufficient flexibility in funding available to maintain its position.

The table below analyses the company's financial liabilities and net-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

At 31 December 2014

	Less than 1 year
Trade and other payables	97 270

Interest rate risk

The company's interest rate risk arises from short term group loans advanced to group companies and SME advances, which are also short term (none longer than three months). All borrowings are issued at fixed rates and therefore expose the company to fair value interest rate risk. The entity is not exposed to any cash flow interest rate risk.

Fair value interest rate risk

Financial instrument	Current interest rate	Due in less than a year
SME Advances	11% - 32%	5 333 599

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23. Risk management (continued)

Credit risk

Credit risk consists mainly of cash deposits, cash equivalents, derivative financial instruments and trade debtors. The company only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

The credit risk of employee benefit advances is mitigated by the focus on providing loans to individuals where payroll deduction agreements are in place with their employers. In addition, should the individual change employment the repayment defaults to a debit order arrangement. The creditworthiness of individuals as well as their ability to afford loan repayments is evaluated in accordance with the National Credit Act and the Company's approved credit policy. Each loan application is scored in terms of a credit risk matrix to determine a credit risk score prior to the loan being granted. Management evaluates the credit risk on an on-going basis.

Financial instrument	2014
Loans to group companies	6 838 465
Trade receivables	64 597
Other financial assets	5 333 599
Cash and cash equivalents	187 479

24. Going concern

The annual 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.

25. 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.