Registration Number (2017/458073/06)
Annual Financial Statements for year ended 30 June 2021

TRANSFORMATIONAL INVESTMENT PORTFOLIO ONE LIMITED

Trading as
TIP ONE LIMITED (ZXTIP)
(Registration Number 2017/458073/06)
Audited Annual Financial Statements
for the year ended 30 June 2021

Prepared under the supervision of
Lemao Ditodi CA(SA)
Chief Financial Officer

Registration Number (2017/458073/06)
Annual Financial Statements for year ended 30 June 2021

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GENERAL INFORMATION

COUNTRY OF INCORPORATION AND DOMICILE	Republic of South Africa
REGISTRATION NUMBER	2017/458073/06
REGISTRATION DATE	12 October 2017
NATURE OF BUSINESS AND PRINCIPAL ACTIVITIES	To build a portfolio of assets by investing into listed companies through their B-BBEE schemes
DIRECTORS	Geoffrey Graham Blount (Appointed 12 October 2017) Kagisho Augustine Mahura (Appointed 13 February 2018) Lemao Arthur Archibald Ditodi (Appointed 7 August 2019) Hopolang Leeto Ntoi (Appointed 3 September 2019) Ntombomzi Ngada (Appointed 2 September 2019) Duane D'Oliveira (Appointed 25 February 2021) Nokuthula Zilungile Mokgele (Appointed 13 September 2021)
REGISTERED OFFICE	Suite 807, 8th Floor 16 Baker Street Rosebank Johannesburg 2196
POSTAL ADDRESS	Suite 807, 8th Floor 16 Baker Street Rosebank Johannesburg 2196
BANKERS	Investec Bank Limited
COMPANY SECRETARY	CIS Company Secretaries (Pty) Ltd Rosebank Towers 15 Biermann Avenue Rosebank Johannesburg
AUDITORS	SizweNtsalubaGobodo Grant Thornton Inc

DIRECTORS REPORT

Review of activities

Main business and operations

The principal activity of Transformational Investment Portfolio One Limited ("TIP One" or the "Company") is to build a portfolio of assets by investing into listed companies through their Broad Based Black Economic Empowerment ("B-BBEE") schemes. There were no major changes to the Company's business strategy during the financial year.

The operating results and statement of financial position of the Company are fully set out in the attached annual financial statements and do not in our opinion require any further comment.

Authorised Share Capital

The Company is listed on the stock exchange operated by ZAR X Proprietary Limited ("ZAR X") on 13 November 2019 with an authorised share capital of 10 000 000 000 ordinary shares.

Dividends

No dividends were declared or paid for the period.

Compliance with B-BBEE Amendment Act, Act 46 of 2013

TIP One's revenue is less than R 10 000 000, thereby qualifying for an Exempt Micro Enterprise ("EME") black ownership score as defined in the paragraph 4.1 of the B-BBEE Amendment Act. TIP One's target for black ownership in terms of the design of the trading rules is to be more than 56% black owned. The black ownership for TIP One is currently 89.56%, with black female ownership at 49.06% and black youth at 35.25%, thereby resulting in a Level 2 score for B-BBEE. TIP One's target for the Board of Directors (the "Board") is to be majority black (i.e., more than 51%). TIP One's current Board is representative of this target, with 5 of the 6 directors being black (representing 83.33%) and 1 of the 6 directors being black female (representing 16.67%).

Directors

The current directors of TIP One are listed below:

- Duane Allen D'Oliveira (Chief Executive Officer) (41)
- Geoffrey Graham Blount (Chief Investment Officer) (50)
- Lemao Arthur Archibald Ditodi (Chief Financial Officer) (40)
- Kagisho Augustine Mahura (Independent Non-Executive Director) (48)
- Hopolang Leeto Ntoi (Lead Independent Non-Executive Director) (40)
- Ntombomzi Ngada (Independent Non-Executive Director) (32)
- Nokuthula Zilungile Mokgele (Independent Non-Executive Director) (37)

Company Secretarial Function

The Company Secretarial function is performed by CIS Company Secretaries.

DIRECTORS REPORT (CONTINUED)

Impact of Covid 19
COVID 19 has created a challenging investment environment, following the country going into adjusted Level 3 lockdown in December 2020 and July 2021 along with the restrictions throughout the year. Management is working to respond positively to the crisis, including adopting remote working and responding to the calls for vaccinations. TIP One is also noting an improvement in the investment climate, with more potential investors being willing to engage TIP One.

Events after reporting date
Listed Portfolio
The value of the listed shares that existed at year end increased to R715 735 at approval date of the financial statements on 30 September 2021.

From 8 July until 25 August 2021, TIP One acquired 8 020 shares in Phuthuma Nathi on the open market. The value of the investment at approval date was R127 per share, thereby resulting in a total value of R1 018 540. Phuthuma Nathi declared a dividend of R22 for every share held by 25 August 2021.

TIP One through its wholly owned special purpose vehicle YY Consortium SPV established in July 2021, purchased 10 990 shares in Vodacom Yebo Yethu from 31 August to 10 September 2021. At approval date of the annual financial statements, the value of the shares was R46 per share, thereby resulting in a total value of R505 540.

Suspension of ZAR X exchange licence
On 23 August 2021, TIP One Management and Board were informed of the suspension of ZAR X listing license. Management is currently reviewing the situation and exploring options in response to the ZAR X suspension of its listing license.

Changes to the Audit Committee
At the Audit and Risk Committee meeting held on 29 September 2021, Kagisho Mahura resigned from the committee and Nokuthula Zilungile Mokgele, who was appointed to the board on 13 September 2021 was appointed to the Audit and Risk Committee, and also appointed as the chairperson of the Audit and Risk Committee.

DIRECTORS REPORT (CONTINUED)

Going concern assessment

The Board is not aware of any matter or circumstance arising since the reporting date, to the date of this report, that could have a material effect on the financial position of the Company and the Board of Directors have assessed TIP One to be a going concern as it is financially stable and has sufficient liquidity to meet its current obligations and is confident that, for the foreseeable future, it will be able to meet its obligations.

We draw attention of the users of the annual financial statements to the fact that The Financial Sector Conduct Authority (FSCA) suspended the exchange licence of ZAR X PTY LTD (ZAR X) in terms of section 60(1) of the Financial Markets Act (FMA), effective from 16:00 on Friday 20 August 2021. The suspension resulted from ZARX's non-compliance with section 8(1)(a) of the FMA, read with Regulation 8 and 43(2) of the FMA Regulations, which relate to the liquidity and capital adequacy requirements of an exchange. ZAR X cannot accept new trades or facilitate the listing of companies on its platform from the suspension date and time thereby limiting TIP One's ability to conduct its business. The FSCA intends to proceed, three months after the date of suspension with the cancellation of ZARX's exchange licence should ZAR X fail to rectify its non-compliance with the capital adequacy requirements.

In response, the Board of Directors of TIP One is conducting ongoing engagements with the management of ZAR X to assess its viability as a stock exchange. TIP One is also exploring other options as mechanisms to facilitate liquidity of TIP One, including either a secondary listing of preference shares or similar debt instrument, along with moving TIP One's primary listing to an alternative exchange. TIP One was also preparing to move it's equity listing to 4 Africa Exchange (4AX), which rebranded to Cape Town Stock Exchange ("CTSE")) to consider listing at the time of preparing this report.

AUDIT AND RISK COMMITTEE REPORT

The Audit Committee currently consists of the following non-executive directors:

- Ntombomzi Ngada
- Kagisho Augustine Mahura
- Hopolang Leeto Ntoi

Responsibilities, Composition and Functions of The Committee
The Audit and Risk Committee is a sub-committee of the Board of Directors, whose primary responsibilities are listed below:

- Review the accounting and internal control environment for the Company,
- Review the financial statements and processes around the preparation of the financial statements,
- Monitor compliance with Companies Act, King Report on Corporate Governance and ZAR X Listing requirements,
- Monitor and review the performance of the Chief Financial Officer,
- Review the work performed and appointment of the external auditor

The Committee carried out its functions through attendance at Audit and Risk Committee meetings and discussions with executive management and external advisors where appropriate.

The Audit and Risk Committee met in February and June 2021. The 3 Independent Non-Executive Directors currently serve as the members of the Audit and Risk Committee. However, given the nature of the portfolio and the current skillset in the Board of Directors, the Committee deemed it appropriate to conduct a search, thereafter, appoint a candidate with the requisite knowledge and skills to serve as an additional member of the Board of Directors and in the Audit and Risk Committee, with the view to share the Committee.

Interviews were held with prospective candidates on the 14 of June 2021 by the Nomination and Remuneration Committee, which then made its recommendation to the Audit and Risk Committee, along with the Board.

At the Audit and Risk Committee meeting held on 29 September 2021, Kagisho Mahura resigned from the committee and Nokuthula Zilungile Mokgele, who was appointed to the board on 13 September 2021 was appointed to the Audit and Risk Committee, and also appointed as the chairperson of the Audit and Risk Committee.

Internal control
We monitored the effectiveness of TIP One's internal controls through interactions with key management. Due to the size of TIP One, the entity does not have an internal audit services provider, the committee is satisfied that this will not result in material breakdown of internal controls. As the entity's client base increases the Board will make plans to have an internal audit services provider to assist in discharging its duties.

AUDIT AND RISK COMMITTEE REPORT (CONTINUED)

No findings have come to the attention of the Committee to indicate that any material breakdown in internal controls have occurred during the financial year under review. The Committee is of the opinion that the internal accounting controls are adequate to ensure that the financial records may be relied upon for preparing the financial statements, that accountability for assets and liabilities is maintained and that this is based on sound accounting policies, supported by reasonable and prudent judgements and estimates. The Committee is further of the opinion that the internal controls of TIP One have been effective in all material respects throughout the year under review.

This opinion is based on the information and explanations given by management regarding various processes and initiatives aimed at improving the internal control environment and the integrity of information.

External Auditors

As a Committee, we recognise the importance of maintaining the independence of TIP One's Independent Auditors, both in fact and appearance. Each year, the Committee evaluates the qualifications, performance, and independence of TIP One's Independent Auditors and determines whether to re-engage the current Independent Auditors. In doing so, the Audit and Risk Committee considers the quality and efficiency of the services provided by the auditors, the auditors' capabilities, technical expertise and knowledge of TIP One's operations and industry.

The external auditors did not perform any non-audit services for TIP One during the 2021 financial year end. SNG Grant Thornton have been auditing the entity for 3 years and have remained in office for the 2021 year end.

The Committee, in consultation with executive management, agreed to the engagement letter, terms, audit plan and audit fees for the financial year ended 30 June 2021.

Expertise and experience of finance

We have considered and satisfied ourselves of the overall appropriateness of the expertise and adequacy of resources of TIP One's finance function and experience of the senior members of management responsible for the financial function.
The Audit and Risk Committee has fulfilled its responsibilities for the year under review.

Going concern

The Committee concurs that the adoption of the going concern assumption in the preparation of the financial statements is appropriate and sound. This is after the Committee reviewed a documented assessment by management of the going concern premise of TIP One.

AUDIT AND RISK COMMITTEE REPORT (CONTINUED)

Conclusion

Having considered, analysed, reviewed, and debated information provided by management, the Committee confirmed that:

- The internal controls of the entity were effective in all material aspects throughout the year under review;
- These controls ensured that TIP One's assets had been safeguarded;
- Proper accounting records had been maintained;
- Resources had been utilised efficiently; and
- The skills, independence, reporting and overall performance of the external auditors were acceptable.

Following our review of the financial statements for the year ended 30 June 2021, we are of the opinion that they comply with the relevant provisions of the Company's Act 71 of 2008, as amended, and of International Financial Reporting Standards "IFRS" and that they present fairly the results of the operations, cash flow and financial position of TIP One.

Hopolang Leeto Ntoi
Independent Non-Executive Director
Audit and Risk Committee
30 September 2021

DIRECTORS' RESPONSIBILITIES AND APPROVAL STATEMENT

The directors are required by the Companies Act of South Africa, 2008 (Act 71 of 2008), as amended 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 statement of financial position, results of operations and business of the Company, and explain the transactions and state of affairs of the business of the Company at the reporting date.

The financial statements have been prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied throughout the Company 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 Board is of the opinion, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the Company's cash flow forecast for the next 12 months from date of approval of the financial statements 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 reporting whether the annual financial statements are fairly presented in accordance with the applicable financial reporting framework. The annual financial statements have been examined by the company's external auditors and their report is presented on pages 12 to 14.

The annual financial statements set out on pages 15 to 42 which have been prepared on the going concern basis, were approved by the Board on 30 September 2021.

Kagisho Mahura

Kagisho Augustine Mahura
Chair of Board

Duane Allan D'Oliveira
Chief Executive Officer

Lemao Arthur Archibald Ditodi
Chief Financial Officer

Geoffrey Graham Blount
Chief Investment Officer

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DECLARATION BY COMPANY SECRETARY

In our capacity as Company Secretary we declare, in terms of the Companies Act, 71 of 2008, that for the year ended 30 June 2021 the company has lodged with the Companies and Intellectual Property Commission all such returns as are required by a public company in terms of the Act, and that all such returns are true, correct and up to date.

CIS Company Secretaries Proprietary Limited
Company Secretary
30 September 2021

SNG Grant Thornton
20 Morris Street East
Woodmead, 2191
P.O. Box 2939
Saxonwold, 2132
T +27 (0) 11 231 0600

Independent Auditor's Report

To the Shareholders of Transformation Investment Portfolio One Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Transformation Investment Portfolio One Limited ("TIP One") set out on pages 15 to 42, which comprise the statement of financial position as at 30 June 2021, and the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Transformation Investment Portfolio One Limited as at 30 June 2021, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

Basis for opinion

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

Material uncertainty relating to going concern

We draw attention to Note 23 of the financial statements which indicates that The Financial Sector Conduct Authority (FSCA) suspended the exchange licence of ZAR X PTY LTD (ZAR X) in terms of section 60(1) of the Financial Markets Act (FMA), effective from 16:00 on Friday 20 August 2021. The suspension resulted from ZARX's non-compliance with section 8(1)(a) of the FMA, read with Regulation 8 and 43(2) of the FMA Regulations, which relate to the liquidity and capital adequacy requirements of an exchange. As explained in Note 23 ZAR X cannot accept new trades or facilitate the listing of companies on its platform from the suspension date and time thereby limiting TIP One's ability to conduct its business. The FSCA intends to proceed, three months after the date of suspension, with the cancellation of ZAR X's exchange licence should ZAR X fail to rectify its non-compliance with the capital adequacy requirements. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Other than the matter described under the material uncertainty relating to going concern paragraph, we have not identified any other key audit matters.

Other information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Transformational Investment Portfolio One Limited Financial Statements for the year ended 30 June 2021", which includes the Directors' Report and the Company Secretary's Certification as required by the Companies Act of South Africa and the supplementary information as set out on page 43. The other information does not include the financial statements and our auditor's reports thereon.

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

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

Responsibilities of the directors for the financial statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine as necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the 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 auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entity or business activities to express an opinion on financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that SNG Grant Thornton Inc has been the auditor of Transformation Investment Portfolio One Limited for 3 years.

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Patience Bhebhe
SizweNtsalubaGobodo Grant Thornton Inc.
Director
Registered Auditor

25 October 2021

20 Morris Street East
Woodmead

STATEMENT OF FINANCIAL POSITION		**June 2021**	**15 months June 2020**
Figures in South African Rands	**Notes**		
Non-current assets			
Investments	3	531 868	-
Total non-current assets		**531 868**	**-**
Current assets			
Other receivables	4	303 730	4 411
Cash and cash equivalents	5	3 150 228	157 981
Total current assets		**3 453 958**	**162 392**
Total assets		**3 985 826**	**162 392**
EQUITY AND LIABILITIES			
Equity			
Issued share capital	6	7 323 814	2 323 814
Accumulated loss		(4 163 132)	(2 343 050)
Mark to market reserve		24 373	-
Day One Gain Reserves	7	862	1 594
Total equity		**3 185 917**	**(17 642)**
Liabilities			
Non-current liabilities			
Loan from shareholder	7	9 038	8 306
Deferred tax liability	8	7 847	-
Total non-current liabilities		**16 885**	**8 306**
Current liabilities			
Loan from related party	9	261 412	-
Trade and other payables	10	520 352	170 468
Unallocated deposits		1 260	1 260
Total current liabilities		**783 024**	**171 728**
Total liabilities		**799 909**	**180 034**
Total equity and liabilities		**3 985 826**	**162 392**

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STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME		**June 2021**	**15 months June 2020**
Figures in South African Rands	**Notes**		
Other income	11	2 803	-
Administrative expenses	12	(405 168)	(428 997)
Other operating expenses	13	(1 433 569)	(1 917 615)
Loss from operating activities	14	**(1 835 934)**	**(2 346 612)**
Finance income	15	27 264	4 411
Finance costs	16	(11 412)	(849)
Loss before tax		**(1 820 082)**	**(2 343 050)**
Income tax	8.1	**-**	**-**
Loss for the year		**(1 820 082)**	**(2 343 050)**
Other comprehensive income or loss			
Items that may not be reclassified to profit or loss			
Fair value movements on investments	3	32 220	-
Deferred Tax	8	(7 847)	-
Total comprehensive loss		**(1 795 709)**	**(2 343 050)**
Diluted losses per share are equal to earnings / losses per share because there are no dilutive potential ordinary shares in issue.			
Attributable to ordinary shareholders			
Basic loss for the year	21	(1 820 082)	(2 343 050)
Number of shares in issue		7 879 370	2 323 814
Weighted average number of ordinary shares	21	3 891 446	1 339 133
Basic loss per share	21	(0,47)	(1,74)

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STATEMENT OF CHANGES IN EQUITY Figures in South African Rands	Share capital	Day One Gain Reserve*	Mark to market reserve**	Accumulated Loss	Total
Changes in equity					
Issue of shares — TIP One	100	-	-	-	**100**
Day One Gain recognised on advance of AFG Loan	-	3 138	-	-	**3 138**
Amortisation of Day One Gain	-	(676)	-	-	**(676)**
Balance on 31 March 2019	**100**	**2 462**	**-**	**-**	**2 562**
Issue of shares - TIP One	2 323 714	-	-	-	**2 323 714**
Total comprehensive loss	-	-	-	(2 343 050)	**(2 343 050)**
Amortisation Day One Gain Reserve	**-**	(868)	**-**	**-**	**(868)**
Balance at 30 June 2020	**2 323 814**	**1 594**	**-**	**(2 343 050)**	**(17 642)**
Issue of shares - TIP One	5 000 000	-	-	-	**5 000 000**
Loss for the year				(1 820 082)	**(1 820 082)**
Fair value adjustment FVOCI	-	-	24 373	-	**24 373**
Amortisation Day One Gain Reserve	-	(732)	-	-	**(732)**
Balance at 30 June 2021	**7 323 814**	**862**	**24 373**	**(4 163 132)**	**3 185 917**

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*Day one gain on a shareholder loan
** Reserve for fair value adjustments to Investments at FVOCI

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STATEMENT OF CASH FLOWS		**June 2021**	**June 2020**
Figures in South African Rands	Note		
Cash flows used in operations			
Loss for the year		(1 820 082)	(2 343 050)
Adjustments to reconcile loss			
Adjustments for other income	11	(2 803)	-
Adjustments for finance income	15	(27 264)	(4 411)
Adjustments for finance costs	16	11 412	849
Adjustments for decrease in trade and other receivables		-299 319	-
Adjustments for increase in trade and other payables	10	349 884	170 468
Total adjustments to reconcile loss		**31 910**	**166 906**
Net cash flows used in operations		**(1 788 172)**	**(2 176 144)**
Interest received	15	27 264	-
Interest paid	16	-	(849)
Net cash flows used in operating activities		**(1,760,908)**	**(2 176 993)**
Net cash flows in investing activities			
Acquisitions – Financial Assets Fair Value through Other Comprehensive Income	3	(496 845)	-
Net cash flow from investing activities		**(496 845)**	-
Cash flows from financing activities			
Proceeds from issuing shares	6	5 000 000	2 324 974
Loans received from shareholders		-	-
Loans received from related parties	9	250 000	-
Cash flows from financing activities		**5 250 000**	**2 324 974**
Net increase in cash and cash equivalents		2,992,247	147 981
Cash and cash equivalents at beginning of the year	5	157 981	10 000
Cash and cash equivalents at end of the year	5	**3,150,228**	**157 981**

ACCOUNTING POLICIES

1. General information

Transformational Investment Portfolio One Limited ("the Company") is an Investment Holding Company which is building a portfolio by investing into listed companies through their respective B-BBEE schemes.

The Company's directors take full responsibility for the preparation of this report. The preparation of the Company's results was supervised by the Chief Financial Officer, Lemao Ditodi CA(SA).

The Company, which is listed on the ZAR X, is incorporated as an Investment Holding Company, and domiciled in South Africa. The address of its registered office is Suite 807, 8th Floor, 16 Baker Street, Rosebank, Johannesburg, 2196.

1.1 Basis of preparation and Summary of Significant Accounting Policies

The Financial Statements of TIP One, for the year ended 30 June 2021, have been prepared on a going concern basis in accordance with International Financial Reporting Standards ("IFRS"), SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, the Financial Pronouncements as issued by the Financial Reporting Standards Council as well as the requirements of the Companies Act, 71 of 2008 of South Africa and the listing requirements of ZAR X, a licensed stock exchange.

The accounting policies applied by the Company in the preparation of these Financial Statements are in accordance with IFRS. The financial results have been prepared on the historical cost basis and incorporate the principal accounting policies below. The Financial Statements are presented in South African rands and rounded to the nearest Rand.

The preparation of Financial Statements in accordance with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the Company's accounting policies.

ACCOUNTING POLICIES

1.2 New standards, amendments and interpretation to existing standards that are relevant to the entity

Standard / Interpretation	**Details of amendment**	**Effective Date**
Definition of material (Amendment to IAS 1 and IAS 8)	Disclosure of Accounting policies: The Amendments require companies to disclose their material accounting policy information rather than significant accounting policies, with additional guidance added to the Standard, to explain how an entity can identify material accounting policy information with examples of when accounting policy information is likely to be material	Effective for periods beginning on or after 1 January 2023
Classification of liabilities as Current or Non-Current (Amendment to IAS 1)	The amendments aim to promote consistency in applying the requirements by helping companies to determine whether the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current.	Effective for periods beginning on or after 1 January 2022
Annual improvements to IFRS Standards 2018 – 2020	Makes amendments to the following standards: IFRS 9, the amendment clarifies which fees an entity includes when it applies the 10 percent test in paragraph B3.3.6 of IFRS 9 in assessing whether to de-recognise a financial liability. An entity only includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.	Effective for periods beginning on or after 1 January 2022
IAS 8: Changes in Accounting Estimates	Definition of Accounting Estimates: The Amendments clarify how companies should distinguish between changes in accounting policies from changes in accounting estimates, by replacing definition of change in accounting estimates with a new definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial estimates that are subject to measurement uncertainty". The requirements for recognising the effect of the change in accounting prospectively remain unchanged.	Effective for periods beginning on or after 1 January 2023

The Company has assessed the amendments and it is not expected that they will have a material impact on the financial statements.

1.3 Financial instruments

Classification

The Company classifies financial assets and financial liabilities into the following categories on initial recognition:

- Financial Assets at Fair Value through Other Comprehensive Income ("FVOCI")
- Financial assets measured at amortised cost
- Financial liabilities measured at amortised cost

ACCOUNTING POLICIES

Classification for financial assets under IFRS 9 is dependent on the business model in which the financial asset is managed and its contractual cash flows and therefore financial assets are not reclassified after their initial recognition unless the Company changes its business model for managing the financial assets.

FVOCI
Financial Assets acquired by TIP One are held at FVOCI if it is an investment in an equity instrument within the scope of IFRS 9, that is neither held for trading nor contingent consideration recognised in a business combination to which IFRS 3 applies, and which TIP One has at initial recognition made an irrevocable election to present subsequent changes in fair value in other comprehensive income.

Financial assets at amortised cost
A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- It is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial liabilities at amortised cost
The classification of financial liabilities measured at amortised cost is dependent on the financial liability and is assessed on a case-by-case basis. Financial liabilities that have known cash flows at pre-determined dates or are based on invoiced amounts from suppliers are classified as financial liabilities at amortised cost.

Loans from related parties will also be measured as financial liabilities at amortised cost.

Initial recognition and measurement
The company has made an irrevocable election at initial recognition to classify investments in ordinary shares as financial assets at FVOCI. Financial assets designated upon initial recognition at fair value through other comprehensive income are financial assets mandatorily required to be measured at fair value.

TIP One's investments strategy is to acquire assets and invest in the assets for the foreseeable future. The investments are planned to be held either to maturity (given the funding provided or the lock in periods usually associated with these investments). As such, with the long-term horizon of the investments, the investments will be measured at fair value, with gains and losses on these investments going through Other Comprehensive Income.

Financial instruments at amortised cost are initially measured at fair value including transaction costs that are directly attributable to the financial instrument.

The Company performs an assessment of the objective of the business model in which a financial asset is held at a portfolio level as this best reflects the way in which the financial asset is managed, and information is provided to management. The information considered includes:

ACCOUNTING POLICIES

- Management's strategy in generating returns from the financial asset in the form of interest, dividends, capital growth or a combination of these
- how the performance of the financial assets is evaluated and reported to the directors of the Company
- the risks associated with the financial assets and how the risks are managed and
- the frequency, volume, and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Financial assets that are held for contractual cash flows that are solely payments of principal and interest are carried at amortised cost.

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period and for other basic lending risks and costs (e.g., liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument which includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment the following are considered by the Company:

- contingent events that could change the amount or timing of cash flows
- terms that may adjust the contractual rate, including variable-rate features
- pre-payment, extension features or related penalties and
- terms that limit the Company's claim to cash flows from specified assets.

Day one gain/loss
In terms of paragraph 5.1.1 of IFRS 9, financial assets and liabilities shall be measured at initial recognition at fair value plus/minus transaction costs directly attributable to the acquisition or the issue of the financial asset or liability. As such, should a financial asset be acquired or issued at a value either above or below the fair value, a day one gain/loss shall be recognised in order to adjust the financial asset or liability to the fair value of the financial asset or liability on date of acquisition or issue. Subsequently the day one gain/loss on the financial liability is amortised using the effective interest method while the day one gain/loss on the financial asset is recognised directly in profit or loss because the fair value of the instruments is determined with reference to a quoted price.

Subsequent measurement
Financial assets at Fair Value through Other Comprehensive Income ("FVOCI")
Fair value gains and losses are for financial assets classified as Fair Value through Other Comprehensive Income are reflected in other comprehensive income.

ACCOUNTING POLICIES

Financial assets at amortised cost
Included in this category are cash and cash equivalents, trade and other receivables. These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income and impairment are recognised in profit or loss.

Trade and other payables
Trade and other payables are initially measured at transaction price, and subsequently measured at amortised cost, using the effective interest method.

Derecognition
Any interest in transferred financial assets that qualify for derecognition that is created or retained by the Company is recognised as a separate asset or liability in the statement of financial position. A financial asset will be de-recognised only when the contractual right to the cash flows expires, transfers the contractual right to receive cash flows from the financial asset, or retains the contractual right to receive cash flows from the financial asset but assumes the contractual obligation to pay these cash flows to one or more other entities, provided the entity has no obligation to pay these amounts to the recipients unless it collects these contractual cash flows in terms of the original financial asset, or the entity is prohibited from selling or pledging the original asset other than as security to the eventual recipients for the obligation to pay them cash flows. On derecognition of a financial asset, the difference between the carrying amount of the asset and the consideration received is recognised in profit or loss. The Company de-recognises a financial liability when its contractual obligations are discharged, cancelled, or expire.

Offsetting
Financial assets and liabilities are offset, and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the recognised amounts and they intend either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Fair value determination
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming market participants act in their economic best interest.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

ACCOUNTING POLICIES

All assets and liabilities for which fair value is measured or disclosed in these interim results are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:
Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

TIP One recognises transfers between levels of the fair value hierarchy during the reporting period during which the change has occurred.

Cash and cash equivalents
Cash and cash equivalents are initially measured at transaction price, and are subsequently measured at amortised cost, using the effective interest rate method. Cash and cash equivalents comprise bank balances.
Twelve month expected credit losses are calculated for cash and cash equivalents using the general approach. Due to the short-term nature of cash and cash equivalents, the calculated ECL is then discounted using the appropriate effective interest.

Derecognition of a financial liability
The Company derecognises a financial liability when its contractual obligations are discharged, cancelled, or expire. The Company also derecognises a financial liability when its terms are modified, and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value. On the derecognition of a financial liability, the difference between the carrying amount of the liability and consideration received will be is recognised in profit or loss.

1.4 Interest income
Interest income is calculated using the effective interest rate method by applying the effective interest rate to the gross carrying amount of a financial asset.

1.5 Share Capital
Ordinary shares are classified as equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue, or cancellation of the Company's own equity instruments. Consideration paid or received shall be recognised directly in equity. Initial costs, directly attributable to the issue of new shares or options are shown in equity as a deduction, from the proceeds.

1.6 Revenue
Interest income is addressed above in the accounting policy for financial instruments.
Dividend income is recognised when the right to receive payment has been established, which is usually when the dividend is declared and TIP One has a right to receive the dividend declared.

1.7 Operating Expenses
Expenses are recognised on the accrual basis when the goods and / or services are delivered.

ACCOUNTING POLICIES

1.8 Leases
Short term lease payments are recognised as an expense on a straight-line basis over the lease term when applying IFRS 16 recognition exemption. There is no difference between the amounts recognised as an expense and the contractual payments. Refer to note 18 for details of the lease.

1.9 Significant estimates and judgements
In preparing these financial statements management has made judgements and estimates that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Fair value on shareholder loan - for more detail on the fair value refer to note 2.
Information about judgements made in applying the accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes in the financial statements:

- Fair value: refer to Note 2

1.10 Income Tax
Current Tax
Current tax is the amount of income taxes payable or recoverable in respect of the taxable profit or taxable loss for the current period.

Current tax for the current and prior periods shall, to the extend unpaid, be 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 shall be recognised as an asset.

Deferred Tax
Deferred tax assets and liabilities are recognised where the carrying amount of an asset or liability in the statement of financial position differs to its tax base, except for differences arising on:

- the initial recognition of goodwill.
- the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting nor taxable profit; and
- investments in subsidiaries where the Company can control the timing of the reversal of the difference, and it is probable that the difference will not reverse in the foreseeable future.

Recognition of deferred tax assets is restricted to those instances where it is probable that taxable profit will be available against which the difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves. Unrecognised deferred tax assets are re-assessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

ACCOUNTING POLICIES

The amount of the asset or liability is determined using tax rates that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the deferred tax liabilities / (assets) are settled / (recovered).

Deferred tax balances are not discounted. Deferred tax assets and liabilities are offset only if certain criteria are met. The entity has not raised a deferred tax asset for the assessed loss, as at it was uncertain when the entity will make future taxable income due to the impact of the Pandemic.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

The table below sets out the Company's classification of each class of financial assets and liabilities, and their fair values.

2. Financial assets and liabilities

Figures in South African Rands June 2021	FVTPL	FVOCI	Amortised cost	Total	Fair value
Financial Assets					
Trade and other receivables*			303 730	303 730	303 730
Investments	-	531 868	-	531 868	531 868
Cash and cash equivalents*	-	-	3,150,228	3,150,228	3,150,228
Financial Liabilities					
Loan from shareholder**	-	-	9 038	9 038	7 553
Loan from related party*	-	-	261 412	261 412	261 412
Trade payables*	-	-	520 352	520 352	520 352
June 2020			**Amortised cost**	**Total**	**Fair value**
Financial Assets					
Trade and other receivables*	-	-	4 411	4 411	4 411
Cash and cash equivalents*	-	-	157 981	157 981	157 981
Financial Liabilities					
Loan from shareholder**	-	-	8 306	8 306	8 306
Trade payables*	-	-	170 468	170 468	170 468

**The carrying amount is a reasonable approximation of fair value.*

***The fair value was determined using the discounted cash flow method, discounting cashflows at the current prime rate of 7%. The fair value of the loan was calculated based on level 2 inputs.*

3. Investments

Financial Assets – Fair Value Through Other Comprehensive Income
TIP One acquired 16 285 shares in MTN Zakhele Futhi at a net average price of R13.07 per share and 2 430 shares in Sasol SOLBE1 at a net average price of R115 per share. The summary of the cost and fair value of the acquisitions is summarised in the table below:

Figures in South African Rands	Cost	Day one gain	Movement	Fair Value
MTN Zakhele Futhi	213 921	2 803	35 694	252 418
Sasol SOLBE1	282 924		(3 474)	279 450
Total	**496 845**	**2 803**	**32 220**	**531 868**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

4. Other receivables

Figures in South African Rands	June 2021	June 2020
Other receivables comprise:		
Interest accrued on bank balances	-	4 411
EESE Nominee (Pty) Ltd	300 000	-
Afrifocus Securities	3 730	-
Total	**303 730**	**4 411**

5. Cash and cash equivalents

Figures in South African Rands	June 2021	June 2020
Call Deposit	3 031 269	125 899
Business Cheque Account	118 959	32 082
Total	**3 150 228**	**157 981**

The carrying amount of cash and cash equivalents approximates fair value due to its short-term nature.

6. Share capital
Authorised share capital
10 000 000 000 ordinary shares

Issued share capital
7 879 370 issued shares at no par value issued at year end. In March 2021, TIP One issued 5 555 556 shares for a consideration of R5 000 000. Reconciliation of share movements for the year summarised below:

	June 2021	June 2020
Opening balance	2 323 814	100
Issued	5 555 556	2 323 714
Closing balance	7 879 370	2 323 814

Figures in South African Rands	June 2021	June 2020
Ordinary share capital	7 323 814	2 323 814

7. Loan from shareholder

Figures in South African Rands	June 2021	June 2020
Loan from shareholder	9 038	8 306

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Loan from African Financial Group
TIP One received a loan from one of the shareholders, African Financial Group. The difference between the fair value on the initial recognition and the proceeds received was recognised as a non-distributable reserve on the interest free shareholder loan. In the calculation, the fair value of the loan on day one, management has made the following assumptions:

- Repayment period - 4 years.
- Management has reviewed the cashflow projections and believes that the Company would be able to repay the loan in 2022, being 4 years after issue.
- The prime lending rate ("Prime”) was used as the interest rate to determine the finance cost incurred. Management believes that Prime is an appropriate rate, taking into consideration the going rate in the market for similar entities; and
- The finance cost relating to the loan and the amortisation of the day 1 gain reserve is based on the same pattern and amounts are amortised over the 4-year period, consequently the effect in the profit or loss is nil.

The day one gain is recognised on the shareholder loan received from African Financial Group to recognise this loan at fair value. The fair value adjustment to the day one gain on the fair value on the loan received from African Financial Group is summarised below:

Figures in South African Rands	**June 2021**	**June 2020**
Day one gain – AFG loan	862	1 594

8. Deferred Tax
Deferred tax is provided based on the balance sheet method, recognising temporary differences between the accounting and tax treatment on the fair value of investments in the entity’s portfolio.

The summary below serves as the basis for the deferred tax liability raised by TIP One

Figures in South African Rands	**Deferred tax**
Deferred tax through other comprehensive income	
Fair value on financial assets through other comprehensive income	7 847

In terms of the definition in paragraph 5 of IAS12, a deferred tax asset is defined as the amounts of income taxes recoverable in future periods in respect of deductible taxable differences, the carry forward of unused tax losses or the carry forward of unused tax credits.

In terms of paragraph 24 of IAS 12, a deferred tax asset shall be 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, unless a deferred tax asset arises from the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction affects neither accounting profit not taxable profit or loss.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

TIP One is currently incurring taxable losses, and as such needs to assess when in the foreseeable future it will be able to generate taxable income, more especially generate sufficient taxable income against which to utilise a deferred tax asset.

For this reason, TIP One has decided not to raise a deferred tax asset, until TIP One has started generating taxable income, or a taxable income becomes highly probable for the foreseeable future.

8.1 Income Tax

In line with IAS 12, the estimated unutilised tax losses determined using the income approach method for apportioning expenses, for which no deferred tax asset is recognised in the statement of financial position are tabled below:

Figures in South African Rands	June 2021	June 2020
Unutilised tax losses	1 118 173	656 054

Like the deferred tax asset, these losses will be ringfenced for future use against potential taxable income.

Major components of the tax expense

Figures in South African Rands	June 2021	June 2020
Current tax	-	-
Deferred tax	-	-

Reconciliation of tax

Reconciliation between tax expense and the product of accounting profit multiplied by the applicable tax rate.

Figures in South African Rands	Amount	Tax rate	Tax
Loss before tax	1 820 082	28%	509,623
Deduction disallowed	(172 459)	28%	(48 288)
Non-taxable income	2 803	28%	784
Unrecognised deferred tax asset	(1 650 426)	28%	(462 119)
	-	28%	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

9. Loan from related party

Figures in South African Rands	June 2021	June 2020
Loan from related party	261 412	-

Loan from Hillary Blount
Hillary Blount, a relative to the Chief Investment Officer, Geoffrey Graham Blount, agreed to grant a loan to TIP One to the amount of R 250 000. The loan agreement was approved by the Chief Financial Officer on behalf of TIP One on the 28th of October 2020, and the proceeds of the loan were received by TIP One on the 24th of November 2020.

The purpose of the loan was to enable TIP One to cover its operational costs, meet its working capital requirements and pay its suppliers. The loan is unsecured and will rank *pari passu* with any other unsecured creditors.

The loan attracts interest at the annualised interest rate of the repo rate plus 4%, for a period of 6 months, effective from the date that the loan is received by the lender.

The loan is repayable after a period of 12 months and the lender has the option to convert the loan amount along with accrued interest into equity.

The reconciliation of the cash flows from this loan are summarised below:

Figures in South African Rands	June 2021	June 2020
Opening balance	-	-
Proceeds on loan received	250 000	-
Interest accrued (non-cash)	11 412	-
Closing balance	**261 412**	**-**

10. Trade and other payables

Figures in South African Rands	June 2021	June 2020
Trade and other payables comprise the following		
Trade creditors	303 785	70 028
Accrued liabilities	27 127	66 000
Non-executive directors' fees	185 000	30 000
Other payables	4 440	4 440
Total trade and other Payables	**520 352**	**170 468**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

The movement in trade and other payables is summarised below:

Figures in South African Rands	June 2021	June 2020	Movement
Trade creditors	303 785	70 028	233 758
Accrued liabilities	27 127	66 000	(38 875)
Non-executive directors' fees	185 000	30 000	155 000
Other payables	4 440	4 440	-
Total trade and other Payables	**520 352**	**170 468**	**349 884**

11. Other income

Figures in South African Rands	June 2021	June 2020
Day one gain – MTN Zakhele Futhi	2 803	-
Total	**2 803**	**-**

12. Administrative expenses

Figures in South African Rands	June 2021	June 2020
Accounting Fees	6 050	6 050
Auditor's remuneration – fees	69 000	148 810
Bank charges	3 330	1 430
Brokerage fees	731	-
Secretarial fees	182 517	135 985
Listing fees	74 930	80 947
Marketing and communication	68 610	55 775
Total administrative expenses	**405 168**	**428 997**

13. Other operating expenses

Figures in South African Rands	June 2021	June 2020
Consulting fees	756 194	1 081 000
Employee costs	-	187 203
Entertainment	-	9 003
Insurance	27 750	25 000
Lease rentals	200 000	140 000
Legal expenses	-	118 633
License fees – RAC Advisory	287 500	230 000
Management Fee	7 125	-
Non-Executive Directors	155 000	30 000
Printing and stationery	-	90 964
Website hosting	-	2 536
Travel – local	-	3 276
Total other expenses	**1 433 569**	**1 917 615**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

14. Loss from operating activities

Figures in South African Rands	June 2021	June 2020
Loss for year includes the following		
Auditors' remuneration – fees	69 000	148 810

15. Finance income

Figures in South African Rands	June 2021	June 2020
Interest income on bank balance	27 264	4 411

16. Finance cost

Figures in South African Rands	June 2021	June 2020
Interest – payroll taxes	-	(849)
Interest – loan from related party	(11 412)	-

17. Director's remuneration

Director's remuneration payable to the Non-Executive Directors for the year ended 30 June 2021:

Directors	Non-Executive Fee	Basic Remuneration	Total Emoluments
Geoffrey Blount	-	-	-
Lemao Ditodi	-	-	-
Kagisho Mahura	65 000	-	**65 000**
Hopolang Ntoi	65 000	-	**65 000**
Ntombomzi Ngada	25 000	-	**25 000**
Total	**155 000**	**-**	**155 000**

The executive directors both have a shareholding in TIP One, with Geoffrey Blount owning 250 000 shares and Lemao Ditodi having a beneficial holding of 1 062 000 shares in TIP One through the Ditodi Family Trust. The CEO, Duane D'Oliveira, represents the majority shareholding held by BBMIH. Duane is part of the investment team for BBMIH and is not a shareholder in BBMIH. No remuneration was payable to the directors resulting from these beneficial holdings. Please refer to the related party note for more detail.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Director's remuneration paid to Executive Directors and payable to the Non-Executive Directors for the 15 months period ended June 2020:

Directors	Non-Executive Fee	Basic Remuneration	Total Emoluments
Geoffrey Blount	-	125 307	**125 307**
Lemao Ditodi	-	61 896	**61 896**
Kagisho Mahura	10 000	-	**10 000**
Hopolang Ntoi	10 000	-	**10 000**
Ntombomzi Ngada	10 000	-	**10 000**
Total	**30 000**	**187 203**	**217 203**

18. Lease short term
IFRS 16 provides guidance on the treatment of short-term leases. African Financial Group entered into a lease for the premises and subleased a portion of the rent for the premises to TIP One based on headcount. The arrangement with TIP One had no fixed lease term and no significant cancelation penalty and was on a month-to-month basis. As at year end there was no economic incentive to renew the arrangement as management was able to work remotely. The monthly rental charged to TIP One was R20 000 per month. The arrangement was terminated in April 2021.

19. Related parties
Related parties are entities with the ability to govern or control the other party or to exercise significant influence such party in making financial or operating decisions, or anyone that is part of the key management personnel (including Directors) of the Company. Management considers the key agreements, transactions and relationships between the Company and the other entities.

The Company discloses its relationships, along with entities or individuals who may be able exercise ability to govern or significantly influence the operating decisions of the Company. Below is a list of identified related parties, along with the transactions with the related parties. In addition, ZAR X defines a related party in respect of an issuer to include an appointed advisor or any person that beneficially owns at least over 10% of the total voting rights attached to all voting securities. Related party transactions are conducted on an arms-length basis and any outstanding balances to or from the Company are no more or less favourable than any other supplier or customer of a similar size.

Key service providers
TIP One currently has a total management fee of 1.35% of the assets under management. The management fee is split between African Financial Group (the Promoter and shareholder), RAC Advisory (Investment Advisory Firm) and Baphalane Ba Mantserre Investment Holdings (BBMIH). No management fee was paid for the period, but an accrual was raised for management fees at year end.

Key Management
Duane D'Oliveira, Geoffrey Blount and Lemao Ditodi.

Non-executive directors
Hopolang Ntoi, Kagisho Mahura and Ntombomzi Ngada.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Key Shareholders (owning at least 10% of the voting rights)

Shareholder name & percentage	**June 2021**	**June 2020**
BBMIH (70%)	5 555 556	-
Ditodi Trust (13%)	1 062 000	1 062 000
Geoffrey Blount (3.5%)	250 000	250 000
Beagle Investment (Pty) Ltd (3.5%)	240 000	240 000
BESTWEALTH LIMITED (3.5%)	290 744	290 744
Related party balances		
Loan account from related parties		
African Financial Group	9 038	8 306
Hillary Blount *	261 412	-
Other payables		
Rent lease owing: African Financial Group	220 000	20 000
Other payables – Management fees		
BBMIH	2 375	-
RAC Investment Holdings Pty Ltd	2 375	-
African Financial Group	2 375	-
Non – executive directors' fees owing		
Kagisho Mahura	75 000	10 000
Hopolang Ntoi	75 000	10 000
Ntombomzi Ngada	35 000	10 000
Transactions with related parties		
Expenses incurred		
Licensing Fees - RAC Advisory	287 500	230 000
Rental lease payments – AFG	200 000	140 000
Finance cost – Hillary Blount	11 412	-
Management fee – AFG	2 375	-
Management fee - BBMIH	2 375	-
Management fee – RAC Advisory	2 375	-

Refer to Note 17 on directors' emoluments for the year.
**Close family member of key management personnel*

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

20. Financial risk and capital management

Classification and fair values of financial instruments
The following summarises the valuation methods and assumptions used in estimating the fair values of financial instruments reflected in the tables.

Financial assets at FVOCI
The fair value of the financial assets at FVOCI is presently the quoted market prices in active markets for identical assets

Financial assets at amortised cost
The carrying value of the financial assets at amortised cost with the remaining life of less than 12 months reasonably approximates fair value due to the short-term period to maturity.

Financial liabilities at amortised cost
The carrying value of financial liabilities with a maturity of less than 12 months reasonably approximates the fair value due to the short-term nature. For longer maturities, fair value is calculated based on the present value of future principal and interest cash flow

Fair value hierarchy
Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities. Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as the prices) or indirectly (i.e., derived from prices). Level 3 – Inputs from the assets or liability that are not based on observable market data (unobservable inputs). The following table shows the fair values of financial assets and financial liabilities.

In the case of TIP One, the initial investments into the TIP One portfolio are based on investments which are both listed on the JSE Securities Exchange, and as such, the values derived are quoted on the exchange. As such, the levels would be similar for these investments:

Figures in South African Rands	**Level 1**	**Level 2**	**Level 3**
MTN Zakhele Futhi	252 418	-	-
Sasol SOLBE1	279 450	-	-
Total	**531 868**	-	-

The table above does not include fair value information for financial assets and financial liabilities are not measured at fair value if the carrying amount is a reasonable approximation of fair value.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Financial Risk

The Company is exposed to the following risks from its use of financial instruments

- Liquidity risk
- Credit risk
- Market risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies, and procedures for measuring and managing risk and the company's management of capital. Further quantitative disclosures are included in the financial statement notes relating to the financial instrument concerned. The Company's objective is to effectively manage each of the above risks associated with its financial instruments, to limit the Company's exposure, as far as possible, to any financial loss associated with these risks. The Board is ultimately responsible and accountable for ensuring that adequate procedures and processes are in place to identify, assess, manage, and monitor key business risks.

20.1 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by or delivered in cash or another financial asset.

The Company's approach to manage its liquidity is to ensure as far as possible that it will have sufficient liquidity to meet its liabilities when due, under either normal or stressed conditions, without incurring unacceptable losses. The table below discloses the contractual maturity of financial assets and liabilities:

June 2021	Carrying amount	3 months or less	3 - 12 months	1 - 5 years
Contractual Cash Inflows				
Cash and cash equivalents	3 150 228	3 150 228	-	-
Contractual Cash Outflows				
Trade payables	303 785	303 785	-	-
Accrued liabilities	27 127	-	27 126	-
Non-Executive Directors Fees	185 000	-	185 000	-
Other payables	4 440	-	4 440	-
Loan from shareholder	9 038	-	-	9 900
Loan from related party	261 412		271 458	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

June 2020	Carrying amount	3 months or less	3 - 12 months	1 - 5 years
Contractual Cash Inflows				
Cash and cash equivalents	157 981	157 981	-	-
Interest receivable	4 411	4 411	-	-
Contractual Cash Outflows				
Trade payables	70 028	70 028	-	-
Accrued liabilities	66 000	66 000	-	-
Non-Executive Directors Fees	30 000	-	30 000	-
Other payables	4 440	-	4 440	-
Loan from shareholder	8 306	-	-	9 900

20.2 Credit Risk
Expected Credit Loss ("ECL") assessment
Cash and cash equivalents
Impairment of cash and cash equivalents has been measured on a 1 day expected loss basis and reflects the short maturities of the exposures in terms of the general approach adopted by management. The Company considers all the indicators within the ECL model when determining the credit risk associated with cash and equivalents.

Included in cash and cash equivalents are TIP One's current and short-term deposits, bank balances and cash balances with brokers.

The Company considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the financial institution combined with the fact that the institution is reputable within the economic environment and the fact that none of the other indicators, considered in terms of the ECL model indicated an increased credit risk. For this reason, no loss allowance has been recognised in relation to cash and equivalents at the current or prior reporting dates.

Other receivables
Other receivables relate to interest owing on the bank balance.

20.3 Market Risk
Market risk is the risk that changes in the market prices will affect the Company's income or the value of its holdings in financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising returns.
Market risk is made up for three components, which are currency risk, interest rate risk and other price risk.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Currency risk
TIP One currently does not have direct exposure through foreign currency through its cash balances or liabilities.

Interest rate risk management
The Company's exposure to interest rate risk is on a floating rate basis. At the reporting date the interest rate profile of the Company's interest-bearing financial instruments is set out in the summary table below.

Figures South African Rands	**June 2021**	**June 2020**
Cash and cash equivalents	3 150 228	157 981
Loan from related party	261 412	-
Finance income	27 264	4 411
Finance cost	11 412	-

Cash flow sensitivity linked to interest rate risk
A change of 25 basis points (2020: 25 points) in interest rates at the reporting date would have increased profit or loss by the amounts shown below. This analysis assumes that the other variables remain constant and is based on closing balances compounded annually.

Impact on equity and profit or loss for the reporting period

Figures South African rands	June 2021	June 2020
Interest on call deposit (up)	2 726	406
Impact on call deposit (down)	(2 726)	(406)
Interest – related party loan (higher)	(388)	-
Interest – related party loan (lower)	373	-

Price risk
TIP One’s investment committee sets pricing guidelines around the proposed TIP One investments. Once acquired, the investments may either increase or decrease in value, thereby impacting the fair value of these investments. The risk is that TIP One acquires investments at a price above the minimum price guidelines set by the investment committee, which could impact the potential rate of return on the investment should the investment be acquired at a higher price.

Similarly, should the investment be acquired at the recommended price but not grow in value as expected, this could also impact the potential return on investment. As such, the investment committee along with management review the investment portfolio on an ongoing basis to monitor price risk.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

A detailed analysis is performed prior to investing, so to determine a price range prior to acquisitions. This is reviewed and monitored on an ongoing basis. The price of the equity investments is the quoted value on an exchange (in this case, the JSE Securities exchange). If a sensitivity analysis is to be performed on the price of the equity investments at 35%, the impact is summarised below:

Figures South African rands	June 2021
MTN Zakhele Futhi (up)	88 346
Sasol SOLBE1 (up)	97 808
MTN Zakhele Futhi (down)	(88 346)
Sasol SOLBE1 (down)	(97 808)

Going forward, the impact of the Pandemic remains uncertain and cannot be predicted. The financial position and operating results of the Company may, to a certain extent, depend on future developments.

20.4 Capital Risk Management
The Company manages its capital to ensure that it will be able to continue as a going concern while maximising return to shareholders through the optimization of debt and equity balance. To maintain or adjust the capital structure of the Company, the Board may adjust the number of shares to be issued. This strategy has remained unchanged for the prior reporting period. The Company does not have any externally imposed capital requirements. The capital balances are summarised below:

Figures in South African rands	June 2021	June 2020
Equity		
Ordinary share capital	7 323 814	2 323 814
Debt Funding		
Loan from shareholder	9 038	8 306
Loan from related party	261 413	-

21. Earnings / Loss per share
Basic loss per share
The calculation of basic loss per ordinary share is based on a basic loss of R1 820 082 (June 2020: R2 343 050), and a weighted average number of shares of 3 891 446 (June 2020: 1 339 133), resulting in a basic loss of R0.47 per share (June 2020: R1.74).

Headline loss per share
The calculation of headline loss per ordinary share is based on a basic loss of R1 820 082 (June 2020: R 2 343 050), and a weighted average number of shares of 3 891 446 (June 2020: 1 339 133), resulting in a headline loss of R0.47 per share (June 2020: R1.74).

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Diluted loss per share
The Company has no dilutive instruments, and as such, the calculation of diluted loss per share is based on diluted loss of R1 820 082 (R2 343 050 June 2020), and a weighted average number of shares of 3 891 446, resulting in a diluted loss of R0.47 (R1.74 June 2020) per share.

Reconciliation between basic, headline and diluted earnings per share

	June 2021	**June 2020**
Basic loss for the period	(1 820 082)	(2 343 050)
Adjustments	-	-
Headline earnings for the period	(1 820 082)	(2 343 050)
Adjustments	-	-
Diluted earnings for the period	(1 820 082)	(2 343 050)

22. Events after reporting date
Impact of Covid 19
COVID 19 has created a challenging investment environment, following the country going into adjusted Level 3 lockdown in December 2020 and July 2021 along with the restrictions throughout the year. Management is working to respond positively to the crisis, including adopting remote working and responding to the calls for vaccinations. TIP One is also noting an improvement in the investment climate, with more potential investors being willing to engage TIP One.

Listed Portfolio
The value of the listed shares that existed at year end increased to R715 735 at approval date of the financial statements on 30 September 2021.

From 8 July until 25 August 2021, TIP One acquired 8 020 shares in Phuthuma Nathi on the open market. The value of the investment at approval date was R127 per share, thereby resulting in a total value of R1 018 540. Phuthuma Nathi declared a dividend of R22 for every share held by 25 August 2021.

TIP One through its wholly owned special purpose vehicle YY Consortium SPV established in July 2021, purchased 10 990 shares in Vodacom Yebo Yethu from 31 August to 10 September 2021. At approval date of the annual financial statements, the value of the shares was R46 per share, thereby resulting in a total value of R505 540.

Suspension of ZAR X exchange licence
On 23 August 2021, the TIP One Management and Board were informed of the suspension of ZAR X listing license. Management is currently reviewing the situation and exploring options in response to the ZAR X suspension of its listing license.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Changes to the Audit Committee
At the Audit and Risk Committee meeting held on 29 September 2021, Kagisho Mahura resigned from the committee and Nokuthula Zilungile Mokgele, who was appointed to the board on 13 September 2021 was appointed to the Audit and Risk Committee, and also appointed as the chairperson of the Audit and Risk Committee.

23. Going concern assessment
The Board is not aware of any matter or circumstance arising since the reporting date, to the date of this report, that could have a material effect on the financial position of the Company and the Board of Directors have assessed TIP One to be a going concern as it is financially stable and has sufficient liquidity to meet its current obligations and is confident that, for the foreseeable future, it will be able to meet its obligations.

We draw attention of the users of the annual financial statements to the fact that The Financial Sector Conduct Authority (FSCA) suspended the exchange licence of ZAR X PTY LTD (ZAR X) in terms of section 60(1) of the Financial Markets Act (FMA), effective from 16:00 on Friday 20 August 2021. TIP One was also in discussions with the management of 4 Africa Exchange (4AX) to consider listing at the time of preparing this report.

The suspension resulted from ZARX's non-compliance with section 8(1)(a) of the FMA, read with Regulation 8 and 43(2) of the FMA Regulations, which relate to the liquidity and capital adequacy requirements of an exchange. ZAR X cannot accept new trades or facilitate the listing of companies on its platform from the suspension date and time thereby limiting TIP One's ability to conduct its business. The FSCA intends to proceed, three months after the date of suspension with the cancellation of ZARX's exchange licence should ZAR X fail to rectify its non-compliance with the capital adequacy requirements.

In response, the Board of Directors of TIP One is conducting ongoing engagements with the management of ZAR X to assess its viability as a stock exchange. TIP One is also exploring other options as mechanisms to facilitate liquidity of TIP One, including either a secondary listing of preference shares or similar debt instrument, along with moving TIP One's primary listing to an alternative exchange. TIP One was also in discussions with the management of 4AX at the time of preparing this report.

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SUPPLEMENTARY INFORMATION -DETAILED INCOME STATEMENT

Figures in South African Rands	June 2021	June 2020
Other Income		
		-
Day one gain – MTN Zakhele Futhi	2 803	-
Total Other Income	**2 803**	**-**
Administrative expenses		
Accounting Fees	(6 050)	(6 050)
Auditor's remuneration – fees	(69 000)	(148 810)
Bank charges	(3 330)	(1 430)
Brokerage fees	(731)	
Secretarial fees	(182 517)	(135 985)
Listing fees	(74 930)	(80 947)
Marketing and communication	(68 610)	(55 775)
Total administrative expenses	**(405 168)**	**(428 997)**
Other expenses		
Consulting fees	(756 194)	(1 081 000)
Employee costs	-	(187 203)
Entertainment	-	(9 003)
Insurance	(27 750)	(25 000)
Lease rentals	(200 000)	(140 000)
Legal expenses	-	(118 633)
License fees – RAC Advisory	(287 500)	(230 000)
Management Fee	(7 125)	-
Non-Executive Directors	(155 000)	(30 000)
Printing and stationery	-	(90 964)
Website hosting	-	(2 536)
Travel – local	-	(3 276)
Total other expenses	**(1 433 569)**	**(1 917 615)**
Loss from operating activities	**(1 835 934)**	**(2 346 612)**
Finance Income		
Interest income on bank balance	27 264	4 411
Finance Cost		
Interest – payroll taxes	-	(849)
Interest – loan from related party	(11 412)	-
Loss before tax	**(1 820 082)**	**(2 343 050)**
Income tax	-	-
Loss for the period	**(1 820 082)**	**(2 343 050)**