

CA298

IN THE HIGH COURT OF SOUTH AFRICA
GAUTENG DIVISION, PRETORIA

CASE NO: 22877/2018

In the matter between:

ESKOM HOLDINGS SOC LIMITED

Applicant

and

MCKINSEY AND COMPANY AFRICA (PTY) LTD

First Respondent

TRILLIAN MANAGEMENT CONSULTING (PTY) LTD

Second Respondent

TRILLIAN CAPITAL PARTNERS (PTY) LTD

Third Respondent

NATIONAL DIRECTOR OF PUBLIC PROSECUTIONS

Fourth Respondent

MMS NXUMALO N.O.

Fifth Respondent

ANSWERING AFFIDAVIT OF THE SECOND AND THIRD RESPONDENTS

Presented for service and filing on this the 11th day of August 2019 by:



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CA302

CA303

IN THE HIGH COURT OF SOUTH AFRICA
GAUTENG DIVISION, PRETORIA

CASE NO.: 22877/18

In the matter between:

ESKOM HOLDINGS SOC LIMITED

Applicant

and

MCKINSEY AND COMPANY AFRICA (PTY) LTD
TRILLIAN MANAGEMENT CONSULTING (PTY) LTD
TRILLIAN CAPITAL PARTNERS (PTY) LTD
NATIONAL DIRECTOR OF PUBLIC PROSECUTIONS
MMS NXUMALO N.O.

First respondent
Second respondent
Third respondent
Fourth respondent
Fifth respondent

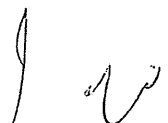
SECOND AND THIRD RESPONDENTS' ANSWERING AFFIDAVIT IN THE
COUNTER-APPLICATION

I, the undersigned,

ERIC ANTHONY WOOD,

make oath and say:

1. I am an adult male businessman and the director of the second and third respondents in the review application (to which I refer as Trillian), in respect of which Trillian now seeks leave to appeal. Naturally, in the counter-application, Trillian are also respondents.



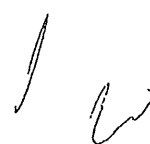
2. I was the deponent to Trillian's previous affidavits in the review application and I am again duly authorised to oppose this counter-application on behalf of Trillian.
3. Save where the contrary is said or where it appears from the context, the facts in this affidavit are within my personal knowledge. To the best of my belief, they are all true.

THE FACTS: THE ORDER AND THE GROUNDS OF APPEAL

4. This affidavit is delivered in opposition to a counter-application brought under sections 18(1) and 18(3) of the Superior Courts Act, 2013 (the Act), following Trillian's bringing of an application for leave to appeal against the whole of the judgment and order handed down by a full court in the review application.
5. On 18 June 2019, the full court (*per* Tsoka, Baqwa *et* Fourie JJ) delivered judgment in the review application, granting this order in favour of Eskom:
 - "1.1 The decisions to negotiate and conclude the Master Service Agreement between the Applicant ('Eskom') and the first respondent ('McKinsey'), consisting of:
 - 1.1.1 The Eskom Board Tender Committee's decisions on 6 July 2015 and 21 October 2015 to authorize the negotiation and conclusion of the Master Services Agreement between Eskom and McKinsey; and
 - 1.1.2 The decision taken by Mr Edwin Mabelane, Eskom's Chief Procurement Officer, to conclude the agreement with McKinsey between 7 and 11 January 2016.

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- 1.2 The Eskom Board Tender Committee's decisions on 21 June 2016 and 8 August 2016 to authorize the cancellation of the Master Services Agreement and initial cash payments of R800 million in 'settlement' to McKinsey and its unnamed 'BBBEE partner', the second respondent ('Trillian').
 - 1.3 The Eskom Board Tender Committee's decision on 13 December 2016 to authorize the further payment of R134 million to the unnamed 'BBBEE partner', Trillian.
 - 1.4 The decisions to effect 'full and final settlement' with McKinsey and its 'BBBEE partner', Trillian, consisting of:
 - 1.4.1 The Eskom Board Tender Committee's decision on 13 December 2016 to authorize the negotiation and conclusion of a final settlement and its further decision on 8 February 2017 to 'note and support' the payment of R460 million in settlement.
 - 1.4.2 The further decisions by Mr Mabelane, alternatively Mr Mabelane and senior Eskom officials, to conclude the 2017 Settlement Agreement with McKinsey on 16 and 17 February 2017 and to effect payments to McKinsey and Trillian pursuant to that settlement.
 - 1.5 The decisions to negotiate and conclude the 'NEC3 Professional Services Contract (PSC3)' between Eskom and McKinsey ('2015 McKinsey Contract') consisting of:
 - 1.5.1 The Eskom Board Tender Committee decision of 10 September 2015 approving the negotiation and conclusion of the 2015 McKinsey Contract;
 - 1.5.2 The decision of senior Eskom officials to conclude the contract with McKinsey on 29 September 2015.
 - 2 The payments made by Eskom to Trillian arising from the impugned decisions above are declared unlawful and invalid.
 - 3 Trillian is ordered to repay to Eskom the sum of R595 228 913.29, together with interest thereon at the prescribed rate, calculated from the date of judgment to date of payment.
 - 4 Trillian is ordered to pay the costs of this application including the costs of three counsel.
6. Aggrieved by the judgment and order of the Full Court, Trillian lodged an application for leave to appeal, to the Supreme Court of Appeal on the following grounds:



- 6.1 the Honourable Court erred in granting a final order as prayed for. Instead, the Honourable Court ought to have ordered that the matter be referred for the hearing of oral evidence on specified issues, alternatively to trial;
- 6.2 in summarising the evidence before it, the Honourable Court erred by misconstruing that evidence;
- 6.3 this Honourable Court erred in its assessment of the hearsay evidence that Eskom advanced in support of its case by not taking proper account of the fact that the applicant failed to make out any case for the admission of hearsay evidence under section 3(1) of the Law of Evidence Amendment Act, 1988;
- 6.4 this Honourable Court erred in finding that there was no sub-contract in place between Trillian and McKinsey;
- 6.5 this Honourable Court erred in finding that there was a corrupt relationship between Eskom and Trillian;
- 6.6 this Honourable Court erred in finding that there appeared to be a corrupt relationship between Eskom and the directors of Trillian;
- 6.7 this Honourable Court erred in finding that Trillian did not have sufficient BBBEE status;



6.8 this Honourable Court erred in finding that Trillian did not put up sufficient evidence of work performed according to the invoices submitted; and

6.9 this Honourable Court erred in finding that it was just and equitable to order Trillian to repay all monies received and/or that absent corruption, full restitution was required.

7. I attach, as "EW1", the application for leave to appeal which sets out the grounds in some detail.

THE STRUCTURE OF THIS ANSWERING AFFIDAVIT

8. For the convenience of this Honourable Court, this affidavit is divided into sections dealing with these topics:

8.1 the extraordinary nature of the relief that Eskom seeks;

8.2 Trillian's prospects of success on appeal;

8.3 the absence of exceptional circumstances;

8.4 the absence of irreparable harm to Eskom;

8.5 the irreparable harm to Trillian;

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8.6 urgency; and

8.7 responses made *ad seriatim* to the founding affidavit.

THE EXTRAORDINARY NATURE OF THE RELIEF ESKOM SEEKS

9. In its notice of motion in the counter-application under section 18 of the Act, Eskom seeks the following heads of relief:

9.1 condonation of its non-compliance with the rules, time limits, forms and procedures provided for in the Uniform Rules of Court, to the extent necessary, and leave to have the counter-application heard as a matter of urgency together with Trillian's application for leave to appeal;

9.2 that the operation and execution of the order granted are not suspended by any application for leave to appeal or any appeal and that the order continues to be operational and enforceable and will operate and be executed in full until the final determination of all present and future leave to appeal applications and appeals in respect of the order;

9.3 directing that Trillian makes payment of the sum of R595 228 913.29, within five days of the order of this Honourable Court, into the trust account of Eskom's attorneys where that sum (or any

portion recovered from Trillian) shall remain, pending final determination of all present and future leave to appeal applications and appeals in respect of the order; and

9.4 directing Trillian to pay the costs of this counter-application, jointly and severally, including the costs of three counsel.

10. I am advised that sections 18(1) and (3) of the Act require an applicant:

10.1 first, to establish that there are exceptional circumstances justifying a departure from the well-established rule that the judgment and order of a lower court is suspended pending an application for leave to appeal or an appeal; and

10.2 second, to prove that it will suffer irreparable harm if the suspension is not lifted and, conversely, that the respondent will not suffer irreparable harm if the suspension is lifted.

11. Below, I deal in more detail with the requirements of exceptionality and irreparable harm in order to demonstrate that Eskom does not meet these requirements.

TRILLIAN'S PROSPECTS OF SUCCESS ON APPEAL

12. In paragraph 11.3 of the affidavit in support of the counter-application, the deponent asserts this:



"I am further advised that Trillian's prospects of success in the application for leave to appeal and in any future appeal are relevant considerations in this inquiry."

13. I am advised that it remains unclear precisely what role the merits of the proposed appeal play in applications such as the present, and that that role must depend on the circumstances of the case. Trillian submits that in the event leave to appeal is granted, its prospects of success on appeal cannot properly be revisited so as to permit the relief sought in the counter-application.

14. Eskom contends that Trillian has no prospects of success on appeal. In this regard, it says the following in paragraph 25:

"25. As I have already emphasised above, the lodgement of Trillian's application for leave to appeal appears to serve no other purpose other than to delay the ultimate execution of the Order.

25.1 Trillian has had no less than four opportunities to provide evidence to meet Eskom's case, and yet has failed to provide any evidence that there was a lawful basis for the payments made to it, that there was no evidence of a corrupt relationship or reasonable apprehension of bias between Eskom and Trillian representatives, or to substantiate the invoices submitted to Eskom."

15. At paragraphs 26–27, Eskom says this:

"26. Trillian's application for leave to appeal makes no attempt to contest the Full Court's findings that the impugned contracts and payments were unlawful.



27. Instead, Trillian's grounds of appeal are directly solely at the remedy. Its grounds of [sic] include:

27.1 That the matter be referred to oral evidence. This issue was extensively covered at the hearing of 18 and 19 March 2019. In its judgment, the Full Court showed in detail why the matter does not need to be referred to oral evidence and provided reasons in this regard.

27.2 That Eskom's case is based on hearsay which is inadmissible. This was again canvassed at the hearing and Eskom extensively addressed these allegations in detail. The Full Court's judgment also demonstrates why this argument has no prospects, with particular reference to the recent judgment of the SCA in Swifambo."

16. These are legal submissions, the correctness of which is disputed.
17. However, I deny that Trillian lodged an application for leave to appeal solely to delay the execution of the order of the full court. In particular, I deny that Trillian makes no attempt to contest the reasons of the full court underpinning the findings that the impugned contracts and payments were unlawful. What is more, it is untrue that Trillian has made no attempt at taking issue with the findings and reasons of the full court.
18. I am advised that another Court, differently constituted, may well not accept the hearsay evidence in circumstances where, as Trillian fairly contends, Eskom has failed to meet the requirements of section 3(1) of the Law of Evidence Amendment Act, 1988.
19. Trillian is of the view that it has reasonable prospects of success on appeal, upon the bases framed in the application for leave to appeal.

J W

20. I confirm that, in its application for leave to appeal, Trillian relies on no fewer than nine cogent and, with respect, compelling grounds. At the risk of simply repeating those grounds, I submit that there exists a reasonable likelihood that another Court *would* find *inter alia*:
- 20.1 that because of the factually dense matter raised in the affidavits in the review application, the matter ought to have been referred for the hearing of oral evidence or to trial;
- 20.2 that Trillian set out sufficient facts to justify the payments it received for the work it performed for Eskom or that Trillian raised a factual dispute such that the issue ought to be referred for the hearing of oral evidence;
- 20.3 that the full court erred in its assessment of the hearsay evidence that Eskom put up in support of its case, while it ought rather to have taken account of the fact that the applicant failed to make out a case for the admission of hearsay evidence under section 3(1) of the Law of Evidence Amendment Act, 1988;
- 20.4 that the full court erred in finding that there was no sub-contract in place between Trillian and McKinsey, while it ought to have found that the evidence put up by Trillian evidenced the existence of a sub-contract or that the dispute over this question ought to be referred for the hearing of oral evidence or to trial;



- 20.5 that the full court erred in finding that there existed a corrupt relationship between Eskom and Trillian;
- 20.6 that the full court erred in finding that there appeared to be a corrupt relationship between Eskom and the *directors* of Trillian as no evidence of this was advanced;
- 20.7 that sufficient evidence was put up to substantiate Trillian's version that it enjoyed sufficient BBBEE status at all relevant times that it engaged with Eskom;
- 20.8 that sufficient evidence was put up to contradict the allegation that certain invoices were "fabricated" and "fraudulent", despite the fact that it was common cause that they had been created entirely and properly *ex post facto*; and
- 20.9 that the order of the full court was not just and equitable in all the circumstances of this case.
21. I emphasise that this matter raises issues of considerable constitutional and public importance – such that a court of appeal would be quite justified to entertain it.



22. What is more, as I sought to stress in the affidavits of Trillian delivered in the review application, it was unjustified for Eskom to have proceeded on motion in circumstances where it knew, or reasonably might have foreseen, that the application would raise disputes of fact that could not be resolved on paper.
23. That there were disputes of fact that could not be resolved on paper is borne out by the series of affidavits delivered.
24. Indeed, Eskom accepts this point and says the following in paragraph 25.2:

"The pleadings in the Eskom review application are in excess of 4000 pages and the Record of Decision is in excess of 2000 pages."

25. In sum, Trillian indeed has at least reasonable prospects of success on appeal to the Supreme Court of Appeal (SCA) on the basis that another court would reach a different conclusion to that of the full court. This militates against the granting of the extraordinary relief Eskom seeks here.

THE ABSENCE OF EXCEPTIONAL CIRCUMSTANCES

26. In grounding its claim for exceptionality, Eskom says the following in paragraphs 12.2–12.3:

"12.2 As the Full Court acknowledged, the rule of law and the public interest demand that there be swift, effective remedies where evidence of maladministration and corruption is brought to light.

J W

12.3 This is such a case. The Full Court has already held that this matter is sufficiently exceptional that the only just and equitable order is that Trillian be required to pay back every cent of public money that it unlawfully received from Eskom."

27. It continues at paragraphs 12.16–12.17:

"12.16. Therefore, this counter-application is brought under exceptional circumstances as:

12.16.1 Eskom has obtained a judgment which would result in a return of approximately R600 million to Eskom's coffers, which would at least partially assist the financially strained power utility.

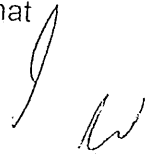
12.16.2 Eskom has already obtained the return of approximately R1 billion from McKinsey.

12.16.3. Eskom as a state-owned entity has expended significant time and resources in order to obtain an order against Trillian despite attempts by corrupt senior officials within Eskom attempting to ensure that the Eskom review application would not be brought.

12.17. If this counter-application is not granted, Eskom's ability to recover the unlawful payments to Trillian will likely be delayed at least another two to three years while Trillian exhausts all appeal options. This is in circumstances where Trillian and its corrupt enablers within Eskom have already succeeded in obstructing the return of the money for more than three years".

28. I emphasise that the order of the full court in favour of Eskom is a money judgment, in respect of which interest runs. Given the high threshold of exceptionality contemplated in section 18(1) of the Act, it is inconceivable that a money judgment could meet this threshold.

29. At any rate, as I mention above, Trillian has reasonable prospects of success on appeal in that another Court *would* come to a different conclusion to that



reached by the full court. In this regard, this Honourable Court is invited to take account of this consideration in assessing whether a case of exceptionality has been made out by Eskom, where the Court seized with the appeal may well find in favour of Trillian.

30. In thus seeking to make out a case for exceptionality, Eskom insinuates that Trillian will exhaust all appeal options without having any basis upon which to do so. This is, with respect, a remarkable stance. It is baseless, for these reasons:

30.1 First, Trillian is entitled to have recourse to the Courts to clear its name in the wake of findings of corruption and improper conduct. Eskom's contention that Trillian's application for leave to appeal is a strategy aimed at delaying the finalisation of the matter is remarkable in that it seems to apply different rules for Trillian, in circumstances where it, however, concedes importance of the matter to all the parties and to the country;

30.2 Second, Eskom persists in alleging that Trillian is corrupt and that it received unlawful payments from Eskom, one of the very questions that are the subject-matter of the application for leave to appeal. If such leave is granted and the matter is later referred for the hearing of oral evidence or to trial, it will be demonstrated, with respect, that there is no basis in fact for it.



31. Finally, in dealing with the subject of exceptionality, Eskom says the following in paragraph 13.3:

"Eskom brings this counter-application as an important part of its efforts to demonstrate to the South African public and international investors that it is succeeding in addressing corruption and mismanagement of the past and that it is possible to secure appropriate, effective relief without further delay. The South African public and international investors have repeatedly expressed concern regarding whether the South African legal system is capable of addressing unlawful conduct speedily and effectively."

[emphasis added]

32. It is unclear why Eskom would advance this argument in contending for exceptional circumstances.

32.1 First, it asserts that it brings the counter-application as an important part of its efforts to demonstrate to the South African public and international investors that it is succeeding in dealing with corruption. It is hard to divine why demonstrating to the general public that Eskom is determined to deal with corruption meets the test of exceptionality as contemplated under section 18(1) of the Act. I am advised that the onus that rests on Eskom, on a balance of probabilities, is to prove truly exceptional circumstances;

32.2 Second, it is remarkable that Eskom relies on an alleged lack of confidence in the South African legal system, which includes the Courts, to contend that exceptional circumstances exist. This


JW

argument does not pass muster. Indeed, its acceptance would create a very dangerous precedent.

- 33. In sum, in light of what I set out above, Eskom has, with respect, failed to discharge the onus to show that there are exceptional circumstances present that warrant the lifting of the suspension of the order of the full court.
- 34. On this basis alone, the counter-application falls to be dismissed.

THE ABSENCE OF IRREPARABLE HARM TO ESKOM

- 35. In its affidavit, Eskom lists the following in support of its contention that it will suffer irreparable harm:
 - 35.1 Trillian is defunct;
 - 35.2 The NDPP's attempts to secure funds from Trillian;
 - 35.3 Trillian has no business premises and no immovable property;
 - 35.4 Trillian has no employees;
 - 35.5 Trillian has given no indication that it will be able to satisfy any judgment debt;
 - 35.6 Other claims might be made against Trillian; and



35.7 Eskom has ongoing financial problems worsened by the cost exposure caused by Trillian.

36. Below, I deal with each of these topics in turn.

Trillian is defunct

37. Eskom fails to make out a case that Trillian will dissipate its assets. Its contention to this effect is simply a product of conjecture, both regarding assets now owned and any evidence of an intention to dissipate. The conjecture is wholly misplaced.

38. Trillian, and here I include Trillian Management Consulting (Pty) Limited (TMC), and Trillian Capital Partners (Pty) Limited (TCP), is dormant.

39. Trillian has not done business since November 2017. Trillian tried to do business and cut down costs however it became apparent by November 2017 that to continue with Trillian would be a folly as Trillian was unable to secure business. Moreover Trillian has no real prospects of recommencing business. I accept that this raises the questions as to why it is contesting the Eskom claims and how that litigation is being funded.

40. As to the first question, the simple answer is that I seek to salvage Trillian's and thereby my reputation in having been involved in Trillian, and obviate the



irreparable reputational harm to me that would ensue in the event that Eskom is granted the relief it seeks.

41. As to the second question, I personally am footing Trillian's legal bills. While these are technically loans to Trillian I presently have no real prospect of recovery by virtue of Trillian's financial position with which I now deal.
42. Trillian has had no audited financial statements since 2016.
43. I attach unaudited statements of TMC for the 2017 financial year as "EW2". Given the negative media storm that has erupted around Trillian, its auditors resigned and a new appointment has not been possible *inter alia* because the former Chief Finance Officer, Mr. Tebogo Leballo resigned and he and I are not on speaking terms. He with a finance team, and not me were responsible for preparing the accounts. I confirm however that the 2017 accounts as presented are accurate, to the best of my knowledge.
44. The aforesaid 2017 financial statements of TMC reflect retained income of R146 519 813, 00 which was made in the 2017 financial year almost entirely from the McKinsey subcontract with Eskom and from Transnet SOC.
45. As regards assets of TMC, the vast bulk is recorded in the sum of R398 793 889, 00, as an inter-company receivable. This represents loans made primarily to other Trillian group entities which are irrecoverable by virtue of such group entities effectively having no assets. Insofar as the group structure of the said Trillian group entities is concerned, TCP is the holding



company, and its wholly owned subsidiaries comprise TMC, Trillian Financial Advisory (Pty) Limited (TFA), Trillian Securities (Pty) Limited (TS), Trillian Shared Services (Pty) Limited (TSS), Trillian Asset Management (Pty) Limited (TAM) and Trillian Properties (Pty) Limited. Subsequent to 2017 TAM is no longer part of the TCP group, due to its management assuming ownership and control of the entity.

46. As for the cash and equivalents of some R4.4 million in TMC, this was expended post 28 February 2017 on TMC's running expenses.
47. As regards liabilities of TMC, they are as reflected but have since increased.
48. Since during or about the last quarter of 2017:
- 48.1 TMC has not traded or earned any further income, and has acquired no further cash or other assets;
- 48.2 TMC's liabilities have increased due to the 2018 Eskom costs order and the loan obtained for the funding of the litigation.
49. Monies were paid out in the 2017 financial year as loans to related entities within the said Trillian group entities, well prior to the launching of the main application, which are dealt with below.
50. The main application commenced in March 2018. TMC's asset and cash position has not changed since then: no assets or cash have been disposed of (let alone "dissipated") since that date and indeed since its dormancy.

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51. Indeed, in light of the fact that TMC's position has been largely unchanged since the end of 2017, there can be no basis for the relief sought.
52. As regards TCP, its last unaudited financial statements are also for the year ended February 2017. A copy is annexed as annexure "EW3" hereto. I repeat what is stated in paragraph 43 above with reference to TCP.
53. The aforementioned financial statements of TCP reflect an operating loss for the year of R14 163 998, 00, and an accumulated loss of R 11 587 115, 00.
54. TCP has never had significant assets but for a loan of R 218 255 616, 00 to its controlling shareholder (at the time and until during or about late 2017), namely Trillian Holdings (Pty) Limited (owned at that stage by Essa). That loan is irrecoverable. On 26 April 2019 a demand in terms of section 345 of the 1973 Companies Act was addressed to Trillian Holdings (Pty) Limited, which failed to respond. The further pursuit of this claim is simply not viable since the only shareholder of Trillian Holdings (Pty) Limited is Essa who is not in the country, and litigating over this claim would thus be an expensive and futile expense.
55. TFA and TSS (which are wholly owned subsidiaries of TCP as aforesaid) have claims against Leonardo Business Consulting (Pty) Limited for R280 147 146.00. The latter company is in liquidation. Summons has been issued and served on the liquidator and the liquidator has indicated that there are no prospects of a dividend accruing to TFA and TSS. A copy of the summons is annexed hereto marked annexure "EW4". I also annex hereto marked "EW5"



the liquidator's correspondence dated 21 June 2019, enclosing the statement of affairs of the said company in liquidation.

56. For completion I attach hereto, marked "EW6", "EW7", "EW8", respectively, the 2017 financial statements of TFA, TSS, TS being TCP's subsidiaries as aforesaid, I also attach hereto, marked "EW9" the 2017 financials for TAM. To the best of my knowledge Trillian Properties (Pty) Limited is dormant, and I have never had sight of any financials for Trillian Properties (Pty) Limited. I confirm that none of TCP's said subsidiaries have acquired any assets since that date which could be used to settle the Eskom judgment and that none have been "dissipated". Trillian Holdings (Pty) Limited is not a subsidiary of TCP and Trillian Holdings (Pty) Limited does not constitute a Trillian group entity as referred to above.

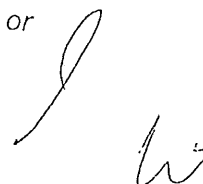
The NDPP's attempts to secure money from Trillian

57. In paragraph 16.1, Eskom says the following in support of its irreparable harm argument:

"The risk that Eskom will ultimately receive a hollow order is further underlined by the NDPP's efforts to obtain and enforce a preservation order against Trillian."

58. It continues in paragraph 16.12:

"Eskom reasonably believes that Trillian indeed has assets in the country or abroad. This is evident from the fact that Trillian has been able to litigate on a lavish scale in this matter and in others, employing large teams of lawyers. As a result, it is necessary for Eskom to make efforts to recover these assets without delay, before these assets are further dissipated or hidden."



59. It is indeed true that Trillian's bank account closed in the course of September 2017.
60. Eskom's "belief" that Trillian has assets in the country or abroad primarily because Trillian has been able to litigate in this review application and other matters is simply wrong. In this regard, I need state that I have been personally funding Trillian's litigation on loan since the end of 2017.
61. The insinuation that defending Trillian's interests through recourse to the Courts has been a lavish exercise is not only unfortunate but also a gross exaggeration. If anything, it is indicative of the seriousness with which Trillian regards this matter.

Trillian has no business premises and no immovable property

62. It is indeed so that Trillian no longer has premises in that it no longer conducts business. Nor indeed does it or I have any property registered in its or my name (the relevance of my personal financial position being in dispute).
63. Yet, I deny the allegation that the dealings among the Trillian companies indicate "unexplained interrelationships between these and possible misuse of corporate personality". This is a serious allegation that Eskom makes without any proof at all. The allegations are also irrelevant. TMC and TCP have not been dissipating assets with a view to defeating the Eskom claim or otherwise, and the evidence is to the contrary.

J W

64. At any rate, the fact that Trillian does not have business premises, and that I do not have immovable property registered in my name, does not assist Eskom in meeting the test of irreparable harm within the meaning of section 18(3) of the Act.

Trillian has no employees

65. It is true that Trillian has no employees. So, too, that I am the "last man standing". I have repeatedly explained why. I am "facing the music" because I deny involvement in any unlawful activity.
66. What Eskom seeks to derive from this fact is unclear.
67. In any event, it adds nothing to Eskom's contention about irreparable harm.

Trillian has given no indication that it will be able to satisfy any judgment debt

68. Eskom goes on to say that Trillian has given no indication that it will be able to satisfy a judgment debt but also points to a statement in my affidavit of 19 February 2019 that indicates the contrary.
69. The simple truth is that when that statement was made, I considered that Trillian may be able to recover its claims against Trillian Holdings (Pty) Limited and Leonardo Business Consulting (Pty) Limited. It has since transpired that those debts are irrecoverable and I can no longer say with any confidence



that Trillian can meet the judgment debt. Certainly an order to pay the sum claimed cannot be abided.

70. I reiterate that I have been funding the legal costs that Trillian has incurred in this litigation.

71. I submit that mention of this "ground" also does not come to the assistance of Eskom insofar as it contends that it stands to suffer irreparable harm, as contemplated in section 18(3) of the Act.

72. The invitation of disclosure of the sort required by Eskom can best be described as unduly strained and without a proper basis as a matter of law. So, too, is the call for security. It appears as though Eskom is insistent on ensuring that Trillian's endeavours aimed at pursuing the matter on appeal are stultified.

Other claims may be made against Trillian

73. In paragraph 20, Eskom lists litigious claims that may be made against Trillian, in particular:

73.1 claims emanating from testimony given at the Judicial Commission of Inquiry into allegations of State Capture, Corruption and Fraud in the Public Sector Including Organs of State (the Zondo Commission);

73.2 claims involving Transnet; and

73.3 the dispute between former partners of Regiments.

74. Its reason for mentioning these matters is because, it says in paragraph 20.8:

"Any number of proceedings may accordingly be instituted against Trillian and/or Mr Wood relating to these matters."

75. It seals its argument for irreparable harm in paragraph 20.13:

"A delay in the operation and execution of the Full Court's Order would cause irreparable harm to Eskom as the multitude of future claims against Trillian would diminish Eskom's ability to execute against Trillian and may result in no funds being returned to Eskom".

76. On this score, I say as follows:

76.1. First, insofar as the Zondo Commission is concerned it is opportunistic for Eskom to predicate its argument on exceptionality on claims which may or may not be brought against Trillian. I have not appeared before the Zondo Commission, and whatever the claims against Trillian are, I stress that it has not been involved in any corrupt or unlawful activities;



76.2. Second, insofar as claims of corruption are concerned relating to Transnet, I need only state that the matter is before the Courts, and there too Trillian maintains its innocence;

76.3. Finally, as pertains to the Regiments partners dispute, that issue is also before the Courts, and Trillian maintains its innocence.

77. Further litigation has also been instituted by:

77.1. Transnet SOC Limited against TAM and others for payment of R93 480 000.00;

77.2. Transnet SOC Limited against TFA, Trillian Capital Advisory (Pty) Limited (a company which to the best of my knowledge does not exist) and others for payment of R11 400 000.00; and

77.3. Transnet SOC Limited against TCP, TFA and others for payment of R41 040 000.00;

77.4. Transnet Second Defined Benefit Fund against TCP, TFA, TAM, TMC and I for payment of *inter alia* R179 543 257.21.

78. A number of different outcomes could ensue from these matters, as no definitive findings have been made. Accordingly, Eskom's reliance on such matters is premature and tenuous, but even if those claims succeeded they do not support Eskom's case.

Eskom's request for insight into bank statements and the like.



79. I am not in possession of any of the documents sought. All bank accounts were closed by the end of 2017 and as a director I never dealt with finances. I note that the NDPP had gained full access to Trillian's accounts, vouchers and bank statements and concluded, correctly, that there were no funds or assets that could be the subject of preservation. I hereby consent on behalf of all Trillian group entities to the NDPP furnishing Eskom with any bank statements it may possess.

Eskom's ongoing financial problems and the costs exposure caused by Trillian

80. In paragraphs 21.1–21.3, Eskom says:

"21.1 Eskom's financial problems, caused in no small part by corruption and state capture by parties such as Trillian, have been addressed above. Eskom has also incurred millions of Rands in legal fees pursuing this litigation to date.

21.2. If Trillian is allowed to undertake innumerable appeals, which have very limited prospects of success, without being required to show that it will honour judgments made against it, this will expose Eskom to significant prejudice.

21.3. In this regard Eskom already has a costs order against Trillian, which has not been paid."

81. I deny the allegations of corruption and that Trillian has had a part in contributing to Eskom's financial problems.

82. In addition, I deny the allegations that Eskom stands to suffer prejudice if Trillian is allowed to pursue an appeal. While Eskom contends that Trillian has



limited prospects of success on appeal, I differ markedly for the reasons advanced in Trillian's application for leave to appeal.

83. In regard to the costs order against Trillian, I admit that it has not been paid because as Eskom correctly states, it is set down for taxation on 4 September 2019.
84. I deny the allegation that the delay in finalising the bill of costs was occasioned by Trillian's "unwillingness" to settle the costs with Eskom. It was in fact Eskom that delayed enrolling the taxation whilst seeking to negotiate the settlement of excessive costs which would not be recoverable on taxation. In this regard, Trillian, as any other party in litigation, is entitled to dispute costs which are excessive or irrecoverable on the tariff concerned.
85. In sealing its argument on why it stands to suffer irreparable harm, Eskom says the following in paragraph 21.3.3:
- "In light of its financial position as set out above Trillian cannot be allowed to bring further proceedings until it has provided Eskom and the Court with an indication of how it will pay this costs order."*
86. As I say above, the bill of costs is set down for taxation on 4 September 2019. That process ought to be allowed to reach finality. Eskom's insistence of the payment of the costs order that is yet to be taxed is, with respect, premature.




87. In addition, Eskom's argument that Trillian not be allowed to bring further proceedings until it has provided an indication of how it will pay the costs order is another attempt by Eskom aimed at curtailing Trillian's rights of recourse to the Courts and is wholly unjustified.
88. In any event, these considerations can hardly be said to cause irreparable harm to Eskom.
89. In conclusion, I submit that Eskom has failed to prove that it will suffer irreparable harm should it not be granted the extraordinary relief it seeks.

IRREPARABLE HARM TO TRILLIAN

90. I am advised that, in order to succeed, Eskom must prove that it will suffer irreparable harm if the relief it seeks is not granted and, conversely, that Trillian will *not* suffer irreparable harm. Significantly, this is not a simple balancing exercise.
91. In what appears to be an attempt to set out reasons why Trillian does not stand to suffer irreparable harm, Eskom says the following in paragraph 23:

"23.1. Requiring Trillian to pay back the money pending the finalisation of appeals would cause no irreparable. (sic)

23.2. As just explained above, Trillian is effectively defunct, it has no employees (aside from Mr Wood) and it is not conducting any business. There is no conceivable prospect that it will conduct business in South Africa given the indelible stain of unlawful and criminal conduct that marks its operations and



the further legal and criminal proceedings that are likely to follow.

23.3. As a consequence, there would be no conceivable harm to Trillian or its business by requiring it to pay the money to Eskom in the interim. The money held by Trillian is public money and it has no entitlement to retain it for a day longer, as this Court has already found.

23.4. The execution of the Order and Trillian's obligation to satisfy the judgment debt are inevitable and whether this is satisfied now or in future, the effect on Trillian will be the same."

92. These bold allegations on Eskom's part point to its lack of appreciation of Trillian's finances and the irreparable harm that would redound to Trillian and, by extension, to me.
93. Since Trillian is not possessed of cash or even liquid assets to meet the claim for payment, any order to effect payment in the interim pending any appeal is futile. Moreover any such order could not be treated as a final order and thus Eskom could not execute or take further steps to recover, again indicating the futility of such relief. I say this because it must be obvious to all that there can be no "interim" recovery by way of execution on assets or liquidation because either would be final in effect and would be calculated to frustrate the appeals process of which Trillian is entitled to avail itself. Any "interim" enforcement is thus either not available or if considered would be irreparably harmful to Trillian and me.
94. Reputationally it has become increasingly hard for me to engage in economic activities in this country since I am inundated with enquiries relating to this

[Handwritten signature]

matter. This, however, has not prevented me from exploring how to salvage my reputation and that of Trillian in the wake of this litigation.

95. Yet, Eskom contends that the execution of the order and Trillian meeting its obligation to satisfy the judgment debt are "inevitable". I respectfully submit that this allegation proceeds from the incorrect premise that Trillian has no prospects of success – which is not so – or that, if leave is granted, it has no chance of prevailing on appeal, which I also deny, and that there are assets sufficient to meet the claim.
96. Eskom goes on to say that, whether execution and satisfaction of the judgment debt happens now or in the future, the effect on Trillian will be the same. I deny this for the above reasons.
97. In this regard, I am advised that irreparable harm, particularly to Trillian's reputation, implies that the effects or consequences cannot be reversed or undone. In other words, it refers to the permanency of the harm.
98. I submit that Eskom has failed to prove that Trillian will *not* suffer irreparable harm within the meaning of section 18(3) of the Act, should this Court grant the relief it seeks here.
99. Accordingly, with respect, Eskom's counter-application stands to be dismissed.



URGENCY

100. Eskom seeks to have Trillian's application for leave to appeal together with its counter-application, alleging urgency.

101. In this regard, in paragraphs 30–31, Eskom says:

"30. I am advised that applications in terms of section 18 of the Superior Courts Act are inherently urgent matters.

31. There is particular urgency in this matter, for all the reasons addressed above. If this Court's Order continues to be suspended, this will cause irreparable harm to Eskom and to the administration of justice. Eskom will also be denied substantial redress if this counter-application were heard in the ordinary course, separately from Trillian's application for leave to appeal".

102. While I admit that matters brought pursuant to the provisions of section 18 of the Act are inherently urgent, I dispute the urgency for which Eskom contends.

103. Trillian has demonstrated above that Eskom has failed to discharge its onus that it will suffer irreparable harm if the suspension of the Order is not lifted, and conversely, that Trillian will not suffer irreparable harm.

104. Eskom has not advanced compelling reasons why it will be denied substantial redress if its counter-application were heard in the ordinary course.

105. Its feigned urgency is yet another attempt aimed at curtailing Trillian's appeal processes.



106. Accordingly, I submit that Trillian has failed to make out a case for urgency.

RESPONSES MADE *AD SERIATIM* TO ESKOM'S AFFIDAVIT

107. In what follows, I address the averments contained in Eskom's affidavit in support of its counter-application, *ad seriatim*, to the extent necessary in light of the fact that I have already responded to the lion's share of Eskom's allegations above.

108. Therefore, I do not propose to address each and every allegation made by Eskom. Any averment made here that is inconsistent with Trillian's allegations made in previous affidavits in the review application and in this affidavit must be taken to be denied.

AD PARAGRAPH 1

109. I note this averment.

AD PARAGRAPHS 2-3

110. I deny that all the facts contained in Eskom's affidavit are true and correct and within the deponent's personal knowledge. I note the remainder of the averments in these paragraphs.



AD PARAGRAPHS 4-5

111. I note the averments contained in these paragraphs.

AD PARAGRAPH 6

112. I admit the averments in this paragraph.

AD PARAGRAPHS 7-8

113. I deny the averments in these paragraphs. I have dealt in detail with Trillian's prospects of success above and reiterate that Trillian has *not* filed an application for leave to appeal for the purpose of delay.

AD PARAGRAPH 9

114. I admit the averments in this paragraph.

AD PARAGRAPH 10

115. I deny the allegation that the postponement of the matter in December 2018 was occasioned by Trillian's so-called delaying tactics, as alleged by Eskom.

116. I note the remaining allegations in this paragraph, and I deny any allegations that are inconsistent with Trillian's previous affidavits.

J W

AD PARAGRAPH 11

117. I admit that Trillian's application for leave to appeal automatically suspends the operation and execution of this Court's Order.

118. I also admit the remainder of the averments in this paragraph to the extent that they are not inconsistent with what I have already said above in this answering affidavit.

AD PARAGRAPH 12

119. Although I have dealt with much of the allegations in this paragraph, I reiterate the following:

119.1 I deny that this case is exceptional in the manner postulated by Eskom. While it is indeed a matter of considerable importance, Eskom overstates its exceptional nature. What is sought is a money judgment against which interest runs;

119.2 I again deny that Trillian pursues an appeal squarely for the purpose of delay, or to obstruct the return of public money, as alleged;

119.3 I again deny that Trillian offered no meaningful response to allegations of corruption;

J W

119.4 I deny allegations that Trillian received unlawful payments in circumstances where it knew that there was no contractual relationship with Eskom.

120. I deny the remainder of the averments in this paragraph to the extent that they are inconsistent with what I have already said above and in my prior affidavits. In any event, I have addressed these allegations in this affidavit, and indeed in previous affidavits that served before the Full Court in the review application.

AD PARAGRAPH 13

121. I have dealt with the averments in this paragraph above, and reiterate my denial of them.

AD PARAGRAPHS 14-21

122. I deny the allegations in these paragraphs to the extent that they are inconsistent with what I have already said above.

123. I have traversed in great detail the reasons why Eskom will not suffer irreparable harm should the relief it seeks be denied. I repeat those averments here.



AD PARAGRAPH 22

124. I deny the averments in this paragraph. In any event, I have addressed these above and repeat what I have stated hereinbefore.

AD PARAGRAPHS 23–24

125. I deny all the allegations in these paragraphs to the extent that they are inconsistent with what I have already said above. I repeat that should the relief Eskom seeks be granted Trillian will suffer irreparable harm that cannot be undone or reversed.

AD PARAGRAPHS 25–27

126. I deny the allegations in these paragraphs which are inconsistent with what I have already said above and reiterate that Trillian does have prospects of success on appeal for the reasons set out in above, and the grounds of appeal in Trillian's application for leave to appeal.

127. I note the remainder of the averments in these paragraphs.

AD PARAGRAPH 28

128. I note the allegation in this paragraph.




AD PARAGRAPHS 29-33

129. I deny the allegations in these paragraphs. In particular, I deny the allegation of urgency for which Eskom contends.

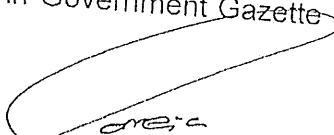
CONCLUSION

130. In conclusion, I submit that Eskom has failed to make out case in terms of sections 18(1) and (3) of the Act that there are exceptional circumstances in existence, and that it stands to suffer irreparable harm should the relief it seeks be denied, and conversely that Trillian will not suffer irreparable harm.

131. Accordingly, this Court is invited to dismiss the counter-application with costs, including the costs attendant upon the employment of two counsel.


DEPONENT

Thus signed and sworn before me at Illovo on this 2nd day of August 2019 after the deponent declared that he is familiar with the contents of this affidavit and regards the prescribed oath as binding on his conscience and has no objection against taking the said prescribed oath, compliance having occurred with the requirements of the regulations contained in Government Gazette R1258 dated 21 July 1972 (as amended).


COMMISSIONER OF OATHS

JANITA CORREIA
COMMISSIONER OF OATHS / EX OFFICIO
PRACTISING ATTORNEY/PRAKTISEERENDE PROKUREUR
R.S.A
1st Floor, 28 Fricker Road
ILLOVO, JOHANNESBURG



no file
CA341 "EW1"

IN THE HIGH COURT OF SOUTH AFRICA
GAUTENG DIVISION, PRETORIA

CASE NO.: 22877/2018

In the matter between:

ESKOM HOLDINGS SOC LIMITED

and

McKINSEY AND COMPANY AFRICA (PTY) LTD

TRILLIAN MANAGEMENT CONSULTING
(PTY) LTD

TRILLIAN CAPITAL PARTNERS (PTY) LTD

THE NATIONAL DIRECTOR OF
PUBLIC PROSECUTIONS

MIMS NXUMIALO N.O.

Applicant

First Respondent

Second Respondent

Third Respondent

Fourth Respondent

Fifth Respondent

APPLICATION FOR LEAVE TO APPEAL

BE PLEASED TO TAKE NOTICE THAT the abovenamed second and third respondents ("Trillian") intend to make application for leave to appeal, to the Supreme Court of Appeal, on a date to be arranged with the Registrar, against the whole of the order (including the order as to costs) of the Full Court handed down on 18 June 2019, on the grounds set out below.

Jw

CA302

GROUNDS

1.

1.1. This Honourable Court erred in granting a final order as prayed for.

1.2. Instead, this Honourable Court ought to have ordered the matter to be referred for the hearing of evidence on specified issues alternatively to trial.

2.

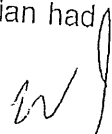
2.1. In various respects, in summarising the evidence before it, this Honourable Court erred by misconstruing that evidence.

2.2. In particular:

2.2.1. in paragraph 13 of the judgment, it erred by finding that the R30.6 million paid to Trillian under the fixed term contract was somehow inexplicable;

2.2.2. in the same paragraph, it erred by holding that the evidence of the CEO of Trillian was that at that time it had only two employees "who had done no billable work for Eskom at all let alone work worth this amount of money";

2.2.3. this Honourable Court ought to have found that Trillian set out sufficient facts to justify the payment it received in this regard, *alternatively* that Trillian had



raised a factual dispute such that the issue ought to be referred for the hearing of oral evidence;

- 2.2.4. in paragraph 18 of the judgment, it erred by finding that Trillian was paid the amount of R30.6 million for having done no work for Eskom;
- 2.2.5. it ought to have found that Trillian did the work as McKinsey's subcontractor;
- 2.2.6. it erred in ignoring the concession contained in Eskom's supplementary affidavit dated 30 January 2019, at paragraph 127, and highlighted in Trillian's Heads of Argument at paragraphs 151 and 152, that at the very least Eskom cannot dispute that Trillian indeed did do work under the contracts to Eskom's benefit;
- 2.2.7. it erred, in paragraph 23 of the judgment, by, at least by implication, contrasting the position adopted by McKinsey with that of Trillian in this application;
- 2.2.8. it ought to have found that there might well be a range of reasons for McKinsey's conduct in this litigation, besides the conclusion that it considered the substantial payment made by Eskom to it as being "unjustifiable and indefensible", McKinsey itself having denied any wrongdoing;



2.2.9. It erred by finding, in paragraph 24 of the judgment, that "[t]he only challenge mounted with vigor is that Eskom's case is based on hearsay and that, on this basis the matter should be referred to evidence not only to disprove the hearsay evidence but to resolve the dispute of fact arising as a result of McKinsey'[s] denial that it had an agreement with it which agreement obliged Eskom to have made the payment to it";

2.2.10. it ought to have found that the position Trillian adopted in argument concerning the hearsay quality of the evidence of the deponent to the founding affidavit was but a particular part of the case it put up, regard being had to its heads of argument and oral submissions.

3.

3.1. In any event, this Honourable Court erred, in paragraphs 25 to 39, in its appraisal of the hearsay evidence the applicant put up in support of its case, not taking proper account of the fact that the applicant failed to make out any case for the admission of hearsay evidence under section 3(1) of the Law of Evidence Amendment Act, 1988.

3.2. Rather, this Honourable Court ought to have found that, as far as Trillian's opposition to the repayment order the applicant sought, the



CA345

only appropriate means of dealing with the prejudice that might redound to Trillian through the admission of hearsay evidence was for the matter to be referred for the hearing of oral evidence, so that it would have at its disposal the benefit of full discovery, subpoenas and cross-examination.

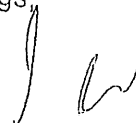
4.

4.1. This Honourable Court erred in finding that there was no sub-contract in place between Trillian and McKinsey.

4.2. In particular, this Honourable Court erred in finding, in paragraph 46.2, that Trillian did not dispute the non-existence of a subcontract, relying for that finding on the quotation from Trillian's affidavit evidence quoted there, whereas this Honourable Court ought to have found that that statement related only to the fact that an agreement had not been memorialised in writing (which was common cause but not the issue).

4.3. In particular, too, this Honourable Court erred in finding that "it is quite apparent that Eskom and the two respondents, namely Trillian and McKinsey, are in agreement that no sub-contract came into existence between them.

4.4. Instead, this Honourable Court ought to have found that the evidence put up by Trillian, including about certain writings,



discussions and conduct bore out the existence of a sub-contract, alternatively that the dispute over this question ought to be referred for evidence or to trial.

5.

5.1. This Honourable Court erred in finding that there was a corrupt relationship between Eskom and Trillian.

5.2. This Honourable Court ought not to have had regard to the hearsay nature of the case made out in this regard against Trillian for the reasons set out above.

5.3. In any event, this Honourable Court ought to have found that inadequate evidence had been put up to sustain that finding and/or ought to have referred the issue to trial.

6.

6.1. This Honourable Court erred in finding that there appeared to be a corrupt relationship between Eskom and the directors of Trillian.

6.2. This Honourable Court ought to have found that no such relationship existed, there being no evidence that any such relationship existed between the directors of Trillian and Eskom, and in any event, this Honourable Court ought not to have had regard to the hearsay case made out in this respect.



7.

7.1. This Honourable Court erred in finding that Trillian did not have sufficient BBEE status.

7.2. Instead, this Honourable Court ought to have found that Trillian did enjoy such status on its version alternatively that the matter ought to have been referred for the hearing of evidence alternatively to trial.

8.

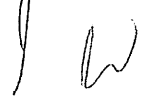
8.1. This Honourable Court erred in finding that Trillian did not put up sufficient evidence of work performed according to the invoices submitted.

8.2. This Honourable Court erred in finding that certain invoices were "fabricated" and "fraudulent" notwithstanding that it was common cause that they had entirely properly been created *ex post facto*;

8.3. Instead, this Honourable Court ought to have found that there was considerable evidence that Eskom received considerable value for the work performed and/or that any outstanding issues or queries could only be resolved by trial.

9.

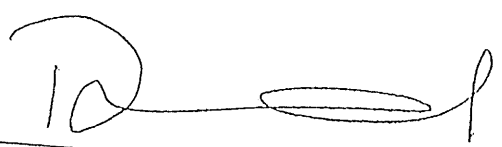
9.1. As regards remedy, this Honourable Court erred in finding that it was just and equitable to order Trillian to repay all monies received and/or that absent corruption (namely, for the balance of the



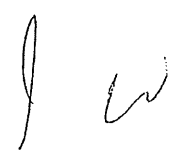
reasons in paragraph 67 of the judgment), full restitution was required.

9.2. Assuming established grounds of unlawfulness and the setting aside of the McKinsey transactions (as a result of matters other than corruption involving Trillian), this Honourable Court ought to have required an evidentiary enquiry as to what was just and equitable in the circumstances having regard *inter alia* to Eskom's enrichment by virtue of the work performed, at a trial.

DATED AT SANDTON ON THIS THE 8TH DAY OF JULY 2019.



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TO:
THE REGISTRAR OF THE ABOVE
HONOURABLE COURT

AND TO:

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Attorneys for the Applicant

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AND TO:

NORTON ROSE FULBRIGHT SOUTH AFRICA INC

Attorneys for the First Respondent

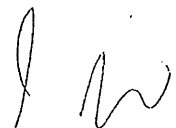
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AND TO:
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The Fifth Respondent
TKN Incorporated



CA351

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ELECTRONIC SERVICE AS AGREED

J a

Zolani Dhlamini

CA352

From: Dhahini Naidu
Sent: 08 July 2019 01:01 PM
To: Claire Tucker; Melissa Strydom; Carmen Bradfield; leandri@vanstade.co.za; Kron, Jeffrey; Vos, André; Nhlapo, Busisiwe; ebrahim@mjs-inc.co.za; pbiseswar@npa.gov.za; RMathaga@justice.gov.za; TManyako@npa.gov.za; madoda@tkninc.co.za
Cc: Kevin Hacker; Zolani Dhlamini; Lettie Marais; Mienke Stuart
Subject: ESKOM HOLDINGS SOC LIMITED // MCKINSEY AND COMPANY AFRICA (PTY) LTD AND TRILLIAN MANAGEMENT CONSULTING (PTY) LTD AND OTHERS / CASE NO 22877/18 / WOO64/0003 APPLICATION FOR LEAVE TO APPEAL.PDF
Attachments:
Importance: High

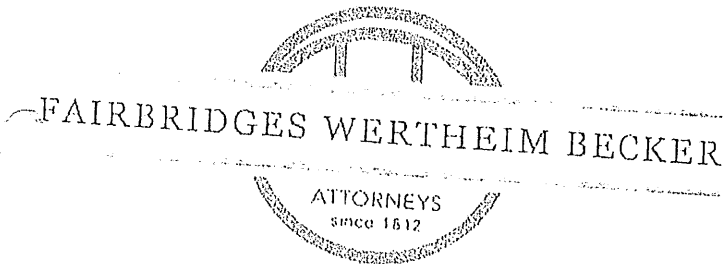
Dear Sirs

1. We annex hereto our Clients application for leave to appeal.
2. Kindly confirm receipt.

Kind Regards,


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TRILLIAN MANAGEMENT CONSULTING (PROPRIETARY) LIMITED
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2017

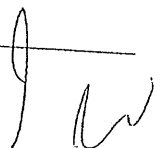
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Trillian Management Consulting (Proprietary) Limited
Annual Financial Statements for the year ended 28 February 2017

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GENERAL INFORMATION

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Management Consulting
Director	EA Wood
Registered office	4th Floor 23 Melrose Boulevard Melrose Arch Gauteng 2076
Business address	4th Floor 23 Melrose Boulevard Melrose Arch Gauteng 2076
Postal address	4th Floor 23 Melrose Boulevard Melrose Arch Gauteng 2076
Bankers	First National Bank Bank of Baroda



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

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Directors' Report	4 - 5
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Statement of Profit or Loss and Other Comprehensive Income	7
Statement of Changes in Equity	8
Statement of Cash Flows	9
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Detailed Income Statement	20

DIRECTORS' RESPONSIBILITIES AND APPROVAL

The directors are required in terms of the Companies Act 71 of 2008 to maintain adequate accounting records and are responsible for the content and integrity of the 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 year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards. The external auditor is 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 are satisfied that the company has or had access to adequate resources to continue in operational existence for the foreseeable future.

The external auditor is 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 auditor and their report is presented on page s 4 to 3.

The annual financial statements set out on page 4, which have been prepared on the going concern basis, were approved by the board on 30 September 2017 and were signed on their behalf by:

Approval of financial statements

Director

DIRECTORS' REPORT

The directors have pleasure in submitting their report on the annual financial statements of Trillian Management Consulting (Proprietary) Limited for the year ended 28 February 2017.

1. 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 71 of 2008. The accounting policies have been applied consistently compared to the prior year.

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

2. Share capital

Authorised
Ordinary shares

2017	2016
Number of shares	
1 000	1 000

Issued
Ordinary shares

2017	2016
Number of shares	
1 000	1 000

There have been no changes to the authorised or issued share capital during the year under review, Trillian Capital Partners (Proprietary) Limited owns 100% of Trillian Management Consulting (Proprietary) Limited.

3. Dividends

The board has resolved not to declare a dividend for the financial year ended 28 February 2017.

4. Directorate

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

Directors	Office	Designation	Nationality	Changes
T Leballo	Finance Director	Executive	South African	Appointed Tuesday, 01 March 2016, resigned Monday, 31 July 2017
EA Wood	Chief Executive Officer	Executive	South African	Appointed Tuesday, 01 March 2016
BS Smith	Other	Executive	South African	Resigned Thursday, 31 March 2016
BJ Burnand	Other	Executive	South African	Appointed Tuesday, 01 March 2016, resigned Thursday, 10 November 2016

5. 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.

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Trillian Management Consulting (Proprietary) Limited
Annual Financial Statements for the year ended 28 February 2017

DIRECTORS' REPORT

6. Going concern

The directors believe that the company has adequate financial resources to continue in operation for the next 12 months 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 from its shareholder 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.

7. Litigation statement

The company becomes involved from xxxxxxxxxxxxxxx

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Trillian Management Consulting (Proprietary) Limited
Annual Financial Statements for the year ended 28 February 2017

STATEMENT OF FINANCIAL POSITION AS AT 28 FEBRUARY 2017

Figures in Rand

	Notes	2017	2016
ASSETS			
Non-Current Assets			
Property, plant and equipment	2	63 005	-
Deferred tax	3	2 686 658	-
		<u>2 749 663</u>	-
Current Assets			
Trade and other receivables	4	398 937 769	36
Cash and cash equivalents	5	4 415 070	178 733
		<u>403 352 839</u>	<u>178 769</u>
TOTAL ASSETS		<u>406 102 502</u>	<u>178 769</u>
EQUITY AND LIABILITIES			
EQUITY			
Retained income (Accumulated loss)		146 519 813	(719 618)
LIABILITIES			
Current Liabilities			
Trade and other payables			
Loan payable	8	157 819 476	898 387
Provisions	7	50 099 315	-
Current tax payable	9	9 595 208	-
		42 068 690	-
		<u>259 582 689</u>	<u>898 387</u>
TOTAL EQUITY AND LIABILITIES		<u>406 102 502</u>	<u>178 769</u>

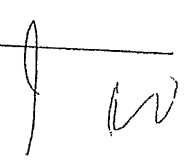
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Trillian Management Consulting (Proprietary) Limited
Annual Financial Statements for the year ended 28 February 2017

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Figures in Rand

	Note(s)	2017	2016
Revenue			-
Other operating expenses	10	528 510 060	-
Operating profit (loss)		(332 548 183)	(719 615)
Investment income		195 961 877	(719 615)
Finance costs		9 467 544	-
Profit (loss) before taxation	12	(281 918)	(3)
Taxation		205 147 503	(719 618)
Profit (loss) for the year	13	(57 908 072)	-
Other comprehensive income		147 239 431	(719 618)
Total comprehensive Income (loss) for the year		147 239 431	(719 618)



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Trillian Management Consulting (Proprietary) Limited
Annual Financial Statements for the year ended 28 February 2017

STATEMENT OF CHANGES IN EQUITY

Figures in Rand	Retained income (Accumulated loss)	Total equity
Loss for the year	(719 618)	(719 618)
Other comprehensive income	-	-
Total comprehensive Loss for the year	(719 618)	(719 618)
Balance at 01 March 2016	(719 618)	(719 618)
Total comprehensive income for the year	(719 618)	(719 618)
Balance at 28 February 2017	147 239 431	147 239 431
	146 519 813	146 519 813

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Trillian Management Consulting (Proprietary) Limited
Annual Financial Statements for the year ended 28 February 2017

STATEMENT OF CASH FLOWS

Figures in Rand

	Note(s)	2017	2016
Cash flows from operating activities			
Cash used in operations			
Interest income	14	(36 459 279)	178 736
Finance costs		9 467 544	-
Tax paid		(281 918)	(3)
Net cash from operating activities		(18 526 040)	-
Cash flows from Investing activities			
Purchase of property, plant and equipment			
Proceeds from loan payable	2	(63 285)	-
Net cash from investing activities		50 099 315	-
Total cash movement for the year			
Cash at the beginning of the year		4 236 337	178 733
Total cash at end of the year	5	178 733	-
		4 415 070	178 733

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Trillian Management Consulting (Proprietary) Limited
Annual Financial Statements for the year ended 28 February 2017

ACCOUNTING POLICIES

1. Significant accounting policies

The principal accounting policies applied in the preparation of these annual financial statements are set out below.

1.1 Property, plant and equipment

Property, plant and equipment are tangible assets which the company holds for its own use or for rental to others and which are expected to be used for more than one year.

An item of property, plant and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the company, and the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost. Cost includes all of the expenditure which is directly attributable to the acquisition or construction of the asset, including the capitalisation of borrowing costs on qualifying assets and adjustments in respect of hedge accounting, where appropriate.

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the company and the cost can be measured reliably. Day to day servicing costs are included in profit or loss in the year in which they are incurred.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the company. Leased assets are depreciated in a consistent manner over the shorter of their expected useful lives and the lease term. Depreciation is not charged to an asset if its estimated residual value exceeds or is equal to its carrying amount. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or derecognised.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Furniture and fixtures	Straight line	6 years
IT equipment	Straight line	3 years
Computer software	Straight line	3 years

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each year is recognised in profit or loss unless it is included in the carrying amount of another asset.

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

ACCOUNTING POLICIES

1.2 Financial Instruments

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.

Trade and other receivables

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

Trade and other payables

Trade payables are initially measured at fair value.

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.

Trillian Management Consulting (Proprietary) Limited
Annual Financial Statements for the year ended 28 February 2017

ACCOUNTING POLICIES

1.3 Tax (continued)

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).

A deferred tax asset is recognised for the carry forward of unused tax losses and unused STC credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused STC credits can be utilised.

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 Impairment of assets

The company assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the company also:

- tests intangible assets with an indefinite useful life or intangible assets not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed during the annual period and at the same time every period.
- tests goodwill acquired in a business combination for impairment annually.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease.

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Trillian Management Consulting (Proprietary) Limited
Annual Financial Statements for the year ended 28 February 2017

ACCOUNTING POLICIES

1.4 Impairment of assets (continued)

An entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset other than goodwill attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation other than goodwill is recognised immediately in profit or loss. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

1.5 Share capital and equity

Ordinary shares are classified as equity.

1.6 Provisions and contingencies

Provisions are recognised when:

- the company has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement shall be treated as a separate asset. The amount recognised for the reimbursement shall not exceed the amount of the provision.

Provisions are not recognised for future operating losses.

If an entity has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision.

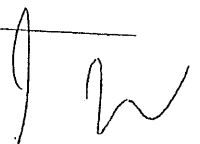
A constructive obligation to restructure arises only when an entity:

- has a detailed formal plan for the restructuring, identifying at least:
 - the business or part of a business concerned;
 - the principal locations affected;
 - the location, function, and approximate number of employees who will be compensated for terminating their services;
 - the expenditures that will be undertaken; and
 - when the plan will be implemented; and
- has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

After their initial recognition contingent liabilities recognised in business combinations that are recognised separately are subsequently measured at the higher of:

- the amount that would be recognised as a provision; and
- the amount initially recognised less cumulative amortisation.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 15.



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Trillian Management Consulting (Proprietary) Limited
Annual Financial Statements for the year ended 28 February 2017

ACCOUNTING POLICIES

1.7 Revenue

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

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

Trillian Management Consulting (Proprietary) Limited
Annual Financial Statements for the year ended 28 February 2017

ACCOUNTING POLICIES

1.8 Financial Risk Management

1.8.1 Financial risks

The company's activities expose it to a variety of financial risks: market risk (including cashflow and fair value interest risk), credit risk and liquidity risk. The corporation's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the corporation's financial performance.

1.8.1.1 Market risk

a) Cash flow and fair value interest rate risk

The company's interest rate risk arises from current borrowings.

1.8.1.2 Credit risk

The company has no significant concentrations of credit risk. It has policies in place to ensure that the granting of credit to customers is adequately controlled.

1.8.1.3 Liquidity risk

The company make use of a mix of external borrowing and existing resources to fund its operations and expansions. Key ratios include debt: equity, interest cover and debt repayment period. The company, together with its bankers, monitors default levels and events to ensure that funds are available when intended as per forecast estimates.

1.8.1.4 Capital risk management

For the purpose of capital management, capital includes shareholders contributions and retained earnings and interest bearing borrowings. The capital mix is reviewed by the company when substantial changes occur in the capital requirements of the company these requirements could be for substantial additions to fixed assets or the payment of dividends to the member. The liquidity risk is regularly reviewed.

1.8.2 Fair value estimation

The carrying value less provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated at their settlement values.

1.8.3 Foreign currencies

The company is not exposed to any foreign currencies.

1.9 Critical accounting estimates and assumptions

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. Estimates and judgements are continually evaluated are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical judgements in applying the corporation's accounting policies:

1.9.1 Income taxes

Judgement is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The company

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Trillian Management Consulting (Proprietary) Limited
Annual Financial Statements for the year ended 28 February 2017

ACCOUNTING POLICIES

1.8 Financial Risk Management (continued)

recognises liabilities for anticipated tax audit issues based on estimates of whether the 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.

1.9.2 Estimates of residual values and useful lives of fixed assets

The company reassesses annually the residual values and remaining useful lives of significant assets. The residual values of these assets have been estimated as the amount that the company would currently obtain from disposal of each significant asset, in its current location, if the asset were already of the age and in the condition expected at the end of its useful life. The useful life is estimated as the period over which an asset is expected to be available for use by the corporation.

Trillian Management Consulting (Proprietary) Limited
Annual Financial Statements for the year ended 28 February 2017

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand

	2017	2016
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2. Property, plant and equipment

	2017			2016		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Furniture and fixtures	5 593	(280)	5 313	-	-	-
IT equipment	12 994	-	12 994	-	-	-
Computer software	44 698	-	44 698	-	-	-
Total	63 285	(280)	63 005	-	-	-

Reconciliation of property, plant and equipment - 2017

	Opening balance	Additions	Depreciation	Total
Furniture and fixtures	-	5 593	(280)	5 313
IT equipment	-	12 994	-	12 994
Computer software	-	44 698	-	44 698
	-	63 285	(280)	63 005

3. Deferred tax

Deferred tax asset

Reconciliation of deferred tax asset / (liability)

Increases (decrease) in temporary difference movement on provision for bonus and leave pay

2 686 658

2 686 658

4. Trade and other receivables

Trade receivables
Prepayments
VAT
Inter company (receivable)

141 359

2 521

398 793 889

398 937 769

5. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balances

4 415 070

178 733

6. Share capital

Authorised
1000 Ordinary shares of no par value

1 000

1 000

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Trillian Management Consulting (Proprietary) Limited
Annual Financial Statements for the year ended 28 February 2017

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand

	2017	2016
7. Loan payable		
Albatime (Proprietary) Limited	50 099 315	-
This loan is unsecured, bears interest at a rate linked to the prime overdraft rate and is repayable in the next 12 months.		
8. Trade and other payables		
Trade payables	141 800 988	-
VAT	12 260 553	-
Inter company - (payables)	2 820 038	-
Accruals	937 897	898 387
	<u>157 819 476</u>	<u>898 387</u>
9. Provisions		
Reconciliation of provisions - 2017		
	Opening balance	Additions
Provision for leave pay	-	490 791
Provision for bonuses	-	9 104 417
	<u>-</u>	<u>9 595 208</u>
		Total
		490 791
		9 104 417
		<u>9 595 208</u>
10. Revenue		
Rendering of services		528 510 060
11. Employee costs		
Employee costs		
Basic	31 164 685	637 169
12. Finance costs		
Bank overdraft		-
Current borrowings		99 315
Sars interest		182 603
Total finance costs	<u>281 918</u>	<u>3</u>

Trillian Management Consulting (Proprietary) Limited
Annual Financial Statements for the year ended 28 February 2017

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand

	2017	2016
13. Taxation		
Major components of the tax expense		
Current		
Local income tax - current period	60 594 730	-
Deferred		
Originating and reversing temporary differences	(2 686 658)	-
Reconciliation of the tax expense	57 908 072	-
Reconciliation between accounting profit and tax expense.		
Accounting profit	205 147 503	(719 618)
Tax at the applicable tax rate of 28% (2016: 28%)	57 441 301	(201 493)
Tax effect of adjustments on taxable income		
Permanent differences	668 264	-
Tax losses brought forward	(201 493)	-
Tax losses carried forward	-	201 493
	57 908 072	-
14. Cash used in operations		
Profit before taxation	205 147 503	(719 618)
Adjustments for:		
Depreciation and amortisation	280	-
Interest income	(9 467 544)	-
Finance costs	281 918	3
Movements in provisions	9 595 208	-
Changes in working capital:		
Trade and other receivables	(398 937 733)	(36)
Trade and other payables	156 921 089	898 387
	(36 459 279)	178 736
15. Contingencies		

Litigation is in the process against the company relating to a dispute with a competitor who alleges that the company has infringed patents and is seeking damages of R -. The company's lawyers and management consider the likelihood of the action against the company being successful as unlikely, and the case should be resolved within the next two years.

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Trillian Management Consulting (Proprietary) Limited
Annual Financial Statements for the year ended 28 February 2017

DETAILED INCOME STATEMENT

Figures in Rand	Notes	2017	2016
Revenue			
Rendering of services		528 510 060	-
Other operating expenses			
Advertising		(21 265)	-
Auditors remuneration - external auditors		(251 000)	-
Bank charges		(4 252)	(261)
Computer expenses		(550)	-
Consulting and professional fees		(168 921 173)	-
Consulting and professional fees - legal fees		(22 665)	-
Commission paid		(88 466 954)	-
Depreciation		(280)	-
Donations		(28 603)	-
Employee costs		(31 164 685)	(637 169)
Entertainment		(205 869)	-
Recruitment fees		(893 640)	-
General expenses		(913)	-
Tender documents		(1 113)	-
Compliance fees		(1 000)	-
SARS Penalties		(2 175 449)	-
Management fees		(37 406 718)	-
Lease rentals on operating lease		(989)	-
Motor vehicle expenses		(22 151)	-
Postage		(1 104)	-
Printing and stationery		(60 492)	(5 075)
Secretarial fees		(4 949)	(54 578)
Staff welfare		(93 600)	(22 532)
Subscriptions		(3 852)	-
Telephone and fax		(139 544)	-
Training		(513 852)	-
Travel - local		(2 141 521)	-
Operating profit (loss)		(332 548 183)	(719 615)
Investment income		195 961 877	(719 615)
Finance costs		9 467 544	-
Profit (loss) before taxation	12	(281 918)	(3)
Taxation		205 147 503	(719 618)
Profit (loss) for the year	13	(57 908 072)	-
		147 239 431	(719 618)

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TRILLIAN CAPITAL PARTNERS (PROPRIETARY) LIMITED
(Registration number 2015/111759/07)
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2017

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Trillian Capital Partners (Proprietary) Limited

(Registration number 2015/111759/07)
Annual Financial Statements for the year ended 28 February 2017

GENERAL INFORMATION

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Consulting
Directors	EA Wood
Registered office	4th Floor 23 Melrose Boulevard Melrose Arch Gauteng 2076
Business address	4th Floor 23 Melrose Boulevard Melrose Arch Gauteng 2076
Postal address	4th Floor 23 Melrose Boulevard Melrose Arch Gauteng 2076
Bankers	Absa bank Limited First National Bank Limited



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Trillian Capital Partners (Proprietary) Limited

(Registration number 2015/111759/07)
Annual Financial Statements for the year ended 28 February 2017

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

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Trillian Capital Partners (Proprietary) Limited
 (Registration number 2015/111759/07)
 Annual Financial Statements for the year ended 28 February 2017

DIRECTORS' RESPONSIBILITIES AND APPROVAL

The directors are required in terms of the Companies Act 71 of 2008 to maintain adequate accounting records and are responsible for the content and integrity of the 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 year 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 year to 28 February 2018 and, in light of this review and the current financial position, they are satisfied that the company has or had 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 pages 4 to 3.

The annual financial statements set out on page 4, which have been prepared on the going concern basis, were approved by the board on 02 August 2017 and were signed on their behalf by:

Approval of financial statements

 Director

Trillian Capital Partners (Proprietary) Limited

(Registration number 2015/111759/07)
Annual Financial Statements for the year ended 28 February 2017

DIRECTORS' REPORT

The directors have pleasure in submitting their report on the annual financial statements of Trillian Capital Partners (Proprietary) Limited for the year ended 28 February 2017.

1. 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 71 of 2008.

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

2. Share capital

Authorised Ordinary shares	2017 Number of shares	2016 Number of shares
	-	1 000
Issued Ordinary shares	2017 Number of shares	2016 Number of shares
	-	1 000
	2016 R	
	-	

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

Trillian Holdings (Proprietary) Limited is a 60% shareholder in Trillian Capital Partners (Proprietary) Limited from September 2015.

3. Dividends

Therefore the board has resolved not to declare a dividend for the financial year ended 28 February 2017.

4. Directorate

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

Directors	Office	Designation	Nationality	Changes
T Leballo	Finance Director	Executive	South African	Appointed Tuesday, 01 March 2016, resigned Wednesday, 21 June 2017
EA Wood	Chief Executive Officer	Executive	South African	Appointed Tuesday, 01 March 2016
TMG Sexwale	Chairperson	Non-executive Independent	South African	Appointed Friday, 01 April 2016, resigned Tuesday, 25 July 2017
F Badat	Other	Executive	South African	Appointed Thursday, 02 March 2017, resigned Wednesday, 21 June 2017
A Wood	Other	Executive	South African	Appointed Thursday, 02 March 2017, resigned Wednesday, 21 June 2017

Trillian Capital Partners (Proprietary) Limited

(Registration number 2015/111759/07)
Annual Financial Statements for the year ended 28 February 2017

DIRECTORS' REPORT

5. 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.

6. Going concern

The directors believe that the company has adequate financial resources to continue in operation for the next 12 months 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 made available from shareholders 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.