EPISODE 22 — THE TREE BEHIND THE DIVIDENDS

Understanding capital, ownership and distributions

Master code: OUBAS-E22-FINAL-LOCK-V1.0 | **Runtime:** 8–10 minute read / 12–15 minute narrated episode

Status: FINAL LOCK — factual/legal clearance gates remain mandatory before publication or production

Controlling question: Why must an investigation distinguish the original investment and shareholding from the dividends produced by that investment?

Introduction

A dividend attracts attention because it is a payment. It has a date. It has an amount. It may have a declaration, a bank instruction and a recipient.

But a dividend does not exist on its own. It arises from an underlying economic interest: shares, preference rights, loan claims or another form of participation in a company.

In the F1287 and Actom record, one identified dividend of R34,402,283.31 became an important part of the reconstruction. Yet focusing only on that dividend risks overlooking the asset from which the distribution arose.

The supplied working schedule records an inception value of R284,780,617.49 and describes the structure as representing approximately 4.5% of Actom after the SAVCIO acquisition. Other working material records a closely related total of approximately R284.65 million. For public explanation, this episode therefore uses the responsible rounded description: approximately R285 million.

The tree and the fruit

Think of the investment as a tree. The capital is in the roots. The shareholding is the trunk. Dividends are the fruit.

- If fruit is missing, one follows declarations, payment instructions, bank accounts and ledgers.
- If the tree itself cannot be traced, one follows share certificates, registers, resolutions, transfers, redemptions and sale proceeds.

- If capital, ownership and dividends are placed in one account without distinction, the reconstruction may double count value or miss an asset entirely.

What the working record presently indicates

The two-page working schedule separates several components rather than presenting a single unexplained number. It records capital drawn, payments or allocations within the SAVCIO structure, preference-share participation and the value attributed to the F1287/Trust Actom assets.

- Total capital drawn recorded in the schedule: R59,513,286.19.
- Value attributed to the F1287 Actom assets at inception: approximately R247.424 million.
- RMB preference-share/SAVCIO participation recorded in the schedule: approximately R37.357 million.
- Combined Actom asset value at inception: R284,780,617.49.
- Recorded ownership description: approximately 4.5% after the SAVCIO acquisition.

Evidence classification: These figures are a documentary reconstruction from a working schedule. Final publication must connect them to the underlying agreements, proof of payment, share certificates, securities registers and audited ledgers.

Three separate questions

1. What capital entered the structure?

This question requires proof of every contribution, drawdown and direct payment. A facility limit is not necessarily cash advanced. An asset valuation is not necessarily a bank payment. A preference-share subscription is not necessarily ordinary equity.

2. What ownership or rights were acquired?

This question requires the chain of title: issue or acquisition, registration, custody, voting, dilution, transfer, redemption, sale and proceeds. A percentage stated in a summary should be tested against the statutory and contractual records.

3. What value was later distributed?

This question requires every declaration and the complete payment trail. The identified R34,402,283.31 declaration is a starting point. It does not establish the complete dividend history or answer who ultimately received and accounted for every amount.

The records required

- Complete bank statements and payment confirmations.
- Subscription, sale, loan and preference-share agreements.
- F1287 and Actom share certificates and securities/share registers.
- Board and shareholder resolutions and minutes.
- Transfer, redemption, dilution and disposal records.
- Dividend declarations, tax records, payment instructions and beneficiary-account evidence.
- Audited financial statements, general ledgers and reserve-account records.

Why this matters

The difference is fundamental. A dividend dispute may concern income. A missing ownership trail may concern the underlying asset itself. If the capital investment, shareholding and distributions are not separately reconstructed, the financial and human stakes cannot be understood accurately.

OUBAS principle

Principle: Follow the fruit, but never lose sight of the tree. Reconstruct capital, ownership and distributions separately, then reconcile them through source documents.

Key lessons

- A dividend is not the same thing as the investment that produced it.
- A stated ownership percentage must be verified through the corporate record.
- One identified dividend does not prove a complete distribution history.
- Missing records justify precise questions, not unsupported conclusions.
- A reliable reconstruction prevents both omission and double counting.

OUBAS knowledge check

1. What does the tree represent in this episode?

Lock answer: The underlying investment and ownership interest.

2. Why are three separate ledgers required?

Lock answer: To distinguish capital, ownership and distributions and prevent double counting.

3. Does the R34,402,283.31 declaration prove the destination of every dividend?

Lock answer: No.

4. What records ordinarily establish continuing share ownership?

Lock answer: Share certificates, securities registers, resolutions and transfer/redemption records.

5. What is the responsible public description of the investment pending reconciliation?

Lock answer: Approximately R285 million.

Public discussion prompts

- When a major investment is restructured, who should maintain the definitive ownership record?
- Should shareholders receive a complete annual schedule reconciling opening ownership, distributions, transfers and closing ownership?
- Which source document would you request first if a dividend existed but the ownership trail was unclear?

Documentary references

- The circa R285m Investment by F1287 in Actom Pty Ltd — two-page working schedule.
- F1287/Actom subscription, loan and preference-share transaction documents.
- Friedshelf 1287 dividend declaration — R34,402,283.31.
- F1287 share certificates/registers and Actom Share Certificates Nos. 1–3, where available.
- RL-002 financial reconstruction and supporting schedules.

Lock controls

- Use ‘approximately R285 million’ on screen. The supplied working schedule records R284,780,617.49; other working material records approximately R284,651,842.49. Reconcile before replacing the rounded formulation.
- Describe the interest as approximately 4.5% and as recorded in the working reconstruction; verify against share certificates, registers and transaction agreements before final picture lock.

- Keep capital invested, ownership acquired and dividends/distributions in separate visual and accounting lanes.
- The R34,402,283.31 declaration is an identifiable documentary event. Do not use it as proof of the destination of every payment or the existence/amount of every other dividend.
- Unproduced or incomplete records create questions; they do not, without more, prove wrongdoing. Attribute allegations and label inferences.
- Exclude the restricted R70,323,200/R73,472,000 conflict, R3,148,800 component, detailed R3,350/R3,500 mechanism and speculation about recipients until the complete dossier and clearance record exist.
- Provide each materially affected person or institution with the precise proposition, relied-upon documents and a fair opportunity to answer; incorporate the substance of responses.

Publication warning: These masters organise a documentary narrative; they do not make judicial findings. Obtain independent South African media-law, defamation and sub judice review before release.