INCLUSION SOUTH AFRICA PROPRIETARY LIMITED

(Registration number 2017/256375/07)
(Trading as Planet42)
Annual Financial Statements
for the year ended 31 December 2022

These annual financial statements have been audited in compliance with the applicable requirements of the Companies Act of South Africa.

General Information

Country of incorporation and domicile	Republic of South Africa
Nature of business and principal activities	With interest in the motor industry in the segment of long-term vehicle rental.
Directors	E. Oja M. Orgna
Registered office	37 Elizabeth Avenue Linmeyer Johannesburg Gauteng 2190
Business address	37 Elizabeth Avenue Linmeyer Johannesburg Gauteng 2190
Postal address	PO BOX 3694 Glenvista Gauteng 2058
Holding company	Inclusion OÜ incorporated in Estonia
Bankers	ABSA Bank Limited First National Bank Limited Mercantile Bank Limited Standard Chartered Bank
Independent auditor	KPMG Incorporated
Company registration number	2017/256375/07
Tax reference number	9468658183
Level of assurance	These annual financial statements have been audited in compliance with the applicable requirements of the Companies Act of South Africa.
Preparer	The annual financial statements were internally compiled by: M. Orgna

Contents

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

The reports and statements set out on the index above comprise the financial statements presented to the shareholder.

Directors' Responsibility Statement

The directors are required in terms of the Companies Act of South Africa, to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the financial statements fairly present the state of affairs of the company as at the 31 December 2022 and the results of its operations and cash flows for the 12 month period then ended including the notes to the financial statements and accounting policies, in conformity with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act of South Africa, and the directors' report. The external auditors are engaged to express an independent opinion on the financial statements.

The financial statements are prepared in accordance with International Financial Reporting Standard for Small and Medium-sized Entities 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 of directors set 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 financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors of the company are responsible for the controls over, and the security of the website and, where applicable, for establishing and controlling the process for electronically distributing annual reports and other financial information to shareholders and to the Companies and Intellectual Commission.

The directors have reviewed the company's cash flow forecast for the next 12 months through end June 2024 and, in light of this review and the current financial position, they are satisfied that the company has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the company's financial statements. The financial statements have been examined by the company's external auditors and their report is presented on pages 7 to 9.

The external auditors were given unrestricted access to all financial records and related data, including minutes of all meetings of the shareholder, board of directors and committees of the board. The directors believe that all representations made to the independent auditors during their audit are valid and appropriate.

The annual financial statements of Inclusion South Africa Proprietory Limited, as identified in the first paragraph, were approved by the board of directors on 30 June 2023 and were signed on their behalf by:

Approval of financial statements

E. Oja	**M. Orgna**
Authorised Director	**Authorised Director**

Directors' Report

The directors have pleasure in submitting their report on the annual financial statements of Inclusion South Africa Proprietary Limited for the year ended 31 December 2022.

1. Nature of business

Inclusion South Africa Proprietary Limited was incorporated in the Republic of South Africa with interests in the motor industry in the segment of long-term vehicle rental. The company operates in the Republic of South Africa.

There have been no material changes to the nature of the company's business from the prior year.

2. Review of financial results and activities

The financial statements have been prepared in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act of South Africa. The accounting policies have been applied consistently compared to the prior year.

The company recorded a net loss after tax for the year ended 31 December 2022 of R 35 million. (2021: R 18.5 million).

3. Share capital

	2022	2021
Authorised	**Number of shares**	
Ordinary shares of no par value	**10,000**	**10,000**

	2022	2021	2022	2021
Issued	**R '000**	**R '000**	**Number of shares**	
Ordinary shares	**99,028**	**52,153**	**6,600**	**3,475**

The issued number of ordinary shares increased with 3125 during the period under review. Share capital increased with R 46,9 million during the 2022 period under review.

Shares were issued to the current shareholder, Inclusion OÜ.

4. Dividends

The board of directors did not declare a dividend in the current year or prior year.

5. Directorate

The directors in office in the current and prior year and up to the date of this report are as follows:

Directors	**Designation**	**Nationality**
E. Oja	**Executive**	**Estonian**
M. Orgna	**Executive**	**Estonian**

There have been no changes to the directorate for the year under review.

Directors' Report

6. Directors' interest in shares

As at 31 December 2022, the directors of the company held indirect beneficial interest of 41.14% of its issued ordinary shares (2021: 53.2%), as set out below. The shareholding of the directors of the company was diluted as new shareholders were onboarded to the parent company in January 2022 .

	31 December 2022 Indirect % holding	31 December 2021 Indirect % holding
E. Oja	20.57	26.6
M. Orgna	20.57	26.6
	41.14	**53.2**

The register of interest of directors and other in shares of the company is available to the shareholder on request.

7. Directors' interest in contracts

During the financial year, no contracts were entered into which directors or prescribed officers of the company had an interest in (2021: none).

8. Holding company

The company's holding company is Inclusion OÜ which holds 100% (2021: 100%) of the company's equity. Inclusion OÜ is incorporated in Estonia.

9. Events after the reporting period

The company continues to grow in 2023. The management does caution that the effect of the negative global and South African macroeconomic economy puts some economic pressure on the company in 2023.

The company obtained further funding from its new and exisiting lenders in the amount of R 300 million from SIA Mintos Finance (Latvia), Rivonia Road Capital (US) and a shareholder loan. In addition, R 75 million of equity capital was introduced (5,000 shares were issued) to the parent company in Q1 2023 to continue growing the business in a sustainable manner.

The company continues to periodically rebuild the customer scoring algorithms quarterly to select better customers over time. Being able to select the best customers is the biggest risk mitigation factor. The management continues to monitor the portfolio closely.

The directors are not aware of any other material event which occured after the reporting date and up to the date of this report, which has a material impact on the reported results.

Directors' Report

10. Going concern

As at 31 December 2022 the company's total assets exceeds its total liabilities by R 38.9 million (2021: R 26.2 million) and the company's current assets exceeded it current liabilities by R 74.2 million (2021: current liabilities exceeded current assets by R 77.7 million). The company incurred a net loss for the year ended 31 December 2022 of R 35 million (2021: R 18.5 million). The net loss for 2022 was driven by non-cash impairment costs as the company is growing its Menlyn Mall marketplace. As the business matures, the non-cash impairment charges are decreasing year to date.

As at year end, the company had 2 additional funding options: 1) A facility of EUR 20 million with Mintos Finance of which EUR 8.6 million was drawn on at year end and 2) A USD 75 million facility with Rivonia Road Capital of which USD 33 million was drawn on at year end. Refer to note 12.

The directors have satisfied themselves that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

In light of this, the directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the financial statements have been prepared on a going concern basis.

11. Independent Auditors

KPMG Incorporated continues in office as auditors for the company for 2023.

12. Secretary

The company had no secretary for the year under review. The directors perform this function.

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Independent Auditor's Report

To the shareholder of Inclusion South Africa Proprietary Limited

Opinion

We have audited the financial statements of Inclusion South Africa Proprietary Limited (the Company) set out on pages 10 to 33, which comprise the Statement of Financial Position as at 31 December 2022, and the Statement of Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, the Accounting Policies and Notes to the Financial Statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Inclusion South Africa Proprietary Limited as at 31 December 2022, and its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act of South Africa.

Basis for opinion

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

Other information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Inclusion South Africa Proprietary Limited (Trading as Planet42) Annual Financial Statements for the year ended 31 December 2022", which includes the Directors' Report as required by the Companies Act of South Africa. The other information does not include the financial statements and our auditor's report thereon.

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

KPMG

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

Responsibilities of the directors for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

KPMG Inc.

Per G Aldrighetti
Chartered Accountant (SA)
Registered Auditor
Director
30 June 2023

Statement of Financial Position as at 31 December 2022

Figures in Rand thousand	Note(s)	2022	2021
Assets			
Non-Current Assets			
Property, plant and equipment	2	8,431	831
Intangible assets	3	2,270	2,726
Finance lease receivables	4	797,108	476,066
Deferred tax	5	21,355	8,888
		829,164	**488,511**
Current Assets			
Inventories	6	97,996	17,981
Trade and other receivables	7	39,241	49,271
Finance lease receivables	4	102,520	36,406
Current tax receivable	8	481	-
Cash and cash equivalents	9	82,847	1,814
		323,085	**105,472**
Total Assets		**1,152,249**	**593,983**
Equity and Liabilities			
Equity			
Stated capital	10	99,028	52,153
Share-based payment reserve	11	1,745	851
Accumulated losses		(61,838)	(26,802)
		38,935	**26,202**
Liabilities			
Non-Current Liabilities			
Loans due to holding company	12	204,852	219,100
Loans due to third parties	12	653,696	164,883
Loans due to related parties	12	200	600
		858,748	**384,583**
Current Liabilities			
Trade and other payables	13	90,254	57,740
Loans due to holding company	12	109,115	83,855
Loans due to third parties	12	54,797	41,603
Loans to related parties	12	400	-
		254,566	**183,198**
Total Liabilities		**1,113,314**	**567,781**
Total Equity and Liabilities		**1,152,249**	**593,983**

Statement of Comprehensive Income

Figures in Rand thousand	Note(s)	2022	2021
Interest income from finance leases	21	463,394	143,443
Interest expense	22	(77,151)	(19,957)
Net Interest Income		**386,243**	**123,486**
Other finance income		451	466
Foreign exchange rate losses		(18,280)	(20,337)
Net gain from financial assets		**368,414**	**103,615**
Other income		253	141
Staff costs	15	(29,606)	(19,556)
Other operating expenses	16	(170,030)	(55,355)
Loss on sale of motor vehicles	14	(4,463)	(2,915)
Profit before impairment of losses		**164,568**	**25,930**
Portfolio impairment losses	17	(212,071)	(49,581)
Loss before taxation		**(47,503)**	**(23,651)**
Tax	23	12,467	5,154
Loss for the year		**(35,036)**	**(18,497)**

Statement of Changes in Equity

Figures in Rand thousand	Stated capital	Share based payment reserve	Accumulated losses	Total equity
Balance as at 31 December 2020	**15,028**	**-**	**(8,305)**	**6,723**
Loss for the year	-	-	(18,497)	(18,497)
Share Options	-	851	-	851
Issue of shares	37,125	-	-	37,125
Balance at 31 December 2021	**52,153**	**851**	**(26,802)**	**26,202**
Loss for the year	-	-	(35,036)	(35,036)
Stock Options	-	894	-	894
Issue of shares	46,875	-	-	46,875
Balance at 31 December 2022	**99,028**	**1,745**	**(61,838)**	**38,935**
Note(s)	10	11		

Statement of Cash Flows

Figures in Rand thousand	Note(s)	2022	2021
Cash flows from operating activities			
Cash used in operations	18	(372,799)	(406,729)
Tax paid	19	(481)	-
Net cash utilised by operating activities		**(373,280)**	**(406,729)**
Cash flows from investing activities			
Purchase of property, plant and equipment to expand operations	2	(9,087)	(671)
Purchases of intangible assets to expand operations	3	(647)	(2,682)
Net cash outflow from investing activities		**(9,734)**	**(3,353)**
Cash flows from financing activities			
Proceeds on share issue	10	46,875	37,125
Inflows from loans advanced		958,245	336,214
Repayments of loans		(483,603)	(8,348)
Interest paid		(38,618)	(7,645)
Paid loan fees		(18,852)	(1,998)
Net cash inflow from financing activities		**464,047**	**355,348**
Total cash movement for the year		**81,033**	**(54,734)**
Cash and cash equivalents at the beginning of the year		1,814	56,548
Cash and cash equivalents at the end of the year	9	**82,847**	**1,814**

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 Basis of preparation

The financial statements have been prepared on the going concern basis in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and the Companies Act of South Africa. The financial statements have been prepared on the historical cost basis, and incorporated the principal accounting policies set out below. They are presented in South African Rand thousand, unless stated otherwise.

These accounting policies are consistent with the previous period.

These Financial Statements were approved and issued on 30 June 2023.

1.2 Significant judgements and sources of estimation uncertainty

Critical judgements in applying accounting policies

Management are required to make critical judgements in applying accounting policies from time to time. The judgements, apart from those involving estimations, that have the most significant effect on the amounts recognised in the financial statements, are outlined as follows:

Lease classification

The company is party to leasing arrangements, both as a lessee and as a lessor. The treatment of leasing transactions in the financial statements is mainly determined by whether the lease is considered to be an operating lease or a finance lease. In making this assessment, management considers the substance of the lease, as well as the legal form, and makes a judgement about whether substantially all of the risks and rewards of ownership are transferred. The legal form of agreements signed with the customers is vehicle rental, which is classified in terms of the relevant accounting standards as finance lease receivables.

Portfolio Impairment

Finance lease income consists of the amorisation of unearned finance lease income. Finance lease income is recognised based on a pattern reflecting a constant periodic rate of return on the net investment in the lease. The Company applies the lease payments relating to the period against the gross investment in the lease to reduce both the principal and the unearned finance income.

At the end of the financial year the company will assess whether there is an objective evidence of impairment of the lease portfolio. Objective evidence that the lease receivables or receivables are impaired is for example a breach of contract, such as a default or delinquency in rental payments. An impairment loss will be recognised as a portfolio impairment in profit or loss immediately.

Key sources of estimation uncertainty

Taxation

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

The company recognises the net future tax benefit related to deferred income tax assets to the extent that is is probable that the deductible temporary difference will reverse in the foreseeable future. Assessing the recoverability of deferred income tax assets requires the company to make significant estimates related to expectations of future taxable income. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws.

Accounting Policies

1.2 Significant judgements and sources of estimation uncertainty (continued)

Net realisable value of inventory

Judgement is required in the determination of the appropriate net realisable value of motor vehicles held as inventory. The net realisable value of these vehicles is determined with reference to the general trend that the company has noted over time with regard to the recovery of the carrying values of these motor vehicles when sold at auction. Management makes use of these observations in estimating the expected net realisable value of motor vehicles expected to be disposed of via auction.

1.3 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.

Property, plant and equipment is initially measured at cost.

Cost includes costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

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.

Property, plant and equipment is subsequently stated at cost less accumulated depreciation and any accumulated impairment losses.

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.

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	4 years
IT equipment	Straight line	3 - 4 years

When indicators are present that the useful lives and residual values of items of property, plant and equipment have changed since the most recent reporting date, they are reassessed. Any changes are accounted for prospectively as a change in accounting estimate.

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.

1.4 Intangible assets

Intangible assets are initially recognised at cost and subsequently at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

Accounting Policies

1.4 Intangible assets (continued)

Item	Depreciation method	Average useful life
Proprietary contracts	Straight line	3 years
Brand names	Straight line	3 years
Software	Straight line	3 years

In cases where management is unable to make a reliable estimate of the useful life of an intangible asset, its best estimate is applied, limited to 10 years.

The residual value, amortisation period and amorisation method for intangible assets are reassessed when there is an indication that there is a change from the previous estimate.

1.5 Financial instruments

Initial measurement.

Financial instruments are initially measured at the transaction price (including transaction costs expect in the initial measurement of financial assets and liabilities that are measured at fair value through profit and loss) unless the arrangement constitutes, in effect, a finance transaction in which case it is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial instruments at amortised costs

These include loans, lease receivables and trade payables. Those debt instruments which meet the criteria in section 11.8(b) of the standard, are subsequently measured at amortised cost using the effective interest method. Debt instruments which are classified as current assets or current liabilities are measured at the undiscounted amount of the cash expected to be received or paid, unless the arrangement effectively constitutes a financing transaction.

At each reporting date, the carrying amounts of assets held in this category are reviewed to determine whether there is any objective evidence of impairment. If there is objective evidence, the recoverable amount is estimated and compared with the carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated reoverable amount, and an impairment loss is recognised immediately as portfolio impairment in profit or loss.

Trade and other receivables

Trade and other receivables are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Trade and other payables

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

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, demand deposits and other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

Accounting Policies

1.5 Financial instruments (continued)

Loans with third parties

Loans from companies are recognised initially at the transaction price and subsequently measured at amortised costs using the effective interest method.

The carrying amount of a financial instrument carried at amortised cost are calculated as the amount to be paid/repaid at maturity (usually the principal amount or par/face value), plus or minus any unamortised original premium or discount, net of any origination fees and transaction costs and less principal repayments. The amortisation is calculated using the effective interest method.

Loans with group companies

Loans using group companies are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

1.6 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.

The tax liability reflects the effect of the possible outcomes of a review by the tax authorities.

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences.

A deferred tax asset is recognised for all deductible temporary differences and for the carry forward of unused tax losses and unused tax credits.

Deferred tax assets and liabilities are measured at an amount that includes the effect of the possible outcomes of a review by the tax authorities using tax rates that, on the basis of enacted or substantively enacted tax law at the end of the reporting period, are expected to apply when the deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax asset balances are reviewed at every reporting date and the entity reassesses any unrecognised deferred tax assets to the extent that is has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Tax expenses

Tax expense is recognised in the same component of total comprehensive income or equity as the transaction or other event that resulted in the tax expense.

1.7 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership to the lessee. All other leases are operating leases.

Accounting Policies

1.7 Leases (continued)

Finance leases - lessor

Initial measurement

At lease commencement, the Company accounts for a finance lease, as follows:
- derecognised the carrying amount of the underlying asset;
- recognises the net investment in the lease.

The net investment in leases, represents the gross investment in the lease less any unearned finance income. The gross investment in the lease represents all future minimum lease payments due by the lessee and any unguaranteed residual value to the lessor. Unearned finance income is the difference between the gross investment in the lease and the net investment in the lease.

The net investment in the lease is computed by discounting the gross investment in the lease by the interest rate implicit in the lease, which is the discount rate at inception of the lease that causes the aggregated present value of the minimum lease payments and the unguaranteed residual to be equal to the sum of the fair value of the leased assets and any initial direct costs incurred by the lessor.

Operating leases

Leases of assets under which the risk and reward of ownership are effectively retained with the lessor are classified as operating leases.

Operating leases - lessee

Lease payments under an operating lease are recognized as expenses on a straight-line basis over the lease term and included in administrative expenses.

1.8 Inventories

Repossessed vehicles are classified as inventory. Inventories are measured at the lower of cost and net realisable value. The cost of vehicles transferred from the lease receivable to inventory is the carrying value of the lease receivable which will be then impaired to net realisable value.

Inventories disposed of in the ordinary course of business so as to recoup capital invested therein or, if in demand, reinvested into a new lease. Gains or losses on the disposal of motor vehicles is recognised as a loss on sale of motor vehicles in profit or loss.

1.9 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.

If there is any such indication, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated reoverable amount, and an impairment loss is recognised immediately in profit or loss.

If an impairment loss subsequently reverses, the carrying amount of the asset (or group or related assets) is increased to the revised estimated of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset (or group of assets) in prior 12 months. A reversal of impairment is recognised immediately in profit or loss.

Accounting Policies

1.10 Stated capital and equity

Ordinary shares are recognised at no par value and classified as 'stated capital' in equity. Dividends are recognised as a liability in the 12 months in which they are declared.

If the company reacquires its own equity instruments, those instruments are deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancelllation of the company's own equity instruments. Consideration paid or received shall be recognised directly in equity.

1.11 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as leave pay and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

1.12 Provisions and contingencies

Provisions are recognised when the company has an obligation at the reporting date as a result of a past event; it is probable that the company will be required to transfer economic benefits in settlement; and the amount of the obligation can be estimated reliably.

Provisions are measured at the present value of the amount expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as interest expense.

Provisions are not recognised for future operating losses.

1.13 Revenue

Finance leases

Interest relating to finance leases is recognised as revenue in a manner that reflects a consistent rate of return on the net investment in lease receivables.

1.14 Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

1.15 Foreign exchange

Foreign currency transactions

Exchange differences arising on monetary items are recognised in profit or loss in the period in which they arise.

All transactions in foreign currencies are initially recorded in Rand, using the spot rate at the date of the transaction. The spot rate for Rand and Euro is the spot rate of the European Central Bank and the spot rate for Rand and any other currency is the spot rate of the South African Reserve Bank. Foreign currency monetary items at the reporting date are translated using the closing rate. All exchange differences arising on settlement or translation are recognised in profit or loss.

Figures in Rand thousand

Notes to the Financial Statements

2. Property, plant and equipment

	2022			2021		
	Cost	Accumulated depreciation and impairment	Carrying value	Cost	Accumulated depreciation and impairment	Carrying value
Furniture and fixtures	8,051	(828)	7,223	2	(1)	1
IT equipment	2,251	(1,043)	1,208	1,300	(470)	830
Total	**10,302**	**(1,871)**	**8,431**	**1,302**	**(471)**	**831**

Reconciliation of property, plant and equipment - 31 December 2022

	Opening balance	Additions	Write-off	Depreciation	Total
Furniture and fixtures	1	8,049	(1)	(826)	7,223
IT equipment	830	1,038	-	(660)	1,208
	831	**9,087**	**(1)**	**(1,486)**	**8,431**

Reconciliation of property, plant and equipment - 31 December 2021

	Opening balance	Additions	Write-off	Depreciation	Total
Furniture and fixtures	1	-	-	-	1
IT equipment	565	670	(149)	(256)	830
	566	**670**	**(149)**	**(256)**	**831**

Property, plant and equipment is not pledged or held as security for any loans.

3. Intangible assets

	2022			2021		
	Cost	Accumulated depreciation and impairment	Carrying value	Cost	Accumulated depreciation and impairment	Carrying value
Brand names	57	(51)	6	57	(32)	25
Computer software	3,631	(1,388)	2,243	2,984	(316)	2,668
Proprietary contracts	94	(73)	21	94	(62)	32
Total	**3,782**	**(1,512)**	**2,270**	**3,135**	**(410)**	**2,725**

Reconciliation of intangible assets - 31 December 2022

	Opening balance	Additions	Amortisation	Total
Brand names	25	-	(19)	6
Computer software	2,668	647	(1,072)	2,243
Proprietary contracts	32	-	(11)	21
	2,725	**647**	**(1,102)**	**2,270**

Notes to the Financial Statements

Figures in Rand thousand	2022	2021

3. Intangible assets (continued)

Reconciliation of intangible assets - 31 December 2021

	Opening balance	Additions	Amortisation	Total
Brand names	45	-	(20)	25
Computer software	284	2,647	(263)	2,668
Proprietary contracts	-	34	(2)	32
	329	**2,681**	**(285)**	**2,725**

4. Finance lease receivables

	2022	2021
Gross investment in the lease due		
- first year	628,068	372,531
- second to fifth year	2,008,099	1,310,797
	2,636,167	1,683,328
Less: Unearned finance income	(1,726,021)	(1,163,907)
Present value of minimum lease payments receivable	910,146	519,421
Accrued interest on finance lease receivables	44,044	18,836
Less: allowance for uncollectable minimum lease payments	(54,562)	(25,785)
Net investment in the lease	**899,628**	**512,472**
Non-current assets	797,108	476,066
Current assets	102,520	36,406
	899,628	**512,472**

The finance leases entered into contain a right for the lessee to acquire the leased asset at a value that approximates the carrying value of the leased asset at the time of exercise. This right is exercisable at the election of the lessee at any time during the contract.

The leased vehicle remains the property of the company and serves as a credit enhancement for the outstanding lease receivable.

The receivables are subject to special notarial bond as security refer to Note 12.

Notes to the Financial Statements

Figures in Rand thousand	2022	2021

5. Deferred tax

Deferred tax liability

Finance lease receivables	(34,736)	(10,722)

Deferred tax asset

Accounting impairment allowance relating to inventory impairment	17,249	3,078
Accounting impairment allowance relating to finance lease receivable's impairment	38,783	15,815
Income received in advance	59	77
Deferred tax balance from temporary differences other than unused tax losses	56,091	18,970
Tax losses available for set off against future tax income	-	640
Total deferred tax asset	**56,091**	**19,610**

The deferred tax assets and the deferred tax liability relate to income tax in the same jurisdiction, and the law allows net settlement. Therefore, they have been offset in the statement of financial position as follows:

Deferred tax liability	(34,736)	(10,722)
Deferred tax asset	56,091	19,610
Total net deferred tax asset	**21,355**	**8,888**

Reconciliation of deferred tax asset / (liability)

At beginning of year	8,888	3,734
Prior year over provision	981	(922)
Movement in finance lease receivable related temporary differences	(77,926)	(1,982)
Movement in provision related temporary differences	(134,012)	1,995
Movement in leased assets related temporary differences	223,367	9,311
Movement in income received in advance	57	61
Effect of utilisation of tax losses	-	(3,309)
	21,355	**8,888**

6. Inventories

Inventories	97,996	17,981

The inventories are subject to special notarial bond as security refer to Note 12.

7. Trade and other receivables

Financial instruments:		
Trade receivables	25,925	6,222
Non-financial instruments:		
Deposits	1,103	315
Other receivables	729	180
Value added tax	11,484	42,554
Total trade and other receivables	**39,241**	**49,271**

Management has not raised an impairment allowance as in their view no receivables require impairment.

Notes to the Financial Statements

Figures in Rand thousand	2022	2021

8. Current tax receivable

Income tax - current year provisional payment	481	-

9. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balances	82,847	1,814

10. Stated capital

Issued capital		
Ordinary no par value shares	99,028	52,153

Reconciliation of issued stated capital:		
Opening balance	52,153	15,028
Additional shares issued	46,875	37,125
	99,028	**52,153**

The total authorised number of ordinary shares is 10,000 shares (2021: 10,000 shares). The total number of issued ordinary shares is 6,600 shares paid in capital of R99,027,870 (2021: 3,475 shares with a paid in capital of R52,152,870).

All issued shares are fully paid in cash and have equal rights to vote at general meeting.

The remaining authorised unissued share capital remains under the control of the directors.

11. Share based payment reserve

	Number of options outstanding	Grant date fair value (EUR)	Total share option reserve (EUR)	Total option reserve (ZAR)
Vesting during the period	1,513	63	96,416	1,745

The parent company Inclusion OÜ has established share option programmes (equity settled) to the key management employees of its subsidiary, the Company. Currently, these programmes are limited to key management personnel.

These are in the form of option programs to various employees of the Company as a way of additional non-cash compensation. All option programs are issued at the parent level in Inclusion OÜ. The Company will not grant any share based payments at the subsidiary i.e the Company level. The stock is issued to the qualifying employees by issuing additional shares in the parent company to the qualifying employees. The total number of employees of the Company enrolled in the option program as at 31 December 2022 was 2 employees (2021: 2 employees).

The key terms and conditions related to the grants under these programmes are as follows:

The Option may be exercised with the exercise price 1 EUR per share only in the following circumstances:
- Upon exit or liquidation; ,
- during certain times determined by the Company;
- after 39-48 months from the vesting start date but no later than the 10th anniversary of the vesting start date;
- upon death of optionholder.

The Option is personal to the Optionholder and is not transferable (except under laws of inheritance) nor capable of being encumbered. Upon any purported transfer or encumbrance the Option shall terminate. Contractual life of all options is 10 years.

Notes to the Financial Statements

Figures in Rand thousand	2022	2021

11. Share based payment reserve (continued)

Measurement of fair value

The fair value of share options is determined at grant date by actual share sale transactions which may be the price of new share issue or secondary market sales between shareholders at the time of issuing the option program to the employee.

Reconciliation of outstanding share options

	2022	2021
Outstanding at the beginning of the year	770	-
Vested during the year	743	770
Outstanding at the end of the year	1,513	770

12. Loans

Non - current loans

Loans due to holding company

	2022	2021
Inclusion OÜ : Loan in Rand This loan facility is R500 million and has been drawn down on by the Company to the amount of R204,852,000. The loan is unsecured, bears interest at the prime rate per annum and is repayable on 31 December 2025.	204,852	219,100
Total non current portion of loans from holding company	204,852	219,100

Loans due to related parties

	2022	2021
Henry Wing: Loan in Rand This loan is unsecured, bears interest at 22% per annum and is repayable on 30 April 2024.	200	200
Grant Wing: Loan in Rand This loan was unsecured, bore interest at 22% per annum and was repayable on 31 December 2023.	-	400
Total non current portion of loans due to related parties	200	600

Loans due to third parties

	2022	2021
Lendable SPC acting for and on behalf of Segregated Investment Vehicle I, SP This loan was senior secured, bore interest at US Prime + 2.5% per annum and was repaid during the period under review.	-	164,883

Figures in Rand thousand

Notes to the Financial Statements

12. Loans (continued)

Mintos Finance: Loan in Euro	102,326	-

Financing from Mintos Finance comprises a claims facility and loan.

The Mintos Finance total facility (including the loan) available to the company amounts to Euro 20 million. As of year end, the company had drawn down R156.5 million of this. The R156,5 million comprised R102 million due in the medium term and R54.8 million due in the short term. The weighted average interest charged by the lender was 14.88% for the financial year.

The claims facility is due to be repaid on 20 January 2027. Amounts are drawn down by the company from SIA Mintos Finance under the Cooperation Agreement on Issuance of Loans No LVMM/06-07- 2022-04, whereas SIA Mintos Finance shall sell the claims for repayment on the Mintos platform for loan investors. The loans received are secured.

The company and Inclusion OÜ have on 13 October 2022 concluded cooperation agreements with SIA Mintos Finance, AS Mintos Marketplace, SIA Mintos Finance No.42 (as Mintos issuer) and Bowwood and Main No 312 (Rf) Proprietary Limited (as security SPV) for the issuance of notes by the Mintos issuer to advance loans to the company. The company and Inclusion OÜ are deemed to be jointly and severally liable borrowers. The repayment date of is 31 December 2026. The average interest rate on the loan agreements as at 31 December 2022 is 14.96%.

Inclusion South Africa Proprietary Ltd t/a Planet42 has under a security cession agreement ceded to the security SPV in securitatem debiti its rights, interests, benefits, and claims of any nature to, under or pursuant to vehicle rental agreements, option to purchase agreements, lessee claims, bank accounts, insurances and insurance proceeds, revenues and lease receivables (each as specifically defined in the cession agreement and as designated to form part of the collateral from time to time). Inclusion South Africa Proprietary Ltd t/a Planet42 has under a special notarial bond pledged its vehicles designated as collateral to the security SPV which will be updated on a regular basis as agreed with the lender. This security is established for the benefit of security SPV that has in turn provided a debt guarantee to SIA Mintos Finance and the borrower has provided a counter indemnity in favour of the security SPV with respect to any claims against the security SPV. As an additional security Inclusion OÜ has subordinated a certain portion of shareholder loans granted by Inclusion OÜ to Inclusion South Africa Proprietary and issued a promissory note for certain amounts.

Notes to the Financial Statements

Figures in Rand thousand

12. Loans (continued)

Rivonia Road Capital: Loan in USD	551,370	-

The company in conjunction with its holding company has available a USD facility of USD 35 million available which can be increased up to USD 75 million. As of year end R551,4 million was drawn down on by the company. The total interest cost of the facility to the Inclusion Group is 12.5% + one month term SOFR + SOFR adjustment (0.11448%) p.a. Whereas, the company bears interest at US Prime Rate + 3 % per annum. The maturity of the loan is three years from the closing date (i.e. from 27 September 2022).

Inclusion OÜ provides a guarantee to the loan, cedes (pledges) certain of its shareholder loans granted to Inclusion South Africa Proprietary Ltd t/a Planet42 and rights arising from certain hedging arrangements, subordinates certain claims against Inclusion South Africa Proprietary Ltd t/a Planet42 and further security is provided by Inclusion South Africa Proprietary Ltd t/a Planet42. Inclusion South Africa Proprietary Ltd t/a Planet42 has under a security cession agreement ceded to the security SPV in securitatem debiti its rights, interests, benefits and claims of any nature to, under or pursuant to certain vehicle rental agreements, option to purchase agreements, lessee claims, bank accounts, hedging agreements, insurances and insurance proceeds, revenues and receivables (each as specifically defined in the cession agreement). Inclusion South Africa Proprietary Ltd t/a Planet42 has under a special notarial bond pledged certain vehicles to the security SPV which may be updated on a regular basis as agreed with the lender. This security is established for the benefit of security SPV that has in turn provided a debt guarantee to the lender and the borrower has provided a counter indemnity in favour of the security SPV with respect to any claims against the security SPV.

Total non current portion of loans due to third parties	653,696	164,883

Current loans

Loans due to holding company

Inclusion OÜ : Loan in Rand This loan is unsecured, bears interest at 10% per annum and is repayable on demand by the lender.	41,600	43,400
Inclusion OÜ : Loan in Euro This loan is unsecured, bears no interest and is repayble on demand by the lender.	25,338	25,288
Inclusion OÜ : Interest due on Rand loans	42,177	15,168
Total current portion of loans due to holding company	109,115	83,855

Loans due to related parties

Grant Wing: Loan in Rand This loan is unsecured, bears interest at 22% per annum and is repayable on 31 December 2023.	400	-
Total current portion of loan due to related parties	400	-

Loans due to third parties

Lendable SPC acting for and on behalf of Segregated Investment Vehicle I, SP This loan was senior secured, bore interest at US Prime + 2.5% per annum and was repaid during the period under review.	-	41,603
Mintos Finance: Loan in Euro For further details regarding the Mintos Finance refer to non-current section.	54,797	-
Total current portion of loan due to third parties	**54,797**	**41,603**

Notes to the Financial Statements

Figures in Rand thousand

12. Loans (continued)

Split between non-current and current portions

Non-current liabilities	858,748	384,583
Current liabilities	164,312	125,458
	1,023,059	**510,041**

13. Trade and other payables

Financial instruments:		
Trade payables	84,430	54,803
Withholding tax payable	-	1,329
Accruals	5,578	1,311
Non-financial instruments:		
Amounts received in advance	187	233
Amounts payable in terms of employee costs	59	64
	90,254	**57,740**

14. Loss on sale of motor vehicles

Total proceeds from motor vehicle sales	112,614	32,677
Total carrying value of motor vehicles disposed of	(117,077)	(35,592)
Loss on sale of motor vehicles	**(4,463)**	**(2,915)**

The company disposed of 2003 vehicles during the course of the 2022 financial period (744 vehicle disposals in the 31 December 2021 period). Vehicles are disposed of on maturity or termination of lease arrangements. Disposals take place primarily through auction.

Vehicles are recycled out of lease receivables and into inventory on maturity or termination of the relevant lease arrangement. The vehicles, where required, are written down to the expected net realisable value immediately. Any such write down is recognised as portfolio impairment in profit or loss. Refer to note 17.

15. Staff costs

Employee costs		
Basic salaries	28,333	18,467
Unemployement Insurance Fund contribution	130	69
Skills Development Levy	249	169
Stock option costs	894	851
	29,606	**19,556**

The shareholder of the company have granted stock options to the company's key management employees. Stock option costs are recognised based on agreed vesting schedules over the vesting period. Fair value of the granted stock options is determined at grant date.Refer to note 11.

Notes to the Financial Statements

Figures in Rand thousand	2022	2021

16. Other operating expenses

Advertising and marketing	9,259	4,594
Bad debt written off on sold motor vehicles	206	136
Communication and IT	5,658	3,967
Consulting and professional fees	9,436	3,822
Database costs	6,463	2,362
Depreciation, amortisation and impairments	2,590	690
Insurance	49,056	13,858
General expenses	2,164	531
Management fees	17,388	5,874
Office expense	4,960	1,853
Commissions to dealers	3,834	3,161
Postage	11	12
Other expenses	143	190
Security and tracking	16,789	5,693
Service, repossession and repair costs	41,369	8,110
Travel and accommodation	704	502
	170,030	**55,355**

17. Portfolio impairment losses

Write off of finance lease receivables	140,062	25,826
Impairment allowance for finance lease receivables	28,776	16,630
Impairment of finance lease to inventory value	43,233	7,125
	212,071	**49,581**

An impairment loss occurs when the carrying amount of an asset exceeds its recoverable amount. If the recoverable amount of the finance lease receivables is less than its carrying amount, the company shall reduce the carrying amount of the asset to its recoverable amount. This reduction constitutes an impairment loss.

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

18. Cash used in operations

Net loss before taxation	(47,503)	(23,651)
Adjustments for non-cash items:		
Depreciation and amortisation	2,590	690
Write off and impairment of finance lease receivables	168,838	42,456
Impairment of inventory	43,233	7,126
Loss on sale of motor vehicles	4,463	2,915
Accrued interest on finance lease receivables	(25,208)	(12,672)
Interest expense	77,151	19,957
Foreign exchange rate loss	15,650	20,110
Stock options vested but not yet issued	894	851
Changes in working capital:		
Inventories	(123,248)	(21,154)
Trade and other receivables	13,615	(45,283)
Trade and other payables	31,974	47,968
Finance lease receivables	(535,248)	(446,042)
	(372,799)	**(406,729)**

Notes to the Financial Statements

Figures in Rand thousand	2022	2021

19. Tax paid

Balance at the beginning of the year	-	-
Current tax	(481)	-
Balance receivable at the end of the year	**(481)**	**-**

20. Depreciation, amortisation and impairment losses

Depreciation		
Property, plant and equipment	1,487	405
Amortisation		
Intangible assets	1,103	284
Total depreciation, amortisation and impairment		
Depreciation	1,487	405
Amortisation	1,103	284
	2,590	**689**

21. Interest income from finance lease

Interest income from finance lease:		
Finance lease receivables	463,394	143,443

Interest income comprises entirely of interest received from finance leases.

22. Interest expense

Interest on loans	67,303	15,190
Amortisation of loan fees	7,994	3,439
Withholding tax on paid loan interest	1,854	1,328
Total interest expense	**77,151**	**19,957**

23. Tax

Major components of the tax comprise

Deferred tax		
Current year	11,486	6,076
Prior year under provision	981	(922)
	12,467	**5,154**

Notes to the Financial Statements

Figures in Rand thousand	2022	2021

24. Related parties

Relationships

Holding company	Inclusion OÜ
Ultimate beneficial owners	Morgen OÜ Tiny Hippo OÜ
Directors	E. Oja M. Orgna
Members of key management	G. Wing (Country Manager)

Related party balances

	2022	2021
Loan accounts - Owing to related parties		
Inclusion OÜ	(313,967)	(302,955)
Grant Wing	(400)	(400)
Henry Wing	(200)	(200)
Amounts included in Trade and other payables regarding related parties		
Inclusion OÜ	(28,564)	(11,424)

Related party transactions

	2022	2021
Interest paid to related parties		
Grant Wing	88	95
Henry Wing	44	21
Management fees accrued		
Inclusion OÜ	17,388	5,874
Interest accrued to related parties		
Inclusion OÜ	27,009	7,545

Notes to the Financial Statements

Figures in Rand thousand	2022	2021

25. Directors' emoluments

Emoluments paid for services rendered include those paid by the group.

Executive

31 December 2022

Directors' emoluments	Basic salary	Allowance and other incentives	Total
Services as director			
E. Oja	2,893	713	3,606
M. Orgna	2,238	586	2,824
Services as prescribed officer / key management			
G. Wing	2,040	-	2,040
	7,171	**1,299**	**8,470**

31 December 2021

Directors' emoluments	Basic salary	Allowance and Other incentives	Other benefits	Total
Services as director				
E. Oja	1,572	170	42	1,784
M. Orgna	1,257	763	37	2,057
Services as prescribed officer / key management				
G. Wing	1,569	-	-	1,569
	4,398	**933**	**79**	**5,410**

Notes to the Financial Statements

Figures in Rand thousand	2022	2021

26. Financial instruments and risk management

Categories of financial instruments

Categories of financial assets

2022

	Note(s)	At amortised cost	Equity and non financial assets	Total
Trade and other receivables	7	25,925	13,316	39,241
Cash and cash equivalents	9	82,847	-	82,847
		108,772	**13,316**	**122,088**

2021

	Note(s)	At amortised cost	Equity and non financial assets	Total
Trade and other receivables	7	6,222	43,050	49,272
Cash and cash equivalents	9	1,814	-	1,814
		8,036	**43,050**	**51,086**

Categories of financial liabilities

2022

	Note(s)	Amortised cost	Equity and non financial liabilities	Total
Trade and other payables	13	90,008	246	90,254
Loans from third and related parties - current		158,639	-	158,639
		248,647	**246**	**248,893**

2021

	Note(s)	Amortised cost	Equity and non financial liabilities	Total
Trade and other payables	13	57,442	298	57,740
Loans from third and related parties - current		125,458	-	125,458
		182,900	**298**	**183,198**

Notes to the Financial Statements

Figures in Rand thousand	2022	2021

27. Going concern

As at 31 December 2022 the company's total assets exceeds its total liabilities by R 38.9 million (2021: R 26.2 million) and the company's current assets exceeded it current liabilities by R 74.2 million (2021: current liabilities exceeded current assets by R 77.7 million). The company incurred a net loss for the year ended 31 December 2022 of R 35 million (2021: R 18.5 million). The net loss for 2022 was driven by non-cash impairment costs as the company is growing its Menlyn Mall marketplace. As the business matures, the non-cash impairment charges are decreasing year to date.

As at year end, the company had 2 additional funding options: 1) A facility of EUR 20 million with Mintos Finance of which EUR 8.6 million was drawn on at year end and 2) A USD 75 million facility with Rivonia Road Capital of which USD 33 million was drawn on at year end. Refer to note 12.

The directors have satisfied themselves that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

In light of this, the directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the financial statements have been prepared on a going concern basis.

The directors is reviewed the budgets and cash flow forecasts for the next 12 months, as well as the current liquidity and solvency position of the company and do not believe that the company has adequate financial resources to continue in operation for the foreseeable future. The annual financial statements have accordingly not been prepared on the going concern basis.

28. Events after the reporting period

The company continues to grow in 2023. The management does caution that the effect of the negative global and South African macroeconomic economy puts some economic pressure on the company in 2023.

The company obtained further funding from its new and exisiting lenders in the amount of R 300 million from SIA Mintos Finance (Latvia), Rivonia Road Capital (US) and a shareholder loan. In addition, R 75 million of equity capital was introduced (5,000 shares were issued) to the parent company in Q1 2023 to continue growing the business in a sustainable manner.

The company continues to periodically rebuild the customer scoring algorithms quarterly to select better customers over time. Being able to select the best customers is the biggest risk mitigation factor. The management continues to monitor the portfolio closely.

The directors are not aware of any other material event which occured after the reporting date and up to the date of this report, which has a material impact on the reported results.