

Bridge Taxi Finance No 6 (RF) Proprietary Limited
Annual financial statements
for the year ended 30 September 2022

Bridge Taxi Finance No 6 (RF) Proprietary Limited

(Registration number 2018/252795/07)

Annual Financial Statements for the year ended 30 September 2022

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	The activities of the company is limited to the purchase of instalment sale agreements and collections of proceeds from its customers.
Directors	GD van Wyngaardt DP Towers PD Lutge
Postal address	PO Box 52182 Rosebank 2132
Holding company	Mokoro Holding Company Proprietary Limited incorporated in South Africa
Auditors	BDO South Africa Incorporated Chartered Accountants (SA) Registered Auditors
Company registration number	2018/252795/07
Level of assurance	These financial statements have been audited in compliance with the applicable requirements of the Companies Act 71 of 2008.
Preparer	The annual financial statements were prepared under the supervision of: Yashveer Ramsaru CA(SA) Chief Financial Officer

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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 are responsible for the systems of internal control. These controls are designed to provide reasonable, but not absolute assurance as to the reliability of the annual financial statements, and to adequately safeguard, verify and maintain accountability for assets, to record all liabilities, and to prevent and detect material misstatement and loss. The company is an insolvency remote entity operating in accordance with the requirements of transaction documents, with no employees and no administrative infrastructure of its own. The company's affairs are managed by its appointed servicer, Mokoro Holding Company (Pty) Ltd (the "Servicer") in terms of an agreement (the "Servicing Agreement"). As such, the responsibility of ensuring that appropriate controls, procedures and systems are implemented and monitored by suitably trained personnel with an appropriate segregation of authority and duties have been outsourced. The directors are responsible for monitoring the Servicer, and nothing has come to the attention of the directors to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the year under review.

The directors have reviewed the company's cash flow forecast for the year to 30 April 2024 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 financial statements. The financial statements have been examined by the company's external auditors and their report is presented on pages 7 to 8.

The annual financial statements set out on pages 9 to 41, which have been prepared on the going concern basis, were approved by the board on 6 April 2023 and were signed on their behalf by:



GD van Wyngaardt

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Directors' Report

The directors submit their report for the year ended 30 September 2022.

1. Incorporation

The Company was incorporated on 19 April 2018 and obtained its certificate to commence business on the same day. On 19 November 2019, the company amended its Memorandum of Incorporation to a ring fenced company, and began trading as Bridge Taxi Finance No 6 (RF) (Pty) Ltd.

2. Review of financial results and activities

Main business and MOI ring-fenced operations

The activities of the company is limited to the purchase of instalment sale agreements and collections of proceeds from its customers, and operates principally in South Africa. The company is a registered Credit Provider in terms of the National Credit Act (registration number NCRCP10729).

The operating results and state of affairs of the company are fully set out in the attached financial statements. We would like to highlight to the reader of the financial statements of the impact that an IFRS 9 adjustment has had on the face of the Statement of Financial Position. The IFRS 9 adjustment relates to funding fees paid by Mokoro Holding Company (Pty) Ltd under a mandate agreement with the arranger of the funding transaction and not with the lender. Had this adjustment not been made the following lines items on the face of the Statement of Financial Position would have been reflected as follows:

	2022	2021
Other non-distributable reserves *	-	-
Other financial liabilities **	805,752,457	534,578,462

* Refer to Note 32

** Refer to Note 10

3. Share capital

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

4. Dividends

No dividends were declared or paid to the shareholder during the year.

5. Directorate

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

Directors

GD van Wyngaardt

DP Towers

PD Lutge

6. Holding company

Mokoro Holding Company Proprietary Limited holds 100% of the company's ordinary shares which is the ultimate holding company. Bridge Taxi Finance No 6 SPV Owner Trust owns 1 Class A Share. Mokoro Holding Company Proprietary Limited and Bridge Taxi Finance No 6 SPV Owner Trust is incorporated in South Africa. Mokoro Holding Company Proprietary Limited also acts as the servicer of the company as set out in the revolving loan agreements.

7. Borrowing powers

The business and affairs of the company are managed by or under the direction of the Board, which has the authority to exercise all of the powers and perform all of the functions of the company, provided that any borrowing, guarantee, security or similar restrictions pertaining to its general ring-fencing, main purpose and business of the company as well as its general restrictions, limitations and qualifications per the MOI of the company are complied with. The Board may authorise the company to borrow money, provided that any borrowing, guarantee, security or similar restrictions pertaining to its general ringfencing, main purpose and business of the company as well as its general restrictions, limitations and qualifications as prescribed in the MOI of the company are complied with.

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Directors' Report

8. Events after the reporting period

The directors are not aware of any other material events which occurred after the reporting date and up to the date of this report.

9. Going concern

In determining the appropriate basis of preparation of the annual financial statements, the directors are required to consider whether the company can continue as a going concern for the foreseeable future, which is at least 12 months following the date on which the annual financial statements are released.

The annual financial statements are prepared on a going concern basis. The company is an insolvency remote special purpose vehicle ("SPV") structured to limit any potential event that could impact the company's ability to continue as a going concern.

The company currently has a negative net asset value largely due to the following:

- The company changed its estimate on the measurement of impairments on loans and advances as well the write off on interest, this resulted in an increased write off, of R30.5 million and an increased ECL provision of R57 million, refer to Change in Estimate Note 1.10.
- The company incurred R4.7 million worth of management fees during the current year, these management fees have been subordinated until such time as when the funder has been repaid.
- The company further wrote off an additional R19.5 million worth interest of the non-trading customers interest.

All of the above contributed to the company's accumulated losses during the 2022 year.

Even though the company is technically insolvent the directors still believe that the company is a going concern and commercially solvent. In reaching this conclusion the directors considered the following:

- The company has been trading profitably for the first 5 months of 2023, and is expected to continue doing so for the following months, with the collections being in line with the prior year and the company's expectations.
- Forecasts prepared indicated future profits, these forecasts considered the sustained return to profitability of the company, and that the funding facilities remain intact. It also considered the impact of the impairment as mentioned previously. The forecasts are prepared under normal trading circumstance. The purpose of the company is to purchase instalment sale agreements. It is not the intention of the company to hold these instalment sale agreements for a long period of time and is inline with the agreement where the company sells instalment sale agreements to other entities.
- The company's current ratio is currently sitting at 1.62, which is largely due to the inter-company loans of R188 million. The company also entered into subordination agreements with its fellow group company's loans, whereby the group companies agreed not to demand or accept payment of amounts owing to them until such time as the funder is settled. Mokoro Holding Company (Pty) Ltd ("Mokoro") also provided its fellow subsidiaries with a guarantee that in the event that they cannot repay the company, Mokoro will provide them with a loan to settle the debt owed to the company.
- At year end the company was up to date with all its payments and there was no breach in covenants.

The board of directors has satisfied itself that the company has the ability to continue as a going concern, given the nature of the entity being an insolvency remote ring-fenced special purpose entity with the credit risk of its transaction assets effectively being borne by transaction specific noteholders (see note 10).

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

The directors have satisfied themselves that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet 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.

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Directors' Report

10. Auditors

BDO South Africa Incorporated continued in office as auditors for the company for 2022.

11. Secretary

The company had no secretary during the year. All secretarial activities are outsourced to Statucor Proprietary Limited.

12. Managed by a third party

The company is managed by Mokoro Holding Company Proprietary Limited pursuant to the terms and conditions of the Servicing Agreement with the administration and servicing functions outsourced to Mokoro Holding Company Proprietary Limited in terms of the provisions of the Servicing Agreement.

Independent Auditor's Report

To the shareholder of

Bridge Taxi Finance No 6 (RF) Proprietary Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Bridge Taxi Finance No 6 (RF) Proprietary Limited (the company) set out on pages 9 to 41, which comprise the statement of financial position as at 30 September 2022, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Bridge Taxi finance No 6 (RF) Proprietary Limited as at 30 September 2022, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

Basis for opinion

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

Other Information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Bridge Taxi Finance No 6 (RF) Proprietary Limited Annual Financial Statements for the year ended 30 September 2022", which includes the Directors' Report as required by the Companies Act of South Africa, and the Directors' Responsibilities and Approval. 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.

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

Responsibilities of the Directors for the Financial Statements

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

BDO South Africa Incorporated
Registration number: 1995/002310/21
Practice number: 905526
VAT number: 4910148685

Chief Executive Officer: B Mokoena

A full list of all company directors is available on www.bdo.co.za

The company's principal place of business is at The Wanderers Office Park, 52 Corlett Drive, Illovo, Johannesburg where a list of directors' names is available for inspection. BDO South Africa Incorporated, a South African personal liability company, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.



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.

BDO South Africa Incorporated
Registered Auditors

BDO South Africa Inc

Per Kevin Hoff
Director
Registered Auditor

6 April 2023

Wanderers Office Park
52 Corlett Drive
Illovo, 2196

Bridge Taxi Finance No 6 (RF) Proprietary Limited

(Registration number 2018/252795/07)

Annual Financial Statements for the year ended 30 September 2022

Statement of Financial Position as at 30 September 2022

Figures in Rand	Notes	2022	2021 (Restated) *
Assets			
Cash and cash equivalents	8	10,177,724	13,093,341
Trade and other receivables	7	101,669,443	70,418,753
Inventories	5	25,421,883	17,243,907
Loans to group companies	6	16,155,280	67,035,404
Current tax receivable	23	2,822,359	426,073
Loans and advances	4	822,581,295	594,013,540
Intangible assets	3	11,589,385	11,589,385
Total Assets		990,417,369	773,820,403
Equity and Liabilities			
Equity			
Share capital	9	11,589,485	11,589,485
Other non-distributable reserves *	32	5,640,067	3,802,500
Accumulated losses		(34,712,555)	(6,032,793)
		(17,483,003)	9,359,192
Liabilities			
Trade and other payables	12	4,391,899	1,447,196
Other financial liabilities *	10	800,112,390	530,775,962
Loans from group companies	13	187,675,765	210,072,513
Deferred tax	11	15,720,318	22,165,540
Total Liabilities		1,007,900,372	764,461,211
Total Equity and Liabilities		990,417,369	773,820,403

* See note 31 for details regarding the restatement as a result of the prior period error.

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Statement of Profit or Loss and Other Comprehensive Income

Figures in Rand	Notes	2022	2021
Revenue from sale of vehicles	14	353,388,172	154,697,125
Cost of sale of vehicles	15	(306,251,737)	(147,990,065)
Gross profit from sale of vehicles		47,136,435	6,707,060
Finance income received	16	194,929,583	128,293,531
Finance and direct costs	17	(203,901,354)	(121,335,523)
Impairment of financial assets (ECL) *	4	(66,890,495)	(5,633,022)
Other Income	18	4,160,612	2,841,994
Other operating expenses *	19	(16,197,989)	(9,840,292)
Operating (loss)/profit		(40,763,208)	1,033,748
Investment revenue	20	121,545	157,976
(Loss)/profit before taxation		(40,641,663)	1,191,724
Taxation	21	11,961,901	(333,683)
Profit/(loss) for the year		(28,679,762)	858,041
Other comprehensive income		-	-
Total comprehensive (loss)/income for the year		(28,679,762)	858,041

* See note 31 for details regarding the restatement as a result of the prior period error.

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(Registration number 2018/252795/07)

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Statement of Changes in Equity

	Share capital	Other non-distributable reserve	Accumulated loss	Total equity
Figures in Rand				
Balance at 01 October 2020	11,589,485	-	(6,890,834)	4,698,651
Profit for the year	-	-	858,041	858,041
Other comprehensive income	-	-	-	-
Total comprehensive loss for the year	-	-	858,041	858,041
Mokoro equity investment *	-	3,802,500	-	3,802,500
Total contributions by and distributions to owners of company recognised directly in equity	-	3,802,500	-	3,802,500
Balance at 01 October 2021	11,589,485	3,802,500	(6,032,793)	9,359,192
Profit for the year	-	-	(28,679,762)	(28,679,762)
Other comprehensive income	-	-	-	-
Total comprehensive Loss for the year	-	-	(28,679,762)	(28,679,762)
Mokoro equity investment	-	1,837,567	-	1,837,567
Total contributions by and distributions to owners of company recognised directly in equity	-	1,837,567	-	1,837,567
Balance at 30 September 2022	11,589,485	5,640,067	(34,712,555)	(17,483,003)
Note	9	32		

* See note 31 for details regarding the restatement as a result of the prior period error.

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Statement of Cash Flows

Figures in Rand	Note(s)	2022	2021
Cash flows from operating activities			
Cash used in operations	22	(248,474,389)	(203,149,280)
Interest received		121,545	157,976
Tax paid	23	(2,396,286)	(629,270)
Net cash from operating activities		(250,749,130)	(203,620,574)
Cash flows from financing activities			
Proceeds from revolving loan facility	24	277,150,152	241,000,000
Repayment of revolving loan facility	24	(80,355,627)	(42,646,944)
Movement in holding company loans	25	51,038,988	12,898,166
Net cash from financing activities		247,833,513	211,251,222
Total cash movement for the year		(2,915,617)	7,630,648
Cash at the beginning of the year		13,093,341	5,462,693
Total cash at end of the year	8	10,177,724	13,093,341

Bridge Taxi Finance No 6 (RF) Proprietary Limited

(Registration number 2018/252795/07)

Annual Financial Statements for the year ended 30 September 2022

Accounting Policies

1. Presentation of Annual Financial Statements

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

1.1 Basis of preparation

The annual financial statements have been prepared on the going concern basis in accordance with, and in compliance with, International Financial Reporting Standards ("IFRS") and the Companies Act 71 of 2008 of South Africa, as amended.

The annual financial statements have been prepared on the historic cost basis, except for the measurement of certain financial instruments at fair value, and incorporate the principal accounting policies set out below. They are presented in South African Rands.

The Statement of Financial Position is presented based on the assets and liabilities' liquidity. Reference to the current maturities of these financial assets and liabilities are disclosed in the statements of financial position notes and in the analysis of financial assets and liabilities, refer to Note 28.

These accounting policies are consistent with the previous period, other than those set out in accounting policy note 1.10.

1.2 Significant judgements and sources of estimation uncertainty

The preparation of annual financial statements in conformity with IFRS requires the company, from time to time, to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Key sources of estimation uncertainty

Impairment of financial assets

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The company uses judgement in making these assumptions and selecting the inputs to perform the impairment calculation, based on the company's historic performance, existing market conditions as well as forward looking estimates at the end of each reporting period.

Intangible Assets

Judgement is required in determining whether the intangible asset still has an indefinite useful life at the end of each reporting period.

1.3 Intangible assets

Intangible assets are initially recognised at cost.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. The intangible assets useful life is reviewed at each reporting period to support the indefinite useful life assessment.

1.4 Financial instruments

Financial instruments held by the company are classified in accordance with the provisions of IFRS 9 Financial Instruments.

Broadly, the classification possibilities, which are adopted by the company, as applicable, are as follows:

Financial assets consists of:

- Loans and advances,
- Loans from group companies
- Cash and cash equivalents; and
- Trade and other receivables

Bridge Taxi Finance No 6 (RF) Proprietary Limited

(Registration number 2018/252795/07)

Annual Financial Statements for the year ended 30 September 2022

Accounting Policies

1.4 Financial instruments (continued)

Initial Recognition

All financial assets are initially recognised at amortised cost (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is met by holding the instrument to collect contractual cash flows).

Financial liabilities consists of:

- Other financial liabilities.
- Loans to group companies
- Trade and other payables

Initial Recognition

All financial liabilities are initially recognised at amortised cost.

Note 28 Financial instruments and risk management presents the financial instruments held by the company based on their specific classifications.

The specific accounting policies for the classification, recognition and measurement of each type of financial instrument held by the company are presented below:

Loans and advances

Impairment

During the current year the company changed its methodology on which the ECL provision on loans and advances was calculated. In the prior years the provision was calculated on a portfolio basis which split the loans and advances into different buckets, non-performing loans, performing loans and non-trading, during the current year management decided to calculate the provision on an individual deal/loan level, considering the individual characteristics of each specific deal, Refer to the Change in Estimate Note 1.10.

The company recognises a loss allowance for expected credit losses (ECL) on financial assets that are measured at amortised cost, through profit and loss. The loss allowance for a financial instrument is measured at the 12 month ECL if there is no increase in significant risk since initial recognition and at the lifetime ECL if the credit risk on that financial asset has increased significantly since initial recognition. When calculating the expected cash flows at initial recognition (to determine the credit adjusted effective interest rate), and for the subsequent measurement of the loans (to determine the loss allowance).

The impairment requirements result in the recognition of lifetime ECL for all financial instruments, for which there has been a significant increase in credit risk since initial recognition, whether assessed on an individual or collective basis, considering all reasonable and supportable information, and including that which is forward looking. If at the reporting date, the credit risk on a financial instrument has not increased significantly since initial recognition, the group measures the loss allowance for that financial instrument at an amount equal to the 12 month ECL. The 12-month ECL is the portion of the lifetime ECL that represents the ECL that results from default events on a financial instrument that are possible within 12 months after reporting date.

If the company has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period but determines at the current reporting date that there is no longer a significant increase in credit risk since initial recognition, the loss allowance is measured at an amount equal to the 12-month ECL at the current reporting date. Impairment losses or reversals are recognised in profit or loss.

Credit risk

Credit risk is the risk of loss arising from the failure of a client or counterparty to discharge an obligation to the company. The primary credit risks that the company are exposed to arise from loans and advances to minibus taxi operators. Bridge Taxi Finance have strict policies for granting credit. Loans and advances comprise of a large number of accounts, which are secured by minibus taxis. Collections of instalments are made through a combination of cash and debit order collections. It is not the company's strategy to avoid credit risk, but rather to manage credit risk within the company's risk appetite and to earn an appropriate risk-adjusted return.

Bridge Taxi Finance No 6 (RF) Proprietary Limited

(Registration number 2018/252795/07)

Annual Financial Statements for the year ended 30 September 2022

Accounting Policies

1.4 Financial instruments (continued)

Credit risk management and measurement

Exposure to credit losses is managed by assessing customers' affordability and their ability to repay loans and advances, a customer's risk profile and earnings potential in the case of taxi. The Company assumes that the credit risk on a financial instrument has not increased significantly if the financial instrument is determined to have a low credit risk at the reporting date.

Measurement of expected credit losses (ECL)

The group measures ECL of a financial instrument in a way that reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The maximum period considered when measuring ECL is the maximum contractual period over which the group is exposed to credit risk, and not a longer period, even if that period is consistent with business practice.

The expected loss is calculated for each active account, using the probability of default (PD), exposure at default (EAD) and loss given defaults (LGDs). The LGD is calculated on an explicit basis per account, taking into consideration the settlement balance, recovery value (being the future value of the vehicle), discount rates and discount periods.

The company has used the staging as per IFRS 9 to ensure compliance with the standard, this does differ from the actual business model, however a more conservative approach was used when determining the ECL based on the staging as per IFRS 9.

Stage 1 is defined as loans overdue by up to 30 days, stage 2 is defined as loans that are overdue by 31-89 days, and stage 3 as loans overdue by more than 90 days. The company did not rebut any assumptions.

If the account is in stage 1 then the 12-month expected credit loss is calculated, otherwise, for stage 2 & 3, the lifetime expected loss is calculated.

The measurement of ECL is a function of the probability of default (PD), loss given defaults (LGD) and exposure at default (EAD). The assessment of the probability of default and LGD's is based on historical data adjusted by forward looking information as described above.

As for the EAD for financial assets, this is represented by the assets' gross carrying amount at the reporting date. For financial assets, the ECL is estimated as the difference between all contractual cash flows that are due to the group in accordance with the contract and all the cash flows that the group expects to receive, including the collateral value incorporating FLI, discounted at the original effective interest rate.

Definition of default

Based on the definitions of IFRS 9 without making any rebuttable assumptions, default is defined as loans which at 90 days passed due

Write off policy

The initial loss on the deals is immediately recognised against the impairment provision raised, when the vehicle is repossessed. The actual loss/profit is recognised as revenue after the point of sale of the vehicle, following repossession, due to the change in estimate the initial loss will go against the provision raised.

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Accounting Policies

1.4 Financial instruments (continued)

Loans to group companies

Impairment

The company recognises a loss allowance for ECL on all loans receivable measured at amortised cost. The amount of ECL's is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective loans.

The company determines ECL for loans by considering the following:

- The company liquidity ratio and determining whether the counter company has sufficient liquid assets if it were to demand repayment.
- Whether there is any indication that the company might no longer be a going concern.
- Whether there is any financial support/guarantees from the holding company, if the company were to default in payment.
- The company also considers additional funding that they expect to receive in the near future that will result in excess cash to repay the loans.
- The company also bases its calculation on a worst-case scenario basis to assess if the debtor were to liquidate and sell its assets whether it has sufficient recourses to repay its debt.

Definition of default

A loan is considered to be in default when there is evidence that the group company is in significant financial difficulty such that it will have insufficient liquid assets to repay the loan on demand. This is assessed based on a number of factors, such as when a subsidiary becomes insolvent, and when it ceases business due to it not being a going concern as well as key liquidity and solvency ratios. Relying on the 90 days past due rebuttable presumption is not considered an appropriate backstop indicator given the lack of contractual payment obligations due throughout the life of the loan.

Significant increase in credit risk

The risk that the group company will default on a demand loan depends on whether the group company:

- Has sufficient cash or other liquid assets to repay the loan immediately;
- Does not have sufficient cash but has other liquid assets that can be converted into cash to repay the loan, however conversion into cash might take some time; or
- Does not have sufficient cash or other liquid assets to repay the loan immediately.

Our assessment makes reference to the group company's immediate cash flow or liquid asset position.

Credit impaired indicators

A loan is considered to be credit impaired if it meets the definition of a defaulted loan.

Write off policy

Entities with the inability to repay any group loan and where there is significant doubt of the entity's ability to operate as a going concern may result in the loan having to be written off. The assessment is then made as to whether a valid reason exists for non-settlement when required and if the loan can be settled in the future based on projected cash flows.

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Accounting Policies

1.4 Financial instruments (continued)

Trade and other receivables

Recognition and measurement

Trade and other receivables are recognised when the company becomes a party to the contractual provisions of the receivables. They are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost.

The amortised cost is the amount recognised on the receivable initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Impairment

The company recognises a loss allowance for ECL on trade and other receivables, excluding VAT and prepayments. The amount of ECL is updated at each reporting date.

The company measures the loss allowance for trade and other receivables at an amount equal to lifetime expected credit losses (lifetime ECL), which represents the ECL that will result from all possible default events over the expected life of the receivable.

Determining significant increases in credit risk

The company determines significant increases in credit risk using both forward looking information as well as historic information.

Other financial liabilities and loans from group companies

Recognition and measurement

Other financial liabilities and loans from group companies are recognised when the company becomes a party to the contractual provisions of the loan. The loans are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Other financial liabilities and loans from group companies expose the company to liquidity risk and interest rate risk. Refer to note 28 for details of risk exposure and management thereof.

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Accounting Policies

1.4 Financial instruments (continued)

Trade and other payables

Classification

Recognition and measurement

They are recognised when the company becomes a party to the contractual provisions, and are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

If trade and other payables contain a significant financing component, and the effective interest method results in the recognition of interest expense, then it is included in profit or loss.

Trade and other payables expose the company to liquidity risk and interest rate risk. Refer to note 28 for details of risk exposure and management thereof.

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. Cash and cash equivalents are classified as financial instruments at amortised cost.

Derecognition

Financial assets

The company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the company retains substantially all the risks and rewards of ownership of a transferred financial asset, the company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities

The company derecognises financial liabilities when, and only when, the company obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Reclassification

Financial assets

The company only reclassifies affected financial assets if there is a change in the business model for managing financial assets. If a reclassification is necessary, it is applied prospectively from the reclassification date. Any previously stated gains, losses or interest are not restated.

The reclassification date is the beginning of the first reporting period following the change in business model which necessitates a reclassification.

Financial liabilities

Financial liabilities are not reclassified.

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Accounting Policies

1.5 Tax

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities

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

1.6 Inventories

Inventories are measured at the lower of cost and net realisable value on an actual cost per unit basis.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

When inventories are sold, the carrying amount of those inventories are recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

1.7 Share capital and equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Ordinary shares are classified as equity.

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Accounting Policies

1.8 Revenue from contracts with customers

The company recognises revenue from the sale of goods.

Revenue is measured based on the consideration specified in a contract with a customers and excludes amounts collected on behalf of third parties. The company recognises revenue when it transfers control of a product or service to a customer.

Sale of goods

Revenue is generated from the sale of minibus taxis (New and Refurbished) to customers under an instalment sales agreement.

Conditions to be met to recognise revenue:

- The customer must qualify for finance by meeting all credit requirements and affordability calculations.
- The instalment credit sale agreement must be signed by both parties and the E-Natis document reflects the customer as the owner of the vehicle. The company remains the title holder until the agreement has been settled.
- Revenue (capital portion of the loan) is recognised when the customer obtains possession of the vehicle and is recognised at a point in time. This usually occurs when the customer signs the new contract and collects the vehicle.
- Revenue is measured by the amount stipulated in the agreement.
- Monthly repayments of the taxi's are made over 24 - 120 months as stipulated in the agreement.
- As per the agreements the customer has a 5 day cooling off period should they wish to terminate their contract.
- There are no obligations in terms of warranties as the company only finances the minibus taxi.

A significant proportion of the company's revenue comprises interest income related to gross loans and advances accounted for in terms of IFRS 9 - Financial Instruments. Admin and Initiation fees are not recorded under revenue and are recognised as finance income, due to it being an integral part of the company's financing activities

1.9 Interest income and finance costs

Effective interest rate Interest income and expense are recognised in profit or loss using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

The calculation of the effective interest rate includes transaction costs and fees and points paid or received that are an integral part of the effective interest rate.

- Transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or financial liability.
- The 'amortised cost' of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured on initial recognition minus the principal repayments, plus or minus the cumulative interest using the effective interest method.
- The 'gross carrying amount of a financial asset' is the amortised cost of a financial asset before adjusting for any expected credit loss allowance.
- Contract interest means total interest that will accrue on a financial asset or financial liability if payments of capital and interest is made as per the conditions of the agreements.

The effective interest rate of a financial asset or financial liability is calculated on initial recognition of a financial asset or a financial liability. In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit impaired) or to the amortised cost of the liability.

However, for financial assets where the total interest accrued on a specific financial asset, exceeds the contract interest by an amount determined by the company, the interest that exceeds the amount determined is written off on an annual basis.

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Accounting Policies

1.10 Change in Accounting Estimate

During the current year the company changed its methodology on which the ECL provision on loans and advances was calculated. In the prior years the provision was calculated on a portfolio basis which split the loans and advances into different buckets, non-performing loans, performing loans and non-trading. During the current year the ECL provision has been further refined on an individual deal/loan level, taking into account the individual characteristics of each specific deal. There has been no change in the risk of the loans however just a change in methodology in the calculation. The historic loss experience on the loans are lower than the percentage raised as a provision. The debtors are aged in terms of IFRS 9, Bridge still uses the bucketing business model to measure the performance of its customers, refer to Note 28.

Please see below impact analysis on the change in methodology:

Loans and advances before and after change in methodology

	Old Methodology	New Methodology	Impact on P/L
Gross Loans and advances	902,265,602	902,265,602	-
Less: Loss allowance	(22,568,240)	(79,684,307)	(57,116,067)
New methodology expected credit loss	879,697,362	822,581,295	(57,116,067)

The change in methodology has resulted in an increased provision of R57 million and a decrease in profits by R 57 million during the current year.

Interest Write-off policy

During the current year there has been an update in the company's interest write off policy. As per the updated policy once the interest that has accrued on a specific deal exceeds the contract interest by a specific percentage, the excess interest will be written off. The updated policy has resulted in an additional interest write off, of R30.5 million and a reduction in the Loans and advances by R30.5 million.

	Before write-off	After write-off	Impact on P/L
Gross Loans and advances	932,851,438	902,265,602	30,585,836

1.11 Change in Accounting Policy

Finance lease receivables

During the current year the company decided to change the manner in which it initially recognised its finance lease receivables. In the prior years, the finance lease receivables were initially recognised in terms of IFRS 16: Leases and subsequently measured in terms of IFRS 9: Financial Instruments. Management has decided to initially and subsequently, recognise and measure the finance lease receivable in terms of IFRS 9. The finance lease receivable has therefore been renamed to Loans and Advances, this is more in line with the nature of the financial instrument, the nature of the financial instrument is that the company is providing their customers with loans rather than leasing them an asset.

The change in policy did not have any impact on any of the amounts previously disclosed or presented. As a result, no impact analysis was provided.

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2. New Standards and Interpretations

At the date of approval of these annual financial statements, certain new accounting standards, amendments and interpretations to existing standards have been published but are not yet effective, and there has been no early adoption by the company.

Management anticipates that all of the pronouncements will be adopted in the company's accounting policies for the first period beginning after the effective date of the pronouncement. Information of new standards, amendments and interpretations that are expected to be relevant to the entity's financial statements is provided below. Certain other new standards and interpretations have been issued but are not expected to have a material impact on the entity's annual financial statements.

2.1 Standards and interpretations not yet effective

The company has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the company's accounting periods beginning on or after 01 October 2022 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• Annual Improvements to IFRS: 2018-2020 Cycle	01 January 2022	Unlikely there will be a material impact
• Conceptual Framework for Financial Reporting (Amendments to IFRS 3)	01 January 2022	Unlikely there will be a material impact
• IAS 37 Provisions, Contingent Liabilities and Contingent Assets (Amendment – Onerous Contracts – Cost of Fulfilling a Contract)	01 January 2022	Unlikely there will be a material impact
• IAS 1 Presentation of Financial Statements (Amendment – Classification of Liabilities as Current or Non-Current)	01 January 2024	Impact is currently being assessed
• Disclosure of Accounting Policies (Amendment to IAS 1 and IFRS Practice Statement 2)	01 January 2023	Unlikely there will be a material impact
• Definition of Accounting Estimates (Amendment to IAS 8)	01 January 2023	Unlikely there will be a material impact
• Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)	01 January 2023	Unlikely there will be a material impact

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3. Intangible assets

	2022			2021		
	Cost	Accumulated amortisation	Carrying value	Cost	Accumulated amortisation	Carrying value
Tarimar Business process and methodology model	11,589,385	-	11,589,385	11,589,385	-	11,589,385

Reconciliation of intangible assets - 2022

	Opening balance	Total
Tarimar Business process and methodology model	11,589,385	11,589,385

Reconciliation of intangible assets - 2021

	Opening balance	Total
Tarimar Business process and methodology model	11,589,385	11,589,385

Other information

Tarimar is a business process and methodology model. The intangible asset was originally raised in Mokoro Holding Company (Pty) Ltd. Mokoro Holding Company (Pty) Ltd entered into an asset for share transaction with its subsidiaries transferring a portion of the intangible assets to each of its subsidiaries, in exchange for a share in their company. Tarimar Business process and methodology model is owned by Mokoro Holdings, with each subsidiary having a right to use and access a component of the model for their operations.

Tarimar Business process and methodology model is considered to have an indefinite useful life as the nature of the underlying intangible asset is integral in the overall structure of the business and therefore in assessing the useful life of the intangible asset, emphasis has been placed on the entity's ability to continue as a going concern. The entity will be using the underlying methodology, which is expected to generate net cash inflows, as such there is no foreseeable limit to the period over which the asset is expected to generate these net cash inflows. The taxi industry plays an important role in the economy, considering that the majority of South Africans are solely dependent on public transport for execution of various tasks. The directors are of the opinion that the taxi industry will continue indefinitely. There are no anticipated external factors which could lead to a diminishment in the estimated useful life, at this point. Based on management's qualitative assessment, there are no indicators of impairment for the Company's allocation of the intangible asset.

As long as each entity that has a right to the intangible asset and is generating cash flows from the sale of taxis, the methodology is not impaired.

4. Loans and advances

Maturity analysis of loans and advances

- first year	240,028,488	179,723,221
- second year to sixth year inclusive	1,280,111,901	607,978,766
Gross investment in loans and advances	1,520,140,389	787,701,987
Less: Unearned interest income	(617,874,787)	(180,894,635)
Gross loans and advances	902,265,602	606,807,352
Less: Loss allowance	(79,684,307)	(12,793,812)
	822,581,295	594,013,540

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4. Loans and advances (continued)		
Non-current assets	633,212,442	511,947,025
Current assets	189,368,853	82,066,515
	822,581,295	594,013,540

The maturity profile of contractual cash flows of loans and advances receivable is presented in the following table:

	Less than 1 year	Between 2 - 3 year	Between 3 - 4 years	4 years plus	Total	Unearned finance income	Nett receivables
Loans and advances - 2022	240,028,488	234,731,786	221,292,224	824,087,891	1,520,140,389	(617,874,787)	902,265,602
Loans and advances - 2021	179,723,221	170,009,350	159,122,107	278,847,309	787,701,987	(180,894,635)	606,807,352

The company sells vehicles under instalment sale agreements.

Instalment sale agreement terms are 24 to 120 months, depending on the vehicle financed and the average effective lending rate is 27% (2021: 27.9%).

Exposure to credit risk

Refer to Note 28 for more detail on credit risk.

The below summarise the impairment and write-off incurred during the year.

Movement in ECL provision:

Opening balance	(12,793,812)	(7,160,790)
Impairment recognised in profit and loss	(66,890,495)	(5,633,022)
Balance at the end of the year	(79,684,307)	(12,793,812)

Interest write off

Non - trading clients	19,541,733	10,653,444
Interest write-off policy *	30,585,836	-
	50,127,569	10,653,444

* Refer to note 1.10

Credit risk exposure

Carrying value of receivables	822,581,295	606,807,352
Estimated value of vehicles held as security	(797,371,207)	(600,375,194)
Amount guaranteed by Mokoro Credit Guarantee Proprietary Limited	(25,210,088)	(6,432,158)
Residual exposure	-	-

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4. Loans and advances (continued)

Mokoro Credit Guarantee provides a guarantee to the entity for the actual losses incurred by the entity over the instalment credit sale agreements. Mokoro Credit Guarantee "MCG" underwrites the potential losses of Bridge on vehicles returned by customers and the resultant cancellation of their credit agreement. MCG guarantees that the loss incurred on the cancellation will be recouped when the vehicle, after being repaired and refurbished by the company, is resold to a new customer under a new credit agreement.

Prior Year

The estimated value of the vehicles has been calculated by multiplying the inverse of our loss ratio to the carrying amount of the receivables, the loss ratio has been calculated using the weighted average historic loss percentage on a deal after a vehicle has been repossessed and resold.

Current Year

The estimated value of the vehicles has been calculated as the discounted collateral value, excluding vat adjusted for CPI growth.

Loans and advances are ceded as part security for the other financial liabilities as per note 10.

The fair value of loans and advances amounts to R911 million (2021: R 542 million).

5. Inventories

Used vehicles	25,421,883	17,243,907
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Used vehicles consist of refurbished repossessed vehicles that are ready for sale and these vehicles are carried at the lower of cost and net realisable value.

Inventories are ceded as part security for the other financial liabilities as per note 10.

6. Loans to group companies

Holding company

Mokoro Holding Company Proprietary Limited	15,996,416	67,035,404
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Fellow subsidiaries

Bridge Taxi Finance Collections Proprietary Limited	156,844	-
Bridge Taxi Finance No 7 Proprietary Limited	2,020	-
	158,864	-

The loans are unsecured, interest free and repayable on demand.

Split between non-current and current portions

Current assets	16,155,280	67,035,404
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6. Loans to group companies (continued)

Exposure to credit risk

No allowance for impairment has been made on these balances.

All group entities can repay loans advanced to them by the entity and there is no uncertainty around the going concern of the group company, the expected credit losses is thus zero.

The following factors were considered in determining the need for impairment:

- Financial ability of the borrower to make payment; and
- Past credit history.

In the event that the fellow subsidiaries cannot repay the full loan if demanded the company, the parent company entered into an agreement with its subsidiaries whereby the parent company has guaranteed that if its subsidiaries are unable to pay any of its debt, the parent company will provide the company with a loan to settle the debt. The loan shall be repayable in three equal annual installments and will bear interest at Prime +300 basis points. Based on our assessment, the parent company has sufficient liquidity to guarantee or support these loans.

The maximum exposure to credit risk at the reporting date is the carrying amount of each class of loan receivable mentioned above. The company does not hold any collateral as security.

Fair value of loans to group companies

The carrying amount of loans to group companies approximates its fair value, due to the nature of the loans being repayable on demand.

7. Trade and other receivables

Other receivables	100	100
Accrued collections	255,070	339,186
Guarantee claim - Mokoro Credit Guarantee Proprietary Limited	82,228,165	57,969,879

Non-financial instruments:

VAT	19,186,108	12,109,588
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Total trade and other receivables	101,669,443	70,418,753
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Financial instrument and non-financial instrument components of trade and other receivables

At amortised cost	82,483,335	58,309,165
Non-financial instruments	19,186,108	12,109,588
	101,669,443	70,418,753

Exposure to credit risk

Mokoro Credit Guarantee "MCG" underwrites the potential losses of the Company on vehicles returned by customers and the resultant cancellation of their credit agreement. MCG guarantees that the loss incurred on the cancellation will be recouped when the vehicle, after being repaired and refurbished by the company, is resold to a new customer under a new credit agreement.

The guarantee has been assessed for impairment, but no allowance has been made due to Mokoro Credit Guarantee's ability to repay the guarantee and no uncertainty around the going concern of the entity. The guarantee is mainly made up of stock deals which have not yet been resold and no profit being recognised on the deals.

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8. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Bank balances	10,177,724	13,093,341
Cash and cash equivalents are ceded as part security for the other financial liabilities as per note 10.		
9. Share capital		
Authorised		
100 000 Ordinary shares of no par value		
1 Class A shares of no par value		
Issued		
10 000 Ordinary shares of no par value	11,589,385	11,589,385
1 Class A share of no par value	100	100
	11,589,485	11,589,485
The Class "A" Share entitles the holder to:		
- be entered into the securities register as the registered holder of the "A" Share;		
- exercise one vote on any matter to be decided by the Shareholders of the Company (other than matters which are, in terms of this MOI or the Act, to be decided solely by the holders of any other class/es of Shares).		
The Class "A" Share shall rank pari passu with all ordinary shares provided that the holder of the "A" Share shall not be entitled to:		
- receive any dividends for as long as there are any ordinary shares in issue; and		
- participate in any distribution of the assets of the Company in the event of the liquidation, dissolution or winding-up of the Company (whether voluntary or involuntary), for as long as there are ordinary shares in issue.		
10. Other financial liabilities		
Held at amortised cost		
Secured		
Capital balance outstanding	786,746,449	523,500,000
Accrued interest	19,006,008	11,078,462
Balance payable to the funder	805,752,457	534,578,462
Minus transaction costs *	(5,640,067)	(3,802,500)
	800,112,390	530,775,962
Split between non-current and current portions		
Non-current liabilities	761,886,463	519,697,500
Current liabilities	38,225,927	11,078,462
	800,112,390	530,775,962

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10. Other financial liabilities (continued)

The Lender is RedInk Rentals (RF) Limited

The scheduled repayment date is 15 April 2023 and final repayment date is 15 April 2030

- If the loan is not repaid on the scheduled date, the interest is increased by 1.5 times

- If the loan is not repaid in full on the scheduled repayment date, the loan shall be paid on each interest payment date, as and when cash is available to make such payment.

- Interest is payable quarterly at a weighted average rate of JIBAR+785 basis points, determined quarterly.

As security for the Borrower's obligations under the Revolving Loan Facility Agreement

The company has ceded in securitatem debiti to the Issuer all its right, title and interest in and to all Instalment Sale Agreements, Vehicles, Related Security and its bank account(s) (the "Borrower Security Cession");

Mokoro Holding Company (Pty) Ltd pays for funding fees on behalf of the Company. The fees paid have been allocated to the funding balance in terms of IFRS 9 and have been treated as an additional equity investment from Mokoro Holding Company (Pty) Ltd. Refer to Note 32.

* See note 31 for details regarding the restatement as a result of the prior period error.

11. Deferred tax

Deferred tax liability

S24 allowance	(37,100,718)	(24,314,900)
Tax loss	7,411,200	-
Impairments - ECL	13,386,966	2,149,360
Tax rate change	582,234	-
Total deferred tax liability	(15,720,318)	(22,165,540)

On 23 February 2022, as part of the 2022 budget speech, the South African Minister of Finance announced that the corporate income tax rate applicable to companies will be reduced from 28 percent to 27 percent effective for financial years ending on or after 31 March 2023. As a result the deferred tax balance was calculated at a rate of 27%.

Reconciliation of deferred tax liability

At beginning of year	(22,165,540)	(9,023,961)
Impairments - ECL	11,237,604	946,347
Tax loss	7,411,201	-
S24 allowance	(12,785,817)	(14,682,585)
Raising fees	-	594,659
Tax rate change	582,234	-
	(15,720,318)	(22,165,540)

12. Trade and other payables

Financial instruments:

Trade payables	4,101,089	760,003
Accrued expenses	141,660	344,254
Accrued audit fees	149,150	342,939
	4,391,899	1,447,196

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Figures in Rand	2022	2021
13. Loans from group companies		
Fellow subsidiaries		
Bridge Taxi Finance No 5 Proprietary Limited	110,983,851	100,867,755
Mokoro Credit Guarantee Proprietary Limited	50,269,015	42,140,084
Bridge Taxi Finance No 4 Proprietary Limited	-	4,796
Bridge Taxi Finance GJ Proprietary Limited	26,301,883	37,058,671
Bridge Taxi Finance CMC Proprietary Limited	-	20,000
Bridge Service and Panel Proprietary Limited	-	18,314,455
Bridge Taxi Finance No 2 Proprietary Limited	121,016	11,666,752
	187,675,765	210,072,513

The loans are unsecured, interest free, subordinated and repayable once the liability as set out in Note 10 has been settled.

The loans owed to Bridge Taxi Finance 5 and Bridge Taxi Finance GJ have been subordinated until such time as the other financial liabilities, set out in note 10, have been settled in full.

In terms of the company's latest MOI, the company can only have intercompany loans with Mokoro Holding Company (Holding Company), Bridge Taxi Finance 5, Bridge Taxi Finance GJ and Mokoro Credit Guarantee. Since inception of the company, loans were also provided via the company's other fellow subsidiaries which is not allowed in terms of the MOI, the company is Bridge Taxi Finance 2. In the current year, the company entered into a cession agreement to transfer all loans that are not allowed in terms of the MOI to Mokoro Holding Company (Pty) Ltd.

Split between non-current and current portions

Current liabilities	187,675,765	210,072,513
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Fair value of loans from group companies

The carrying amount of loans from group companies approximates its fair value, due to the nature of the loans being repayable once the funder is settled.

14. Revenue from sale of vehicles

Revenue from sale of vehicles

Intercompany Sales	98,691,104	53,782,215
Sales	254,697,069	100,914,910
	353,388,173	154,697,125

15. Cost of sale of vehicles

Sale of goods	306,251,737	147,990,065
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16. Finance income received

Interest earned - Loans and advances	192,514,881	126,860,196
Contract Admin Fees	1,034,102	736,475
Contract Initiation Fees	1,380,600	696,860
	194,929,583	128,293,531

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Figures in Rand	2022	2021
17. Finance and direct costs		
Cartrack fees	4,398,705	3,146,315
Deal facilitation fee	24,849,565	3,390,435
Deal settlement: Early Cancellations	10,266,325	29,140,764
Fees - funding	473,117	1,766,179
Insurance	38,031,347	24,634,083
Interest - Write-off	50,127,569	10,653,444
Interest paid	74,379,472	47,304,141
Legal fees	1,375,254	1,300,162
	203,901,354	121,335,523
18. Other income		
Insurance commission	4,160,612	2,841,994
19. Extract from operating expenses *		
Accounting and secretarial fees	516,375	825,505
Back office fees **	11,313,475	9,001,234
Insurance claims	2,894,850	(634,348)
Input Vat Non-claimable	690,088	465,927
<i>* See note 31 for details regarding the restatement as a result of the prior period error.</i>		
<i>** R4.7 million of the back office fees is subordinated, until such time as when the funder has been settled.</i>		
20. Investment revenue		
Interest revenue		
Bank	121,545	157,976
21. Taxation		
Major components of the tax expense (income)		
Current		
Local income tax - current period	-	1,518,328
Deferred		
Originating and reversing temporary differences	(11,961,901)	(1,184,645)
	(11,961,901)	333,683
Reconciliation of the tax expense (income)		
Reconciliation between accounting profit (loss) and tax expense (income).		
Accounting profit (loss)	(40,641,663)	1,191,724
Tax at the applicable tax rate of 28% (2021: 28%)	(11,379,667)	333,683
Tax effect of adjustments on taxable income		
Tax rate change	(582,234)	-
	(11,961,901)	333,683

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Figures in Rand		2022	2021
22. Cash used in operations			
Profit (loss) before taxation		(40,641,663)	1,191,724
Adjustments for:			
Funding fees (Mokoro)*		(1,837,567)	(3,802,500)
Mokoro equity investment*		1,837,567	3,802,500
Interest received		(121,545)	(157,976)
Interest accrued	24	74,379,472	47,304,141
Raising fees paid (Non-cash)	24	-	1,901,709
Changes in working capital:			
Inventories		(8,177,976)	(12,764,000)
Trade and other receivables		(31,250,690)	(24,588,897)
Trade and other payables		2,944,703	(960,468)
Loans and advances		(92,241,307)	(45,556,436)
Sale of loans and advances		126,255,827	-
Loans from group companies	25	(65,772,195)	58,800,357
Loans to group companies	25	(158,864)	7,761,109
Purchase of loans and advances		(213,690,151)	(236,080,543)
		(248,474,389)	(203,149,280)

* See note 31 for details regarding the restatement as a result of the prior period error.

23. Tax paid

Balance at beginning of the year	426,073	1,315,131
Current tax for the year recognised in profit or loss	-	(1,518,328)
Balance at end of the year	(2,822,359)	(426,073)
	(2,396,286)	(629,270)

24. Changes in liabilities arising from financing activities

Reconciliation of liabilities arising from financing activities - 2022

	Opening balance	Proceeds	Funding fees (Mokoro)	Repayments	Interest	Closing balance
Other financial liabilities	530,775,961	277,150,152	(1,837,567)	(80,355,627)	74,379,471	800,112,390

Reconciliation of liabilities arising from financing activities - 2021

	Opening balance	Proceeds	Funding fees (Mokoro)	Repayments	Interest	Raising fees (paid) utilised	Closing balance
Other financial liabilities *	287,019,556	241,000,000	(3,802,500)	(42,646,944)	47,304,141	1,901,709	530,775,962

* See note 31 for details regarding the restatement as a result of the prior period error.

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Figures in Rand	2022	2021
25. Movement in group loans		
Loans to group companies		
Mokoro Credit Guarantee Proprietary Limited	-	7,738,805
Bridge Taxi Finance No 4 Proprietary Limited	-	22,304
Bridge Taxi Finance No 7 Proprietary Limited	(2,020)	-
Bridge Taxi Finance Collections Proprietary Limited	(156,844)	-
	(158,864)	7,761,109
Loans from group companies		
Mokoro Credit Guarantee Proprietary Limited	8,128,931	42,140,084
Bridge Taxi Finance GJ Proprietary Limited	(10,756,788)	(14,333,571)
Bridge Taxi Finance No 5 Proprietary Limited	10,116,096	12,574,227
Bridge Taxi Finance No 2 Proprietary Limited	(11,545,736)	(911,909)
Bridge Service and Panel Proprietary Limited	(18,314,455)	11,470,779
Bridge Taxi Finance No 4 Proprietary Limited	(4,796)	4,796
Bridge Taxi Finance CMC Proprietary Limited	(20,000)	-
Total loans from group companies	(22,396,748)	50,944,406
Deferred tax on loans and advances purchased	5,516,679	14,326,224
Non-cash portion of loans and advances (purchased)	(48,892,126)	(6,470,273)
Non-cash movement	(65,772,195)	58,800,357
Movement in holding company loans		
Loans to holding company		
Mokoro Holding Company Proprietary Limited	51,038,988	12,898,166
26. Related parties		
Relationships		
Holding company	Mokoro Holding Company Proprietary Limited	
Co-subsiaries	Mokoro Credit Guarantee Proprietary Limited	
	Bridge Taxi Finance CMC Proprietary Limited	
	Bridge Taxi Finance No 4 Proprietary Limited	
	Bridge Taxi Finance No 2 Proprietary Limited	
	Bridge Taxi Finance GJ Proprietary Limited	
	Bridge Service and Panel Proprietary Limited	
	Bridge Taxi Finance Collections Proprietary Limited	
	Bridge Taxi Finance No 7 Proprietary Limited	
	Bridge Taxi Finance No 5 Proprietary Limited	
	The Bridge Taxi Finance No 6 SPV Owner Trust	
Class A Shareholder		
Related party balances		
Loan accounts - Owing (to) by related parties		
Bridge Taxi Finance No 7 Proprietary Limited	2,020	-
Mokoro Holding Company Proprietary Limited	15,996,416	67,035,404
Bridge Taxi Finance No 4 Proprietary Limited	-	(4,796)
Bridge Taxi Finance No 5 Proprietary Limited	(110,983,851)	(100,867,755)
Bridge Taxi Finance CMC Proprietary Limited	-	(20,000)
Bridge Taxi Finance GJ Proprietary Limited	(26,301,883)	(37,058,671)
Bridge Taxi Finance No 2 Proprietary Limited	(121,016)	(11,666,752)
Mokoro Credit Guarantee Proprietary Limited	(50,269,015)	(42,140,084)
Bridge Service and Panel Proprietary Limited	-	(18,314,455)
Bridge Taxi Finance Collections Proprietary Limited	156,844	-
	(171,520,485)	(143,037,109)

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Figures in Rand	2022	2021
26. Related parties (continued)		
Related party transactions		
Vehicle purchases from (sales to) related parties		
Mokoro Credit Guarantee Proprietary Limited (Deal Facilitation)	24,849,565	3,390,435
Mokoro Credit Guarantee Proprietary Limited (Deemed cost of sales)	81,447,196	53,782,215
Mokoro Credit Guarantee Proprietary Limited	(81,447,196)	(53,782,215)
Mokoro Credit Guarantee Proprietary Limited	224,804,540	94,207,850
	249,654,105	97,598,285
Management fees fees paid to (received from) related parties		
Mokoro Holding Company Proprietary Limited	11,313,475	9,001,234
Guarantee claims balance from related party		
Mokoro Credit Guarantee Proprietary Limited	82,228,165	57,969,879
Mokoro Contribution		
Mokoro Holding Company Proprietary Limited	10,168,503	7,055,380

27. Directors' emoluments

The director is paid by the Holding Company. The other two directors are not paid a salary.

Executive

2022

	Remuneration	Travel Allowance	Bonus and performance related payments	Directors' fees	Total
GD van Wyngaardt	2,712,000	60,000	1,518,000	480,000	4,770,000

2021

	Remuneration	Travel Allowance	Total
GD van Wyngaardt	2,580,000	60,000	2,640,000

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28. Financial instruments and risk management

Pre tax gains and losses on financial instruments

Gains on financial assets

2022

	Note(s)	Amortised cost	Total
Recognised in profit or loss:			
Interest revenue	20	121,545	121,545

2021

	Note(s)	Amortised cost	Total
Recognised in profit or loss:			
Interest revenue	20	157,976	157,976

Capital risk management

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

Financial risk management

Credit risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

Financial Risk Management

As a result of its businesses, the entity is exposed to risks arising from taxi operators failure to repay or service debt in accordance with the contractual terms.

The company has established internal guidelines for risk controlling procedures and for the use of financial instruments, including a clear segregation of duties with regard to financial activities, settlement, accounting and the related controlling. The guidelines and systems are regularly reviewed by the servicer's credit committee and adjusted to changes in markets and client behaviour.

Credit Risk Management

The business model is based on a value proposition of rewarding clients (reduced interest rates) on a behaviour model (loan payment, vehicle maintenance and driver behaviour) which is used as a tool to reduce credit risk as the longer the minibus taxi's are on the road the more the client will pay and the lower the credit risk. The company's insurance of fleet reduces the cost to an individual whilst ensuring insurable risk is managed and in place over the fleet. Quality and ongoing maintenance of vehicles is secured by way of strategic investments in vehicle importers (control vehicles specs and continuity of supply) and parts & accessory suppliers. Exposure to credit risk is managed by assessing the customers ability to pay their debt based on the potential earning of the minibus taxi after consideration of a predefined excess of the gross fare. The entity further places maximum exposure limits over routes and associations.

The credit policy is designed to ensure that the credit process is efficient for the applicant while providing the entity with the necessary details to make informed credit decisions.

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Notes to the Annual Financial Statements

28. Financial instruments and risk management (continued)

The company takes the following into consideration in granting credit to respective customers:

- Bridge only finances Chinese branded minibus taxi which it imports.
- Bridge includes the below in its business rules:
 - Taxi Model:
 - 14 seater
 - 16 seater
 - Clients age and experience
 - Telephonic verification with the association
 - Telephonic verification with Two Next of Kin's.
 - Telephonic verification with the client.
 - Insurance and cartrack confirmation
 - Affordability assessments
 - Credit checks

The company does not apply modifications (term-extensions) to its clients but rather offer clients replacement vehicles or assistance with repairs to clients who have shown proven payment performance and have had operational issues with the vehicle (e.g. mechanical breakdown or accident). A new credit agreement is drafted for the new vehicle. The client receives all interest rate reductions received previously at the inception of the new agreement. Due to the fact that a vehicle is an asset that generates future economic benefits, the company understands that the client is unable to pay if the vehicle is out of operation, however, the company does not proactively restructure distressed clients.

Business model

The model applied by the group to measure the performance of the company's loans and advance are as follows:

- A 'qualifying payment' is more than 50% of the instalment raised over a 3-month cycle.
- A 'cycle' is a calendar month from the 'go live date' therefore 30 days.
- Minimum mileage is the lowest number of kilometers travelled in any month of the last three months analysed
- Average mileage is 50% of the average total group pre-Covid-19 mileage.

Non-Performing Loan Definition

Non- performing loans (NPL): Is any loan which is 90 days past due where a client failed to make a qualifying payment and their minimum mileage over the last 3 months is more than 50% of the average mileage.

Non-Trading Loan Definition

Non trading loans: These are NPL where the clients minimum mileage over the last 3 months are less than 50% of the average mileage.

If the clients do not complete the average mileage in each of the previous 12 months then the client will be moved to the NPL category. This means that if a client does not trade for 12 months and does not pay then the client will be considered an non-performing loan.

The above category, based on the average mileage, will be reassessed on an annual basis to represent the most reliable and comparable average mileage.

Collections:

The company has always made use of telematics software to manage and monitor the fleet of vehicles. The business model has always catered for clients whereby if the client is not trading, being a developmental credit provider, the group would not request payments from the clients until such time the vehicle is trading and earning an income.

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28. Financial instruments and risk management (continued)

Mokoro Contribution:

During the 2021 and 2022 reporting periods Mokoro Holding Company subsidised its deserving clients with 50% of their instalments for the months, November, February, May and September, the contributions made during the current reporting period is expected to be recovered from the client.

Interest write off:

While the Bridge business process is not to expect payment from non-trading clients. The abnormal period that these clients were not trading, made it likely that we will not recover all the interest in the future relating to the extended non-trading period. This is why the board had approved the decision to write off 33% of the interest raised on all non trading clients over the reporting period. The interest write off was raised as an expense and disclosed under finance and direct cost. The write off is in addition to the write off stipulated in the Accounting Policy Note 1.9. Refer to Note 1.10 for further details on the change in estimate for the 2022 year.

Method of provisioning and fair valuing

Bridge takes the following into consideration in granting credit to prospective customers:

- Vehicle type;
- Validity of the taxi route;
- Client's ability to pay using a route calculator (affordability check); and
- Verification of details and credit history against independent credit bureaus.

Based on the Bridge business model, all repair costs are recouped in the group and bear no additional cost to the underlying asset. Continued investment into parts procurement is expected to assist in mitigating inflationary effects on repair costs in the foreseeable future.

The group typically holds vehicles (taxis) as collateral against secured advances. The taxis are insured by way of comprehensive motor policy (including violation cover). Any security taken as part of the credit decision is valued according to the applicable credit policies at the time of credit approval and at regular intervals thereafter. The market value of collateral over the secured debt is calculated with reference to the expected recovery being the future selling price, or selling prices achieved in the active second hand taxi market, whichever is applicable.

Due to the specialised nature of the group's businesses, a certain degree of concentration in the collateral underpinning the various portfolios cannot be avoided. At the statement of financial position date, the group did not consider there to be any significant concentration of credit risk which has not been adequately provided for.

The maximum exposure to credit risk is presented in the table below:

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28. Financial instruments and risk management (continued)

		2022			2021		
		Gross carrying amount	Credit loss allowance	Amortised cost / fair value	Gross carrying amount	Credit loss allowance	Amortised cost / fair value
Cash and cash equivalents	8	10,177,724	-	10,177,724	13,093,341	-	13,093,341
Trade and other receivables	7	82,483,335	-	82,483,335	58,309,165	-	58,309,165
Loans to group companies	6	16,155,280	-	16,155,280	67,035,404	-	67,035,404
Loans and advances	4	902,265,602	(79,684,307)	822,581,295	606,807,352	(12,793,812)	594,013,540
		1,011,081,941	(79,684,307)	931,397,634	745,245,262	(12,793,812)	732,451,450

2022 - Ageing of expected credit loss allowance

Performing Loans

	Gross loans and advances	Expected credit loss allowance	Net loans and advances
Advance	200,132,299	(9,019,527)	191,112,772
Current	18,683,037	(244,767)	18,438,270
30 days	11,765,678	(13,757)	11,751,921
60 days	10,337,819	(6,557)	10,331,262
90 days	8,601,991	(211,014)	8,390,977
120 days	156,507,682	(8,694,042)	147,813,640
	406,028,506	(18,189,664)	387,838,842

Non-trading loans

Advance	33,389	-	33,389
Current	374,895	(14)	374,881
30 days	234,705	(21)	234,684
60 days	1,624,307	(162)	1,624,145
90 days	5,630,417	(495)	5,629,922
120 days	445,525,984	(58,893,873)	386,632,111
	453,423,697	(58,894,565)	394,529,132

Non-performing loans

Advance	-	-	-
Current	-	-	-
30 days	-	-	-
60 days	-	-	-
90 days	-	-	-
120 days	42,813,399	(2,600,078)	40,213,321
	42,813,399	(2,600,078)	40,213,321
	902,265,602	(79,684,307)	822,581,295

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28. Financial instruments and risk management (continued)

2021 - Ageing of expected credit loss allowance

Performing Loans

	Gross loans and advances	Expected credit loss allowance	Net loans and advances
Advance	64,129,915	(1,038,276)	63,091,639
Current	41,261,354	(688,151)	40,573,203
30 days	18,921,172	(281,821)	18,639,351
60 days	28,176,568	(460,299)	27,716,269
90 days	13,362,412	(212,999)	13,149,413
120 days	294,961,363	(6,343,378)	288,617,985
	460,812,784	(9,024,924)	451,787,860

Non-trading loans

Advance	-	-	-
Current	-	-	-
30 days	-	-	-
60 days	3,090,774	(50,492)	3,040,282
90 days	10,504,372	(167,442)	10,336,930
120 days	97,145,434	(2,089,190)	95,056,244
	110,740,580	(2,307,124)	108,433,456

Non-performing loans

Advance	-	-	-
Current	-	-	-
30 days	-	-	-
60 days	2,919,049	(108,837)	2,810,212
90 days	3,565,873	(131,542)	3,434,331
120 days	28,769,066	(1,221,385)	27,547,681
Subtotal	35,253,988	(1,461,764)	33,792,224
	606,807,352	(12,793,812)	594,013,540

Liquidity risk

The company's risk to liquidity, relates to the risk that the company will have insufficient funds to pay its creditors, as well as the risk that the company will not be able to refinance its funding loans when they fall due. The company manages liquidity risk through an ongoing review of future commitments and credit facilities.

Cash flow forecasts are prepared and adequate utilised borrowing facilities are monitored.

The maturity profile of contractual cash flows of non-derivative financial liabilities, and financial assets held to mitigate the risk, are presented in the following table. The cash flows presented are undiscounted contractual amounts.

2022

		Less than 1 year	2 to 6 years	Total	Carrying amount
Liabilities					
Trade and other payables	12	-	4,391,898	4,391,898	4,391,898
Loans from group companies	13	-	187,675,765	187,675,765	187,675,765
Other financial liabilities	10	150,791,465	1,191,070,026	1,341,861,491	800,112,390
		150,791,465	1,383,137,689	1,533,929,154	992,180,053

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28. Financial instruments and risk management (continued)

2021

		Less than 1 year	2 to 6 years	Total	Carrying amount
Liabilities					
Trade and other payables	12	1,447,195	-	1,447,195	1,447,195
Loans from group companies	13	210,072,513	-	210,072,513	210,072,513
Other financial liabilities*	10	56,573,199	537,783,166	594,356,365	530,775,962
		268,092,907	537,783,166	805,876,073	742,295,670

* See note 31 for details regarding the restatement as a result of the prior period error.

Interest rate risk

Fluctuations in interest rates impact other financial liabilities, and gives rise to interest rate risk.

As the company has no significant interest-bearing assets that are linked to a fluctuating interest rate the company's income and operating cash flows are substantially independent of changes in market interest rates.

At 30 September 2022, if interest rates on other financial liabilities had been 2% (2021: 2%) higher/lower with all other variables held constant, post-tax profit for the year would have been R 11 521 618 (2021: R 7 697 929) lower/higher, mainly as a result of higher/lower interest expense on floating rate borrowings.

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29. Going concern

In determining the appropriate basis of preparation of the annual financial statements, the directors are required to consider whether the company can continue as a going concern for the foreseeable future, which is at least 12 months following the date on which the annual financial statements are released.

The annual financial statements are prepared on a going concern basis. The company is an insolvency remote special purpose vehicle ("SPV") structured to limit any potential event that could impact the company's ability to continue as a going concern. The company currently has a negative net asset value largely due to the following:

- The company changed its estimate on the measurement of impairments on loans and advances as well the write off on interest, this resulted in an increased write off, of R30.5 million and an increased ECL provision of R57 million, refer to Change in Estimate Note 1.10.
- The company incurred R4.7 million worth of management fees during the current year, these management fees have been subordinated until such time as when the funder has been repaid.
- The company further wrote off an additional R19.5 million worth interest of the non-trading customers interest.

All of the above contributed to the company's accumulated losses during the 2022 year.

Even though the company is technically insolvent the directors still believe that the company is a going concern and commercially solvent. In reaching this conclusion the directors considered the following:

- The company has been trading profitably for the first 5 months of 2023, and is expected to continue doing so for the following months, with the collections being in line with the prior year and the company's expectations.
- Forecasts prepared indicated future profits, these forecasts considered the sustained return to profitability of the company, and that the funding facilities remain intact. It also considered the impact of the impairment as mentioned previously. The forecasts are prepared under normal trading circumstance. The purpose of the company is to purchase instalment sale agreements. It is not the intention of the company to hold these instalment sale agreements for a long period of time and is inline with the agreement where the company sells instalment sale agreements to other entities.
- The company's current ratio is currently sitting at 1.62, which is largely due to the inter-company loans of R188 million. The company also entered into subordination agreements with its fellow group company's loans, whereby the group companies agreed not to demand or accept payment of amounts owing to them until such time as the funder is settled. Mokoro Holding Company (Pty) Ltd ("Mokoro") also provided its fellow subsidiaries with a guarantee that in the event that they cannot repay the company, Mokoro will provide them with a loan to settle the debt owed to the company.
- At year end the company was up to date with all its payments and there was no breach in covenants.

The board of directors has satisfied itself that the company has the ability to continue as a going concern, given the nature of the entity being an insolvency remote ring-fenced special purpose entity with the credit risk of its transaction assets effectively being borne by transaction specific noteholders (see note 10).

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

The directors have satisfied themselves that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet 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.

30. Events after the reporting period

The directors are not aware of any other material events which occurred after the reporting date and up to the date of this report.

Bridge Taxi Finance No 6 (RF) Proprietary Limited

(Registration number 2018/252795/07)

Annual Financial Statements for the year ended 30 September 2022

Notes to the Annual Financial Statements

31. Prior period error

During the current year it was identified that Mokoro Holding Company Proprietary Limited, has been paying funding fees to Red Inc on behalf of the Company. Upon further investigations it was established that these fees should've been capitalised to the funding balance that was provided by Red Inc in terms of IFRS 9 and the fees paid should've been treated as an additional investment from Mokoro Holding Company Proprietary Limited. In terms of IAS 8, the error has been corrected by restating each of the affected financial statement line items for prior periods. The error had no impact on the 2020 or earlier financial statements and as a result no 3rd column was presented in the Statement of Financial Position. The following table summarises the impact on the financial statements. This error has no impact on the Statement of Cashflows, or Statement of Profit and loss.

Statement of Financial Position	2021 - previously disclosed	Adjustments	2021 - Restated
Equity and Liabilities			
Other non-distributable reserve	-	3,802,500	3,802,500
Total Equity	5,556,692	3,802,500	9,359,192
Liabilities			
Other financial liabilities	534,578,462	(3,802,500)	530,775,962
Total liabilities	768,263,711	(3,802,500)	764,461,211
Total Equity and Liabilities	773,820,403	-	773,820,403

Mokoro Holding Company (Pty) Ltd have applied the same principle to account for the funding fees paid and as a result increased it's investment in the Company.

Statement of Profit and Loss presentation

During the current year it was identified that the impairment on financial assets was not presented separately on the face of the Statement of Profit or Loss. In terms of IAS 8, the error has been corrected by restating each of the affected financial statement line items for prior periods. The following tables summarise the impacts on the financial statements. This error has no impact on the Statement of Cashflows, or Statement of Financial Position.

Profit or Loss

Impairment of financial assets (ECL)	-	(5,633,022)	(5,633,022)
Other operating expenses	(15,473,314)	5,633,022	(9,840,292)

32. Other non-distributable reserve

Mokoro Holding Company (Pty) Ltd pays for funding fees on behalf of the Company. The fees paid have been allocated to the Funding balance in terms of IFRS 9 and have been treated as an additional equity investment from Mokoro Holding Company (Pty) Ltd.

* See note 31 for details regarding the restatement as a result of the prior period error.

Mokoro Equity Investment *	5,640,067	3,802,500
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