VACUFORM 2000 Proprietary Limited

(Registration No. 1999/017013/07)

Annual Financial Statement

For the year ended 31 March 2023

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The financial statements of Vacuform 2000 Proprietary Limited have been audited in compliance with S30 of the Companies Act.

These annual financial statements for the year ended 31 March 2023 were published on 8th November 2023.

General information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Manufactures and sells thermo-formed plastic, polyurethane. and automotive components
Directors	A Taylor (Managing Director) MMD Mokgatle RJ Manyapye BK Garg A Bhakri R Gupta V Johri
Registered address	155 Van Eden Crescent Rosslyn East 0200
Business address	155 Van Eden Crescent Rosslyn East 0200
Postal address	PO Box 911-312 Rosslyn 0200
Holding company	MSSL Mauritius Holdings Limited Incorporated in Mauritius
Ultimate holding company	Samvardhana Motherson International Limited (Formerly Motherson Sumi Systems Limited) Incorporated in India
Bankers	The Standard Bank of South Africa Limited First National Bank Nedbank Limited
Auditors	Ernst & Young Inc.
Company registration number	1999/017013/07
Level of assurance	These annual financial statements have been audited in compliance with the applicable requirements of the Companies Act of South Africa.

Published

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

Directors' Responsibilities and Approval

The directors are required in terms of the Companies Act of South Africa to maintain adequate accounting records and are responsible for the content and integrity of the 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 year end and the results of its operations and cash flows for the year 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 supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the directors set standards for internal control aimed at reducing the risk of error or loss in a cost-effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all know forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimize it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute assurance against material misstatement or loss.

The directors have reviewed the company's cash flow forecast for the year to 31 March 2024 and, in the light of this review and the current financial position, they are satisfied that the company has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the company's annual financial statements. The annual financial statements have been examined by the company's external auditors and their report is presented on pages 5 to 7.

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

The annual financial statements set out on pages 10 to 40 which have been prepared on the going concern basis, were approved by the directors on 08/11/2023 and are signed on its behalf by:

Director	**Director**
AJ Taylor	**Raffikuddin Sharfuddin Sayyed**

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Independent Auditor's Report

To the Shareholders of Vacuform 2000 Proprietary Limited

Report on the Audit of the Annual Financial Statements

Opinion

We have audited the annual financial statements of Vacuform 2000 Proprietary Limited ('the company') set out on pages 10 to 40, which comprise the statement of financial position as at 31 March 2023, 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 annual financial statements, including a summary of significant accounting policies.

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of Vacuform 2000 Proprietary Limited 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 annual 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 annual financial statements of the company and 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 of the company and 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 40-page document titled: "Vacuform 2000 Proprietary Limited Annual Financial Statements for the year ended 31 March 2023", which includes the Directors' Report as required by the Companies Act of South Africa. The other information does not include the annual financial statements and our auditor's report thereon.

Our opinion on the annual 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 annual financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the annual 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 Annual Financial Statements

The directors are responsible for the preparation and fair presentation of the annual financial statements in accordance with IFRSs, and for such internal control as directors determines is necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, the directors is 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 directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Annual Financial Statements

Our objectives are to obtain reasonable assurance about whether the annual 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 annual financial statements.

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

- Identify and assess the risks of material misstatement of the annual 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 directors.

- Conclude on the appropriateness of 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 annual 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 annual financial statements, including the disclosures, and whether the annual 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.

DocuSigned by:
Ernst & Young Inc
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Ernst & Young Inc.
Director – Reema Tajpal
Registered Auditor
Chartered Accountant (SA)

08 November 2023

Directors' Report

The directors submit their report for the year ended 31 March 2023.

1. Incorporation

The company was incorporated in South Africa on 6 August 1999 and obtained its certificate to commence business on same day.

2. Review of activities

Main business and operations

The company is engaged in manufacturing and selling of thermo – formed plastic, polyurethane and automotive components and operates principally in South Africa.

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

Net loss of the company was R 12 896 137 (2022: Loss of R 685 751).

Registered office	155 Van Eden Crescent Rosslyn East 0200
Business address	155 Van Eden Crescent Rosslyn East 0200
Postal address	PO Box 911 – 312 Rosslyn 0200

3. General review of operations

The financial position of the company and the results of its operations for the year is set out in the attached annual financial statements and do not require further amplifications.

4. Events after the reporting period

The directors are not aware of any other matter or circumstance arising since the end of the financial year that would materially impact the annual financial statements.

5. Authorised and issued share capital.

There were no changes in the authorised or issued share capital of the company during the year under review.

6. Property, plant and equipment

There were no changes in the nature of property, plant and equipment in the policy regarding their use during the financial period.

7. Borrowings

No new borrowings were received.

8. Dividends

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

9. Directors

The directors of the company during the year and to the date of this report are as follows:

Name	Nationality
AJ Taylor (Managing Director)	South African
MMD Mokgatle	South African
RJ Manyapye	South African
BK Garg	Australian
A Bhakri	Indian
R Gupta	Indian
V Johri	Indian

10. Secretary

The company has not appointed a secretary.

11. Auditors

Ernst & Young Inc will continue in office in accordance with section 90 of the Companies Act of South Africa.

12. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

13. Holding company

The company's holding company is MSSL Mauritius Holdings Limited incorporated in Mauritius.

14. Ultimate holding company

The company's ultimate holding company is Samvardhana Motherson International Limited incorporated (Formerly Motherson Sumi Systems Limited) in India.

15. Liquidity and solvency

The directors have performed the required liquidity and solvency test required by the Companies Act of South Africa.

Vacuform 2000 Proprietary Limited
(Registration Number: 1999/017013/07)
Financial Statements for the year ended 31 March 2023
Statement of Financial Position as at 31 March 2023

	Note	31 March 2023 R	31 March 2022 R
Assets			
Non-current assets			
Property, plant and equipment	*6*	62 345 374	49 171 066
Right-of-use assets	*7*	1 439 269	1 730 836
Goodwill	*8*	2 356 476	2 356 476
Intangible assets	*9*	-	-
		66 141 119	53 258 379
Current assets			
Inventories	*10*	18 948 144	26 135 950
Trade and other receivables	*11*	61 316 068	55 357 298
Cash and cash equivalents	*12*	6 160 408	10 882 370
Current Tax receivable		-	-
		86 424 620	92 375 618
Total assets		152 565 739	145 633 996
Equity and liabilities			
Equity			
Share capital	*13*	1 100 100	1 100 100
Retained income		(11 849 531)	1 046 606
		(10 749 431)	2 146 706
Liabilities			
Non-current liabilities			
Long term liabilities	*14*	-	-
Loans from shareholders	*15*	67 439 365	62 439 658
Long Term lease liabilities	*18*	924 377	1 301 245
		68 363 742	63 740 903
Current liabilities			
Current portion of long-term liabilities	*14*	-	28 825
Loans from shareholders	*15*	-	1 476 617
Trade and other payables	*16*	82 349 001	77 512 545
Deferred tax Liability	*17*	4 123 869	99 661
Bank Overdraft	*18*	7 769 314	-
Short term lease liabilities	*19*	709 244	628 739
		94 951 428	79 746 387
Total Liabilities		163 315 170	143 487 290
Total equity and liabilities		152 565 739	145 633 996

Vacuform 2000 Proprietary Limited
(Registration Number: 1999/017013/07)
Financial Statements for the year ended 31 March 2023
Statement of Profit or Loss and Other Comprehensive Income

	Note	31 March 2023 R	31 March 2022 R
Revenue	*20*	165 524 244	134 558 496
Cost of sales	*21*	(106 841 330)	(88 712 016)
Gross profit		58 682 914	45 846 479
Other income	*22*	4 194 646	1 441 711
Operating expenses	*23*	(68 040 409)	(45 415 793)
Operating (loss) / profit		(5 162 849)	1 872 397
Investment revenue	*24*	27 390	357 774
Finance costs	*25*	(3 736 470)	(2 915 922)
Loss before taxation		(8 871 929)	(685 751)
Tax expense	*26*	(4 024 208)	-
Loss for the year		(12 896 137)	(685 751)
Total comprehensive loss for the year		**(12 896 137)**	**(685 751)**

Vacuform 2000 Proprietary Limited
(Registration Number: 1999/017013/07)
Financial Statements for the year ended 31 March 2023
Statement of Changes in Equity

	Share Capital	Share premium	Retained income/ (Accumulated loss)	Total
	R	R	R	R
Balance as at 31 March 2021	**100**	**1 100 000**	**1 732 357**	**2 832 457**
Total comprehensive loss for the year	-	-	(685 751)	(685 751)
Balance as at 31 March 2022	**100**	**1 100 000**	**1 046 606**	**2 146 706**
Total comprehensive loss for the year	-	-	(12 896 137)	(12 896 137)
Balance as at 31 March 2023	**100**	**1 100 000**	**(11 849 531)**	**(10 749 431)**

Statement of Cash Flows

	Note	31 March 2023 R	31 March 2022 R
Cash flows from operating activities			
Cash generated from / (Utilised by) operations	*28*	12 737 605	(5 578 161)
Interest income		27 390	357 774
Finance cost		(3 549 253)	(2 665 863)
Net cash flows from operating activities		9 215 742	(7 886 250)
Cash flows from investing activities			
Purchase of property, plant, and equipment to expand operations		(18 937 411)	(1 162 935)
Proceeds from sale of plant and equipment		-	18 804
Net cash flows from investing activities		(18 937 411)	(1 144 131)
Cash flows from financing activities			
Shareholders' loans advanced		4 999 707	2 650 755
Long-term liabilities repaid		-	(357 460)
Net cash flows from financing activities		4 999 707	2 293 295
Total cash and cash equivalents movement for the year		(4 721 962)	(6 737 085)
Cash at beginning of the year		10 882 370	17 619 455
Total cash and cash equivalents at end of the year	*12*	6 160 408	10 882 370

Accounting Policies

Vacuform 2000 Proprietary Limited (the company) is a company domiciled in the Republic of South Africa.

1. Basis of preparation

The annual financial statements have been prepared in accordance with International Financial Reporting Standards, and the Companies Act of South Africa. The annual financial statements have been prepared on the historical cost basis, except for certain financial instruments that are measured at fair value and incorporate the principal accounting policies set out below. They are presented in South African Rand.

These accounting policies are consistent with the previous period.

1.1 Significant judgements and sources of estimation uncertainty

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements.

Significant judgements include:

Trade receivables
The company assesses its trade receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in profit or loss, the company makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

Appropriate allowances for estimated irrecoverable amounts are recognised in profit/loss when there is objective evidence that the balance is impaired, significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments are considered indicators that the receivable is impaired.

Impairment testing
The company reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. In addition, goodwill is tested on an annual basis for impairment. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared for expected future cash flows for each group of assets. Expected future cash flows used to determine the value in use of goodwill are inherently uncertain and could materially change over time. They are significantly affected by a number of factors, together with other economic factors.

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

The company recognises the net future tax benefit related to deferred income tax assets to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future. Assessing the recoverability of deferred income tax assets requires the company to make significant estimates related to expectations of future taxable income. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the company to realise the net deferred tax assets recorded at the end of the reporting period could be impacted.

Accounting Policies

1.1 Significant judgements and sources of estimation uncertainty (continued)

Residual values and useful lives of plant and equipment
The directors reviewed the residual values, useful lives and carrying amount of its plant and equipment to determine the appropriate level of depreciation and whether there is any indication that those assets have suffered an impairment loss. The directors judged a residual value of zero as a result of the fact that furniture and equipment are held for trading and are normally scrapped.

1.2 Property, plant and equipment

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

Property, plant and equipment is initially measured at cost.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the profit or loss during the financial period in which they are incurred.

The cost of self-constructed assets includes the cost of material and direct labour.

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property, plant and equipment, where the entity is obligated to incur such expenditure, and where the obligation arises as a result of acquiring the asset or using it for purposes other than the production of inventories.

Land is not depreciated. Property, plant and equipment is depreciated on the straight-line basis over its expected useful lives to the estimated residual value.

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

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

Item	**Average useful life**
Buildings	20 years
Computer equipment	3 years
Furniture and fittings	10 years
Motor vehicles	5 years
Plant and equipment	10 years
Electrical installation	10 years
Moulds	3 years
Office equipment	5 years

Capital work in progress is reflected at cost and is only depreciated once available for use as intended by management.

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

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

Accounting Policies

1.2 Property, plant and equipment (continued)

The depreciation charge for each period is recognised in profit or loss unless it is included in the carrying amount of another asset.
The gain or loss arising from the de-recognition of an item of property, plant and equipment is included in profit or loss when the item is derecognised. The gain or loss arising from the de-recognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Assets acquired by instalments sale agreements.

Assets acquired in terms of instalment credit agreements are capitalised at their cash cost equivalent and the corresponding liability to the financier is raised. Instalments paid are allocated using the effective interest rate method to determine the finance cost, which is charged against income, and the capital repayment, which reduces the liability to the financier. These assets are depreciated on the same basis as similar categories of property, plant and equipment owned by the company over the estimated useful life of the asset.

1.3 Goodwill

Goodwill arises on the acquisition of subsidiaries, associates and joint ventures and represents the excess of the consideration transferred over the net fair value of the net identifiable assets, liabilities and contingent liabilities of the acquired and the fair value of the non-controlling interest in the acquiree. Goodwill on acquisitions of subsidiaries is included in ‘intangible assets.’ Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of any entity include the carrying amount of goodwill relating to the entity sold.

Goodwill represents the excess of the cost of an acquisition over the fair value of the company’s share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in ‘intangible assets.’

Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

1.4 Intangible assets

An intangible asset is recognised when:

- it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and the
- cost of the asset can be measured reliably.

Intangible assets are initially recognised at cost.

An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

- it is technically feasible to complete the asset so that it will be available for use or sale.
- there is an intention to complete and use or sell it.
- there is an ability to use or sell it.
- it will generate probable future economic benefits.
- there are available technical, financial and other resources to complete the development and to use or sell the asset.
- the expenditure attributable to the asset during its development can be measured reliably.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

Accounting Policies

1.4 Intangible assets (continued)

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. For all other intangible assets amortisation is provided on a straight-line basis over their useful life.

The amortisation period and the amortisation method for intangible assets are reviewed every period-end.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result, the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Item	Useful life
Computer software	3 years

1.5 Financial instruments

Classification

The company classifies financial assets and financial liabilities into the following categories:

- Loans and receivables
- Financial liabilities measured at amortised Cost.

Classification depends on the purpose for which the financial instruments were obtained / incurred and takes place at initial recognition.

Initial recognition and measurement

Financial instruments are recognised initially when the company becomes a party to the contractual provisions of the instruments.

The company classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Financial instruments are measured initially at fair value, except for equity investments for which a fair value is not determinable, which are measured at cost and are classified as available-for-sale financial assets.

For financial instruments which are not at fair value through profit or loss, transaction costs are included in the initial measurement of the instrument.

Transaction costs on financial instruments at fair value through profit or loss are recognised in profit or loss.

Subsequent measurement

Loans and receivables are subsequently measured at amortised cost, using the effective interest method, less accumulated impairment losses.

Available-for-sale financial assets are subsequently measured at fair value. This excludes equity investments for which a fair value is not determinable, which are measured at cost less accumulated impairment losses.

Accounting Policies

1.5 Financial instruments (continued)

Subsequent measurement (continued)

Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in equity until the asset is disposed of or determined to be impaired.

Interest on available-for-sale financial assets calculated using the effective interest method is recognised in profit or loss as part of other income. Dividends received on available-for-sale equity instruments are recognised in profit or loss as part of other income when the company's right to receive payment is established.

Changes in fair value of available-for-sale financial assets denominated in a foreign currency are analysed between translation differences resulting from changes in amortised cost and other changes in the carrying amount. Translation differences on monetary items are recognised in profit or loss while translation differences on non-monetary items are recognised in other comprehensive income and accumulated in equity.

Financial liabilities at amortised cost are subsequently measured at amortised cost, using the effective interest method.

Loans to shareholders, directors, managers and employees

These financial assets are classified as loans and receivables.

Trade and other receivables

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

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in profit or loss within operating expenses. When a trade receivable is uncollectable, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against operating expenses in profit or loss.

Trade and other receivables are classified as loans and receivables.

Trade and other payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

Gains and losses on subsequent measurement

Gains and losses arising from the change in fair value of the financial instruments that are not part of a relationship are included in net profit or loss for the period in which the change occurs.

Accounting Policies

1.5 Financial instruments (continued)

Offsetting financial instruments

Financial assets and liabilities are offset, and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

1.6 Income tax

Current income tax assets and liabilities

Current income 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 income 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.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. A deferred tax asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for the carry forward of unused tax losses 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.

Income 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.

Accounting Policies

1.6 Income tax (continued)

Income tax expenses (continued)

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.

1.7 Leases

The company has applied IFRS 16 using the modification retrospective approach and therefore the comparative information has not been restated and continues to be reported under IAS 17 and IFRIC 4 are disclosed separately if they are different from those under IFRS 16 and the impact of changes is disclosed in notes 27.

A. Significant accounting policy

At inception of a contract, the company assesses whether a contract is, or contains, a lease. A contract is or contains, a lease if the contract conveys the right to control the use of an identified assets for a period of time in exchange for the consideration. To assess whether a contract conveys the right to control the use of an identified assets, the company assesses whether.

- The contract involves the use of an identified asset- this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified:
- The company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use: and
- The company has the right to direct the use of the assets. The company has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare case where the decision about how and for what purpose the asset is used is predetermined, the company has the right to direct the use of the asset if either:
- The company has the right to operate the asset: or
- The company designed the asset in a way that predetermines how and for what purpose it will be used.

Policy applicable from 1st April 2019

For contracts entered into before 1st April 2019, the company determined whether the arrangement was or contained a lease based on the assessment of whether:

Fulfilment of the arrangement was dependent on the use of a specific asset or assets; and

- The arrangement has conveyed a right to use the asset. An arrangement conveyed the right to use the asset if one of the following was met.
- The purchaser has the ability or right to control physical access to the asset while obtaining or controlling more than an insignificant amount of the output; or
- Facts and circumstances indicated that it was remote that other parties would take more than an insignificant amount of the output, and the price per unit was neither fixed per unit of output nor equal to the current market price per unit of output.

Accounting Policies

1.8 Inventories

Inventories are measured at the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

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. It excludes borrowing costs.

Raw materials and consumable stores and spares are measured at costs or net realisable value on weighted Average basis.

Work in progress is measured at cost of raw material, determined as above, direct labour and an appropriate portion of manufacturing overheads.

1.9 Impairment of non-financial assets

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

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

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.
The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

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

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

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

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

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

Accounting Policies

1.10 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service), are recognised in the period on which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

1.11 Provisional and contingencies

Provisions are recognised when:

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

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

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

Provisions are not recognised for future operating losses.

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

1.12 Government grants

Government grants are recognised when there is reasonable assurance that:

- the company will comply with the conditions attaching to them; and
- the grants will be received.

Government grants are recognised as income over the periods necessary to match them with the related costs that they are intended to compensate.

A government grant that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs is recognised as income during the period in which it becomes receivable.
Government grants related to assets, including non-monetary grants at fair value, are presented in the statement of financial position by setting up the grant as deferred income or by deducting the grant in arriving at the carrying amount of the assets.
Repayment of a grant related to income is applied first against any un-amortised deferred credit set up in respect of the grant. To the extent that the repayment exceeds any such deferred credit, or where no deferred credit exists, the repayment is recognised immediately as an expense.

Accounting Policies

1.12 Government grants (continued)

Repayment of a grant related to an asset is recorded by increasing the carrying amount of the asset or reducing the deferred income balance by the amount repayable. The cumulative additional depreciation that would have been recognised to date as an expense in the absence of the grant is recognised immediately as an expense.

1.13 Revenue

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- the company has transferred to the buyer the significant risks and rewards of ownership of the goods.
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.
- the amount of revenue can be measured reliably.
- it is probable that the economic benefits associated with the transaction will flow to the company; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

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

Revenue is earned from two separate revenue streams:

1) Tooling revenue

The Company changed its accounting policy with respect to the recognition of tooling revenue. The Company applies the ‘percentage of completion method’ to determine the appropriate amount to recognize in a given period. The Company determines the stage of completion on the basis of milestones achieved to date. When the outcome of a contract can be estimated reliably, and it is probable that the contract will be profitable, contract revenue is recognised over the period of the contract by reference to the stage of completion. Contract costs are recognised as expenses by reference to the stage of completion of the contract activity at the end of the reporting period. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately. Revenue is recognised only to the extent of contract costs incurred that is probable to be recoverable. The company does not recognize profit on booking of such revenue (“Zero profit margin method”) the costs include all expenses incurred in direct relation to the specific projects and a proportion of the fixed and variable general costs incurred on the basis of normal capacity for the Company’s contracts. On the balance sheet, the Company reports the net contract position for each contract as either an asset or a liability. A contract represents an asset where costs incurred plus recognised profits (less recognised losses) exceed progress billings; a contract represents a liability where the opposite is the case.

Prior to this change in policy the Company recognized tooling based on the ‘completed contract method’.

The Company believes that the new policy is preferable, and it aligns more closely to the accounting for tooling transactions based on ‘percentage of completion method’.

The impact of this change in accounting policy on the financial statements is primarily on the recognition of revenue and cost on achievement/completion of milestone of related tooling transactions. This change did not result in a material impact on the profitability of the current year or any years included within these financial statements. The impact on each line item of the primary financial statements since the adoption of above is provided as restated figures on the respective years.

Accounting Policies

1.13 Revenue (continued)

2) Deferred revenue

Deferred revenue is earned in its entirety from the sale of tools to contract customers. The deferred revenue is recognised per the conditions and terms as set out in the customer contracts. Balances will be transferred from deferred revenue to revenue on the passing of risks and rewards to the contract customer per the revenue recognition criteria above.

3) Component revenue

Component revenue is earned from the manufacture and supply of motor vehicle components to the various contract customers. The risks and rewards of ownership are transferred to the customer on delivery of the components to the customers' premises.

All recognition criteria are applied when accounting for both revenue streams per the conditions above.

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

1.14 Borrowing costs

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

1.15 Translation of foreign currencies

Foreign currency transactions

A foreign currency transaction is recorded, on initial recognition in Rands, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At the end of the reporting period:

- foreign currency monetary items are translated using the closing rate.
- non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements are recognised in profit or loss in the period in which they arise.

When a gain or loss on a non-monetary item is recognised to other comprehensive income and accumulated in equity, any exchange component of that gain or loss is recognised to other comprehensive income and accumulated in equity. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

Cash flows arising from transactions in a foreign currency are recorded in Rands by applying to the foreign currency amount the exchange rate between the Rand and the foreign currency at the date of the cash flow.

Notes to the annual financial statements

2. New Standards and Interpretations

Accounting policy developments include new standards issued, amendments to standards, and interpretations issued on current standards as issued by the IASB.

a) Standards, amendments and interpretations effective for the first time
Standards and amendments adopted by the company:
The company has applied the following standards and amendments for the first time for the annual reporting period commencing 1 January 2021.
- COVID-19-Related Rent Concessions beyond 30 June 2021 (Amendments to IFRS 16);
- Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16
- Onerous Contracts – Cost of Fulfilling a Contract – Amendments to IAS 37
- Annual Improvements to IFRS Standards 2018-2020, and
- Reference to the Conceptual Framework – Amendments to IFRS 3.
These amendments did not have any impact on amounts recognised in prior periods and are not expected to significantly affect current or future periods.

b) Standards, amendments and interpretations not yet effective but have been early adopted by the company
Certain new accounting standards and interpretations have been published that are not mandatory for 31 March 2023 reporting periods and have not been early adopted by the company.
- IFRS 17 Insurance contracts
- Definition of Accounting Estimates – Amendments to IAS 8
- Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2
- Deferred Tax related to Assets and Liabilities arising from a single transaction – Amendments to IAS 12
- Lease Liability in a Sale and Leaseback – Amendments to IFRS 16
- Classification of Liabilities as Current or Non-current – Amendments to IAS 1

These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions. The amendments apply from 1 January 2023.

3. Risk management

Capital risk management.

The company policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The company monitors the return on capital, which the company defines as net operating income divided by total shareholders' equity.

There have been no changes to what the entity manages as capital, the strategy for capital maintenance or externally imposed capital requirements from the previous year.

Financial risk management

The company's activities expose it to a variety of financial risk, market risk (including currency risk, cash flow and interest rate risk), credit risk and liquidity risk.

The company's principal financial instruments comprise of the following loans and receivables (including trade and other receivables and cash and cash equivalents) and held to maturity financial instruments. The main purpose of these financial instruments is to fund the company's current and future operations. The majority of the company's financial instruments arise directly from its operations.

Notes to the annual financial statements

Liquidity risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The company's approach in managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation.

The table below analyses the company's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

Non-derivative financial liabilities:

At 31 March 2023	**Within 1 Year**	**Within 5 Years**
Shareholders loans	-	67 439 365
Trade and other payables	63 553 014	-
At 31 March 2022		
Shareholders loans	1 476 617	62 439 658
Trade and other payables	37 668 142	-
Vehicle Finance	28 825	-

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising return. The company is exposed to the following market risks: interest rate risk and foreign exchange risk.

Interest rate risk

As the company has no interest-bearing assets, the company's income and operating cash flows are independent of changes in market interest rates.

The company's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the company to cash flow interest rate risk. Currently the borrowings of the company are at variable rates.

The following table reflects the market value of the company's interest-bearing liabilities as reflected in note 14 and shareholders' loans which are reflected in note 15.

Interest rate sensitivity

The company analyses its interest rate exposure. The company calculates the impact on profit and loss by simulating scenarios of interest rate shifts. These are done only for major interest-bearing liabilities. Based on the simulation the impact on post tax profit of a 1 percent shift would be a maximum increase or decrease of R352 309 (2022: R585 174).

Notes to the annual financial statements	**31 March 2023 R**	**31 March 2022 R**
3. Risk Management (Continued)		
Interest-bearing liabilities:		
Vehicle Finance	-	28 825
Shareholders loans:		
MSSL Mauritius Holdings Limited	53 308 750	50 769 314
AJ Taylor	2 000 000	2 000 000
WJ Du Toit	8 965 295	8 169 643

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 and arises principally from the company's trade and other receivables.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. For other financial assets the maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet.

Financial assets exposed to credit risk at year end were as follows:

Financial instrument		
Trade receivables	59 539 728	53 775 844
Cash and cash equivalents	6 160 408	10 882 370

Foreign exchange risk
The company operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities.

The company does not hedge foreign exchange fluctuations.

Exchange rates used for conversion of foreign items were:		
US Dollar	17.79	14.61
EURO	19.28	16.17
INR	0.22	0.19
JPY	0.13	0.12
GDP	21.94	19.19

Foreign currency sensitivity

A 25 percent strengthening of the Rand against the USD and EURO currency as at 31 March 2023 would have increased loss by the amount R1 847 702 (2022: R125 120). This analysis assumes that all other variables, in particular interest rates, remains constant. A 25 percent weakening of the Rand against the same currency will have an equal but opposite effect on the profit and loss, on the basis that all other factors remain constant.

Notes to the annual financial statements

4. Financial assets by category

The accounting policies for financial instruments have been applied to the line items below:

31 March 2023	Loans and Receivables	Total
Trade and other receivables	59 539 728	59 539 728
Cash and cash equivalents	6 160 408	6 160 408
	65 700 136	67 476 476

31 March 2022	Loans and Receivables	Total
Trade and other receivables	55 357 298	55 357 298
Cash and cash equivalents	10 882 370	10 882 370
	66 239 668	66 239 668

5. Financial liabilities by category

The accounting policies for financial instruments have been applied to the line items below:

31 March 2023	Loans and Payables	Total
Shareholders' loans	67 439 365	67 439 365
Trade and other payables	82 349 001	82 349 001
	149 788 366	149 788 366

31 March 2022	Loans and Payables	Total
Shareholders' loans	63 916 275	63 916 275
Trade and other payables	77 512 545	77 512 545
Current portion of long-term liabilities	28 825	28 825
	141 457 645	141 457 645

Notes to the annual financial statements

6. Property, plant and equipment

31 March 2023	Cost R	Accumulated Depreciation R	Net book Value R
Owned assets			
Land	5 225 459	-	5 225 459
Buildings	20 148 512	6 839 197	13 309 315
Plant and equipment	71 869 594	35 175 093	36 694 501
Furniture and fittings	74 744	70 433	4 311
Motor vehicles	1 786 091	1 667 850	118 242
Office equipment	173 745	168 368	5 377
Computer equipment	936 517	784 217	152 300
Moulds	164 150	164 150	-
Capital work in progress	6 835 870	-	6 835 870
	107 214 682	44 869 308	62 345 374

31 March 2022	Cost R	Accumulated Depreciation R	Net book Value R
Owned assets			
Land	5 225 459	-	5 225 459
Buildings	19 881 798	5 843 974	14 037 824
Plant and equipment	60 173 157	30 523 973	29 649 184
Furniture and fittings	74 744	69 801	4 943
Motor vehicles	1 786 091	1 580 783	205 309
Office equipment	173 745	161 212	12 534
Computer equipment	798 126	762,312	35 814
Moulds	164 150	164 150	-
	88 277 271	39 106 204	49 171 066

Land and buildings consist of the following properties:

Erf 328, Rosslyn East, City of Tshwane Metropolitan Municipality, Registration Division JR, Gauteng measuring 5 240 square metres. The property is held under title deed T 10991/2001.

Erf 157, Rosslyn East, City of Tshwane Metropolitan Municipality, Registration Division JR, Gauteng measuring 2 400 square metres acquired on 29 November 2004. The property is held under title deed T 87823/2005.

Notes to the annual financial statements

6. Property, plant and equipment (Continued)

Reconciliation of property, plant and equipment assets – 31 March 2023

	Opening Balance R	Additions R	Disposals R	Transfers R	Depreciation R	Closing Balance R
Owned assets						
Land	5 225 459	-	-	-	-	5 225 459
Buildings	14 037 824	266 713	-	-	(995 223)	13 309 315
Plant and equipment	29 649 184	11 696 437	-	-	(4 651 120)	36 694 501
Furniture and fittings	4 943	-	-	-	(632)	4 311
Motor vehicles	205 309	-	-	-	(87 067)	118 242
Office equipment	12 534	-	-	-	(7 157)	5 377
Computer equipment	35 814	138 391	-	-	(21 905)	152 300
Capital work in progress	-	6 835 870	-	-	-	6 835 870
	49 171 066	18 937 411	-	-	(5 763 103)	62 345 374

Reconciliation of property, plant and equipment assets – 31 March 2022

	Opening Balance R	Additions R	Disposals R	Transfers R	Depreciation R	Closing Balance R
Owned assets						
Land	610 181	4 615 278	-	-	-	5 225 459
Buildings	1 928 259	12 715 136	-	-	(605 572)	14 037 824
Plant and equipment	20 402 122	13 152 683	-	-	(3 900 572)	29 654 240
Furniture and fittings	1 981	3 522	-	-	(560)	4 943
Motor vehicles	292 376	-	-	-	(87 067)	205 309
Office equipment	17 918	-	-	-	(5 385)	12 534
Computer Equipment	53 733	53 968	(18 804)	-	(58 138)	30 759
Capital work in progress	29 377 652	-	-	(29 377 652)	-	-
	52 684 221	44 425 455	(18 804)	(29 377 652)	(4 657 286)	49 171 066

A register containing the information required by Regulation 25(3) of the Companies Regulations, 2011 is available for inspection at the registered office of the company.

7. Right to use of assets

31 March 2023	**Cost R**	**Accumulated Depreciation R**	**Value R**
Plant and equipment	2 326 421	1 426 120	900 301
Motor vehicles	1 091 145	552 177	538 968
	3 417 566	1 978 297	1 439 269

31 March 2022	**Cost R**	**Accumulated Depreciation R**	**Net book Value R**
Plant and equipment	2 326 421	961 301	1 365 120
Motor vehicles	744 403	378 687	365 716
	3 070 824	1 339 988	1 730 836

Notes to the annual financial statements

7. Right to use of assets (continued)

Reconciliation of right to use of assets – 31 March 2023

Assets 31 March 2023	**Opening Balance R**	**Additions R**	**Depreciation R**	**Closing balance R**
Buildings	-	-	-	-
Plant and equipment	1 365 120	-	464 819	900 301
Motor vehicles	365 716	346 742	173 490	538 968
	1 730 836	346 742	**638 309**	**1 439 269**

Reconciliation of right to use of assets – 31 March 2022

Assets 31 March 2022	**Opening Balance R**	**Additions R**	**Depreciation R**	**Closing balance R**
Buildings	138 206	(138 206)	-	-
Plant and equipment	1 829 939	-	464 819	1 365 120
Motor vehicles	522 115		156 399	365 716
	2 490 261	(138 206)	**621 218**	**1 730 836**

Company has lease contracts for Land and various items of Plant and Machinery, Vehicles and other equipment used in its operations.

Leases of plant and machinery generally have lease terms between 2 and 5 years, while motor vehicles and other equipment generally have lease terms between 3 and 5 years.

The Company's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Company is restricted from assigning and subleasing the leased assets.

There are several lease contracts that include extension and termination options and variable lease payments. The company also have certain leases of office equipment with low value.

Notes to the annual financial statements	**31 March 2023 R**	**31 March 2022 R**

8. Goodwill

Goodwill – at cost	2 356 476	2 356 476

Goodwill arose as a result of the purchase price exceeding the net book value of assets purchased from Vacuform Proprietary limited.

The key assumptions used for the value-in-use calculations are as follows:
Vacuform 2000 Proprietary Limited

Gross margin	16%	16%
Growth rate	6.3%	6.3%
Discount rate (pre-tax)	8%	8%

9. Intangible assets

31 March 2023	**Cost R**	**Accumulated Amortisation R**	**Carrying Value R**
Computer software	1 057 557	(1 057 557)	-

31 March 2022	**Cost R**	**Accumulated Amortisation R**	**Carrying Value R**
Computer software	1 057 557	(1 057 557)	-

Reconciliation of Intangible assets – 31 March 2023

	Opening Balance R	**Depreciation R**	**Closing Balance R**
Computer software	-	-	-

Reconciliation of Intangible assets – 31 March 2022

	Opening Balance R	**Depreciation R**	**Closing Balance R**
Computer software	569	(569)	-

10. Inventories

Raw materials	9 513 730	18 522 902
Work in progress	7 628 407	5 762 292
Finished goods	1 806 007	851 419
Goods In Transit	-	999 338
	18 948 144	26 135 950

Notes to the annual financial statements

11. Trade and other receivables

	31 March 2023 R	31 March 2022 R
Trade receivables	50 727 310	49 075 491
Deposits	319 891	319 891
South African Revenue Services – VAT	1 456 449	1 261 563
Other receivables	8 812 418	4 700 353
	61 316 068	55 357 298

Fair value of trade and other receivables

	31 March 2023 R	31 March 2022 R
Trade and other receivables	61 316 068	55 357 298

Trade and other receivables past due but not impaired

Trade and other receivables which are less than 6 months past due date are not considered to be impaired.
At 31 March 2023, R 10 426 458 (2022: R 1 708 072) were past due date but not impaired.

The ageing of amount past due date but not impaired is as follows:

	31 March 2023 R	31 March 2022 R
Past due 0 – 30 days	4 639 090	19 142 046
Past due 31 – 120 days	5 379 819	327 791
More than 121 days	10 426 458	1 708 072
	20 445 367	21 177 909

Due to the short-term nature of current receivables, their carrying amount is assumed to be the same as their fair value. The effect of discounting is negligible. The fair value is classified as level 3 fair value in the fair value hierarchy due to the inclusion of unobservable inputs, including contemporary credit risk.

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

The allowance accounts in respect of trade receivables are used to record impairment losses unless the company is satisfied that no recovery of the amount owing is possible; at that point the amount considered irrecoverable is written off against the assets directly.

12. Cash and cash equivalents

For the purpose of the statement of cash flows, cash, cash equivalents and bank balance include total cash assets.

	31 March 2023 R	31 March 2022 R
Cash on hand	-	3 069
Current accounts	6 160 408	10 879 301
Total	6 160 408	10 882 370

Notes to the annual financial statements	**31 March 2023 R**	**31 March 2023 R**
13. Share capital		
Authorised		
1 000 Ordinary Par value shares of R1 each	1 000	1 000
Issued		
100 Ordinary Par value shares of R1 each	100	100
Share premium	1 100 000	1 100 000
	1 100 100	1 100 100

14. Long term liabilities

Secured		
Nedbank		
The loan is repayable in 36 monthly payments commencing on 01 August 2019.		
Interest is payable at prime	-	28 825
	-	28 825

The Nedbank vehicle finance is secured by means of value of the respective vehicles under contract.

Non-current liabilities	-	-
Current liabilities	-	28 825
	-	28 825

15. Shareholders' loans

RJ Manyapye	30 000	30 000
AJ Taylor	4 735 320	4 547 316
WJ du Toit	8 965 295	8 169 643
MMD Mokgatle	400 000	400 000
MSSL Mauritius Holdings Limited	53 308 750	50 769 315
	67 439 365	63 916 275

Reconciliation of Shareholders Loan:

	Opening Balance	**Interest accrued**	**Closing Balance**
RJ Manyapye	30 000	-	30 000
AJ Taylor	4 547 316	188 004	4 735 320
WJ Du Toit	8 169 643	795 652	8 965 295
MMD Mokgatle	400 000	-	400 000
MSSL Mauritius Holding Limited	50 769 315	2 539 435	53 308 750
Total	**63 916 275**	**3 523 090**	**67 439 365**

Non – current liabilities

AJ Taylor	4 735 320	3 500 700
WJ du Toit	8 965 295	8 169 643
RJ Manyapye	30 000	-
MMD Mokgatle	400 000	-
MSSL Mauritius Holdings Limited	53 308 750	50 769 315
	67 439 365	62 439 658

Notes to the annual financial statements	**31 March 2023 R**	**31 March 2022 R**
Current liabilities		
RJ Manyapye	-	30 000
AJ Taylor	-	1 046 617
MMD Mokgatle	-	400 000
	-	1 476 617

The shareholder loans are repayable when sufficient cash flow is available. The shareholder loans are subordinated in favour of other creditors.

The above loans are unsecured, interest free and terms of repayment have not been determined, except for the following:
- R 2 000 000 of the loan from AJ Taylor carries interest at prime rate.
- The principal and accrued interest from WJ Du Toit carries interest at prime rate.
- MSSL Mauritius Holdings Limited loan carries an interest at prime rate on principal amount.

16. Trade and other payables

Trade payables	27 747 477	18 102 695
Deferred income	16 269 483	38 457 009
Accrued leave pay	1 659 557	787 512
Accrued bonus	474 042	320 252
Payroll accruals	392 904	279 630
Other payables	35 805 538	19 565 447
	82 349 001	77 512 545

Fair value of trade and other payables

Trade and other payables	82 349 001	77 512 545

The fair value of trade and payables approximate their carrying value at the end of the year, due to their short term nature. All the trade payables are due and payable within 12 months.

17. Deferred tax

Deferred tax asset		
Deferred tax on provision	576 072	-
Finance Lease Liabilities	441 078	-
Deferred tax on unrealized forex gain / losses	45 973	-
Deferred tax on income received in advance	3 322 849	-
Total deferred tax asset	4 385 971	-
Deferred tax liability		
Deferred tax on fixed assets	(5 205 257)	-
Deferred tax on Section 24C allowance	(2 325 994)	-
Deferred Tax on prepayments	(55 848)	-
Finance Lease – asset	(922 743)	-
Total deferred tax liability	(8 509 840)	-
Deferred tax asset / (liability)		
Deferred tax asset	4 385 971	-
Deferred tax liability	(8 509 840)	(99 661)
Total net deferred tax liability	(4 123 869)	(99 661)

Notes to the annual financial statements

	31 March 2023 R	31 March 2022 R

17. Deferred Tax (Continued)

Reconciliation of deferred tax liability

-Opening Balance as of 01 April	(99 661)	(99 661)
-Tax expense during the period recognised in P & L	(4 024 208)	-
-Closing Balance as of 31 March	(4 123 869)	(99 661)

18. Bank Overdraft

Nedbank	7 769 314	-
	7 769 314	-

Nedbank has sanctioned overdraft facility of R10 Mn on 11.25% against hypothecation of Sundry Debtors and guarantee from Motherson Mauritius Holdings Ltd (Holding Company).

19. Lease liabilities

Long term lease liabilities	924 377	1 301 245
Short term lease liabilities	709 244	628 739
	1 633 621	1 929 984

Maturities of financial lease liabilities

The future aggregate minimum undiscounted lease payments under non-cancellable financial leases are as follows:
This Maturities of financial lease liabilities includes finance cost of future lease liabilities.

-within one year	841 126	809 256
-in second to fifth year	1 000 345	1 441 217
-later than five years	-	-
	1 841 471	**2 250 473**

20. Revenue

Component sales	123 800 175	99 212 390
Tooling revenue	41 724 069	35 346 106
	165 524 244	134 558 496

21. Cost of sales

Inventory at beginning of period	26 135 950	15 274 034
Purchases	99 653 524	99 573 932
	125 789 474	114 847 966
Less: Inventory at closing of period	18 948 144	26 135 950
Cost of goods sold	106 841 330	88 712 016

Notes to the annual financial statements	**31 March 2023 R**	**31 March 2022 R**
22. Other Income		
Miscellaneous income	4 194 646	1 232 624
Profit on forex exchange difference	-	209 087
	4 194 646	1 441 711
23. Operating Expenses		
Operating profit is arrived at after taking in-to account:		
Audit fees	344 294	305 040
Depreciation and amortisation	6 401 412	5 416714
Donations	63 000	-
Employee costs	33 369 634	24 786 594
Lease rentals on operating lease	506 375	417 376
Loss on Exchange differences	756 256	-
Municipal expenses	4 296 722	4 379 788
Other expenses	18 930 277	7 216 599
Repairs and maintenance	2 073 191	2 009 180
Transportation expenses	1 299 248	884 503
Total operating expenses	68 040 409	45 415 793
24. Investment revenue		
Interest received	27 390	357 774
	27 390	357 774
25. Finance expense		
Interest on long term loans	3 523 090	2 654 249
Other interest	26 163	11 614
Finance cost	187 217	250 059
	3 736 470	2 915 922

Notes to the annual financial statements	**31 March 2023 R**	**31 March 2022 R**
26. Income tax expense		
Major components of the income tax expense:		
Income tax – current	-	-
Deferred tax – current	4 024 208	-
	4 024 208	-
Reconciliation of the income tax expense:		
Reconciliation between accounting profit and income tax expense.		
Accounting Profit	(8 871 929)	(685 751)
Tax at the applicable tax rate of 27%	-	-
Tax effect of adjustments on taxable income		
Permanent difference	-	-
Temporary difference	4 024 208	-
	4 024 208	-

No provision has been made for 2023 tax as the Company has no taxable income. The estimated tax loss available for set off against future taxable income is R23 189 815 (2022: R4 658 732).

27. Amount recognised during the year on account of IFRS 16

Depreciation of right to use assets	638 309	759 428
Interest of lease liabilities	187 217	250 059
Lease payment derecognised	(830 322)	(962 860)
	(4 796)	46 627

28 Cash generated by operations

Net (Loss) Profit before tax	(8 871 929)	(685 751)
Adjusted for:		
Depreciation and amortisation	5 763 103	4 657 286
Interest received	(27 390)	(357 774)
Finance expense	3 549 253	2 665 863
Lease liability	(4 796)	46 627
Operating profit before working capital changes	408 241	6 326 251
Increase in inventories	7 187 806	(10 861 916)
(Increase) /decrease in trade and other receivables	(5 958 770)	23 814 269
Increase/(Decrease) in trade and other payables	4 807 630	(24 856 765)
Increase/(Decrease) in Shareholders Loan	(1 476 617)	-
Increase/(Decrease) in Bank Overdraft	7 769 314	-
	12 737 605	(5 578 161)

Notes to the annual financial statements	**31 March 2023 R**	**31 March 2022 R**

29. Related parties

Relationships

Ultimate holding company	Samvardhana Motherson International Limited (Formerly Motherson Sumi Systems Limited)
Holding company	MSSL Mauritius Holdings Limited
Related parties	MSSL Global RSA Module Engineering Limited
	Edcol Global Proprietary Limited
	Motherson Technology Services Limited (Formerly MothersonSumi Infotech and Designs Limited)
	Motherson Auto Limited
Key management and personnel	RJ Manyapye
	AJ Taylor
	WJ Du Toit
	MMD Mokgatle
	BK Garg
	A Bhakri
	R Gupta
	V. Johri

Related party balances

	31 March 2023 R	31 March 2022 R
Loan accounts – owing to related parties		
RJ Manyapye	30 000	30 000
AJ Taylor	4 735 320	4 547 316
WJ du Toit	8 965 295	8 169 643
MMD Mokgatle	400 000	400 000
MSSL Mauritius Holdings Limited	53 308 750	50 769 315
	67 439 365	63 916 275
Amounts included in trade receivables regarding related parties		
MSSL Global RSA Module Engineering Limited	527 528	667 536
	527 528	667 536
Amounts included in trade payables regarding related parties		
Motherson Technology Services Limited	(296 561)	(166 952)
MSSL Global RSA Module Engineering Limited	(1 922 668)	(889 335)
MSSL GMBH	(335 809)	(133 202)
Motherson Air Travel Agency	(117 973)	(59 151)
SMIIEL (A Unit of Motherson Sumi System Limited)	(26 123)	-
MATE Manesar	(800 000)	(1 500 000)
Motherson Automotive Tech & Engineering (A division of SAMIL)	(1 845 407)	-
MATE - ROBIS (A division of SAMIL)	(414 788)	-
MATE - Bangalore (A division of SAMIL)	(102 474)	-
Samvardhana Motherson Global (FZE)	(8 041)	-
	(5 869 844)	(2 748 640)

Notes to the annual financial statements	**31 March 2023 R**	**31 March 2022 R**

29. Related parties (Continued)

Related party transactions

Purchases from related parties		
Motherson Technology Services Limited	296 561	364 328
MSSL Global RSA Module Engineering Limited	3 626 342	896 895
MSSL GMBH	202 608	545 909
MATE (Robis South) (A Div of SAMIL)	414 787	-
MATE Manesar	-	1 500 000
Motherson Air Travel Agency	190 455	58 600
Motherson Automotive Tech & Engineering (A Div of SAMIL)	1 845 407	-
Motherson Automotive Tech. Engg-Banglore (A Div of SAMIL)	102 474	-
	6 678 634	3 365 732

Interest expenses on long term related party loans		
MSSL Mauritius Holding Limited	2 539 434	1 947 074
A J Taylor	188 004	-
WJ Du Toit	795 652	-
	3 523 090	1 947 074

Remuneration to key management and personnel		
AJ Taylor	2 926 401	2 518 632