COMMISSIONER STREET NO.10 (RF) LIMITED
(Registration number: 2012/114143/06)
AUDITED ANNUAL FINANCIAL STATEMENTS
31 December 2020

Preparer: Steven Mulaudzi
Designation: Product Controller Global Finance, Corporate and Investment Banking, Absa Group Limited

Contents

COMMISSIONER STREET NO.10 (RF) LIMITED
(Registration number: 2012/114143/06)
DIRECTORS' RESPONSIBILITIES AND APPROVAL
As at 31 December 2020

The directors are responsible for overseeing the preparation, integrity and objectivity of the annual financial statements that fairly present the state of the affairs of Commissioner Street No.10 (RF) Limited ("the Company") at the end of the financial year and the financial performance and cash flows for the reporting period, and other information contained in this report.

To enable the directors to meet these responsibilities:

- All directors will endeavour 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 board sets standards and management implements systems of internal control and accounting and information systems aimed at providing reasonable assurance that both on and off statement of financial position assets are safeguarded and the risk of error, fraud or loss is reduced in a cost-effective manner. These controls, contained in established policies and procedures, include the proper delegation of responsibilities and authorities within a clearly defined framework, effective accounting procedures and adequate segregation of duties;
- The board and management identify all key areas of risk across the Company and endeavour to mitigate or minimise these risks by ensuring that appropriate infrastructure, controls, systems and discipline are applied and managed within predetermined procedures and constraints;
- The internal audit function outsourced from Absa Group Limited Internal Audit, which operates unimpeded and independently from operational management, appraises, evaluates and, when necessary, recommends improvements to the systems of internal control and accounting practices, based on audit plans that take cognisance of the relative degrees of risk of each function or aspect of the business; and
- The internal auditors play an integral role in matters relating to financial and internal control, accounting policies, reporting and disclosure.

To the best of their knowledge and belief, based on the above, the directors are satisfied that no material breakdown in the operation of the systems of internal control and procedures has occurred during the year under review.

The Company consistently adopts appropriate and recognised accounting policies and these are supported by reasonable and prudent judgements and estimates on a consistent basis. The financial statements of the Company have been prepared in accordance with the provisions of the Companies Act of South Africa and comply in all material respects with International Financial Reporting Standards (IFRS) and all applicable legislation.

The directors have no reason to believe that the Company will not be a going concern in the reporting period ahead, based on forecasts and available cash resources. These financial statements have accordingly been prepared on this basis.

It is the responsibility of the independent auditor to report on the annual financial statements. Their report to the shareholders of the Company is set out on pages 12 to 14 of this report.

The directors' report on pages 15 to 16 and financial statements of the Company which appears on pages 17 to **Error! Bookmark not defined.** were approved by the board of directors on 29 March 2021 and are signed on its behalf by:

DocuSigned by:

9007738ACFCC441...

ML De Nysschen
Sandton

DocuSigned by:

Jonathan Burnett

83D1D7FF3A4E4FA...

JR Burnett
Sandton

COMMISSIONER STREET NO.10 (RF) LIMITED
(Registration number: 2012/114143/06)
COMPANY SECRETARY'S CERTIFICATE
As at 31 December 2020

To the shareholders of Commissioner Street No.10 (RF) Limited,

In accordance with the provisions of section 88(2)(e) of the Companies Act of South Africa, I, in my capacity as a duly authorised representative of the Company Secretary hereby certify that, in respect of the year ended 31 December 2020, the Company has filed with the Commissioner of the Companies and Intellectual Property Commission (CIPC) all returns and notices prescribed by the Act and that all such returns and notices are, to the best of my knowledge and belief, true, correct and up to date.

Absa Secretarial Services Proprietary Limited
(Represented by Gerrie van Rooyen)
29 March 2021

Corporate Governance

The Company's corporate governance practices are guided by the Companies Act of South Africa, as amended, relevant sections of the JSE Listings Requirements, the Companies Memorandum of incorporation (MoI), the recommendations of the King Code on Corporate Governance for South Africa, 2016 (King IVTM).

The Board of Absa Group Limited (Group Board) sets the overarching governance principles to be upheld and practiced by all entities (related or inter-related) to assist in embedding good governance practices in the Group. As a consolidated entity, the Absa Group's Group Governance Framework has been adopted by the Board.

King IV is the main governance code for South African companies and as the Company has adopted the application of the Code on a proportionality basis (that is to the extent beneficial to the entity's governance). The Company's application of King IV is set out in the King IV application register, included on page 6 to 10 of these annual financial statements. In addition to the Group's requirements, the Company is also required to apply King IV by the JSE Listings Requirements based on the proportionality principle.

The Board of Directors (the Board) are of the opinion that the Company has applied the principles and recommendations of the Code in all material aspects for the period under review.

The Board is responsible for delivering sustainable value through oversight of the management of the Company's business, challenging and approving strategic plans proposed by management; and monitoring implementation of the strategy and plans in the context of the approved risk appetite, the available opportunities, and the macro and regulatory environment.

Management of the Company

The Board is responsible for delivering sustainable value the shareholder. In this regard the Board oversees the management of the Company's business by challenging and approving the strategy and plans propose by management. The Board has delegated the day-to-day management of the Company to Absa Corporate and Investment Banking (CIB), SPV Management Team whose performance the Board monitors through regular operational and financial reporting.

Board Composition

The Board comprises four directors, one executive and three independent non-executive directors. The independent non-executive directors are outsourced to TMF Corporate Services (Pty) Limited in terms of a service level agreement with the shareholder.

Professional Advice

The Board and individual directors may procure independent professional advice at the expense of the Company in the discharge of their responsibilities.

Company Secretarial and Governance support

The day-to-day company secretarial and corporate governance support duties are managed by a dedicated, qualified and skilled Company Secretary who represents Absa Secretarial Services Proprietary Limited the duly appointed Company Secretary with support from the Head of Secretarial Services for South Africa and a statutory administration team within Group Secretariat.

The Company Secretary also provides guidance and advice to the Board as a whole and individual director on their duties and responsibilities as directors, which should be discharged in the best interest of the Company.

Audit and Risk Committee

The Board relies on the Audit and Risk Committee (ARC) for input on audit and compliance functions from the submissions made by the Group Internal Audit, Group Risk and Compliance functions of Absa Group Limited.

Notwithstanding the role of the ARC in relation to the audit function , the Board remains at all times responsible for the monitoring the effectiveness of the Company's control environment. The review and approval of the annual financial statements, and engages with representatives of the internal and external audit for assurance of the integrity of the financial and related information.

All audit issues raised during the audit for the financial year-ended 31 December 2020 were submitted to, considered and resolved by the Board.

Internal Audit

The internal audit function is conducted by the Absa Group Limited internal audit.

Remuneration policy

The Company is a ring-fenced special purpose vehicle and all services are outsourced to external service providers and as such has no employees.

Director remuneration:

The independent non-executive directors are not employees of the Company and receive fees for their services as directors. These directors' fees were paid to TMF Corporate Services (South Africa) Proprietary Limited in terms of a service level agreement for services of the non-executive directors. The independent non-executive directors are employed and remunerated by TMF Corporate Services (South Africa) Proprietary Limited on a separate basis.

The executive director of the Company who is an employee of the Absa Group Limited does not receive any fees for his services as a director of the Company.

Risk Management

The Company's risk is governed and managed in terms of the Absa Group Limited Enterprise Risk Management Framework and related policies. The Board and executive management are responsible for the Company's risk governance and management within the overall context of the Group's risk appetite and principal risks.

The Company's Audit and Risk Committee in conjunction with Absa Corporate and Investment Banking (CIB), a division of Absa Group Limited develop appropriate risk processes for managing risks.

The Board believes that risk of the Company is adequately managed.

Compliance

The Company relies on the compliance function of Absa Group Limited.

The Board being ultimately responsible for compliance of the Company engages with management regularly to discuss and develop compliance processes for the Company.

Sustainability reporting and disclosure

The Company is a ring-fenced special purpose vehicle whose sustainability is determined by the length of time of the transaction for which the Company has been incorporated. The Company is consolidated into the financial results of Absa Group Limited. The Board is however responsible in ensuring the accuracy of the financial information which is reported to all the relevant stakeholders.

Managing Stakeholder relationships

The Absa Group has in place a Stakeholder Management Policy, which is applicable to the Company. The Board and management are responsible for proactively engaging with material stakeholders in an inclusive manner that balances their needs, interests and expectations, and to address their concerns in the best way possible.

Information Technology Governance

The Company's Information Technology (IT) is governed in terms of the Absa Group IT governance policy and is reliant on systems and information technology infrastructure housed within the Absa Group. The Group Information Technology Committee assists the Group Board with effective oversight of information and technology governance for the Group

Conflicts of interest

The Board reviews the declarations of other financial interest and other directorships on an ongoing basis at board meetings and have considered the declarations during the period under review.

Fundamental and affected transactions

There were no fundamental transactions for the period under review.

King Report on Corporate Governance

The King Report on Corporate Governance for South Africa 2016 ("King IV" or the "Code") is the main governance code applicable to companies in South Africa. The principles and practices of the Code are to be applied to the extent required and beneficial to a Company (the proportionality principle), taking into consideration a number of factors such as the size of turnover, resources, complexity and nature of business.

The Board has satisfied itself that for the year under review the Company has applied the principles of King IV to the extent deemed necessary, or has put alternative measures in place. Further information on the Company's corporate governance is disclosed under "Corporate Governance Statement" of the Annual Financial Statements ("AFS").

Application of each principle of King IV is expected to result in certain governance outcomes categorised as "primary" or "secondary" depending on the degree of impact on governance of applying the practices under the principle.

Leadership and Organisational Ethics

Expected Outcomes - (i) Ethical Culture (primary), (ii) Legitimacy (primary), (iii) Effective Control (secondary), (iv) Good Performance (secondary)

Principle 1 - The Board being the governing body should lead ethically and effectively.

Principle 2 - The governing body should govern the ethics of the Company in a way that supports the establishment of an ethical culture.

The Board is committed to the highest standards of corporate governance and in this regard the directors collectively and individually execute their duties and responsibilities in accordance with standards of behaviour required by relevant regulation and legislation, the Company's Memorandum of Incorporation (MoI) and the Board Charter. The directors are also committed to and adhere to ethical standards of behaviour.

The Board, in conjunction with the Company's Social and Ethics Committee, is responsible for overseeing ethics and ethical conduct in the Company.

Responsible Corporate Citizenship and Regulatory Compliance

Expected Outcomes - (i) Ethical culture (primary), (ii) Legitimacy (primary), (iii) Good performance (secondary)

Principle 3 - The governing body should ensure that the Company is and is seen to be a responsible corporate citizen.

Principle 13 - The governing body should govern compliance with laws and adopted non-binding rules, codes and standards in a way that supports the Company being ethical and a good corporate citizen.

The Company's corporate citizenship and regulatory compliance are governed in accordance with its legislative responsibilities as set out by the JSE Listings Requirements (if applicable); and the framework set by the Board of Absa Group Limited (Group Board) (if applicable). The Board in conjunction with the Social and Ethics Committee are responsible to review, develop and align policies to enhance and ensure the Company remains a good corporate citizen.

The Board complies with regulation relevant to its oversight responsibilities and ensures that management also complies with laws applicable to the Company. In formulating the Company's strategy, the Board has regard to matters relevant to its corporate citizenship status (including the impact of the Company's operations on the social and economic environments).

King Report on Corporate Governance (continued)

Strategy and Performance

Expected Outcomes - (i) Good performance (primary), (ii) Effective Control (secondary)

Principle 4 - The governing body should appreciate that the Company's core purpose, its risks and opportunities, strategy, business model, performance and sustainable development are all inseparable elements of the value creation process.

The Board is responsible for creating and delivering sustainable value for the shareholder and benefits to the Company's stakeholders by overseeing the management of the business. The Board (i) approves the Company's strategic objectives, business plans and annual budgets, (ii) and monitors management's implementation of the strategy and plans according to the approved risk appetite, the available opportunities, and the macro and regulatory environment.

Reporting and Assurance

Expected Outcomes - (i) Effective control (primary), (ii) Good performance (primary), iii) Ethical culture (secondary), (iv) Legitimacy (secondary)

Principle 5 - The governing body should ensure that reports issued by the Company enable stakeholders to make informed assessments of the Company's performance and its short, medium and long-term prospects.

Principle 15 - The governing body should ensure that assurance services and functions enable an effective control environment, and that these support the integrity of information for internal decision-making and of the Company's external reports.

The Company's primary report is the annual financial statements in which the Company's business activities and financial performance are reported.

The Board oversees preparation of the annual financial statements and ensures that the state of affairs of the Company and its financial wellbeing are fairly presented through application of appropriate assurance processes supported by an effective control environment. The Audit and Risk Committee (ARC) assists the board in overseeing assurance services and the effectiveness of the control environment in order to ensure the objectivity and integrity of the financial statements. The Board is ultimately responsible for the integrity of the report and approves the financial statements.

Board's Primary Role and Responsibility

Expected Outcomes - (i) Effective control (primary), (ii) Good performance (primary)

Principle 6 - The governing body should serve as the focal point and custodian of corporate governance in the Company.

The Company's Board of Directors (the "Board") is the focal point of the Company's corporate governance. The Company's customized Memorandum of Incorporation (MoI), King IV, Companies Act of South Africa (as amended) ("the Companies Act") determine the governance of the Company. The Board is the focal point and custodian of the Company's corporate governance and its role, responsibilities and procedural conduct are documented in the Company's MoI and the Companies Act.

Board Composition

King Report on Corporate Governance (continued)

Expected Outcomes - Good performance (primary)

Principle 7 - The governing body should comprise the appropriate balance of knowledge, skills, experience, diversity and independence for it to discharge its governance role and responsibilities objectively and effectively.

Directors are appointed with due regard to relevant legislation, the constitution of the Company and the skills and expertise, industry knowledge, gender and race diversity required to enable the board function effectively.

Newly appointed directors only serve until the first Annual General Meeting after their appointment unless they are elected by the shareholder. Each director serves a maximum of three terms of three years' each, and will only continue beyond 9 years on approval of the Shareholder, and subject to their performance and behaviour meeting the Board's standards.

The current membership of the Board is included in the directors' report.

Delegation to Management and Committees

Expected Outcomes - (i) Effective control (primary), (ii) Good performance (primary)

Principle 8 - The governing body should ensure that its arrangements for delegation within its own structures promote independent judgement, and assist with balance of power and the effective discharge of its duties.

Principle 10 - The governing body should ensure that the appointment of, and delegation to, management contribute to role clarity and the effective exercise of authority and responsibilities.

The Shareholder delegate authority to the Board through the Company's MoI and shareholder resolutions passed at the shareholder's meetings.

The Board determines the levels of authority of management and the ARC and the matters reserved for the Board's own authority. The role and functions of the ARC is governed by terms of reference approved by and regularly reviewed by the Board. The Board remains ultimately responsible for delegated responsibilities, and in this regard, the Board receives regular reports on material matters discussed and decisions taken at the ARC meetings through the chairman. The Board remains ultimately responsibility for any delegated approvals made by committees on its behalf.

Board and committee performance evaluations

Expected Outcomes - Good performance (primary)

Principle 9 - The governing body should ensure that the evaluation of its own performance and that of its committees, its chair and its individual members, support continued improvement in its performance and effectiveness.

King Report on Corporate Governance (continued)

The effectiveness of the Board and performance of individual directors and the Chairman are assessed biannually (previously annually), against set criteria. Matters arising, including areas requiring improvement, and remedial plans are presented to the Board. Remediation is coordinated by the Company Secretary and monitored by the Board until the next evaluation.

The Chairman engages with individual directors on the outcomes of the peer reviews to address the areas for development or those of concern. The Board effectiveness and performance evaluations will be conducted during 2021. The Audit Committee effectiveness and performance evaluation had been concluded during 2020.

Risk Governance

Expected Outcomes - (i) Effective control (primary), (ii) Good performance (primary)

Principle 11 - The governing body should govern risk in a way that supports the Company in setting and achieving its strategic objectives.

The Board oversees the Company's risk management within the framework of the Group's enterprise risk management framework (incorporating the principal and key risks). Risk levels appropriate for the Company's business are determined by management and approved by the Board. The ARC assists the Board in executing its oversight role over risk management.

Executive management of the Company is responsible for embedding risk in the Company and does this through various programmes, including by ensuring that employees receive the necessary training to be able to identify, mitigate, manage and, when necessary escalate actual or potential risks within their work environment.

Technology and information Governance

Expected Outcomes - (i) Effective control (primary)

Principle 12 - The governing body should govern technology and information in a way that supports the Company setting and achieving its strategic objectives.

The Group Information Technology Committee of Absa Group Limited has overall oversight responsibility for information and technology governance in the Group and the systems employed by the Company.

The Board acting through the Manager of the Company is responsible for the following oversight duties over the management of IT in general, including monitoring the following, as set out in the Group Governance Framework:

• The resilience of the technology systems, infrastructure and applications in supporting customers and employees.

• The robustness and resilience of processes to identify and exploit technology and information opportunities to improve the entity's performance and sustainability.

• Planning, testing and user acceptance in relation to new systems and applications.

King Report on Corporate Governance (continued)

• The use of information (and data) to sustain and enhance the entity's intellectual capital and strategic advantage.

• The continual monitoring of security of information, including personal information of customers, employees and other stakeholders.

Executive management is responsible for the day-to-day management of IT.

Remuneration Governance

Expected Outcomes - (i) Ethical culture (primary), (ii) Good performance (primary), (iii) Legitimacy (primary), (iv) Effective control (secondary)

Principle 14 - The governing body should ensure that the Company remunerates fairly, responsibly and transparently so as to promote the achievement of strategic objectives and positive outcomes in the short, medium and long term.

The Company pays a corporate service fee to TMF for the provision of non-executive directors. The independent non-executive directors of the Company are remunerated separately by TMF. The Absa appointed director who is an employee of Absa Group Limited is remunerated as an employee and not separately for his role as a director of the Company.

Shareholder Relationships

Expected Outcomes - (i) Legitimacy (primary), (iv) Good performance (secondary)

Principle 16 - In the execution of its governance role and responsibilities, the governing body should adopt a stakeholder-inclusive approach that balances the needs, interests and expectations of material stakeholders in the best interests of the Company over time.

The Company's stakeholders are integral to the success of the business. The Board proactively engages with material stakeholders in an inclusive manner that balances their needs, interests and expectations, and to address their concerns in the best way possible.

This allows the Company to manage issues effectively and timeously and reduces the likelihood of reputational risks. The Board understands that communication with stakeholders in respect of financial and non-financial information is vital and open interaction is actively pursued.

AUDIT COMMITTEE REPORT
for the year ended 31 December 2020

Members of the Audit Committee and independent non-executive directors

Appointment date

R Thanthony	27 February 2015
ML De Nysschen	01 December 2018
JN Wheeler	01 December 2018

Meetings held by the Audit Committee

The audit committee performed the duties laid upon it by Section 94(7) of the Companies Act of South Africa, as amended by holding meetings with the key role players and by the unrestricted access granted to the external auditors. The committee held meetings on 26 March 2020, 27 October 2020 and 17 March 2021 during which it fulfilled its responsibilities in terms the audit committee charter, in order to be able to recommend approval of the Company's financial statements to the Board.

Expertise and experience of finance function

Absa Secretarial Services Proprietary Limited, as Company Secretary provides ongoing Company Secretarial administration to Commissioner Street No. 10 (RF) Limited. Absa Group Limited, acting through its Corporate and Investment Banking Division ("CIB") is the administrator of the Issuer. The committee satisfied itself that the composition, experience and skills set of the finance function met the Company's requirements.

Independence of external auditors

The committee satisfied itself through enquiry that the external auditors are independent as defined by the Companies Act of South Africa, as amended and as per the standards stipulated by the auditing profession. Requisite assurance was sought and provided in terms of the Companies Act of South Africa, as amended that internal governance processes within the firm support and demonstrate the claim to independence. The audit fee for the external audit has been considered and approved taking into consideration such factors as the timing of the audit, the extent of the work required and the scope.

(i) Discharge of responsibilities and Audited Annual Financial Statements

(ii) Following the review by the committee of the audited annual financial statements of the Company for the year ended 31 December 2020 and based on the information provided to it, the committee considers that, in all material respects, the Company complies with the provisions of the Companies Act of South Africa, as amended, International Financial Reporting Standards, and that the accounting policies applied are appropriate. Following the review of the audited annual financial statements, the committee recommended the Company's 2018 audited annual financial statements for approval to the Board on 29 March 2021. The committee further concurred with the Board and management that the adoption of the going-concern status in preparation of the annual audited financial statements is appropriate.

DocuSigned by:
B7C0DEB8EF3F4FB...

On behalf of the audit committee:

R Thanthony

Chairperson: Audit Committee

29 March 2021

Independent Auditor's Report to the Shareholders of Commissioner Street No.10 (RF) Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Commissioner Street No.10 (RF) Limited ('the company'), set out on pages 17 to 49, which comprise the statement of financial position as at 31 December 2020, and the statement of profit or loss and other comprehensive income, the statement of changes in equity and the 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 the company as at 31 December 2020, and it's 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 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. We have determined that there are no key audit matters to communicate in our report.

Emphasis of Matter

We draw attention to Note 25 to the financial statements, which indicates that that the Directors have taken a decision to deregister the entity. This condition indicates that the Entity is no longer a going concern, and that the final amounts to be received upon realization of the assets and settlement of the liabilities could vary from the amounts shown in the statement of financial position. Our opinion is not modified in respect of this matter.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the 49 page document titled "Commissioner Street No.10 (RF) Limited Audited Financial

Statements for the year ended 31 December 2020" which includes the Directors' Report, the Audit Committee's Report, and the Company Secretary's Certificate as required by the Companies Act of South Africa as well as the Corporate Governance Report. The other information does not include the financial statements and our auditor's reports 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.

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.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or related safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that Ernst & Young Inc. has been the auditor of Commissioner Street No.10 (RF) Limited for 3 years.

DocuSigned by:
Ernst & Young Inc.
0F6C6AFD5AF24A1...

Ernst & Young Inc.
Director – Jan H Labuschagne
Registered Auditor
Chartered Accountant (SA)
30 March 2021

Company registration number	2012/114143/06	
Country of incorporation and domicile	South Africa	
Date of publication	29 March 2021	
Nature of business and principal activities	The activities of Commissioner Street No. 10 (RF) Limited (the Company) are restricted by the Issuer Transaction Documents and will be limited to the issue of Notes, the purchase of the Loan Agreements, the exercise of related rights and powers and other activities referred to in the Issuer Transaction Documents or reasonably incidental to such activities.	
Directors	**Name**	**Appointment date**
	Independent non-executive directors	
	R Thanthony	01 October 2012
	JN Wheeler	01 December 2018
	OA Ferreira (Alternate)	31 January 2017
	ML De Nysschen	01 August 2018
	Executive director	
	JR Burnett	01 January 2017
Registered office	7th Floor Absa Towers West 15 Troye Street Johannesburg 2000	
Business address	7th Floor Absa Towers West 15 Troye Street Johannesburg 2000	
Postal address	PO Box 7735 Johannesburg Gauteng 2000	
Holding company	Commissioner Street Owner Trust (Trust)	
Ultimate holding company	Commissioner Street Owner Trust (Trust) - Absa Bank Limited holds 100% of the debt securities in issue and hence has control of the Company in accordance with IFRS 10. The Company is consolidated into Absa Group Limited.	
Auditors	Ernst & Young Inc. 102 Rivonia Road Sandton 2196	

Supervised by	These annual financial statements are prepared under the direction and supervision of the Product Controller Global Finance, Corporate and Investment Banking, Absa Group Limited, Gary Nyamugama, CA(SA).
Company secretary	Absa Secretarial Services Proprietary Limited (Represented by Gerrie van Rooyen)
Review of operations	The COVID-19 pandemic has had a devastating impact on the global economy and has resulted in significant changes to government actions, economic and market drivers as well as consumer behaviour. This in turn has had a significant impact on the risks that the company is exposed to. This high degree of uncertainty has forced the company to reassess assumptions, and existing methods of estimation and judgements, used in the preparation of these financial results. There remains a risk that future performance and actual results may differ from the judgements and assumptions used. The most substantial impact on the company relates to credit risk which has resulted in an increase in the company's provision for impairment losses.
Review of financial results	The financial results of the Company are set out in the attached financial statements. The results do not, in the opinion of the directors, require further explanation.

Key performance indicators	**2020** **R**	2019 R
Profit for the year	**398 110**	1 213 809
Total comprehensive income	**398 110**	1 213 809
Taxation	**(266 096)**	(444 591)
Dividends declared and paid	**-**	-
Net assets/(liabilities)	**308 817**	(89 294)
Net current assets/(liabilities)	**193 936**	(263 652)

Authorised and issued share capital	There were no changes to the authorised or issued share capital for the year under review. The share capital is disclosed in note 14.
Events after the reporting date	Events material to the understanding of these annual financial statements that occurred between the financial year end and the date of this report have been disclosed in note 26.
Going concern	The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern.
Special resolution	No special resolutions were passed during the year.

COMMISSIONER STREET NO.10 (RF) LIMITED
(Registration number: 2012/114143/06)
STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 December 2020

	Notes	2020 R	2019 R
Investment income	4	**57 924 767**	92 077 003
Other expenses	6	**(1 020 177)**	(1 074 976)
Finance costs	5	**(56 103 877)**	(90 192 277)
Expected credit loss	6	**(136 506)**	848 650
Profit before tax		**664 207**	1 658 400
Taxation	7	**(266 096)**	(444 591)
Profit for the year		**398 111**	1 213 809
Total comprehensive income for the year, net of tax		**398 111**	1 213 809

COMMISSIONER STREET NO.10 (RF) LIMITED
(Registration number: 2012/114143/06)
STATEMENT OF FINANCIAL POSITION
As at 31 December 2020

	Notes	2020 R	2019 R
Assets			
Non-current assets			
Loans and advances	9	**-**	700 000 000
Deferred tax assets	12	**114 881**	174 358
Total non-current assets		**114 881**	700 174 358
Current assets			
Trade receivables	10	**28 660**	-
Loans and advances	9	**704 713 234**	208 650 836
Current tax assets	16	**175 803**	291 405
Cash and cash equivalents	17	**1 527 277**	775 800
Total current assets		**706 444 974**	209 718 041
Total assets		**706 559 855**	909 892 399
Equity and liabilities			
Equity			
Capital and reserves			
Share capital	14	**100**	100
Retained income/(accumulated loss)		**308 717**	(89 394)
Total equity		**308 817**	(89 294)
Liabilities			
Non-current liabilities			
Debt securities in issue	11	**-**	700 000 000
Total non-current liabilities		**-**	700 000 000
Current liabilities			
Trade and other payables	13	**429 175**	354 897
Debt securities in issue	11	**704 874 109**	208 679 041
Related party payables	23	**947 754**	947 755
Total current liabilities		**706 251 038**	209 981 693
Total liabilities		**706 251 038**	909 981 693
Total equity and liabilities		**706 559 855**	909 892 399

COMMISSIONER STREET NO.10 (RF) LIMITED
(Registration number: 2012/114143/06)
STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2020

	Share capital R	Retained income/(accumulated loss) R	Total equity R
Balance at 1 January 2019	100	(1 303 203)	(1 303 103)
Total comprehensive income for the year	-	1 213 809	1 213 809
Balance at 31 December 2019	100	(89 394)	(89 294)
Note	14		
Balance at 1 January 2020	**100**	**(89 393)**	**(89 293)**
Total comprehensive income for the year	**-**	**398 110**	**398 110**
Balance at 31 December 2020	**100**	**308 717**	**308 817**
Note	14		

STATEMENT OF CASH FLOWS
for the year ended 31 December 2020

	Notes	2020 R	2019 R
Cash flows from operating activities			
Cash used in operations	15	**(974 560)**	(1 098 081)
Investment income	19	**61 725 863**	92 557 499
Finance costs paid	18	**(59 908 809)**	(90 998 389)
Income taxes paid	16	**(91 017)**	(557 779)
Net cash generated by/(used in) operating activities		**751 477**	(96 750)
Cash flows from investing activities			
Loans and advance settled		**200 000 000**	200 000 000
Net cash generated by investing activities		**200 000 000**	200 000 000
Cash flows from financing activities			
Debt securities in issue settled		**(200 000 000)**	(200 000 000)
Net cash used in financing activities		**(200 000 000)**	(200 000 000)
Net increase/(decrease) in cash and cash equivalents		**751 477**	(96 750)
Cash and cash equivalents at the beginning of the year		**778 416**	875 166
Cash and cash equivalents at the end of the year	17	**1 529 893**	778 416

1. STATEMENT OF COMPLIANCE

The annual financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and the interpretations issued by the International Financial Reporting Interpretations Committee of the IASB (IFRS-IC) and the requirements of the Companies Act of South Africa, as amended.

2. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these annual financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS

During the current year, the Company has adopted all of the new and revised standards and interpretations issued by the IASB and the IFRS-IC that are relevant to its operations and effective for annual reporting periods beginning on 1 January 2020. For details of the new and revised accounting policies refer to note 27.

2.2 BASIS OF PREPARATION

The financial statements have been prepared on the historical cost basis. The principal accounting policies are set out below.

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern.

The financial statements are presented in South African Rands (R), the presentation currency of the Company.

2.3 REVENUE RECOGNITION

INVESTMENT INCOME

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 flows through the expected life of the financial instrument to that instrument's net carrying amount on initial recognition.

The Company also presents as part of investment income, albeit separate from effective interest income and effective interest expense, other interest income and other interest charges, which are not calculated on the effective interest method.

2.4 TAXATION

Income tax expense represents the tax payable on the current period's taxable income adjusted by changes in deferred tax assets and liabilities.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 TAXATION (continued)

CURRENT TAXATION

Income tax payable on taxable profits ("current taxation") is recognised as an expense in the reporting period in which the profits arise. Income tax recoverable on tax allowable losses is recognised as a current tax asset only to the extent that it is regarded as recoverable by offset against taxable profits arising in the current or prior reporting period. Current tax is measured using tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

DEFERRED TAXATION

Deferred tax is provided in full, using the liability method, on temporary differences arising from the differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is determined using tax rates and legislation enacted or substantively enacted by the reporting date, which are expected to apply when the deferred tax asset is realised or the deferred tax liability is settled. Deferred tax assets and liabilities are only offset when there is both a legal right to set-off and an intention to settle on a net basis.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

CURRENT AND DEFERRED TAX

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

2.5 FINANCIAL INSTRUMENTS

2.5.1 INITIAL RECOGNITION OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are capitalised to the initial carrying amount of the financial asset/liability, as appropriate on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

The Company recognises financial assets and liabilities when it becomes a party to the terms of the contract, which is the trade date or the settlement date.

On initial recognition, it is presumed that the transaction price is the fair value unless there is observable information available in an active market to the contrary. The best evidence of an instrument's fair value on initial recognition is typically the transaction price. However, if fair value can be evidenced by comparison with other observable current market transactions in the same instrument, or is based on a valuation technique whose inputs include only data from observable markets then the instrument should be recognised at the fair value derived from such observable market data.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.5 FINANCIAL INSTRUMENTS (continued)

2.5.1 INITIAL RECOGNITION OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

For valuations that have made use of significant unobservable inputs, the difference between the model valuation and the initial transaction price (Day One profit) is recognised in profit or loss either on a straight-line basis over the term of the transaction, or over the reporting period until all model inputs will become observable where appropriate, or released in full when previously unobservable inputs become observable.

2.5.2 CLASSIFICATION AND MEASUREMENT OF FINANCIAL INSTRUMENTS

On initial recognition, the Company classifies its financial assets into the following measurement categories:
- Amortised cost;
- Fair value through other comprehensive income; or
- Fair value through profit or loss.

The classification and subsequent measurement of financial assets depends on:
- The business model within which the financial assets are managed; and
- The contractual cash flow characteristics of the asset (that is, whether the cash flows represent solely payments of principal and interest).

Business model assessment:
The business model reflects how the Company manages the financial assets in order to generate cash flows and returns. The Company makes an assessment of the objective of a business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The factors considered in determining the business model include:

i. how the financial assets' performance is evaluated and reported to management;
ii. how the risks within the portfolio are assessed and managed; and
iii. the frequency, volume, timing for past sales, sales expectations in future periods, and the reasons for such sales.

The Company reclassifies debt instruments when, and only when, the business model for managing those assets changes. Such changes are highly unlikely and therefore expected to be very infrequent.

Assessment of whether contractual cash flows are solely payments of principal and interest (SPPI):
In making the assessment of whether the contractual cash flows have SPPI characteristics, the Company considers whether the cash flows are consistent with a basic lending arrangement. That is, the contractual cash flows recovered must represent solely the payment of principal and interest. Principal is the fair value of the financial asset on initial recognition. Interest typically includes only consideration for the time value of money and credit risk but may also include consideration for other basic lending risks and costs, such as liquidity risk and administrative costs, together with a profit margin.

Where the contractual terms include exposure to risk or volatility that is inconsistent with a basic lending arrangement, the cash flows would not be considered to be SPPI and the assets would be mandatorily measured at fair value through profit or loss, as described below. In making the assessment, the Company considers, inter alia, contingent events that would change the amount and timing of cash flows, prepayment and extension terms, leverage features, terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse asset arrangements), and features that modify consideration of the time value of money (e.g. tenor mismatch). Contractual cash flows are assessed against the SPPI test in the currency in which the financial asset is denominated.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.5 FINANCIAL INSTRUMENTS (continued)

2.5.2 CLASSIFICATION AND MEASUREMENT OF FINANCIAL INSTRUMENTS (continued)

Debt Instruments:

Debt instruments are those instruments that meet the definition of a financial liability from the issuer's perspective, such as loans and government and corporate bonds. The Company classifies its debt instruments as follows:

- Amortised cost - Financial assets are classified within this measurement category if they are held within a portfolio whose primary objective is the collection of contractual cash flows, where the contractual cash flows on the instrument are SPPI, and that are not designated at fair value through profit or loss. These financial assets are subsequently measured at amortised cost where interest is recognised as effective interest within Interest and similar income using the effective interest rate method. The carrying amount is adjusted by the cumulative expected credit losses recognised.

Financial Liabilities

Financial liabilities that are held at amortised cost are measured in accordance with the effective interest rate method. That is, the initial fair value (which is normally the amount borrowed) is adjusted for premiums, discounts, repayments and the amortisation of coupon, fees and expenses to represent the effective interest rate of the liability.

Financial liabilities classified as held for trading are subsequently measured at fair value through profit or loss, with changes in fair value being recognised in profit or loss.

A financial liability may be designated at fair value through profit or loss if (i) measuring the instrument at fair value eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases; or (ii) if the instrument belongs to a group of financial assets or financial liabilities that are managed on a fair value basis, in accordance with a documented risk management or investment strategy. Own credit gains or losses arising from the valuation of financial liabilities designated at fair value through profit or loss are recognised in other comprehensive income and are not subsequently recognised in profit or loss.

2.5.3 EXPECTED CREDIT LOSSES ON FINANCIAL ASSETS

The Company uses a mixed approach to impairment where parameters are modelled at an individual financial instrument level or on a portfolio basis when they are only evident at this higher level. A collective approach will only be carried out when financial instruments share similar risk characteristics, which could include factors such as instrument type, collateral type, industry, geography and credit risk ratings.

The Company recognises expected credit losses based on unbiased forward-looking information. Expected credit losses are recognised on:

- financial assets at amortised cost

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.5 FINANCIAL INSTRUMENTS (continued)

2.5.3 EXPECTED CREDIT LOSSES ON FINANCIAL ASSETS (continued)

Impairment is recognised based on a three-stage approach:

Stage 1: Exposures where there has not been a significant increase in credit risk since origination. For these exposures an expected credit loss is recognised based on the credit losses expected to result from default events that are possible within 12 months of the reporting date. Interest income is calculated based on the gross carrying value of these instruments.

Stage 2: Exposures for which the credit risk has increased significantly since initial recognition. For these exposures lifetime expected credit losses should be recognised (i.e. credit losses from default events that are possible over the life of the instrument). The Company will assess whether a significant increase in credit risk has occurred based on (i) qualitative drivers including being marked as high risk or reflected on management's watch list; and (ii) quantitative drivers such as the change in the asset's cumulative weighted average lifetime probability of default (PD). Any exposure that is more than 30 days past due will also be included in this stage. Interest income is calculated based on the gross carrying value of these instruments.

Stage 3: Exposures which are credit impaired. For these exposures, expected credit losses are based on lifetime losses. Assets are considered to be credit impaired when they meet the regulatory definition of default which includes unlikeliness to pay indicators as well as any assets that are more than 90 days past due. Interest income is calculated based on the carrying value net of the loss allowance.

Lifetime expected credit losses will no longer be recognised when there is evidence that the criteria are no longer met. This could include a history of timely payment performance. The low credit risk exemption in IFRS 9 has not been adopted by the Company.

The measurement of expected credit losses must reflect:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money (represented by the effective interest rate); 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.

Expected credit losses comprise the unbiased probability weighted credit losses determined by evaluating a range of possible outcomes and considering future economic conditions. Expected credit losses are calculated (for both 12 months and lifetime losses) as a function of the exposure at default (EAD); PD and loss given default (LGD). These terms are interpreted as follows per the requirements of IFRS 9:

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.5 FINANCIAL INSTRUMENTS (continued)

2.5.3 EXPECTED CREDIT LOSSES ON FINANCIAL ASSETS (continued)

- EAD is the estimated amount at risk in the event of a default (before any recoveries) including behavioural expectation of limit usage by customers in the various stages of credit risk.
- PD is the probability of default at a particular point in time, which may be calculated, based on the defaults that are possible to occur within the next 12 months; or over the remaining life; depending on the stage allocation of the exposure.
- LGD is the difference between the contractual cash flows due and the cash flows expected to be received, discounted to the reporting date at the effective interest rate. The expectation of cash flows take into account cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms. The estimate reflects the amount and timing of cash flows expected from the enforcement of collateral less the costs of obtaining and selling the collateral. The collection of any cash flows expected beyond the contractual maturity of the contract is also included.

Lifetime of financial instruments
For exposures in stage 2 and stage 3, the maximum lifetime over which expected credit losses should be measured, is the maximum contractual period over which the Company is exposed to credit risk. The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument. In rare cases when it is not possible to reliably estimate the expected life of a financial instrument, the Company uses the remaining contractual term of the financial instrument.

Certain credit exposures include both a drawn and an undrawn component and the Company's contractual ability to demand repayment and cancel the undrawn commitment does not limit the exposure to credit losses to the contractual notice period. In this case, expected credit losses are measured over the period that the Company is exposed to credit risk, even if that period extends beyond the maximum contractual period. This applies to overdrafts, credit cards and other revolving products.

These contracts are cancellable at very short notice and they have no fixed term but credit may continue to be extended for a longer period and may only be withdrawn after the credit risk of the borrower increases, which could be too late to prevent losses. For these types of products the expected life is based on the behavioural life, i.e. the period over which there is exposure to credit risk which is not expected to be mitigated by credit actions (e.g. limit decreases) even though the contract permits immediate limit decrease.

Forward looking information
Forward-looking information is factored into the measurement of expected losses through the use of multiple expected macro-economic scenarios that are either reflected in estimates of PD and LGD for material portfolios; or adjusted through expert credit judgement where the effects could not be statistically modelled.

Write -off
Loans and debt securities are written off when there is no realistic prospect of recovery.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.5 FINANCIAL INSTRUMENTS (continued)

2.5.4 DERECOGNITION OF FINANCIAL INSTRUMENTS

Derecognition of financial assets

Full derecognition only occurs when the rights to receive cash flows from the asset have been discharged, cancelled or have expired, or the Company transfers both its contractual right to receive cash flows from the financial assets (or retains the contractual rights to receive the cash flows, but assumes a contractual obligation to pay the cash flows to another party without material delay or reinvestment) and substantially all the risks and rewards of ownership, including credit risk, prepayment risk and interest rate risk. When an asset is transferred, in some circumstances, the Company may retain an interest in it (continuing involvement) requiring the Company to repurchase it in certain circumstances for other than its fair value on that date.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same party on substantially different terms, or the terms of an existing liability are substantially modified (taking into account both quantitative and qualitative factors), such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss. Where the terms of an existing liability are not substantially modified, the liability is not derecognised. Costs incurred on such transactions are treated as an adjustment to the carrying amount of the liability and are amortised over the remaining term of the modified liability.

On derecognition of a financial instrument, any difference between the carrying amount thereof and the consideration received is recognised in profit or loss.

2.5.5 EQUITY INSTRUMENTS

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

ORDINARY SHARE CAPITAL

Proceeds are included in equity, net of transaction costs. Dividends and other returns to equity holders are recognised when declared by the board.

2.5.6 *OFFSETTING*

In accordance with IAS 32 Financial Instruments: Presentation, the Company reports financial assets and financial liabilities on a net basis on the statement of financial position only if there is a current legally enforceable right to set off the recognised amounts and there is intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.6 BASIS OF PREPARATION

In addition to the basis of preparation as per Note 2.2, the following is also applicable to the basis of preparation of the company.

In view of the Company's loan portfolio will be realised and its debt securities in issue will be settled in full, the following has been considered in addition to the accounting policies set out above: All assets have been assessed for impairment regardless of whether any indicators for impairment was identified and all possible liabilities that might arise from the deregistration have been accrued for.

The directors have considered an alternative basis of preparation but believe that IFRS as a basis for preparation best reflects the financial position and performance of the entity. The carrying value of the assets, which were determined in accordance with the accounting policies, have been reviewed for possible impairment and changes which have occurred since the year end and consideration has been given to whether any additional provisions are necessary as a result of the decision to deregister. It is expected that all assets will realise at least at the amounts at which they are included in the statement of financial position and there will be no material additional liabilities.

2.7 CASH AND CASH EQUIVALENTS

For the purposes of the statement of cash flows, cash comprises cash on hand and demand deposits, and cash equivalents comprise highly liquid investments that are convertible into cash with an insignificant risk of changes in value with original maturities of three months or less.

2.8 SEGMENTAL REPORTING

Commissioner Street No.10 (RF) Limited issues various debt security notes which enables investors to invest in various debt instruments. The information regarding the results of the reportable segment is disclosed in the annual financial statements as currently set out. Management views the entire entity as one segment, thus no further disclosures are required in accordance with IFRS 8 Operating segments.

3. JUDGEMENTS AND ESTIMATES

In the preparation of the annual financial statements, management is required to make judgements, estimates and assumptions that affect reported income, expenses, assets, liabilities and disclosure of contingent assets and liabilities. 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 financial statements within the next financial period.

The best evidence of fair value is a quoted price in an actively traded market. In the event that the market for a financial instrument is not active, a valuation technique is used. The majority of valuation techniques employ only observable market data, and so the reliability of the fair value measurement is high. However, certain financial instruments are valued on the basis of valuation techniques that feature one or more significant market inputs that are unobservable. Valuation techniques that rely to a greater extent on unobservable inputs require a higher level of management judgement to calculate a fair value than those based wholly on observable inputs.

Fair Value of financial instruments

Valuation techniques used to calculate fair values include comparisons with similar financial instruments for which market observable prices exist, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants. Valuation techniques incorporate assumptions that other market participants would use in their valuations, including assumptions about interest rate yield curves, exchange rates, volatilities, and prepayment and default rates. When valuing instruments by reference to comparable instruments, management takes into account the maturity, structure and rating of the instrument with which the position held is being compared.

The main assumptions and estimates which management considers when applying a model with valuation techniques are:

• The likelihood and expected timing of future cash flows on the instruments. These cash flows are usually governed by terms of the instrument, although management judgement may be required when the ability of the counterparty to services the instrument in accordance with the contractual terms in doubt. Future cash flows may be sensitive to change in market rates.

3. JUDGEMENTS AND ESTIMATES (continued)

• Selecting an appropriate discount rate for the instrument. Management bases the determination of this rate on its assessment of what a market participant would regard as the appropriate spread of the rates for the instrument over the appropriate risk-free rate.

• Judgement to determine what model to use to calculate fair value in areas where the choice of valuation model particularly subjective, for example, when valuing complex derivative products.

When applying a model with unobservable inputs, estimates are made to reflect uncertainties in fair value resulting from a lack of market data inputs, for example, as a result of illiquidity in the market. For these instruments, the fair value measurement is less reliable. Inputs into valuations based on unobservable data are inherently uncertain because there is little or no current market data available from which to determine the level at which an arm's length transaction would occur under normal business condition. However, in most cases there is some market data available on which to base a determination of fair value, for example historical data, and the fair values of most financial instruments will be based on some market observable inputs even where the unobservable inputs are significant.

Expected Credit Losses

The Expected Credit Loss ("ECL") estimate was made considering all reasonable and available information, including our best estimate of the impact of multiple forward-looking economic scenarios. The ECL estimate is an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes. Models, processes and assumptions applied in making the ECL estimate, including management adjustments, costs of collection of outstanding loan exposures, collateral valuation, assessment of significant increase in credit risk and credit impaired exposures, write-off points and the definition of default have been applied consistently and are appropriate in the context of IFRS.

The ECL estimate must reflect an unbiased and probability-weighted estimate of future losses determined by evaluating a range of possible macroeconomic outcomes. Whilst economic activity across South Africa has started to recover due to the easing of lock-down restrictions, economic concerns remain due to high levels of unemployment and the risk of possible resurgence of the virus. Such risks have been incorporated in the scenarios used to calculate the Company's ECL charge at 31 December 2020.

A 40% probability weighting was applied to the baseline scenario; with a 30% probability weighting applied to both the upside and downside scenario.

The key forward looking macroeconomic information used by the credit model in the calculation of the ECL include externally sourced data on South Africa's Real Gross Domestic Product, Consumer Price Index, the Repo Rate and the Producer Price Index.

Default assets that are classified as in default are characterised by the distinct possibility that the borrower will default, and should the collateral pledged be insufficient to cover the asset, the company will sustain some loss when default occurs.

3. JUDGEMENTS AND ESTIMATES (continued)

Deferred tax

Deferred tax assets are recognised to the extent that it is probable that future taxable income will be available against which the unused tax losses can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised. Management's judgement surrounding the probability and sufficiency of future taxable profits, future reversals of existing taxable differences and ongoing developments will determine the recognition of deferred tax. The most significant management assumption in determining the deferred tax asset to be recognised is the forecasts used to support the probability assessment that sufficient taxable profits will be generated by the Company in order to utilise the deferred tax assets in the medium term.

	2020 R	2019 R
4. INVESTMENT INCOME		
Interest income		
Loans and advances - effective interest rate	**57 924 767**	92 077 003
	57 924 767	92 077 003
5. FINANCE COSTS		
Interest expense		
Interest on debt securities issued	**56 103 877**	90 192 277
	56 103 877	90 192 277

6. PROFIT FOR THE YEAR

Profit for the year is stated after taking account of the following items:

6.1 Expected credit losses

Financial assets

	2020 R	2019 R
Impairment loss recognised on cash and cash equivalents		
Stage1	**-**	(2 164)
	-	(2 164)
Impairment loss/(profit) recognised on loans and advances		
Stage1	**136 506**	(846 486)
	136 506	(846 486)
Total expected credit loss on financial assets	**136 506**	(848 650)

6.2 Auditors remuneration

	2020 R	2019 R
Audit fees	**147 716**	226 057
	147 716	226 057

	2020 R	2019 R

6. PROFIT FOR THE YEAR (continued)

6.3 Directors remuneration

	2020 R	2019 R
Directors fees	**139 334**	113 416
	139 334	113 416

6.4 Other expenses

	2020 R	2019 R
Other professional services	**-**	27 892
Administration fees and expenses	**358 849**	252 887
Strate fees	**13 652**	13 966
JSE fees	**47 512**	25 600
Credit rating agency fees	**322 153**	368 029
Bank charges	**19 622**	18 469
Tax penalty and interest	**(28 660)**	28 660
	733 128	735 503

A tax penalty and the related interest levied on the entity in the prior year was waived during the current year after a successful appeal made by the Company.

7 TAXATION

7.1 INCOME TAX RECOGNISED IN PROFIT OR LOSS

	2020 R	2019 R
Current tax		
Local normal tax - current year	**206 619**	106 543
Local normal tax - prior year adjustments	**-**	159 831
	206 619	266 374
Deferred tax		
Deferred tax recognised in the current year	**(28 666)**	178 217
Other adjustments	**88 143**	-
	59 477	178 217
Total income tax recognised in the current year	**266 096**	444 591

	2020 R	2019 R
Reconciliation between operating profit and tax expense		
Profit before tax for the year	**664 207**	1 658 401
Income tax expense calculated at 28% (2019: 28%)	**(185 978)**	(464 352)
Effect of previously unrecognised and unused tax losses and deductible temporary differences now recognised as deferred tax assets	**-**	187 617
Effect of income excluded in determining taxable profit	**8 025**	(8 025)
Adjustment in respect of expected credit loss for current and prior year	**-**	(159 831)
Other adjustments	**(88 143)**	-
Income tax expense recognised in profit or loss	**(266 096)**	(444 591)

	Balances at the beginning of the reporting period R	Current period provision R	Total R

8. CREDIT RISK RECONCILIATION - EXPECTED CREDIT LOSS ALLOWANCE

2020

	Balances at the beginning of the reporting period R	Current period provision R	Total R
Cash and cash equivalent			
Stage 1	**2 616**	**-**	**2 616**
Total expected credit losses	**2 616**	**-**	**2 616**
Loans and Advances			
Stage 1	**407 931**	**136 506**	**544 437**
Total expected credit losses	**407 931**	**136 506**	**544 437**

2019

	Balances at the beginning of the reporting period R	Current period provision R	Total R
Cash and cash equivalent			
Stage 1	4 780	(2 164)	2 616
Total expected credit losses	4 780	(2 164)	2 616
Loans and Advances			
Stage 1	1 254 417	(846 486)	407 931
Total expected credit losses	1 254 417	(846 486)	407 931

Impairments are driven by the credit health of the underlying exposures as well as macro economic assumptions applied in the impairment model. Increase in impairment expenses are mainly from the increase in the provisions held against the IDC loan, due to downgrade of IDC from a DG 7 at the beginning of the year to the current DG 10, highlighting probability of default of the client

9. LOANS AND ADVANCES

	2020 R	2019 R
Loans and advances	**705 257 671**	909 058 767
Expected credit losses	**(544 437)**	(407 931)
Total carrying amount of loans and advances	**704 713 234**	908 650 836
Maturity of loans and advances		
Current	**704 713 234**	208 650 836
Non-current	**-**	700 000 000
	704 713 234	908 650 836

Loans and advances consists of loans with the face values and related interest at floating rates referencing 3 month Jibar. The average interest rate for the loans during the current reporting was 8.75% (2019: 8.92%).All interest income was earned from Loans and Advances.

In the SoCF, the prior year signs for loans and advances settles and debts securities in issue settled were incorrect but the current year SoCF is reflecting the correct signs. The overall net increase/decrease in cash and cash equivalents was not affected by the correction of the signs.

	2020 R	2019 R

10. TRADE RECEIVABLES

	2020 R	2019 R
Other receivables	**28 660**	-
	28 660	-

SARS waived the penalty on the 2019 late provisional tax payment.

11. DEBT SECURITIES IN ISSUE

Non-current liabilities

	2020 R	2019 R
Debt Securities in issue	**-**	700 000 000
	-	700 000 000

Current liabilities

	2020 R	2019 R
Debt Securities in issue	**700 000 000**	200 000 000
Accrued interest on debt securities	**4 874 109**	8 679 041
	704 874 109	208 679 041

In terms of the Security SPV guarantee, Commissioner Street 10 Security SPV holds and can realise security for the benefits of the noteholders in the event of a default. In brief, the security consists of the Company's rights, title and interests in and to the bank accounts and permitted investments, the collateral and all other benefits and rights flowing from the aforementioned rights and interests. The default event that activates the guarantee is the Company defaulting on their notes and not the underlying borrowers defaulting on their loans.

During the year, the following cash flow items occurred:

The Company settled capital to the value of R200,000,000 (2019: R200,000,000)

Interest paid on the statement of cash flows is R59,908,809 (2019: R90,998,389).

During the prior year, the follwing non-cash flow items occurred:

Interest accrued and not settled amounted to R56,103,877 (2019: R90,192,277)

Terms and conditions of outstanding balances were as follows:

Details	**Interest rate**	**Maturity**	**2020 R**	**2019 R**
CS002 zaAA	8.75%	11/12/2020	**-**	200 000 000
CS003 zaAA	8.76%	10/08/2021	**700 000 000**	700 000 000
			700 000 000	900 000 000

	2020 R	2019 R

11. DEBT SECURITIES IN ISSUE (continued)

Non-current	**-**	700 000 000
Current	**700 000 000**	200 000 000
	700 000 000	900 000 000

12. DEFERRED TAX

Deferred tax balances

The net deferred tax asset at the end of the year is as follows:

Deferred tax assets	**114 881**	174 358

Deferred tax assets and liabilities are attributable to the following:

	Balance at 1 January R	Recognised in profit or loss R	Balance at 31 December R
2020			
Expected Credit Losses	**174 358**	**(59 477)**	**114 881**
	174 358	**(59 477)**	**114 881**
2019			
Expected Credit Losses	352 575	(178 217)	174 358
-	352 575	(178 217)	174 358

	2020 R	2019 R

13. TRADE AND OTHER PAYABLES

Directors fees	**10 033**	11 147
Administration fees and expenses	**140 840**	209 463
Audit fees	**158 695**	134 287
Rating agency fees	**100 232**	-
JSE fees	**18 069**	-
Strate	**1 306**	-
	429 175	354 897

	2020 R	2019 R

14. SHARE CAPITAL

Authorised share capital

1 000 (2019: 1 000) ordinary shares of R1 per share.	**1 000**	1 000

All issued share capital is fully paid up.

The unissued shares are under the control of the directors who may issue these shares at their discretion. There has been no movement in the issued shares in the year under review.

Issued share capital

100 (2019: 100) ordinary shares of R1 per share.	**100**	100
	100	100

Unissued shares

The unissued shares are under the control of the directors as at the reporting date, in terms of a general authority to allot and issue them on such terms and conditions and at such times as they deem fit. This authority expires at the forthcoming annual general meeting of the Company.

Shares issued during the current reporting period

There were no shares issued during the current reporting period.

Shares issued during the prior reporting period

There were no shares issued during the prior reporting period.

15. CASH USED IN OPERATIONS

		2020 R	2019 R
	Profit before tax for the year	**664 207**	1 658 401
	Finance costs	**56 103 877**	90 192 277
	Investment income	**(57 924 767)**	(92 077 003)
	Expected credit losses (see note 6)	**136 506**	(848 650)
-	Cash used in operations before working capital changes	**(1 020 177)**	(1 074 975)
	Changes in working capital		
	Increase in trade and other receivables	**(28 660)**	-
	Increase/(decrease) in trade and other payables	**74 277**	(11 981)
	Decrease in amounts owing to related parties	**-**	(11 125)
	Total changes in working capital	**45 617**	(23 106)
	Cash used in operations	**(974 560)**	(1 098 081)

16. TAXATION PAID

	2020 R	2019 R
Tax receivable at the beginning of the year	**291 405**	-
Current tax expense	**(206 619)**	(266 374)
Tax receivable at the end of the year	**(175 803)**	(291 405)
	(91 017)	(557 779)

	2020 R	2019 R
17. CASH AND CASH EQUIVALENTS		
Cash and bank balances	**1 529 893**	778 416
Gross Cash and cash equivalents	**1 529 893**	778 416
Expected credit losses	**(2 616)**	(2 616)
Carrying amount	**1 527 277**	775 800
18. FINANCE COSTS PAID		
Accrued interest not paid at the beginning of the year	**(8 679 041)**	(9 485 153)
Interest accrued on debt securities in issue	**(56 103 877)**	(90 192 277)
Accrued interest not paid at the end of the year	**4 874 109**	8 679 041
	(59 908 809)	(90 998 389)
19. INVESTMENT INCOME		
Accrued interest at the beginning of the year	**9 058 767**	9 539 263
Interest accrued on loans and advances	**57 924 767**	92 077 003
Accrued interest at the end of the year	**(5 257 671)**	(9 058 767)
	61 725 863	92 557 499

	Amortised cost - debt instruments R	Amortised cost financial liabilities R	Total assets and liabilities R
20. FINANCIAL INSTRUMENTS			
20.1 CATEGORIES OF FINANCIAL INSTRUMENTS			
Assets as per Statement of Financial Position - 2020			
Loans and advances	**705 257 671**	**-**	**705 257 671**
Cash and cash equivalents	**1 529 893**	**-**	**1 529 893**
Total	**706 787 564**	**-**	**706 787 564**
Liabilities as per Statement of Financial Position - 2020			
Debt securities in issue	**-**	**704 874 110**	**704 874 110**
Related party payables	**-**	**947 754**	**947 754**
Trade and other payables	**-**	**429 174**	**429 174**
Total	**-**	**706 251 038**	**706 251 038**
Assets as per Statement of Financial Position - 2019			
Loans and advances	909 058 767	-	909 058 767
Cash and cash equivalents	778 416	-	778 416
Total	909 837 183	-	909 837 183
Liabilities as per Statement of Financial Position - 2019			
Debt securities in issue	-	908 679 041	908 679 041
Related party payables	-	947 754	947 754
Trade and other payables	-	354 897	354 897
Total	-	909 981 692	909 981 692

21. RISK MANAGEMENT

21.1 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 shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. There are no externally imposed capital requirements on the Company.

Capital consists of Share capital as set out in note 14.

21.2 FINANCIAL RISK MANAGEMENT OBJECTIVES

The Company's financial instruments consist mainly of Loans and advances, Cash and cash equivalents, Trade and other payables, Related party payables and Debt securities in issue. Exposure to interest, credit and liquidity risks arise in the normal course of business.

The Company’s business involves taking on risks in a targeted manner and managing them professionally. The core functions of the Company’s risk management are to identify all key risks for the Company, measure these risks, manage the risk positions and determine capital allocations. The Company regularly reviews its risk management policies and systems to reflect changes in markets, products and best market practice.

The Company’s aim is to achieve an appropriate balance between risk and return and minimise potential adverse effects on the Company’s financial performance. The Company defines risk as the possibility of losses or profits foregone, which may be caused by internal or external factors.

The risks arising from financial instruments to which the Company is exposed are financial risks, which include credit risk, liquidity risk, and interest rate risk.

21.3 MARKET RISK

Market risk is the risk that the Company's earnings or capital, or its ability to meet its objectives, will be adversely affected by changes in the level or volatility of market rates or prices such as interest rate, foreign exchange rate, equity prices, commodity prices and credit spreads. The Company's market risk management objectives include:

- the protection and enhancement of the statement of financial position and statement of comprehensive income and facilitating business growth within a controlled and transparent risk management framework.

- the introduction of an interest rate risk management policy which uses a sensitivity analysis to simulate changes in the market and the effects thereof.

21.4 INTEREST RATE RISK

The Company is exposed to interest rate risk because entities in the Company issue debt securities at floating interest rates.

The Company's exposure to interest rates on financial assets and financial liabilities are detailed in the liquidity management section of this note.

21. RISK MANAGEMENT (continued)

21.4 INTEREST RATE RISK (continued)

The sensitivity analyses below have been determined based on the exposure to interest rates for and non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

Interest rate sensitivity analysis

A 50 basis point increase or decrease in the interest rate would not affect the profit made by the Company as the financial assets and liabilities are priced at market interest rates which reference to 3 month JIBAR.

21.5 CREDIT RISK

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

The Company only transacts with entities that are rated the equivalent of investment grade and above.This information is supplied by independent rating agencies where available and, if not available, the Company uses other publicly available financial information and its own trading records to rate its major customers.

The Company's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the risk management committee annually.

	Gross Maximum Exposure	12 months expected credit losses - stage 1
	R	R
21.5.1 MAXIMUM CREDIT RISK EXPOSURE		
2020		
Cash and cash equivalents	**1 529 893**	**1 529 893**
Loans and advances	**705 257 671**	**705 257 671**
Total gross maximum exposure	**706 787 564**	**706 787 564**
Expected credit losses	**(547 053)**	**(547 053)**
Total financial assets per the statement of financial position	**706 240 511**	**706 240 511**

21. RISK MANAGEMENT (continued)

21.5 CREDIT RISK (continued)

21.5.1 MAXIMUM CREDIT RISK EXPOSURE (continued)

	Gross Maximum Exposure R	12 months expected credit losses - stage 1 R
2019		
Cash and cash equivalents	778 416	778 416
Loans and advances	909 058 767	909 058 767
Total gross maximum exposure	**909 837 183**	**909 837 183**
Expected credit losses	(410 547)	(410 547)
Total financial assets per the statement of financial position	**909 426 636**	**909 426 636**

21.5.2. ANALYSIS OF CREDIT RISK MITIGATION AND COLLATERAL

	Cash collateral R	Other R
2020		
Cash and cash equivalents	**1 527 277**	**-**
Loans and advances to customers	**-**	**704 713 234**
	1 527 277	**704 713 234**
2019		
Cash and cash equivalents	775 800	-
Loans and advances to customers	-	908 650 836
	775 800	908 650 836

	Loans and advances to customers R	Total R
Credit exposure by industry		
2020		
Financial services zaAA	**705 257 671**	**705 257 671**
Gross Exposure	**705 257 671**	**705 257 671**
Expected credit losses	**(544 437)**	**(544 437)**
Net Exposure	**704 713 234**	**704 713 234**

21. RISK MANAGEMENT (continued)

21.5 CREDIT RISK (continued)

	Loans and advances to customers R	Total R
Credit exposure by industry		
2019		
Financial services zaAA	708 410 548	708 410 548
Telecommunication zaAA	200 648 219	200 648 219
Gross Exposure	**909 058 767**	**909 058 767**
Expected credit losses	(407 931)	(407 931)
Net Exposure	908 650 836	908 650 836

21.6 LIQUIDITY RISK

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. The details of additional undrawn facilities that the Company has at its disposal to further reduce liquidity risk.

Liquidity and interest risk tables

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principle cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.

	Less than 1 year R	1-5 years R	Total R
Liabilities			
2020			
Debt securities in issue	**708 944 539**	**-**	**708 944 539**
Trade and other payables	**429 174**	**-**	**429 174**
Related party payables	**947 755**	**-**	**947 755**
	710 321 468	**-**	**710 321 468**
2019			
Debt securities in issue	268 273 841	741 347 172	1 009 621 013
Trade and other payables	354 897	-	354 897
Related party payables	947 755	-	947 755
	269 576 493	741 347 172	1 010 923 665

21. RISK MANAGEMENT (continued)

21.6 LIQUIDITY RISK (continued)

Assets

The following table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

	Less than 1 year R	1-5 years R	Total R
2020			
Cash and cash equivalents	**1 527 277**	**-**	**1 527 277**
Loans and advances	**709 370 292**	**-**	**709 370 292**
	710 897 569	**-**	**710 897 569**
2019			
Cash and cash equivalents	775 800	-	775 800
Loans and advances	271 119 978	743 347 614	1 014 467 592
	271 895 778	743 347 614	1 015 243 392

22. FAIR VALUE OF FINANCIAL INSTRUMENTS NOT HELD AT FAIR VALUE

All of the below financial assets and financial liabilities have carrying amounts that approximate their fair values. The disclosed fair value of these financial assets and financial liabilities measured at amortised cost approximate their carrying value because The Debt securities and loans and advances are priced at market interest rates which reference to 3 month JIBAR whilst the other assets are redeemable on demand.

	2020		2019	
	Carrying amount R	**Fair value R**	Carrying amount R	Fair value R
Financial Assets				
Cash and cash equivalents	**1 527 277**	**1 527 277**	775 800	775 800
Loans and advances	**704 713 234**	**704 713 234**	908 650 836	908 650 836
Total	**706 240 511**	**706 240 511**	909 426 636	909 426 636
Financial Liabilities				
Debt securities in issue	**704 874 110**	**704 874 110**	908 679 041	908 679 041
Trade and other payables	**429 174**	**429 174**	354 897	354 897
Related party payables	**947 754**	**947 754**	947 754	947 754
Total	**706 251 038**	**706 251 038**	909 981 692	909 981 692

22. FAIR VALUE OF FINANCIAL INSTRUMENTS NOT HELD AT FAIR VALUE (continued)

22.1. FAIR VALUE HIERARCHY

The following table provides an analysis of the Company's financial assets and financial liabilities that are not measured at fair value subsequent to initial recognition, grouped into Levels 1 to 3 based on the degree to which the instrument's fair value is observable. The classification of instruments is based on the lowest level input that is significant to the fair value measurement in its entirety.

The three levels of the fair value hierarchy are defined below.

Level 1
Items valued with reference to unadjusted quoted prices for identical assets or liabilities in active markets where the quoted price is readily available and the price represents actual and regularly occurring market transactions on an arm's length basis.
An active market is one in which transactions occur with sufficient volume and frequency to provide pricing information on an ongoing basis.

Level 2
Items valued using inputs other than quoted prices as described above for Level 1 but which are observable for the asset or liability, either directly or indirectly, such as:

- quoted price for similar assets or liabilities in an active market;
- quoted price for identical or similar assets or liabilities in inactive markets;
- valuation model using observable inputs; and
- valuation model using inputs derived from/corroborated by observable market data.

Level 3
Items valued using significant inputs that are not only based on observable market data. These include inputs based on an entity's own assumptions and assumptions applied by other market participants in pricing similar assets.

	Level 2 R	Total R

22. FAIR VALUE OF FINANCIAL INSTRUMENTS NOT HELD AT FAIR VALUE (continued)

22.1. FAIR VALUE HIERARCHY (continued)

2020

	Level 2 R	Total R
Financial Assets		
Loans and advances		
Loans and advances	**704 713 234**	**704 713 234**
	704 713 234	**704 713 234**
Financial Liabilities		
Debt securities issue		
Debt securities issue	**704 874 110**	**704 874 110**
	704 874 110	**704 874 110**
Trade and other payables		
Trade and other payables	**429 174**	**429 174**
	429 174	**429 174**
Related party payables		
Related party payables	**947 754**	**947 754**
	947 754	**947 754**

2019

	Level 2 R	Total R
Financial Assets		
Loans and advances		
Loans and advances	908 650 836	908 650 836
	908 650 836	**908 650 836**
Financial Liabilities		
Debt securities issue		
Debt securities issue	908 679 041	908 679 041
	908 679 041	**908 679 041**
Trade and other payables		
Trade and other payables	354 897	354 897
	354 897	**354 897**
Related party payables		
Related party payables	947 754	947 754
	947 754	**947 754**

22. FAIR VALUE OF FINANCIAL INSTRUMENTS NOT HELD AT FAIR VALUE (continued)

22.2. VALUATION TECHNIQUES FOR THE LEVEL 2 FAIR VALUE MEASUREMENT OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES NOT HELD AT FAIR VALUE

The table below sets out information about the valuation techniques used at the end of the reporting period in measuring financial instruments, which are not held at fair value, but whose fair value is categorised as Level 2. A description of the nature of the techniques used to calculate valuations based on observable inputs and valuations is set out in the table below:

Category of asset	Types of financial instruments	Valuation techniques applied	Significant observable inputs
Loans and advances	Interest receivable	Discounted cash flow	Jibar curves and credit spread

Category of liability	Types of financial instruments	Valuation techniques applied	Significant observable inputs
Debt securities issue	Notes issued	Discounted cash flow	Interest rate curves
Trade and other payables	Creditors	Discounted cash flow	Interest rate curves
Related party payables	Creditors	Discounted cash flow	Interest rate curves

The table below sets out information about significant unobservable inputs used at the end of the reporting period in measuring financial instruments that are not held at fair value, but whose fair value is categorised as Level 3.

Category of asset	Types of financial instruments	Valuation techniques applied	Significant unobservable inputs
Loans and advances	Interest receivable	Discounted cash flow	Jibar curves and credit spreads

Category of liability	Types of financial instruments	Valuation techniques applied	Significant unobservable inputs
Debt securities issue	Notes issued	Discounted cash flow	Interest rate curves
Trade and other payables	Creditors	Discounted cash flow	Interest rate curves
Related party payables	Creditors	Discounted cash flow	Interest rate curves

23. RELATED PARTIES

Commissioner Street Owner Trust (Trust) owns 100% of the ordinary shares in the Company.

Absa Corporate Investment Bank, a division of Absa Bank Limited, administers the Company and receives a management fee as compensation.

All Loans and advances has been purchased from Absa Bank Limited, and all Debt securities issues has been issued to Absa Bank Limited.

23. RELATED PARTIES (continued)

	Admin and management fees paid R	Interest received R	Interest paid R	Bank charges paid R	Directors fees paid R
2020					
Other					
Absa Bank Limited	**(345 000)**	**118**	**(56 103 877)**	**(19 622)**	**-**
TMF Corporate Services (South Africa) Proprietary Limited	**-**	**-**	**-**	**-**	**(140 449)**
	(345 000)	**118**	**(56 103 877)**	**(19 622)**	**(140 449)**
2019					
Other					
Absa Bank Limited	(252 887)	89	(90 192 277)	(18 469)	-
TMF Corporate Services (South Africa) Proprietary Limited	-	-	-	-	(113 416)
	(252 887)	89	(90 192 277)	(18 469)	(113 416)

23. RELATED PARTIES (continued)

	Current amounts payable R	Debt securities in issue R	Cash and cash equivalents R
2020			
Other related parties			
Absa Bank Limited	**947 754**	**704 874 110**	**1 527 277**
	947 754	**704 874 110**	**1 527 277**
2019			
Other related parties			
Absa Bank Limited	947 755	908 679 041	775 800
	947 755	908 679 041	775 800

	Directors' fees paid to TMF by other companies in the Group R	Total R
2020		
Directors compensation		
AB Finco 1 (RF) Limited	**129 302**	**129 302**
Commissioner Street No. 11 (RF) Limited	**166 537**	**166 537**
	295 839	**295 839**
	295 839	**295 839**
2019		
Directors compensation		
Commissioner Street No. 4 (RF) Limited	144 073	144 073
Commissioner Street No. 6 (RF) Limited	159 239	159 239
Commissioner Street No. 7 (RF) Limited	33 440	33 440
AB Finco 1 (RF) Limited	129 020	129 020
Commissioner Street No. 11 (RF) Limited	157 975	157 975
	623 747	623 747
	623 747	623 747

24. DIRECTORS' EMOLUMENTS

The Absa Group Limited representative director is not remunerated for services to the Company or any company in the Group as defined by the Companies Act. The Company’s directors’ fees of R139 334 (2019: R113 416) are paid to TMF Corporate Services (South Africa) Proprietary Limited for non-executive director services provided to the Company.

25. GOING CONCERN

The Company is a special purpose vehicle which was incorporated for the purpose of acquiring loan agreements to be funded by the issuance of notes in the Capital Markets.

On 10 August 2021, the Company's loan portfolio will be realised and its debt securities in issue will be settled in full. The directors have the intention to deregister the company within 12 months of the date of this report after the assets are realised and the liabilities are settled. Taking into consideration this intention (the deregistration of the Company) the directors have reason to believe the Company will continue to be a going concern up to the point which the assets are realised and the liabilities are settled. These financial statements have been prepared on a going concern basis for the following reasons:

• IAS1: Presentation of Financial Statements and IAS10: Events after the Reporting Period require that the financial statements should not be prepared on a going concern basis if management determines that it intends to liquidate the entity or to cease trading. The directors have considered an alternative basis of preparation but believe that IFRS as a basis for preparation best reflects the financial position and performance of the entity. The going concern assumption is based on a cash flow forecast which indicates that the company's loans and advances will be realised at par.

• The carrying value of the assets, which were determined in accordance with the accounting policies, have been reviewed for possible impairment and changes which have occurred since the year end, and consideration has been given to whether any additional provisions are necessary as a result of the decision to deregister. It is expected that all assets will realise at least at the amounts at which they are included in the statement of financial position and there will be no material additional liabilities. Historic data on the borrowers shows that there has not been a default on their contractual obligations in relation to the loans and advances. These have been realised at par to date. Furthermore, management has considered forward looking information in determining possible future credit events and is comfortable that the loans and advances will be realised at par. Other remaining assets constitute the bank account held with an institution with a reputable credit grading which should be realised in full. Lastly, refunds are due from the tax authority which are expected to realise in full.

Settlement of notes is also expected to be at par as the Company has not breached any of the contractual terms by ensuring that all contractual amounts due are paid according to the contractual terms. Trade and other payables, together with related party payables, will be settled as they become due and payable.

It should be noted that due to events after finalisation of the AFS, the final amounts to be received could vary from the amounts shown in the statement of financial position due to circumstances which arise subsequent to preparation of the financial statement and these variations could be material.

26. EVENTS AFTER THE REPORTING DATE

The financial statements were approved by the directors on the date in the statement of directors' responsibility.

The directors are not aware of any significant events subsequent to the reporting date that would materially impact the outcome of these financial statements as currently presented.

27. NEW ACCOUNTING PRONOUNCEMENTS

Adoption of new and revised Standards
During the current year, the Company has adopted all of the new and revised standards and interpretations issued by the IASB and the IFRS-IC that are relevant to its operations and effective for annual reporting periods beginning on 1 January 2020. The adoption of these new and revised standards and interpretations has not resulted in material changes to the Company's accounting policies.

The Company adopted the following standards, interpretations and amended standards during the year:

The Conceptual Framework	*The Conceptual Framework for Financial Reporting* sets out a comprehensive set of concepts for financial reporting, standard setting, guidance for preparers in developing consistent accounting policies, and assistance to others in their efforts to understand and interpret the standards.

New and revised International Financial Reporting Standards issued not yet effective
At the date of authorisation of these financial statements, the following standards and interpretations were in issue but not yet effective:

	Standard	**Annual periods beginning on or after**
IAS 1	*Classification of liabilities as current or non-current* - Amendments which aim to help companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current. The amendments include clarifying the classification requirements for debt a company might settle by converting it into equity.	1 January 2023

Apart from the instances detailed above the Company is in the process of assessing the potential impact that the adoption of these standards and interpretations may have on its future financial performance or disclosures in the annual financial statements.

Attestation by AFS reviewer: **True/False**

I hereby attest that the below values and any assumptions applied have been reviewed and agrees to the final signed off Annual financial statements and the above values can be relied on as accurate and final and can be used and tagged as such in the iXBRL version which is filed with the CIPC.

Gary Nyamugama, CA(SA)	**FALSE**	Tab 1000 cell F196

Mandatory Company information	FF Inputs	**Pack reference**
Declaration of audit/review opinion present	TRUE	
Declaration of Directors responsibility report present	TRUE	
Declaration of signature/s by authorised directors	TRUE	
Disclosure of Social and Ethics committee	See Absa Group Limited annual financial statements	
Full registered name of company	Commissioner Street No.10 (RF) Limited	
Registration number of company	2012/114143/06	
Date of end of reporting period	31 December 2020	
Disclosure of directors' responsibility [text block]	TRUE	
Date of approval of annual financial statements (director sign off date)	29 March 2021	
Audit partner name	J H Labuschagne	
Disclosure of directors' report [text block]	TRUE	
Date of publication of financial statements	29 March 2021	
Name of individual responsible for preparation or supervising preparation of financial statements	Steven Mulaudzi	
Name of designated person responsible for compliance	Gary Nyamugama, CA(SA)	
Professional designation of individual responsible for preparation or supervising preparation of financial statements	Product Controller Global Finance, Corporate and Investment Banking, Absa Group Limited	
Customer code	BAGL01	
Description of nature of entity's operations and principal activities	The activities of Commissioner Street No. 10 (RF) Limited (the Company) are restricted by the Issuer Transaction Documents and will be limited to the issue of Notes, the purchase of the Loan Agreements, the exercise of related rights and powers and other activities referred to in the Issuer Transaction Documents or reasonably incidental to such activities.	
Principal place of business of company	Absa Towers West	
Business address, country	Johannesburg	Tab 1000 line 132
Business address, city	Absa Towers West	Tab 1000 Line 130
Business address, postal code	15 Troye Street	Tab 1000 Line 131
Business address, street name	7th Floor	Tab 1000 Line 129
Postal address same as business address	False	
Period covered by financial statements	January to December	Tab 1000 Line 29
Description of presentation currency	South African Rands	
Nature of Financial statements	Company	
Level of Rounding applied	R	
Level of Assurance	AUDITED	
Annual financial statements audited	TRUE	
Audit report sign off date sign off	17 March 2021	

**All above values are required in the annual return, where you see @@ it means it has not been populated, please go back to your pack and populate.

Values extracted from FF

	2020 R	2019 R	
Average number of employees	**-**	-	tab 6060 line 97/tab6061 line 29(BNK)
Increase (decrease) in equity	**398 111**		
Cash and cash equivalents	**1 529 893**	778 416	
Increase (decrease) in cash and cash equivalents	**751 477**	(96 750)	
Cash flows from (used in) financing activities	**(200 000 000)**	(200 000 000)	
Cash flows from (used in) investing activities	**200 000 000**	200 000 000	
Cash flows from (used in) operating activities	**751 477**	(96 750)	
Comprehensive income	**398 110**	1 213 809	
Other comprehensive income	**-**	-	
Tax expense (income), continuing operations	**(266 096)**	(444 591)	
Profit (loss)	**398 110**	1 213 809	
Profit (loss) before tax	**664 206**	1 658 400	
Assets	**706 559 855**	909 892 399	
Equity	**308 817**	(89 294)	
Liabilities	**706 251 038**	909 981 693	

Calculations or values manually calculated and inputted into FF template

Turnover: (no rounding is applied to this value)	**57 924 767**	-	Tab 1000 cell F202
Points allocated to PI (roundup)	**58**		

Guidance on revenue

Companies act sec 164 - defines turnover as gross revenue, allowed to deduct deductions as allowed by IFRS or discounts or direct taxes

Revenue is treated within IFRS 15, and should include gross fee income (therefore excluding fee expenses)

Whilst interest income is not within the scope of IFRS 15 (that is, its included in IFRS 9), IAS 1 does refer to effective interest as a component of revenue (revenue should exclude interest expense)

No costs of income should be included in revenue

For Insurance the following should be Revenue: Gross written premium, Gross change in unearned premium, Admin fee income, Insurance benefits and claims recovered (not the reinsurance one), Interest income and investment income.

External Liabilities	**705 303 284**	Tab 1000 cell F199
Points allocated to PI (roundup)	**706**	

Liabilities less related party liabilities, deferred tax and internal provisions

Public Interest (PI) score: (as per pack)	764	Tab 1000 cell F196
Final PI recalculated with roundup	**764**	(Note this is the PI to be used for XBRL, the PI calc regulations were clarifies and 1 point per million or portion there of needs to be applied) Changed on 4 May2020.

Guidance on PI Calculation:

a number of points equal to the average number of employees of the company during the financial year;

one point for every R1 million (or portion thereof) in third party liability of the company, at the financial year end;

one point for every R1 million (or portion thereof) in turnover during the financial year; and

one point for every individual who, at the end of the financial year, is known by the company to have a beneficial interest in any of the company's issued securities;

'= Simplified formula: (Revenue + Total Liabilities - Related party liabilities -Deferred Tax)/1000 000 + Ave Employees + Beneficial interest

Maximum number of individuals with beneficial interest in securities of company, or members in case of non profit company	-	Tab 1000 lines 100-109